



# COLLECTIVE BARGAINING AGREEMENT



**Triumph Composite  
Systems, Inc.**  
*A Triumph Group Company*

**COLLECTIVE BARGAINING AGREEMENT**

**of June 04, 2010**

**BETWEEN**

**TRIUMPH COMPOSITE SYSTEMS, INC.**

**and**

**INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS, AFL-CIO  
DISTRICT LODGE 751, LOCAL LODGE 86**

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# **COLLECTIVE BARGAINING AGREEMENT**

**of June 04, 2010**

**BETWEEN**

**TRIUMPH COMPOSITE SYSTEMS, INC.**

**and**

**INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS, AFL-CIO  
DISTRICT LODGE 751, LOCAL LODGE 86**

THIS AGREEMENT, dated June 04, 2010 by and between Triumph Composite Systems, Inc., (the term "the Company" being hereinafter deemed in each instance to refer to such corporation), and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge 751 and Local Lodge 86, hereafter representing employees of the Company in the units described in Article 1 (the term "the Union" being hereinafter deemed in each instance to refer to the International Association of Machinists and Aerospace Workers, AFL-CIO).

## **ARTICLE 1**

### **UNION REPRESENTATION**

#### **Section 1.1**

The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all employees engaged in production, manufacture, maintenance, installation, repair, and all associated duties, including inspectors, tooling, transportation, building maintenance, shipping, receiving and excluding all other employees, guards and supervisors as defined by the National Labor Relations Act. Above-recognized employees assigned away from the Spokane Plant are also recognized under this Agreement.

**Section 1.2 Union Security.**

All employees within the bargaining unit as defined in this Agreement, shall become members of the Union within thirty-one (31) days following the beginning of such employment or within thirty-one (31) days following the execution of this Agreement, whichever is later, and shall thereafter maintain their membership in good standing in the Union during the life of this Agreement, as a condition of continued employment.

**Section 1.3 Satisfaction of Obligation.**

Employees who are required either to become members of the Union or maintain membership in good standing in the Union may satisfy that obligation by periodically tendering to the Union an amount equal to the Union's regular and usual monthly dues.

**Section 1.4 Failure to Satisfy Obligation.**

In the event an employee who, as a condition of continued employment, is required to become a member of the Union, or maintain his membership in good standing therein, but in any such case does not do so, the Union will notify the Company in writing, or through such other office as may be designated by the Company, of such employee's delinquency. The Company agrees to advise such employee that his employment status with the Company is in jeopardy and that his failure to meet his obligation within five (5) days will result in his termination of employment.

**Section 1.5 Explanation to Employees.**

Either the Company or the Union may explain to any employee or call to his attention, at any time, his rights and obligations under any or all provisions of this Agreement.

**Section 1.6 Indemnification.**

The Union shall indemnify, defend and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken by the Company under Section 1.4 in reliance upon representation by the Union that an employee may be lawfully discharged under Section 1.4 of this Article. Such requests for discharge shall be made by registered mail from the Directing Business Representative (or his designee) to the Director of Human Resources (or his designee).

**Section 1.7 Payroll Deduction for Union Dues and Initiation Fee.**

The Company shall make payroll deductions for the Union's initiation fee, and its regular and usual monthly dues, upon receipt by the office designated by the Company of a voluntary written assignment from the employee covering such deductions on a form mutually agreed to by the Union and the Company. The list of such deductions will be itemized to include each such employee's social security number or permanent employee number, name, and amount of deduction, and such itemization will be forwarded to the Union. The initiation fee or regular and usual monthly dues shall either be in amounts that are specified on such assignments, or pursuant to a written formula, submitted by the Union to the Company which, in either case, the Company has approved in writing in advance as being administratively practicable.

**Section 1.8 Contributions to Machinists' Nonpartisan Political League.**

Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by the Machinists' Nonpartisan Political League, the Company will thereafter make such deductions and forward them to the Machinists' Nonpartisan Political League, care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

**Section 1.9 Contributions to Guide Dogs of America.**

Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by Guide Dogs of America, the Company will thereafter make such deductions and forward them to Guide Dogs of America, care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

**ARTICLE 2****MANAGEMENT RIGHTS CLAUSE****Section 2.1**

The management of the plant and direction of the working force is vested exclusively in the Company which shall include, but in no way limit, the right to hire, promote to supervision, suspend, demote from



supervision, discipline or discharge for cause, to transfer or lay off because of lack of work or for other legitimate reasons, to determine the type of products to be manufactured and the method of manufacturing, to determine the location of the plant, or any department thereof, to determine whether components, pieces, parts or assemblies or subassemblies shall be manufactured or purchased, to determine whether inspection, research, design and maintenance services will be performed by members of the bargaining unit or purchased from others, and to plan and schedule production, determine methods and processes and means of manufacturing, to enforce reasonable plant rules on a uniform basis, and to determine what constitutes good and efficient plant practices or operation. The foregoing management rights clause is limited only by and subject to those matters specifically set forth in this Agreement.

### **ARTICLE 3**

#### **JOINT RESPONSIBILITIES OF COMPANY AND UNION**

##### **Section 3.1 Communication.**

Realizing that certain commitments from both Management and the Union are essential for the long-range success of the Company, the parties agree to take the following necessary steps to achieve both business and personal goals. By working together with mutual respect and a positive business attitude, the parties will be able to share in profit-making decisions which are necessary to carry the Company successfully through the twenty-first century.

1. The parties will work closely together in a cooperative relationship that extends from the shop floor to the top site management offices in order to solve problems quickly and effectively in a harmonious manner.
2. Both parties will work at improving communication skills in various ways. As a starting point the following commitments will be agreed to as positive means to add structured communication to the organization.
  - a) The Management of the Company will, at a minimum, agree to hold Company meetings which share honest, relevant information about past business performance and future business plans.

- b) A joint committee of Union Stewards and Management representatives will meet every other week to discuss day-to-day matters affecting the combined efforts of both parties.
- 3. In the interest of achieving a positive business operation, Union and Management representatives agree mutual responsibility "must" be shared for establishing a positive, productive work environment. To that degree, it is agreed that:
  - a) A Senior Manager will be available at all times to intercede in matters of importance on the shop floor which require immediate attention. The parties especially recognize that any behavior which outwardly shows disrespect for individuals will not be tolerated by Union or Management personnel and must be dealt with immediately.
  - b) The Company will notify the Union Business Representative, in writing (including email), within five (5) working days of any changes to Human Resources policies, procedures or changes to the Employee Handbook that affect the collective bargaining unit employees.

### **Section 3.2 Lean Manufacturing Philosophy.**

**3.2(a)** It is the intent of labor and management to promote a culture of continuous improvement. To this end, all products new and existing will be produced in keeping with lean manufacturing principles. At the time of introduction of a new product or re-configuration of an existing product, the manpower, skills requirements and IAM contractual job classifications will be identified and assigned to meet the planned production hours to manufacture the product. The employees assigned to the team will perform tasks required to manufacture and ship the product.

By applying Lean Manufacturing Principles, it is our objective to:

- Create a sense of ownership among workers.
- Make improvements an expectation of workers.
- Create a structure of teams to utilize workers' ideas.
- Be open to new ideas from teams.
- Provide workers with training required to improving technologies and strategies.

- Support teams as partners in improvements.
- Encourage a culture that permits change and experimentation to improve our processes.

In all these matters we recognize mutual support reflects mutual success. These commitments have been developed to enhance the collective bargaining procedure -- not to replace it and will not supersede other articles of this Agreement.

**3.2(b) Lean Process Improvement (“LPI”) Guidelines.** Non-bargaining unit employees can design, manufacture or modify first unit run of products, shadow boards, shop layout, cards or similar equipment to be used for test or non-production prototype purposes. Non-bargaining unit employees can perform initial equipment cleaning as part of LPI.

Only IAM employees will manufacture production parts, tools, or assemblies and perform follow-on cloning of duplicate equipment. All activities, such as clean up, floor configuration and moving of equipment after an LPI event has been completed, which has customarily and historically been performed by IAM employees, will continue to be performed by IAM employees.

The Company will not assign Spokane plant work, which has customarily and historically been performed by IAM-represented employees, to non-IAM employees working at the plant (including management employees) except for training, safety, lean process improvement, and emergencies.

**3.2(c)** The Company and the Union agree that parts, materials, tools (excluding production tooling), and other goods or products furnished by an external supplier, vendor, contractor, or subcontractor may initially be delivered, managed or presented to the Company at specific locations to be designated by the Company with input from the Union. Once a vendor or supplier delivers supplies or products to their place of rest, all further movement will be by IAM-represented employees. No bargaining unit employee will be laid off as a consequence of vendor deliveries.

**3.2(d) Computer and Phone Service Support.** It is mutually agreed that non-union and IAM represented employees can work together to support moving phones and computers. This joint effort will allow employees to move phone and computing equipment hardware, pull cables, fiber optic lines, etc. The union and the company agree that this working relationship will not initiate jurisdictional ownership, complaints or grievances.

**Section 3.3 Non-Discrimination.**

The Company and Union agree that there shall be no discrimination against any employee or applicant for employment because of race, color, sex, creed, sexual orientation, national origin, ancestry or age contrary to provisions of any Federal or State Law.

**Section 3.4 Drug-Alcohol Policy.**

The Company and the Union mutually recognize the necessity for the Company's policy on drug and alcohol abuse.

**Section 3.5 Training.**

The Company and the Union mutually recognize the necessity for a description of the qualifications and representative assignments for each job classification. The Company will continue its policy of training employees for future advancement opportunities.

**Section 3.6 Safety Committee.**

The Company agrees to create a Safety Committee consisting of equal numbers of Management Representatives and Bargaining Unit Representatives to be chosen by the respective parties.

**Section 3.7 Employee Reviews.**

The Company will review the general performance of each employee at least once annually. An Employee Evaluation Report will be completed by the employee's Supervisor. The result of this evaluation will be discussed with the employee. The employee has the right to attach his/her own comments and statements, and talk to upper management, if he/she disagrees with any part of the evaluation. There shall also be space on the evaluation form for the employee to state his/her work goals, areas for training and improvement, and promotion requests. Such evaluations are an employee communication and development tool. Upon request employees will be given a copy of their individual reviews within five (5) working days.

**ARTICLE 4****UNION REPRESENTATIVES AND UNION ACTIVITY****Section 4.1 Union to Furnish List of Representatives.**

The Union shall inform the Company in writing of the names of its Grand Lodge representatives,

officers, Business Representatives and stewards who are accredited to represent it, which information shall be kept up to date at all times. Only persons so designated will be accepted by the Company as representatives of the Union.

#### **Section 4.2 Bulletin Boards.**

The Company shall provide bulletin boards for the Union's use in areas conveniently accessible to bargaining unit employees. New and replacement boards will be at least three (3) feet by four (4) feet in size. The Union may maintain the boards for the purpose of notifying employees of matters pertaining to Union business. All notices shall be signed by a representative of the Union who is authorized by the Union to approve Union notices.

#### **Section 4.3 Union Representatives' Access to Plants.**

Union representatives will be permitted access during working hours to areas in the Company's facilities where employees in the bargaining units defined in Article 1 hereof are assigned, for the purpose of conducting Union business to the extent government or customer regulations permit.

#### **Section 4.4 Conditions Relating to Access to Plants.**

Access of Union representatives to Company facilities for the purpose of investigating complaints or claims of grievance on the part of employees or the Union shall be subject to the following:

**4.4(a)** The Company shall be required to admit only those accredited Business Representatives who are being admitted as of the effective date of this Agreement, and such other Business Representatives as may be accredited by the Union as provided in Section 4.1 above, who provide the Company with sufficient advance notice of their visit.

**4.4(b)** Business Representatives and Union representatives who are entitled under Section 4.3 to admittance to the Company's facilities shall sign in where required through the Company-designated organization at the plant. Upon being admitted, they shall proceed to the shop or organization they wish to visit, contact the supervisor then present, inform him of the purpose of their visit and obtain his permission prior to contacting any employee in such shop or organization. Such permission will be granted except where there is a substantial reason for delaying the contact due to safety conditions or the fact that a critical operation is in process. Upon leaving the plant or facility they shall sign out and return any temporary identification badges which were issued for the purpose of the specific visit.

**4.4(c)** Business Representatives and Union representatives granted admittance to the Company's facilities under this Article 4 shall not engage in organizing or campaigning for Union or political office on Company premises. This Section 4.4(c) will not be interpreted as preventing Business Representatives or Union representatives from discussing, in non-work areas during non-work periods, matters of Union membership, fees or dues, with employees who are within one of the collective bargaining units described in Article 1 of this Agreement.

**4.4(d)** Union representatives who fail to comply with the provisions of Sections 4.3, 4.4, and 4.5 shall forfeit their admittance rights.

#### **Section 4.5 Union Activity During Working Hours.**

Solicitation of Union membership or collection or checking of dues will not be conducted during working time. The Company agrees not to discriminate in any way against any employee for Union activity, but such activity shall not be carried on during working time, except as specifically allowed by the provisions of this Agreement.

#### **Section 4.6 Stewards.**

The provisions and rules regarding stewards shall be as follows:

**4.6(a)** The Union may designate one (1) employee as a steward for each seventy-five (75) employees, or fraction thereof, up to a maximum of three (3) for each shift. In the absence of the regular steward for any reason, the Union may designate a temporary steward to act for the regular steward. Such designation shall be in writing.

**4.6(b)** The effective appointment date of a steward will be the third workday following the date on which the appointment letter from the Union is received by the applicable designated office of the Company, provided the appointment is determined to be in conformance with Section 4.6(a) above.

**4.6(c)** The Company will notify the Union of cases requiring a selective reduction in the number of stewards to conform with Section 4.6(a) above. Within three (3) workdays following the date the Union receives such notice from the Company, the Union will notify the Company of the names of the appropriate number of individuals the Union desires to have deleted from the Company records as stewards. No surplus action will affect such excess stewards during such

three (3)-workday period. The above three (3)-workday waiting period will not apply in the handling of situations wherein no selective reduction is involved.

**4.6(d)** An employee while serving as a steward shall not be surplus, transferred or loaned from his job classification, or his shift so long as other employees remain in his job title, and on the shift for which he is designated as steward. If he is not eligible so to remain in his job classification, he will be offered a downgrade to the highest job classification within his normal line of promotion which is then being utilized on the shift for which he is designated as steward. If he declines such a downgrade or if he is relieved of his steward's status prior to such downgrade action, he will then be subject to normal surplus procedures as provided elsewhere in this Agreement.

**4.6(e)** Stewards will be promoted and recalled from layoff on the same basis as provided in this Agreement for other employees, except that in the event a shift in a shop is deactivated and is reactivated by the Company within one hundred twenty (120) calendar days after such deactivation, the former steward will be offered an opportunity to return to that shift provided the Company determines to utilize the steward's former job classification or a lower classification in the same job family in such shift within such one hundred twenty (120)-day period, and further provided that the former steward has not been replaced as steward by the Union in the interim.

**4.6(f)** A steward will retain his steward status while on approved medical leave of absence, provided that he has not been replaced as steward by the Union prior to expiration of such leave.

#### **Section 4.7 Departure from Work Assignment by Stewards to Investigate Complaints or Claims of Grievance.**

In order to permit a well regulated shop, each steward shall notify and obtain permission from his supervisor before leaving his work assignment for the purpose of investigating complaints or claims of grievance on the part of employees or the Union or contacting the Business Representative in regard to such claim or grievance. Such permission shall be granted except where there is a substantial reason for delaying the contact or the investigation due to safety conditions or the fact that a critical operation is in process. The supervisor may be present during any discussion relating to any complaint or grievance. However, upon the request of an employee or steward, the supervisor shall authorize a steward to participate in a private discussion with an employee or Business Representative, relating to a complaint or grievance. Discussions of the type described in Section 4.7 will require the employee or steward to clock in to "Union business." Any

charge alleging that a steward is spending an unreasonable amount of time (in excess of twenty (20) hours per month) in handling grievances or disputes, or performing other duties of stewards, shall be referred to the Director, Human Resources or Designee and discussed with the District President with a view to adjustment of such complaint. The twenty (20) hour reference above is not intended to restrict the ability of the steward to conduct Union business in excess of twenty (20) hours per month.

#### **Section 4.8 Departure from Work for Union Business.**

Except as provided in Section 4.7 above, each steward, local lodge officer or district council delegate with authorization from the Union, shall give his supervisor at least twenty-four (24)-hour advance notice if possible and clock out prior to departure from his work assignment to conduct Union business. If the work assignment given the steward, local lodge officer or district council delegate seriously interferes with the performance of his duties for the Union, or if Union business seriously interferes with his work assignment, the Company and the Union agree to cooperate in making arrangements to prevent such interference in the future. Stewards, local lodge officers and district council delegates shall not be paid for such Union business provided, that nonpayment by the Company for time spent on Union business shall not be considered as a penalty. This Section 4.8 shall apply to cases of stewards who are designated to act for Business Representatives in accordance with this Article for the temporary period the steward is authorized as a designee.

The Company agrees to grant a leave of absence without pay and without loss of seniority to any employee, not to exceed three (3) employees in number, for the purpose of attending a labor conference, it being further understood that such leaves shall not accumulate to more than ten (10) working days in any calendar year, and that such leaves of absence shall be requested by the employee in writing with as much advance notice as possible and countersigned by the Union. Additional leave or employees will not be unreasonably denied.

## **ARTICLE 5**

### **WORKWEEK, HOURS OF WORK, SHIFTS**

#### **Section 5.1 Workweek.**

The normal work schedule shall consist of five (5) consecutive workdays, Monday through Friday, followed by two (2) days of rest (Saturday and Sunday).



## **Section 5.2 Short Workweek.**

The Company, upon receiving prior agreement with the Union, may deem it advisable to work any number of employees on a short workweek. The Union and the affected employees will be notified in advance which days are to be worked and such days worked shall be consecutive.

## **Section 5.3 Shifts; Lunch Periods; Rest Periods.**

Each employee shall be assigned to a definite shift with designated times of beginning and ending. All shifts shall be an eight (8) hour and thirty (30) minute period, which shall include a thirty (30) minute unpaid lunch period. The designated times of beginning each shift during the scheduled workweek shall be: first shift - between 5:00 A.M. and 8:30 A.M.; second shift - between 1:30 P.M. and 6:00 P.M.; third shift - between 10:00 P.M. and 1:30 A.M. of the following day. Each employee shall be given a fifteen (15)-minute rest period in each half of the shift to which he is assigned, the time of starting each such rest period to be designated by the Company. Each employee who is required to report for work two (2) or more hours prior to the start of his regular shift shall receive a ten (10)-minute rest period prior to the start of his regular shift. Each employee who is scheduled to work two (2) or more hours of overtime after his regular shift shall receive a ten (10)-minute rest period prior to the start of the overtime. Changes of shift assignments shall be made on the first day of a new workweek whenever practicable.

## **Section 5.4 Shift Preference.**

In order to ensure operational efficiency, the Company shall have the exclusive right to assign employees to any shift. Subject to the foregoing, senior employees who have a shift preference on file shall be given preference over junior employees who are assigned to the same job classification and shift, junior returning non-bargaining unit employees, new hires, recalls from layoff, and promotional candidates for placement in openings in their job classification and organization. Employees who have requested downgrades will not be given preference over senior employees in their organization who have shift preferences on file. Shift preferences must be filed more than three (3) working days prior to an organization effecting a shift change or declaring a job opening by submission of a dated open requisition. If an employee does not file a shift preference, it shall be assumed that he is on his preferred shift. If an employee does file a shift preference, it shall be assumed that it is his shift preference, and the Company shall have the right to act on it. Under no circumstances will the provisions of this Section 5.4 be construed to enable an employee, at his instance and request, to displace a less senior employee from his job and shift.

**5.4(a)** As stated, shift preferences as defined will not apply in instances where the exercise of such rights would affect the efficiency of Company operations in any organization on any shift. When such instances arise, it shall be the responsibility of the Company to prepare an exception request. Exception requests shall be discussed with the Union prior to submittal for final approval.

**5.4(a)(1)** When staffing a new shift, the Company maintains the right to assign employees necessary to accomplish the work, including the right to assign employees with key skills regardless of their shift preference. The Company will attempt to complete such staffing from volunteers, assignments from other shifts in reverse seniority order, promotions, and new hires.

**5.4(a)(2)** When senior employees are displaced from their shift of preference during a staffing exercise, the displaced employee shall be given, in writing, a date of return to the preferred shift he was on as soon as possible, no later than seven (7) calendar days.

**5.4(b)** The Company will de-staff a shift in the following order: first, by shift preference filings, and second, in reverse seniority order among remaining employees. In cases where the shift is to be eliminated, employees will be notified in advance and given the opportunity to file a timely shift preference.

## **ARTICLE 6**

### **RATES OF PAY**

#### **Section 6.1 Definitions.**

The meanings of certain terms used in this Article 6 and elsewhere in this Agreement are stated below:

**6.1(a) Base Rate.** An employee's hourly rate of pay determined under the applicable provisions of Sections 6.2 and 6.3, excluding all allowances, differentials, adjustments, bonuses, awards, and premiums.

**6.1(b) Base Rate Ranges.** The minimum and maximum rates of pay for each job classification established under Section 6.2(a).

**Section 6.2 Base Rates.** The following base rate ranges will be effective June 04, 2010:

6.2(a) Base Rates

<b>Job Classification</b>	<b>Minimum Rate of Pay</b>	<b>06/04/2010 Max.</b>	<b>06/01/2011 Max.</b>	<b>06/01/2012 Max.</b>
Production Mechanic A	\$13.36	\$26.94	\$26.94	\$26.94
Production Mechanic B	\$11.00	\$24.29	\$24.29	\$24.29
Maintenance Mechanic A	\$15.91	\$29.59	\$29.59	\$29.59
Maintenance Mechanic B	\$14.21	\$27.86	\$27.86	\$27.86
Inspection Mechanic A	\$14.21	\$27.86	\$27.86	\$27.86
Inspection Mechanic B	\$12.51	\$26.06	\$26.06	\$26.06
Tooling Mechanic A**	\$15.21	\$28.86	\$28.86	\$28.86
Tooling Mechanic B**	\$13.51	\$27.06	\$27.06	\$27.06
Development Mechanic A	\$16.91	\$30.69	\$30.69	\$30.69
Development Mechanic B	\$15.21	\$28.96	\$28.96	\$28.96

\*\* \$1.00 added

In all pay situations under this Agreement, the sequence of increases will be general wage increases first, then seniority progression increases under Section 6.3(a).

**6.2(b) New Hires.** New employees will be paid a base rate within the base rate range established by Section 6.2(a) for their job classification.

**6.2(c) Recalls from Layoff.** An employee who is recalled from layoff through the exercise of seniority rights, will have the following base rate:

**6.2(c)(1)** If the employee is recalled to the same job classification from which he was laid off, he will be paid at the base rate in effect on the date of his layoff.

**6.2(c)(2)** If the employee is recalled to either a higher or lower job classification than the one from which he was laid off, his base rate will be determined first by treating him as though he had been recalled to the same job classification under Section 6.2(d)(1) and then reclassified under Section 6.3(d).

**6.2(d) Returns from Leaves of Absence.** An employee on approved leave of absence who returns to the active payroll will have the following base rate:

**6.2(d)(1)** If the leave of absence was granted due to industrial injury or industrial illness, military service, or to accept a full-time Union position, the employee's base rate will be equal to the base rate he would have had if he had not been on a leave of absence.

**6.2(d)(2)** If the leave of absence was granted for any other reason, his base rate will be determined as though he had been recalled from layoff under Section 6.2(c).

### **Section 6.3 Base Rate Changes.**

**6.3(a) Seniority Progression Increases.** On the Monday immediately preceding their six (6)-month anniversary of the date of hire or date of the last seniority progression increase, employees below the rate range maximum for their job classification shall, subject to such maximum, receive a seniority progression increase to their base rate of sixty-five cents (\$0.65). Employees on approved leave of absence will continue to accrue time toward their next six (6)-month progression increase for the first ninety (90) days of the leave. Employees, recalled from layoff will be credited with any time they had prior to their layoff toward their next six (6)-month progression increase.

No more than eighteen (18) seniority progression increase steps shall be required before an employee is advanced to the top of the wage range, unless the employee's SPIs are changed by promotion, demotion, or change to a new job classification line.

**6.3(b)** All employees on the-effective date of this Agreement whose wage is above the maximum rate shall retain that rate and be eligible for any future general wage increases.

### **6.3(c) Lump Sum Bonus.**

**6.3(c)(1)** Bargaining unit employees on the payroll effective June 04, 2010, who meet the qualifications listed below will receive a lump sum bonus of four thousand dollars (\$4,000.00) paid on June 18, 2010.

**6.3(c)(2)** Bargaining unit employees on the payroll effective June 01, 2011, who meet the qualifications listed below will receive a lump sum bonus of two thousand one hundred fifty dollars (\$2,150.00) paid on June 17, 2011.

**6.3(c)(3)** Bargaining unit employees on the payroll effective June 01, 2012, who meet the qualifications listed below will receive a lump sum bonus of two thousand one hundred fifty dollars (\$2,150.00) paid on June 15, 2012.

Seniority employees as of June 1 each year are eligible, and also probationary employees on June 1 are eligible for a pro-rated bonus as described below, if they subsequently earn seniority.

All Company straight-time compensated hours, whether actually worked or paid leave, such as vacation, holiday, or PTO, will count as an hour worked for the pro-rated formula below.

Workers' compensation leave or military leave time shall count as hours worked (up to eight (8) hours a day, forty (40) hours a week).

IAM employees who worked less than full time during the twelve (12) months prior to June 1 of any year, for example, employees on other types of leaves (other than military or workers' compensation), or new hires in the twelve (12) months prior to June 1, will receive a bonus as follows:

- a. Employees who have a minimum of one thousand forty (1,040) straight-time compensated hours in the twelve (12) months prior to June 1 – full bonus
- b. Employees who have less than one thousand forty (1,040) straight-time compensated hours in the twelve (12) months prior to June 1 – bonus pro-rated according to formula:

$$\frac{\text{Straight-time compensated hours}}{1,040 \text{ hours}} = \text{Percent of bonus payment}$$

**6.3(d) Base Rates After Reclassifications.** Subject to the base rate ranges provided for in Section 6.2(a), employees who are promoted will have their base rate increased by one dollar (\$1.00) or to the minimum for the job classification, whichever is greater and employees who are

downgraded will have their base rate decreased by one dollar (\$1.00) or to the maximum for the job classification, whichever is less.

#### **Section 6.4 Cost of Living.**

Employees covered by this Agreement shall receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in this Section 6.4.

Seniority employees will be eligible to receive COLA increases as defined below. This payment will be based on months of active service and prorated accordingly. COLA calculations will be cumulative from each six (6) month period to six (6) month period.

- A. The Company agrees to a COLA which shall be adjusted, as set forth below, for changes in the cost of living during the life of this Agreement.
- B. Eligibility for COLA is extended to employees in the bargaining unit, including those on leaves of absence on a pro-rated basis as indicated above.
- C. The basis for determining COLA will be as follows: The COLA will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (United States City Average, All Items, 1982-84=100), published monthly by the Bureau of Labor Statistics (BLS), United States Department of Labor, and hereinafter referred to as the "BLS Consumer Price Index."
- D. The amount of the COLA which shall be effective for the periods provided below shall be based on the percent of increase between the average for the prior six (6) months and the Peg Point (213.34 equals \$0.00) with one cent (\$0.01) adjustment for each full 0.075% change in the average BLS Consumer Price Index for the appropriate six (6) month period indicated.
- E. The COLA shall be calculated and paid on a semi-annual basis, in the form of a lump sum payment. Said payment will be paid on or before September 1 and March 1 of each year.

- F. No adjustments, retroactive or otherwise, shall be made due to any revision, which may later be made in the published figures of the BLS Consumer Price Index for any base month.

The parties agree that the continuance of the COLA is dependent upon the availability of the official monthly BLS Consumer Price Index in its present form and calculated on the same basis as the BLS Consumer Price Index for the second six (6) months, calendar year 2010.

NOTE: Thirteen payroll periods constitute the referenced six (6) months. The Company will pay five-sixths (5/6), or 83.33%, of the COLA applicable to the period January 1, 2013 through June 30, 2013, regardless of whether a renewal contract is negotiated and regardless of its terms.

### **Section 6.5 Gain Sharing Program.**

The Company and Union will continue the current productivity-based incentive plan. This Gain Sharing Program is designed to motivate employees to meet or exceed production goals, established by management, with a payment not to exceed twice their normal weekly pay. Changes in the gain sharing formula, criteria, or structure shall be made at Company discretion after consultation with the Gain Sharing Committee and Business Representative.

### **Section 6.6 Shift Differentials.**

**6.6(a)** An employee assigned to the second or third shift shall receive a shift differential of seventy-five cents (\$0.75) per hour which shall be added to his base rate and made a part thereof.

### **Section 6.7 Jury Duty, Witness Duty, Military Leave, Bereavement Leave.**

**6.7(a) Jury Duty.** An employee absent from work due to (1) required jury duty (including grand jury duty), (2) to testify as a witness for the Company, (3) to respond to a subpoena to appear as a witness in any legal proceeding, (4) to appear at an arbitration resulting from the referral, by a court, for a lawsuit that has been filed with the court (excluding arbitration pursuant to a Collective Bargaining Agreement or other contractual provisions) or (5) to respond to a subpoena to appear for a deposition will be paid for such lost hours at his current straight time rate, up to a maximum of eight (8) hours per day, for each regular work day of required jury or witness duty. Employees will be excused from their scheduled shift for each day they serve if they miss four (4) hours of their shift for such duty. In addition, an employee will not be required to report to work prior to jury duty, but shall report back to work if released from jury

duty before noon. Second and third shift employees summoned to jury or witness duty will be temporarily assigned to first shift on a weekly basis during the time required to serve. Fees received for jury or witness duty will not be deducted from such pay. To be eligible for time off with pay, the employee must furnish a copy of this summons or subpoena to management, before the appearance, to indicate that the absence from work is necessary to appear for a jury duty or to serve as a witness. In addition, management may require verification of such appearance. An employee is not entitled to pay under this Section 6.7(a) in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his own behalf in an action in which he is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his outside employment or outside business activities; or (5) is subpoenaed as a witness while on leave of absence except when serving as a Company witness.

If an employee (regardless of shift assignment) is called for jury duty, his/her shift assignment will be considered as first shift, with a start time of 8:00 a.m. The effect of this would be if an employee is called for jury duty and is released before noon, he/she would be required to return to the plant and work until 4:30 p.m.

**6.7(b) Military Leave.** An employee who is a member of a reserve component of the Armed Forces, who is absent due to required active annual training duty or temporary special services duty, shall be paid his normal straight time earnings, including shift differential where applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two (2) training periods in one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be excused on unpaid authorized leave of absence. The amount due the employee under this Section 6.7(b) shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government.



**6.7(c) Bereavement Leave.** Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his immediate family, takes time off from work during his normal work schedule as such term is defined in Section 5.1 of this Agreement. Such pay shall be for eight (8) hours at his straight time base rate, including shift differential where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section 6.7(c) the "immediate family" is defined as follows: spouse, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half-brother, half-sister, brother-in-law, sister-in-law and spouse's grandparents. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death which has been certified by the attending physician.

#### **Section 6.8 Garnishments.**

In cases of dismissal or suspension of an employee because of writs of garnishment served upon the Company in litigation involving claims of third parties against such employee, such a dismissal or suspension will be treated as a dismissal or suspension and will be subject to the grievance procedure.

#### **Section 6.9 Paydays.**

Paydays for employees under this Agreement on all shifts shall be on or before Friday of every second week at which time they will be paid, via direct deposit, through Friday of the preceding week, except when circumstances intervening beyond the Company's control make such practice impossible. When a holiday falls on Friday during the normal payday week, direct deposits will be made on the preceding Thursday.

#### **Section 6.10 Report Time.**

**6.10(a)** If an employee reports for work in accordance with instructions, he shall receive a minimum of four (4) hours pay at his straight time base rate, including shift differential where applicable. Report time will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day. An

employee who leaves work because of incapacity due to industrial injury or illness will be paid eight (8) hours pay at his straight time base rate, including shift differential where applicable.

**6.10(b)** In the event of an emergency such as fire, flood, power failure, snow, etc., beyond the control of the Company (lack of work cannot be construed as an emergency) or where the employee voluntarily quits, is laid off, or is discharged, the foregoing requirement shall not be applicable and the employee shall be paid for actual time worked.

**6.10(c)** In an emergency, prior to shift report time, the Employer will make an effort, by telephone or radio to notify the employees not to report for work and employees should call the Company status line and listen to the local media to find out whether to report to work.

### **Section 6.11 Overtime.**

**6.11(a)** The normal working day shall consist of eight (8) hours, and the normal workweek shall consist of forty (40) hours.

**6.11(b)** All time worked in excess of eight (8) hours in one (1) day shall be paid at time and one-half for the first two (2) hours and then double time thereafter.

**6.11(c)** All time worked on Saturday shall be paid at time and one-half for the first eight (8) hours and double time thereafter, providing an employee has forty (40) straight time compensated hours in the current workweek unless such shortfall is due to Company actions.

**6.11(d)** All time worked on Sunday shall be paid at double time providing an employee has forty (40) straight time compensated hours in the current week plus eight (8) hours on Saturday. If an employee has no time worked on Saturday, anytime on Sunday shall be paid at time and one-half. However, if an employee has no time worked on Saturday due to Company action, overtime on Sunday will be paid at double time. All time worked on fixed holidays shall be paid at double time. The double time on holidays shall be in addition to the holiday pay specific in Article 7.

**6.11(e)** Each time any employee is called back to work after the close of his work shift, he shall be paid a minimum of three (3) hours, at applicable overtime rates.

**6.11(f)** The Company will attempt to meet its overtime requirements on a voluntary basis among the employees who perform the work on a straight time basis through the week; however, in cases of offering overtime, new hires or rehires may be excluded for the overtime for the first fifteen (15) calendar days of their employment. In the event there are insufficient qualified volunteers within the work group to meet the requirements, the supervisors may designate and require the necessary number of employees to work the overtime. Reasonable effort will be made by classification and shift to equalize overtime. An employee who has pre-approved vacation or PTO (not vacation being used in lieu of PTO) on a Friday preceding or a Monday following shall not be designated overtime on that weekend.

Employees shall not be required to work more than thirty-two (32) hours of voluntary or designated overtime in a calendar month. The Company will not assign designated overtime to an employee on more than two (2) consecutive weekends or two (2) weekends total in a calendar month. “Weekend” means Saturday or Saturday/Sunday. Employees shall not be required to work overtime on a contract holiday weekend. Any overtime in excess of these rules shall be on a voluntary basis. Overtime in excess of one hundred twenty-eight (128) hours in a calendar quarter shall be compensated at a double time rate, regardless of what the rate would otherwise have been for those hours.

The parties agree that based on Triumph’s Ceridian Payroll Calendar, payroll quarters will begin as follows:

Payroll Quarters	Payroll Quarter Beginning	Payroll Quarter Ending
2 <sup>nd</sup> – 2010	March 22, 2010	June 13, 2010
3 <sup>rd</sup> – 2010	June 14, 2010	September 19, 2010
4 <sup>th</sup> – 2010	September 20, 2010	December 26, 2010
1 <sup>st</sup> – 2011	December 27, 2010	March 20, 2011
2 <sup>nd</sup> – 2011	March 21, 2011	June 12, 2011
3 <sup>rd</sup> – 2011	June 13, 2011	September 18, 2011
4 <sup>th</sup> – 2011	September 19, 2011	December 25, 2011
1 <sup>st</sup> – 2012	December 26, 2011	March 18, 2012
2 <sup>nd</sup> – 2012	March 19, 2012	June 24, 2012
3 <sup>rd</sup> – 2012	June 25, 2012	September 16, 2012
4 <sup>th</sup> – 2012	September 17, 2012	December 23, 2012
1 <sup>st</sup> – 2013	December 24, 2012	March 17, 2013
2 <sup>nd</sup> - 2013	March 18, 2013	June 23, 2013

**6.11(g)** A supervisor will give employees who work overtime, as much notice as possible, prior to the end of their regular shift, to permit revisions of personal schedules. The Company will provide notification of designated weekend overtime no later than the first rest break on Friday. When emergency situations arise following first rest break, notification of such overtime will be provided as soon as possible.

#### **Section 6.12 Wage Payment Basis.**

Employees shall be paid for time worked in fifteen (15) minute increments, rounded off on the basis of seven and one-half (7.5) minute increments.

#### **Section 6.13 New Assignments.**

When employees are assigned to work in a higher or lower job classification, the new pay rate shall be effective in the employee's paycheck not later than the second payday subsequent to the date on which the new assignment is made.

#### **Section 6.14 Temporary Assignments.**

A temporary assignment will remain in effect for a period of not more than sixty (60) consecutive calendar days (or for ninety (90) consecutive calendar days if the assignment is a direct replacement for an employee on medical leave of absence, travel assignment, or temporary supervisory assignment) or for such longer period as may be designated by mutual agreement between the Company and the Union. The Business Representative shall be provided with notification of temporary assignments that are estimated to be in effect for sixty (60) or more days prior to or coincident with the effective date of such assignments. The foregoing time period limitation will not apply in instances where an employee is on travel assignment. Repetitive temporary assignments shall not be used to fill a permanent job opening.

### **ARTICLE 7**

### **HOLIDAYS**

#### **Section 7.1 Dates on Which Observed.**

The following holidays shall be observed by the Company for the purposes set forth in this Article 7:

<b>2010 Holidays</b>	<b>Day</b>	<b>Date of Observance</b>
Independence Day	Monday	July 05, 2010
Labor Day	Monday	September 06, 2010
Thanksgiving Day	Thursday	November 25, 2010
Friday following Thanksgiving	Friday	November 26, 2010
Winter Break	Friday	December 24, 2010
Winter Break	Monday	December 27, 2010
Winter Break	Tuesday	December-28, 2010
Winter Break	Wednesday	December 29, 2010
Winter Break	Thursday	December 30, 2010
Winter Break	Friday	December 31, 2010

<b>2011 Holidays</b>	<b>Day</b>	<b>Date of Observance</b>
Winter Break	Monday	January 03, 2011
Memorial Day	Monday	May 30, 2011
Independence Day	Monday	July 04, 2011
Labor Day	Monday	September 5, 2011
Thanksgiving Day	Thursday	November 24, 2011
Friday following Thanksgiving	Friday	November 25, 2011
Winter Break	Friday	December 23, 2011
Winter Break	Monday	December 26, 2011
Winter Break	Tuesday	December 27, 2011
Winter Break	Wednesday	December 28, 2011
Winter Break	Thursday	December 29, 2011
Winter Break	Friday	December 30, 2011

<b>2012 Holidays</b>	<b>Day</b>	<b>Date of Observance</b>
Winter Break	Monday	January, 02 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 04, 2012
Labor Day	Monday	September 03, 2012
Thanksgiving Day	Thursday	November 22, 2012
Friday following Thanksgiving	Friday	November 23, 2012
Winter Break	Monday	December 24, 2012
Winter Break	Tuesday	December 25, 2012
Winter Break	Wednesday	December 26, 2012
Winter Break	Thursday	December 27, 2012
Winter Break	Friday	December 28, 2012
Winter Break	Monday	December 31, 2012

<b>2013 Holidays</b>	<b>Day</b>	<b>Date of Observance</b>
Winter Break	Tuesday	January 01, 2013

**Section 7.2 Unworked Holidays.**

Employees shall receive eight (8) hours pay for unworked holidays (those holidays designated above), at their base rate in effect at the time the holiday occurs, plus applicable shift differential if, on the holiday, they are on the active payroll, including those on approved leave of absence for not longer than ninety (90) calendar days.

**Section 7.3 Worked Holidays.**

Employees who are required to work on the above-named holidays shall receive the pay due them for the holiday, plus double their base rate for all hours worked on such holiday, plus shift differential if applicable, unless the employee starts to work at 10:00 P.M., or thereafter on that day.

**Section 7.4 Holidays During Vacation.**

Should a holiday occur while an employee is on vacation, the employee shall be allowed to take one (1) extra day of vacation with pay in lieu of the holiday as such.

**Section 7.5 Employees on Third Shift.**

Those employees who are assigned to work on third shift shall observe holidays in accordance with Sections 7.1 through 7.4 except when Independence Day falls on a Monday, Tuesday, Wednesday or a Thursday. When this occurs, they shall observe the Independence Day holiday on the fifth of July.

## **ARTICLE 8 VACATION PLAN**

**Section 8.1 General.**

Reasonable time away from the job is conducive to good health and well being and is considered in the best interest of the employee and the Company. Each employee should have the opportunity to schedule and take vacation each year and thereby use their vacation credits, allowing adequate staffing for Company operations.

**Section 8.2 Accumulation of Vacation.**

**8.2(a)** Vacation credits are accrued on a per-compensated hour basis excluding overtime and awarded every pay period with credits increasing on the basis of established increments as follows:

<u>Company Service</u>	<u>Annual Vacation</u>
1 thru 2 years	40 hours
3 thru 4 years	80 hours
5 thru 9 years	96 hours
10 and 11 years	120 hours
12 and 13 years	128 hours
14 and 15 years	136 hours
16 and 17 years	144 hours
18 years or more	160 hours

Company service date will be used to determine the credits to be awarded. Vacation credits may accumulate to a maximum of forty (40) additional hours above Annual Vacation credit (as determined from above schedule). No additional vacation credits will be accrued until the number of credits in the account drops below the maximum.

Vacation credits will not be accrued in excess of ninety (90) calendar days on a leave of absence.

### **Section 8.3 Use of Vacation Credits.**

**8.3(a)** Subject to management approval based on Company work schedule requirements, previously awarded vacation credits may be used by the employee without limit. Management will encourage employee use of vacation for time off within the period credits are available. Use of vacation at times convenient to the employee will be arranged to the extent permitted by Company work schedule requirements, provided the employee provides the Company with twenty-four (24) hours advance notice. Once a vacation request has been submitted, the Company will respond promptly, no later than seven (7) calendar days, absent agreement to some other response time. If an employee asks for vacation within twenty-four (24) hours, the Company will answer that request before the end of the shift.

**8.3(b)** Vacations are to be taken as time off. Unused vacation credits, in excess of the maximum limit, will be paid in lieu at the employee's base rate, including shift differential where applicable if the nonuse of vacation was due to the fault of the Company.

**8.3(c)** Subject to 8.3(a), vacation credits may be used in two (2) hour increments.

**8.3(d)** Holidays occurring while an employee is on vacation are not deducted from vacation credits.

**8.3(e)** Payment for vacations will be made at the employee's base rate in effect at the time vacation is taken, including shift differential.

**8.3(f)** An employee on leave of absence shall be required to use one-half of these vacation credits at the time of the leave consistent with Articles 9 and 15, subject to the provisions of Section 8.3(c). This provision does not apply in the case of industrial illness or injury.

#### **Section 8.4 Vacation Payment on Termination.**

An employee who terminates for any reason will be paid for all unused credits in his or her vacation account through the last day worked.

### **ARTICLE 9 PAID TIME OFF (PTO)**

#### **Section 9.1.**

On the first pay period of each calendar year, eligible employees will be credited forty (40) paid time off ("PTO") hours.

PTO is to be scheduled, whenever possible, in advance (end of shift prior day). This PTO program is not intended to allow a pattern of abuse of unscheduled PTO use by employees, and such activities may be subject to the attendance policy.

Unused PTO will be cashed out no later than the second pay period of each calendar year, for the previous year.

1. If all PTO use in prior year was scheduled, 125% of unused balance will be cashed out.
2. If no PTO used at all, 150% of unused PTO balance will be cashed out.



Pre-shift call in for sickness in an eight (8) hour increment will count as a scheduled PTO. PTO use after shift has started is considered unscheduled.

Employees can use PTO in minimum of one (1) hour increments.

To be eligible for the annual forty (40) hours PTO, employees must have actually worked some part of the calendar year prior to December 31 of the year in question (forty (40) hours annual credit reduced pro-rata if employee is absent for any reason longer than ninety (90) days in prior calendar year).

PTO credit will be pro-rated for new hires, following their probationary period:

For example:

1. If hired July 01, 2010 and employee gains seniority on October 01, 2010, then he earns twenty (20) hours immediately on October 1, and forty (40) more hours on January 01 of the next year.
2. The Company will allow ten (10) hours upon hire to probationary employees; then at ninety (90) days populate their account with pro-rated forty (40) hours, but as per the above example, minus what has previously been used of the ten (10) hours new-hire credit. This ten (10) hours shall not be subject to cash out if January 01 occurs during the probationary period.
3. If employee is hired December 01, and gains seniority on March 01 of the next year, he would then vest forty (40) hours, plus one-twelfth (1/12) of forty (40) hours to account for his December work.

For FMLA, the Company requires fifty percent (50%) vacation usage first, but PTO usage is employee's choice.

PTO must be used, if available, to cover any unscheduled absence except FMLA, that is, non-FMLA unscheduled days are always PTO if PTO is available. Vacation can be used in four (4) hour increments to cover absence only after PTO is exhausted in a calendar year.

## **Section 9.2. Payout of Unused Paid Time Off (PTO).**

PTO will be paid out to an employee when his/her employment ends as follows:

- |    |   |                          |
|----|---|--------------------------|
| A. | Termination for Cause                                 | – Zero payout of balance |
| B. | Layoff  | – Full payout of balance |
| C. | Voluntary Resignation with greater than 2-week notice | – Half payout of balance |
| D. | Voluntary Resignation with less than 2-week notice    | – Zero payout of balance |

## **ARTICLE 10**

### **SAVINGS AND RETIREMENT PLANS**

#### **Section 10.1 Retirement Plan.**

**10.1(a)** Effective June 04, 2010, the Company shall contribute one dollar fifty-five cents (\$1.55) per regular hour, per employee, to the IAM National Pension Plan.

**10.1(b)** Effective June 01, 2011, the Company shall contribute one dollar sixty-five cents (\$1.65) per regular hour, per employee, to the IAM National Pension Plan.

**10.1(c)** Effective June 01, 2012, the Company shall contribute one dollar seventy cents (\$1.70) per regular hour, per employee, to the IAM National Pension Plan.

#### **Section 10.2 401(k) Savings Plan.**

The Company has developed a 401(k) Retirement Plan. The following is a summary of the plan provisions and contribution rates. Participants should refer to the plan documents for more complete information.

**10.2(a)** To be eligible, an employee must have a minimum of six (6) months of service.

**10.2(b)** The current Administrator and Custodian of Funds is the Vanguard Group, and the Company reserves the right to change custodians.

**10.2(c)** All participants are one hundred percent (100%) vested in their account balance at all times.

**10.2(d)** At the time of enrollment, each employee must file an investment election form to determine how they wish to allocate their account between equity or money market funds. The election can be changed once daily at close of markets.

**10.2(e)** Account balances are distributed to employees upon death or termination of employment. This distribution is normally made within sixty (60) calendar days following the end of the calendar quarter in which death or termination of employment occurs in a lump sum.

**10.2(f)** Employees who meet certain criteria may apply for a hardship withdrawal of any employee contributions.

**10.2(g)** Employee contributions are at the employee's option in one percent (1%) increments, subject to federal maximums. This election can be changed monthly. The maximum employee contribution allowed will be calculated by the Custodian.

**10.2(h)** Company contributions:

The Company will match 50% of the first 6% of employee contributions for the duration of this Agreement.

**10.2(i)** Both the employee and the employer contributions are remitted by the Company to the custodian on a monthly basis.

**10.2(j)** Net investment earnings are credited daily to each participant's fund.

**10.2(k)** Participants will receive reports on a quarterly basis as to the balance in their accounts and employee contributions made, if any.

**10.2(l)** Loan feature is available for withdrawal of employee contributions. Processing fees for loans are paid by employee.

**10.2(m)** Plan has internet access for participants.

**10.2(n)** A per employee fee, as determined by the Custodian, at \$23/year in 2003, will be deducted quarterly from the employee's account. This fee is negotiated annually with the Custodian and any increases are borne by the employee.

**Section 10.3 401(k) Loan Repayment While on Leave Of Absence.**

An employee, while on leave of absence who has an outstanding 401(k) loan will not be required to make loan payments while on leave. However, upon return from leave the loan will be re-amortized.

**ARTICLE 11**  
**GROUP BENEFITS**

**Section 11.1 Type of Group Benefits Program for Employees on the Active Payroll.**

The Company will provide life insurance benefits, accidental death and dismemberment benefits, short-term disability benefits, medical benefits and dental benefits for eligible employees and medical benefits and dental benefits for covered dependents of eligible employees as summarized in the document entitled Attachment A. The Company reserves the right to change or modify the benefits listed on Attachment A, so long as the benefits provided are similar to those listed in Attachment A.

The Employer agrees to provide IRS Code 125 benefits for its employees. This includes pre-tax dollars for employee's portion of health and benefits premiums, and pre-tax flexible spending accounts for use for such items as child care, health care, and other expenses.

**Section 11.2 Cost of the Group Benefits Program for Employees on the Active Payroll.**

**11.2(a) Life Insurance and Disability Benefits.** The Company will pay the full cost of the Life Insurance, Accidental Death and Dismemberment, and Short-Term Disability Plans for eligible employees.

**11.2(a)(1)** The Life Insurance benefit is two (2) times the annual base wage, including shift differential if applicable, but excluding overtime hours, to a maximum benefit of \$150,000.

**11.2(a)(2)** Short-term disability benefit \$300 per week for twenty-six (26) weeks; however, weekly benefit for disabilities covered by Workers' Compensation is \$150.

**11.2(b) Medical/Dental Benefits.** The Company and the employee will share the monthly premiums for health insurance, with employees paying fifteen (15) percent of the monthly premium for the coverage selected. The employees' share from 2011 through 2013 cannot exceed the maximum rates as noted in the tables below. Maximum rates shown in the tables below reflect possible inflationary increases up to 8% maximum. If the 15% premium payment obligation in any year exceeds the rates in the tables below for that year, TCS will pay the excess amount.

### **Current 2010 Premium Cost Sharing**

#### **2010 Medical Monthly Premiums**

	<b>Total</b>	<b>EPO Plan</b>	
		<b>TCS</b>	<b>Employee</b>
Employee	\$442.00	\$375.70	\$66.30
Emp + 1	\$884.00	\$751.40	\$132.60
Family	\$1,326.00	\$1,127.10	\$198.90

	<b>Total</b>	<b>PPO Plan</b>	
		<b>TCS</b>	<b>Employee</b>
Employee	\$488.00	\$414.80	\$73.20
Emp + 1	\$976.00	\$829.60	\$146.40
Family	\$1,464.00	\$1,244.40	\$219.60

#### **2010 Delta Dental Premiums**

	<b>Total</b>	<b>TCS</b>	<b>Employee</b>
Employee	\$33.11	\$28.14	\$4.97
Emp + 1	\$66.22	\$56.29	\$9.93
Family	\$99.32	\$84.42	\$14.90

85%/15% Premium sharing formula continue subject to these employee premium maximums. If employee 15% premium payment obligation in any year exceeds that year's employee maximum, TCS will pay the excess premium.

### 2011 Medical Monthly Premiums

<b>EPO Plan</b>	
	<b>Employee</b>
Employee	\$71.60
Emp + 1	\$143.21
Family	\$214.81

<b>PPO Plan</b>	
	<b>Employee</b>
Employee	\$79.06
Emp + 1	\$158.11
Family	\$237.17

### 2011 Delta Dental Premiums

	<b>Employee</b>
Employee	\$5.37
Emp + 1	\$10.72
Family	\$16.09

85%/15% Premium sharing formula continue subject to these employee premium maximums. If employee 15% premium payment obligation in any year exceeds that year's employee maximum, TCS will pay the excess premium.

### 2012 Medical Monthly Premiums

<b>EPO Plan</b>	
	<b>Employee</b>
Employee	\$77.33
Emp + 1	\$154.66
Family	\$232.00

<b>PPO Plan</b>	
	<b>Employee</b>
Employee	\$85.38
Emp + 1	\$170.76
Family	\$256.14

### 2012 Delta Dental Premiums

	<b>Employee</b>
Employee	\$5.80
Emp + 1	\$11.58
Family	\$17.38

85%/15% Premium sharing formula continue subject to these employee premium maximums. If employee 15% premium payment obligation in any year exceeds that year's employee maximum, TCS will pay the excess premium.

### 2013 Medical Monthly Premiums

<b>EPO Plan</b>	
	<b>Employee</b>
Employee	\$83.52
Emp + 1	\$167.04
Family	\$250.56

<b>PPO Plan</b>	
	<b>Employee</b>
Employee	\$92.21
Emp + 1	\$184.42
Family	\$276.63

### 2013 Delta Dental Premiums

	<b>Employee</b>
Employee	\$6.26
Emp + 1	\$12.51
Family	\$18.77

85%/15% Premium sharing formula continue subject to these employee premium maximums. If employee 15% premium payment obligation in any year exceeds that year's employee maximum, TCS will pay the excess premium.

**11.2(c) Quality Health Care Commitment.** The Company and Union will meet at least annually to assess health care cost and quality. The Company commits to providing access to the highest quality health care by requiring accreditation of all managed care networks by NCQA, or other nationally recognized group, and encouraging hospital and physician groups to ensure the reduction of medical errors through national efforts such as the Leapfrog Initiative.



**Section 11.3 Administration.**

The Group Benefits Program shall be administered by the insurance companies, health care contractors or administrative agents with whom the Company enters into contractual relationships for the purpose of providing and/or administering the coverage contemplated by the Group Benefits Program. No question or issue arising under the administration of such Group Benefits Program or the contracts and/or administrative agreements identified therewith shall be subject to the grievance procedure or arbitration provisions of this Agreement. No new medical or dental plans will be added or existing plans deleted without prior consultation with and notification to the Union.

**Section 11.4 Copies of Policies to be Furnished to Union.**

Copies of the policies, contracts, and administrative agreements executed pursuant to this Article shall be furnished to the Union and the coverages and benefits indicated in the Group Benefits Program, the rights of eligible employees in respect of such coverages, and the settlement of all claims arising out of such coverages shall be in accordance with the provisions, terms and rules set forth in such contracts.

**Section 11.5 Federal or State Programs.**

If during the term of this Agreement there is mandated by federal or state government a program that affords to employees covered by this Agreement similar benefits (such as but not limited to medical benefits and dental benefits) to those that are afforded by this Agreement, benefits afforded by this Agreement will be replaced by such federal or state program. The Company will comply with the provisions for the furnishing of such program to the extent required by law. No question or issue regarding the level of benefits under the state or federal program shall be subject to the grievance procedure or arbitration provisions of Article 19 of this Agreement.

**ARTICLE 12****TRAVEL REIMBURSEMENT****Section 12.1**

The Company agrees that any bargaining unit employees sent on travel assignments will receive reimbursement, subject to government standard non-taxable per diem rates, for actual meal expenses, supported by receipts, plus approved lodging and rental car expenses.

**ARTICLE 13**  
**JOB CLASSIFICATIONS — IDENTIFICATION AND APPLICATION OF**

**Section 13.1 Temporary Classifications.**

Temporary classifications may be established by the Company for new work functions for which no current job description is applicable and which require a period of time to stabilize job duties. This period shall not exceed ninety (90) days unless extended by mutual agreement. Extensions will be limited to two (2) and be granted in ninety (90) day increments. Employees will be assigned to such new work at their current classification rate. The Union will be notified of the effective date and approximate duration of the temporary classification. If the permanent job classification and description are installed at a higher classification than other classifications of the assigned employees, these employees will be paid at the higher classification rate for the time assigned to the job duties of the applicable job classifications.

**Section 13.2 Procedure for Placement, Within Job Classifications, of New or Changed Jobs.**

In the following sections of this Article, a procedure is established for the placement, within a job classification, of new jobs or jobs in regard to which, after the date of this Agreement, there has been a substantial change in job function or job description. Such procedure provides agreed upon measurements, standards and considerations to be applied in the placement of any such job within a particular job classification.

**Section 13.3 Establishment of New Jobs.**

When work operations involving new or substantially changed requirements are established after the effective date of this Agreement and such requirements are not adequately or specifically described in an existing job, the Company will describe and establish a new job in a classification based upon its existing classification rate. Before establishing a new job, the Company will discuss the change with the Union. If the classification and rate are changed, such change will be retroactive to the date of installation by the Company. In the event that the parties are unable to reach agreement on the job classification and rate of pay, such dispute may be submitted to arbitration under Article 19. However, neither the organization of work nor the determination of the job duties shall be subject to arbitration and the arbiter shall not have authority to alter a job description.

**Section 13.4 Procedure in Event of Disagreement.**

If the Union challenges the job classification rate of pay in regard to a new or changed job, Company and Union representatives shall meet promptly, at a mutually agreed time, for the purpose of attempting to

reach agreement as to the appropriate classification rate of pay. If no agreement is reached within thirty (30) calendar days, the Union may, within the next ten (10) calendar days, request that the controversy be submitted to arbitration in accordance with Article 19.

### **Section 13.5 Retroactive Payment Where Classification Rate Changed.**

If the Union challenges the classification rate of any new or changed job classification as to which the Company has discussed a revised job description to the Union, and it is determined that the job is not in the correct classification rate, the Company shall pay each employee involved at the corrected rate for time in which the employee has performed the determining duties specified in the job description subsequent to the date on which the Union notifies the Company in writing of its challenge of the classification rate placement and within forty-five (45) calendar days prior to that date.

### **Section 13.6 Misassignment Grievances.**

During the life of this Agreement, the Company shall have sole responsibility for making work assignments. The Union, however, may challenge the classification rate of any employee covered by this Agreement based on the contention that the work assigned by the Company differs from the job description to the extent and in such a manner so as to require assigning the employee to an existing or new job that would be in a higher classification rate after applying the guidelines of this Article. Disputes based on such contention may be settled in accordance with Article 19.

### **13.7 Classifications.**

**Production Mechanic A\*** = can be assigned to perform all Production Mechanic B functions, router operator, plastic rotomold machine operator, pattern making, forklift operator (including, without limitation, hazardous materials), and shaper set-up. Must have required certifications or qualifications. May be required to assign, assist and communicate instructions to other production mechanics at management discretion. Can be assigned to lead or train other production mechanics in daily work. Must demonstrate leadership, training and communications skills.

**Production Mechanic B** = can be assigned to any and all assembly and fabrication activities associated with building products including but not limited to: general cell lay-up, assembly, trim, shaper, paint, sanding, all plaster/permanent mandrel production tasks, Ultem forming, ply-cutters, product rework/repair, shipping & receiving, resin room, material distribution (including non-hazardous material fork lift operation) and area clean-up.

**Maintenance Mechanic A\*** = can be assigned to perform any Maintenance job tasks for which he or she has the appropriate qualifications, licenses and/or certifications to perform. Can be assigned to perform all Maintenance Mechanic B functions. May be required to assign, assist and communicate instructions to other maintenance mechanics at management discretion. Can be assigned to lead or train other maintenance mechanics in daily work. Must demonstrate leadership, training and communications skills.

**Maintenance Mechanic B** = can be assigned to perform all building and equipment maintenance, modification, relocation, installation, construction, demolition, and area clean-up for which he or she is qualified to perform.

**Inspection Mechanic A\*** = can be assigned to any and all inspection tasks including Material Review Board (MRB) disposition approval and First Article Inspection (FAI) where qualified and holding appropriate certifications. Can be assigned to lead and train other Inspection B technicians in daily work responsibilities. Can be assigned to lead or train other inspection mechanics in daily work. May be required to assign, assist and communicate instructions to other mechanics at management discretion. Must demonstrate leadership, training and communications skills.

**Inspection Mechanic B** = can be assigned to perform all Quality Assurance inspection activities, including MRB initiation and receiving inspections, where qualified and holding appropriate certifications. Skills and attributes must include interpersonal skills and ability to assist others regarding compliance and conformity requirements.

**Tooling Mechanic A\*** = can be assigned to perform all Tooling Mechanic B functions and all other activities as required to meet production needs. May be required to assign, assist and communicate instructions to other mechanics in daily work. Can be assigned to lead or train other tooling mechanics at management discretion. Must demonstrate leadership, training and communications skills.

**Tooling Mechanic B** = can be assigned to perform any and all tooling functions for which he or she is qualified and holds appropriate certifications.

**Development Mechanic A\*** = can be assigned to direct or participate in research, design, test, and development tasks, including materials, equipment, and processes. These tasks require the appropriate qualifications to develop and repair pneumatics, hydraulics, pressure and vacuum systems, heating

systems, electric motors and components, controls, and wiring. Must be able to set up and operate machine shop equipment, such as mills, lathes, brakes, shears, saws, surface grinders, welders, as well as various power hand tools. Assignments require strong blueprint and specification reading skills and math skills, including algebra and trigonometry. Can be assigned to perform all Development Mechanic B functions. Can be assigned to lead, train, assist, and communicate instructions to others in all functions of the job. Must demonstrate leadership, training and communication skills.

**Development Mechanic B** = can be assigned to perform research, design, test, and development tasks, including materials, equipment, and processes. These tasks can include development and/or repair of pneumatics, hydraulics, pressure and vacuum systems, heating systems, electric motors and components, controls, and wiring. Can be assigned to set up and operate machine shop equipment, such as mills, lathes, brakes, shears, saws, surface grinders, welders, as well as various power hand tools. Assignments can require strong blueprint and specification reading skills and math skills, including algebra and trigonometry.

\* A higher classified employee may perform incidental work functions of lower classifications as required to meet production needs.

Management will not require “A” classification employees to be responsible for management functions or decisions, such as formal written employee evaluations, overtime assignments, disciplinary or discharge decisions, handing out paychecks, permanent upgrades, or to be responsible for the quality or quantity of work performed by other employees. Management and “A” classification employees will communicate on all facility operational and productivity issues.

**MQA/Quality Assurance, Roles and Responsibilities** - Manufacture Quality Acceptance (MQA) is the process whereby the operator that produces a product or performs a task will also inspect and review the product and data to determine if the product/task conforms to requirements as specified on the manufacture plan. This is indicated by having the same employee stamp off each operation of his or her work as conforming to manufacturing plan requirements. The MQA process is founded on two principles:

1. Individuals are responsible for the quality of their own work.
2. It is best to prevent rather than to pass on defects.

Inspection Mechanics shall not be laid off or receive a pay reduction as a consequence of MQA implementation for the life of this Agreement.

## **ARTICLE 14**

### **SENIORITY**

#### **Section 14.1**

Employees will be recalled in seniority order and laid off in reverse seniority order within job classifications. For those employees with the same seniority date, the Company will utilize the employee's "clock number" (last 4-digits of the social security number), lowest to highest clock number to select those employees identified for layoff, and the highest to lowest clock number for recall.

#### **Section 14.2 Accumulation of Seniority.**

The seniority of an individual at any time (subject to the other sections of this Article 14) shall be:

**14.2(a)** The amount of IAM bargaining unit seniority he had immediately prior to the effective date of this Agreement for the purpose of promotions according to Job Classifications as specified in Section 13.8.

**14.2(b)** The time after such effective date that he is on the active payroll of the Company within any bargaining unit to which this Agreement relates; plus

**14.2(b)(1)** time lost by reason of industrial injury, industrial illness, or jury duty; plus

**14.2(b)(2)** time on leave of absence granted for the purpose of serving in the Armed Forces of the United States; plus

**14.2(b)(3)** time spent on authorized leave of absence for Union business; plus

**14.2(b)(4)** time spent on leave of absence granted by the Company for the purpose of permitting an employee to engage in activities requested by the Company; plus

**14.2(b)(5)** time spent on authorized leave of absence granted because of pregnancy or to cover periods of non-industrial injury or illness, not to exceed one (1) year during any such period; plus

**14.2(b)(6)** the first ninety (90) days of any other authorized leave of absence; plus

**14.2(b)(7)** time on disability retirement from any such unit provided the employee qualifies to return to the active payroll; plus

**14.2(b)(8)** time on layoff equal to length of employment not to exceed six (6) years.

### **Section 14.3 Loss of Seniority.**

**14.3(a)** An individual shall lose seniority rights for the following reasons:

**14.3(a)(1)** Resignation. (An individual who, while on leave of absence, engages in other employment or fails to report for work or to obtain renewal of his leave on or before its expiration, will be considered as having resigned.)

**14.3(a)(2)** Discipline and discharge for cause.

**14.3(a)(3)** Failure to return to work within fourteen (14) regular workdays after dispatch by certified mail, return receipt requested, of a recall from layoff unless such period is extended by the Company.

**14.3(a)(4)** An employee that is absent for more than three (3) days without notifying the Company, except that this sentence shall not be interpreted to prohibit Company discipline including discharge for absenteeism.

**14.3(a)(5)** Retirement (excludes those employees on disability retirement who qualify to return to the active payroll.)

**14.3(a)(6)** An employee who fails to report to work at the end of his vacation period without justifiable reason and without notice thereof shall be terminated and cease to have seniority.

The Company shall keep and maintain a seniority list of all employees having seniority rights, which list shall be open to inspection by the Union at all reasonable times; and upon request, a copy of the stated seniority list shall be given to the steward or the Business Representative of the Union.

Employees shall bear the responsibility of notifying the Company of proper post office addresses or any change of address, and the Company shall be entitled to rely upon the address shown by its records so obtained.

An employee with seniority who is drafted or enlists for service in the Armed Forces of the United States of America shall, if within ninety (90) days after his honorable release from such service, apply for re-employment, be restored to his former position together with all accumulated seniority in accordance with the provisions of this Agreement and the laws of the United States.

The Company may transfer or promote employees covered by this Agreement to any non-IAM positions within Triumph Composite Systems. Employees transferring to such positions shall retain their bargaining unit seniority but shall not accumulate additional seniority while they remain in such positions. The Company at any time may transfer to positions within this unit those employees who have seniority under this Article. Such transfers may be made subject only to the job return rights of others.

**14.3(b)** Any employee of the Company outside of a collective bargaining unit covered by this Agreement who is discharged or quits shall be considered a new hire without seniority if subsequently employed within the bargaining unit.

#### **Section 14.4 Nature of Seniority Rights.**

Seniority rights are those specified by effective written agreement and shall not be deemed to exist independently of such agreement.



**Section 14.5 Probationary Employees.**

Newly hired employees, for the first ninety (90) days of employment, shall be considered as on probation and without seniority. However, if a probationary employee is laid off and rehired within a period of time not in excess of the time he had previously spent as a probationary employee, he will be credited with the time previously worked toward the completion of his probationary period. Upon the completion of his probationary period, his seniority date will then be established as of ninety (90) days prior to the completion date of his probationary period.

During such ninety (90) day period, probationary employees may be laid off or terminated at the discretion of the Company. Such layoffs or terminations during the probationary period shall not be subject to the grievance and arbitration procedure.

**ARTICLE 15****LEAVE OF ABSENCE — MEDICAL LEAVE**

An employee, upon written request accompanied by proper medical documentation satisfactory to the Company, shall be granted a medical leave of absence without pay for a period of time equal to his length of service from the last date of hire or rehire to a maximum of two (2) years.

The Company may, at its discretion, require any employee to be examined at its expense by a physician of its choice. Physician to be a board certified specialist in the appropriate field.

The Company may, at its discretion, grant the employee the privilege of renewing such medical leave for a like period of time, provided that in the initial leave or any renewal thereof, the employee shall maintain contact with the Company, informing said Company of medical progress; and the Company may, at its discretion, require that the employee returning from a leave of absence be subject to a medical examination before returning to work.

The Company shall comply with the provisions of the Family and Medical Leave Act (FMLA). Eligible employees who apply for a leave under the FMLA which is not covered by other provisions of the Agreement will be required to first exhaust fifty percent (50%) of any accumulated vacation time provided under other provisions of the Agreement in accordance with Federal law.

## **ARTICLE 16**

### **PERSONAL LEAVE**

A leave of absence may be granted for personal reasons and without pay for a definite period of time not to exceed fifteen (15) working days and may be renewed for a further period upon application to the Company. Personal leaves and extensions thereof shall be at the discretion of the Company, it being understood that the Company shall give special consideration to those cases involving sickness, and his or her absence from work will not cause undue interference with production. Applications for leave and extensions shall be in writing signed by the employee and shall contain information concerning the reason for the leave and the period of leave time requested. Copies of actual leave documents and extensions shall be provided to the Business Representative of the Union upon request.

An employee who obtains a leave of absence under this provision and engages in other employment, or gives a false reason for leave of absence, or engages in other activity other than that for which the leave was granted, or shall fail to return to work at the end of the leave period will lose his or her seniority status as an employee of the Company.

Union Representative Leave of Absence. In case he/she is appointed by the President or Directing Business Representative of the Union representing the particular unit, or elected, to a full-time Union position, leave shall be granted for the period of time necessary to fill such position. If leave was granted to accept a full-time position with the Union, the employee will be returned to the job which he/she last held if such job is then populated; if such job is not then populated he/she will be returned to one of equal grade.

## **ARTICLE 17**

### **HEALTH AND SAFETY**

#### **Section 17.1 Mutual Objective.**

The Union and Company recognize the value of working together to maintain high standards of occupational health and safety throughout the Company. Both parties commit to work together to create an environment which promotes a positive approach to processes, attitudes and activities that bring about the changes necessary to achieve a workplace free of incidents, accidents and injuries. It is our intent that no employee shall be required to perform work that involves an imminent danger to health or physical safety.

**17.1(a) Health and Safety in the Workplace.** The Union and the Company are committed to working together to maintain a healthy and safe workplace. Both parties agree that all employees should be actively involved in creating a safe workplace and complying with all applicable safety and health policies and procedures. Both parties recognize that good physical health and being prepared to do physical work may reduce injuries. Together, the parties will explore methods to promote health programs.

#### **Section 17.2 Health and Safety Focal Points.**

The Union and the Company will designate a health and safety focal point for the facility. The Union will designate a Business Representative or appropriate delegate as the Union's focal point. The Company will designate the appropriate site safety manager, or his designee, as the Company's focal point. The focal points will be the contact for occupational health and safety issues at the facility. In addition, the Union focal point will represent the Union at health and safety regulatory agency site reviews requiring Union participation, including walk-around inspections and complaint investigations. All focal point assignments from the Union and the Company shall change every two (2) years.

#### **Section 17.3 Use of Safety Devices.**

**17.3(a)** The Company will furnish proper, modern and sanitary safety devices for all employees working on potentially hazardous work. It shall be mandatory for all employees to use such devices when the Company determines that they are necessary. The Company shall replace any Company approved employee provided prescription safety glasses or approved safety shoes accidentally and irreparably damaged while performing their job assignment if the employee's own negligence or lack of care was not a primary factor.

**17.3(b)** The Union and the Company have a longstanding commitment to individual employee safety and regulatory compliance. This commitment extends to issues regarding personal protective equipment and safety devices and the value of working together to create an injury-free workplace. To further their commitment, the parties have agreed that the Company will maintain a process that will provide employees up to \$75.00 per year towards the purchase of approved safety shoes where such shoes are mandatory due to regulatory compliance or Company directive.

**17.3(c)** Effective September 01, 2010, on employee request, the Company will provide prescription safety glasses to employees. Once provided, no additional prescription safety

glasses will be provided for a twenty-four (24) month period thereafter. The Company will contract with vendors either outside the plant, or who are willing to visit the plant.

#### **Section 17.4 Safety Health and Environmental Reporting Process (SHERPS).**

The parties agree that the preferred process for addressing the health and safety matters is the SHERP process. SHERPs are a tool that formally allows the employee, manager, and other parties, as needed, to work together to resolve health and safety concerns and document the solutions. Further, it is the intent of the parties to immediately resolve safety-related problems at the location where the safety or health concern arises; therefore, the parties encourage the appropriate Company and Union focal points to be an integral part of the resolution process. A copy of the closed SHERP form shall be furnished to the safety office.

#### **Section 17.5 Requirement of Medical Examination.**

In the interest of continued health and safety of individuals and their fellow employees, any applicant for employment, any employee returning from layoff or leave of absence, any employee requesting return from disability retirement or medical layoff, any employee with a medical recommendation, or any other active employee may be required by the Company to undergo a medical examination by a Health Care Provider of the Company's selection. Applicants and employees will be furnished a copy of the Health Care Provider's report and/or medical recommendation upon their request. If an employee is found to be incapable of performing the work functions of the job title because of a medical recommendation, the Company will attempt to place such employee in available work which, in the opinion of the Company, he is medically capable of performing. In the event that reassignment to a lower labor grade, denial of promotion, denial of return to active employment, involuntary separation from the payroll or other adverse action results from the Company's finding of medical disqualification, the Union may take such finding through the regular grievance channels; and such grievance, in order to be processed, (a) must be supported by medical testimony which is contradictory to the Company's findings and (b) must be filed by the Business Representative with the designated representative of the Company within seven (7) workdays after the date of such reassignment to a lower labor grade, such denial of promotion, such denial of return to active employment, such involuntary separation from the payroll or such other adverse action.

**17.5(a)** The Company will maintain emergency first aid service at other locations unless such service is available from military or other sources.

**17.5(b)** When an employee at work requires immediate medical attention by a private medical practitioner or at a hospital due to an industrial injury/illness or exposure to hazardous agents in the work environment, and the employee is not able to provide his own transportation, the Company will provide the transportation to and from the employee's normal work location. If such an employee is returned to his work location too late to use his normal transportation home, the Company will provide that transportation.

#### **Section 17.6 Medical Recommendations.**

**17.6(a)** A medical recommendation is a description of an employee's functional capabilities (i.e. physical or cognitive abilities) which are limited due to a medical condition. Medical recommendations are issued by the Company based on a review of relevant information, including information from the employee's community Health Care Provider when available.

**17.6(b)** An employee who may need a new medical recommendation or the removal of a current medical recommendation, shall have the responsibility to report to the Company designated location and provide the following information, as applicable:

**17.6(b)(1)** Upon the employee's return to work, the employee's community Health Care Provider's statement including the date the employee is released to return to work, and the employee's functional capabilities;

**17.6(b)(2)** To report for re-evaluation when the period of a time-limited medical recommendation has elapsed, with a statement from the employee's community Health Care Provider regarding the functional capabilities if available;

**17.6(b)(3)** A statement by the employee's community Health Care Provider pertaining to his medical condition, or change to such condition, including a statement of the employee's functional capacities.

If the Company agrees that the medical condition of the employee warrants the initiation, removal or modification of a medical recommendation, such action will be taken. A medical recommendation placed in an employee's folder will be removed when the medical recommendation expires, or is discontinued by the Company.

**Section 17.7 Employees with Injuries or Illnesses.**

The parties agree to follow the Company's Return to Work Policy for employees who are unable to perform any functions of their job because of injury or illness. Such policy will be mutually agreed upon by the Company and the Union.

**Section 17.8 Employee Assistance.**

The parties will cooperate in expanding employee assistance programs in order to promote the health and well-being of the workforce. These programs include the following:

**17.8(a) Wellness Programs.** The Company will emphasize programs to improve the health and wellness of the workforce. Examples would include health monitoring, exercise, hypertension classes, weight loss programs and stop-smoking classes.

**17.8(b) Joint Company-Union Alcohol and Drug Dependency Program.** The parties recognize that drug and alcohol usage can adversely affect an employee's job performance and the maintenance of a safe and productive work environment and can undermine public trust and confidence in the Company's products. Accordingly, they agree to cooperate in substance abuse awareness and education.

## **ARTICLE 18**

### **STRIKES AND LOCKOUTS**

The Union agrees that during the term of this Agreement, and regardless of whether an unfair labor practice is alleged (a) there will be no strike, sit-down, slow down, picketing, walk-out or any other interruption of work and (b) the Union will not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location. Any employee who violates this clause shall be subject to discipline. The Company agrees that during the term of this Agreement there will be no lockout of employees covered by this Agreement. Any claim by either party that the other party has violated this Article 18 shall not be subject to the grievance procedure or arbitration provisions of this Agreement, and either party shall have the right to submit such claim to the court.

## **ARTICLE 19**

### **GRIEVANCE PROCEDURE**

Should differences arise between the Company and its employees (either individually or collectively) as to the meaning and application of the provisions of this Agreement or should differences arise about matters not specifically mentioned in this Agreement having to do with wages, hours, or conditions of employment, an earnest effort shall be made to settle any such differences at the earliest possible time by use of the following procedure:

- STEP 1:** The aggrieved employee shall present his grievance to his Supervisor with a Steward present, and the grievance shall be answered by the Supervisor before the end of the second working day following the day on which the grievance was presented to the Supervisor. The grievance must be presented within ten (10) working days of the event resulting in the grievance or within ten (10) working days after the subject of the grievance is known to the employee, or shall not be considered.
- STEP 2:** If the grievance is not adjusted satisfactorily in Step 1 of the Grievance Procedure, it shall be reduced to writing, signed by the employee and/or Steward, and presented to the Senior Manager or his designee. Said Management shall meet with the Steward at a time mutually agreed upon, but in no event later than five (5) working days after receipt of such written grievance. The Management's written answer shall be given within two (2) working days following the meeting in which the limit may be extended by mutual agreement between the parties. Both the Company and the Union may have additional parties participate in meetings at this step of the Grievance Procedure, and it is understood that such persons shall have reasonable access to the plant for the purpose of discussing the grievance.
- STEP 3:** If the grievance is not satisfactorily settled, the Union may move the grievance to Step 3 within ten (10) days of receipt of the Company's written Step 2 answer. The HR Director or his designee agrees to meet with the Union Business Agent and Steward for the purpose of resolving any outstanding grievances. The Company will provide a written response to the Union within five (5) days of the Step 3 meeting.

STEP 4: Grievances not satisfactorily settled in Step 3 may be appealed to an impartial arbitrator. If the Union or the Company desires to arbitrate a grievance, they shall notify the other party in writing to that effect within thirty (30) calendar days following receipt of the Company's written Step 3 response. The parties will attempt to agree on an arbitrator. If the parties cannot agree upon an arbitrator, the grieving party will request a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service. The parties shall alternately strike names from the list until one (1) name remains; this shall be the arbitrator to hear the grievance. The parties will flip a coin to determine who strikes first. The decision of the arbitrator shall be final and binding on both parties to this Agreement. Each party shall bear the expense of its own presentation. The arbitrator shall be paid equally between the Company and the Union. The arbitrator's authority shall be limited to those matters concerning interpretation of this Agreement.

In the event an employee shall be suspended or discharged from employment for any reason, such discharge shall constitute a grievance matter to be handled in accordance with the procedure set forth herein, including arbitration. The time limitations set forth herein for presenting and deciding grievances may be extended by mutual consent of the parties; except that the Company agrees that in matters of discharge the Union shall, upon request, be granted an extension of time not to exceed five (5) working days in which to present discharge grievance. A grievance concerning a suspension or discharge may begin at Step 2 of the grievance procedure and must be filed within ten (10) working days of the suspension or termination.

## **ARTICLE 20**

### **MISCELLANEOUS**

#### **Section 20.1 Inventions.**

**20.1(a)** Employees shall be permitted to retain ownership of an invention conceived or developed by them if the invention (a) was developed entirely on the employee's own time and the invention is one for which no equipment, supplies, facilities, or trade secret information of the Company was used; and (b) does not (i) relate directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employees for the Company. All other inventions shall be the



property of the Company, and employees shall assist the Company in the protection of such inventions as directed by the Company.

**20.1(b)** No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement which contravenes the provisions of this Section.

### **Section 20.2 Sabotage.**

The Union agrees to report to the Company when it has knowledge of any acts of sabotage or damage to or the unauthorized or unlawful taking of Company, government, customer or any other person's or employee's property. The Union further agrees, if any such acts occur, to use its best efforts in assisting to identify and apprehend the guilty person or persons.

### **Section 20.3 Nondiscrimination.**

All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, gender, sexual orientation or the presence of a disability, except in those instances where age, gender, or the absence of a disability may constitute a bona fide occupational qualification. If administration and application of the contract is not in contravention of federal or state law such administration or application shall not be considered discrimination under this Section 20.3. Notwithstanding any other provision of this Section 20.3 or of this Agreement, a grievance alleging a violation of this Section 20.3 shall be subject to the grievance and arbitration of provisions of this Agreement only if it is filed on behalf of and pertains to a single employee. Class grievances based on alleged violation of this Section 20.3 shall not be subject to the grievance procedure and arbitration procedures of this Agreement.

### **Section 20.4 Masculine - Feminine References.**

In construing and interpreting the language of this Agreement, reference to the masculine, such as "he", "him", and "his", shall include reference to the feminine.

### **Section 20.5 Security Interviews.**

Each employee has the right, during an investigation which the employee reasonably believes may result in discipline, to request the presence of his shop steward, if the shop steward is available. If his shop steward is not available, such employee may request the presence of another immediately available shop steward. If a shop steward, pursuant to the employee's request, is present during such an interview, the shop steward, in

addition to acting as an observer, may, after the investigator has completed his questioning of the employee, ask additional questions of the employee in an effort to provide information which is as complete and accurate as possible. The shop steward shall not obstruct or interfere with the interview.

### **Section 20.6 Subcontracting.**

Both parties recognize the need to subcontract to create operational efficiencies and the potential to grow the business by acquiring new work. To that extent, the Company will discuss subcontracting plans and new work decisions at the management-stewards meetings every other week (Section 3.1(b)). It is not the intent of the Employer to subcontract work customarily and currently performed by the Employer in the Spokane plant by its own employees, during a reduction in force, or which would as a consequence result in a reduction in force.

### **Section 20.7 Successorship.**

In the event of a sale of Company assets is being considered, the Company will give one hundred eighty (180) days minimum notice to the Union, if possible in light of the proposed structure of the sale and confidentiality considerations, and a minimum of sixty (60) days notice regardless, in order to facilitate discussions of the impact of such sale on bargaining unit employees.

The Company will likewise make any potential buyer fully aware of the current IAM labor agreement.

The Company will comply with all state and federal laws with respect to employee rights in connection with the sale of the business. There will be expedited bargaining on all issues related to the sale and its effects on employees.

It is likewise recognized that in the normal situation of a transfer of operations/assets structured as a stock sale, the labor contract and all employee rights thereunder will continue unchanged and be binding on the purchaser.

## **ARTICLE 21**

### **LAYOFF, RECLASSIFICATION AND RECALL RIGHTS**

#### **Section 21.1**

Upon layoff, employees have the right to return to the job classification held prior to layoff for a period equal to length of service up to a maximum of six (6) years from the date of layoff.

## **Section 21.2**

It is the intent of the Company and the Union to layoff and recall from layoff using the principal of seniority as called for in Sections 14.1 and 21.1 of this Agreement. The following will establish the procedure used.

The Company shall determine layoffs by Job Classifications. Layoffs shall be on a voluntary basis first. Should there be an insufficient number of volunteers, layoffs shall then be in reverse seniority order within the Job Classification. Should there be too many volunteers, then the most senior of the volunteers shall be laid off. Employees identified for layoff shall have the right to bump:

- 1) Less senior employees in the same Job Classification (i.e., Mechanic A to Mechanic B);
- 2) Less senior employees in any Job Classification in which the employee has worked one hundred (100) or more consecutive calendar days in the previous seven (7) years.

It is further the intent to recall laid off employees in seniority order to the Job Classification held prior to layoff or any other Job Classification the employee has held for ninety (90) or more consecutive calendar days in the previous six (6) years. It is understood an employee who does not exercise their bumping rights give up their recall rights to that Job Classification.

## **ARTICLE 22 PROMOTIONAL PROCEDURES**

- A. Classification "A's" will be selected by seniority within the job classification.
- B. Promotions shall be by seniority and will be subject to a ninety (90)-day evaluation period, during which time they will be coded as a temporary classification per Section 6.14. Employees who fail to qualify will be returned to their former job classification.
  1. A promotion is a job which has a higher rate of pay.
  2. The Employer shall select the senior qualified employee applying. Such selection shall be subject to Article 19.

3. "Qualifications" shall mean the minimal qualifications for the classification as determined by management, which shall be put in writing and posted. These minimum qualifications shall not be subject to Article 19.

## **ARTICLE 23**

### **DURATION**

This Agreement shall become effective as of the beginning of first shift on June 04, 2010 (which date is the date as of which this Agreement was executed, sometimes referred to as the "effective date of this Agreement") and shall remain in full force and effect until midnight at the close of May 10, 2013, and shall automatically be renewed for consecutive periods of one (1) year thereafter, unless either party shall notify the other in writing, at least sixty (60) days but not more than ninety (90) days prior to May 10 of any calendar year, beginning with 2013, of its desire to terminate the Agreement, in which event this Agreement shall terminate at midnight at the close of such May 10, unless renewed or extended by mutual written agreement. In the case of such notice the parties agree to meet immediately thereafter for the purpose of negotiating a new Agreement or a written renewal of this Agreement.

INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

TRIUMPH COMPOSITE SYSTEMS, INC.

By \_\_\_\_\_  
Tom Wroblewski, President and  
Directing Business Representative  
District Lodge 751, IAM&AW

By \_\_\_\_\_  
Timothy A. Stevens, President  
Triumph Composite Systems, Inc.

By \_\_\_\_\_  
Mark A. Blondin  
Aerospace Coordinator  
IAM&AW

On behalf of the collective bargaining unit for which, respectively, the undersigned is the certified collective bargaining agent, each of the undersigned as of the date stated above and as a party to the foregoing Agreement hereby accepts and agrees to the terms and conditions thereof.

LETTERS  
OF  
UNDERSTANDING

# LETTERS OF UNDERSTANDING

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## LETTER OF UNDERSTANDING NO. 1

### **Subject: Layoff Protection/Work Transfers**

From June 04, 2010 through May 10, 2013, the Company will not lay off any current employee (on the seniority list dated June 01, 2010) due to work unavailability. Exception: When such unavailability is caused by a Boeing strike, act of God such as a natural disaster, an act of terrorism, or other major unforeseeable event beyond the Company's control. This is a one-time, non-precedent work preservation agreement based on the unique facts of the current TCS business projections, which will no longer apply on and after May 11, 2013.

Dated this 4th day of June, 2010.

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Timothy A. Stevens  
President  
Triumph Composite Systems, Inc.

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Tom Wroblewski  
President and Directing Business Representative  
District Lodge 751, IAM&AW

**Attachment A**  
**Medical Benefits Package**



**ATTACHMENT A**  
**MEDICAL BENEFITS AT A GLANCE**  
**(PPO)**

	<b>Preferred Benefits when you use preferred providers</b>	<b>Non-Preferred Benefits when you use other providers</b>
<b>Deductible Amounts</b> <i>(Per calendar year)</i>	\$200/Person \$400/Family  <u><b>Waived for:</b></u> Emergency use of ER; physician non-surgical office visits;  APM \$5 co-pay generic, \$15 co-pay brand formulary, \$30 co-pay non-formulary brand;  Mail Order \$10 co-pay generic, \$30 co-pay brand formulary, \$60 co-pay non-formulary brand.  <i><b>All Rx co-pays excluded from co-insurance limit</b></i>	\$400/Person \$800/Family
<b>Annual Co-Insurance Limit</b> *1	\$2,000/Person \$4,000/Family	\$4,000/Person \$8,000/Family
<b>Physicians Services</b>		
Non-Surgical Office Visits	100% after \$15 co-pay	60% after deductible
Pediatric <i>(6 visits the first year, 1 visit per year until age 6, includes immunizations)</i>	100% after \$15 co-pay	No benefits
Routine Physical Exam <i>(Over 6 years of age – 1 per 24 months, \$250 maximum)</i>	100% after \$15 co-pay	No benefits
Routine Ob/Gyn Exam <i>(1 per calendar year, including Pap smear &amp; related lab fees)</i>	100% after \$15 co-pay	No benefits

	<b>Preferred Benefits when you use preferred providers</b>	<b>Non-Preferred Benefits when you use other providers</b>
Routine Mammography <i>(limited to 1 baseline from ages 35-40, 1 every other year from 40-50, 1 per year over age 50)</i>	100% after \$15 co-pay	No benefits
Specialist-Non-surgical Office Visit	100% after \$15 co-pay	60% after deductible
Surgery ( <i>Inpatient/ Outpatient</i> )	90% after deductible	60% after deductible
<b>Lab Work</b>		
Performed in doctor's office	90% after \$15 co-pay	60% after deductible
Performed in Laboratory	90% after deductible	*4
<b>Hospital</b>		
Inpatient	90% after deductible	60% after deductible, <i>plus</i> an additional \$500 per confinement deductible
Outpatient	90% after deductible	60% after deductible
<b>Emergency Room</b>		
Emergency	100% after \$50 co-pay	60% after deductible, *2
Non-Emergency	No benefits	No benefits
<b>Alcohol and Substance Abuse Disorders</b>	<i>Excluded from co-insurance limit</i>	<i>Excluded from co-insurance limit</i>
Inpatient	90% after deductible	60% after deductible, <i>plus</i> an additional \$500 per confinement deductible
Outpatient benefit	100% after \$15 co-pay; to a maximum benefit of \$1,500 per calendar year	50% to a maximum of \$1,000 per calendar year

	<b>Preferred Benefits when you use preferred providers</b>	<b>Non-Preferred Benefits when you use other providers</b>
<b>Mental/Nervous Disorders</b>		
Inpatient	90% after deductible to a maximum of 30 days lifetime	60% after deductible to a maximum of 30 days lifetime, <i>plus</i> an additional \$500 per confinement deductible
Outpatient	100% after \$15 co-pay per visit to a maximum of 26 visits per calendar year	60% after deductible to a maximum of 26 visits per calendar year
<b>FAILURE TO CERTIFY: <u>Hospital Admissions, Skilled Nursing Facility Stays, Hospice Care, Home Health Care, and Private Duty Nursing</u></b>	No reduction in benefits	\$500 reduction in benefits, per occurrence
<b>Prescription Drugs</b>	<b>APM</b> – 100% after \$5 co-pay generic, \$15 co-pay brand formulary, \$30 co-pay non-formulary brand  <b>Mail Order</b> – 100% after \$10 co-pay generic/\$30 co-pay brand formulary, \$60 co-pay non-formulary brand (30 to 90 day supply)	No Benefits
<b>Eye Exams</b>	Covered with \$15 co-pay. Maximum 1 exam per 24 months. \$70 reimbursement for contact lenses or glasses every 24 months. Vision One Benefit Program provides significant discounts on eyewear.	No Benefits

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### **Other Covered Medical Expenses**

Ambulance	80% after deductible
Skilled Nursing Facility	80% after deductible
Home Health Care	80% after deductible
Chiropractic Care	80% after deductible
Hospice Care	80% after deductible

### **Annual Benefit Maximums \*3**

Skilled Nursing Facility	120 days per calendar year
Home Health Care	120 visits per calendar year

### **Lifetime Benefit Maximums \*3**

#### **Mental/Nervous Disorders**

Inpatient      30 Days  
Outpatient    104 Days

Alcoholism/Substance Abuse Disorders	\$ 25,000
Individual Lifetime Maximum Benefit	\$1,500,000

- \*1 *This provision does not apply to or include any charges incurred as a result of the co pay (including APM co pay amounts and Mail Order co pays), deductibles, non-certification reduction in benefits, or for alcoholism and substance abuse disorders.*
- \*2 *When travel to a Preferred Care Provider for an emergency condition, a condition which is life threatening or likely to result in permanent disability, is not feasible, expenses will be reimbursed at the Preferred level.*
- \*3 *Maximums are a combined limit for Preferred and Non-Preferred services.*
- \*4 *Lab work performed at a non-PPO lab but referred by a PPO doctor will be paid at 90% after a \$200.00 deductible. Lab work performed at a non-PPO lab and referred by a non-PPO provider will be paid at 60% after a \$400.00 deductible.*

This is only a brief summary. Some restrictions may apply. For more specific information about the coverage details, including limitations, exclusions and other Plan requirements, please call the Aetna HEALTHLINE at 1-888-238-6211.

**Employee Monthly Contribution To Premium**  
**15%**

**MEDICAL BENEFITS AT A GLANCE  
(EPO)**

<b>BENEFITS</b>	<b>ELECT CHOICE</b>
<b>Deductible</b>	No deductible
<b>Annual Maximum Co-insurance</b>	Individual \$2,000; Family \$4,000 Applies to 10% inpatient hospital and surgical co-pays only
<b>Maximum Benefit</b>	\$1,500,000
<b>Annual Co-pay Limit</b>	None for flat dollar co-pays.
<b>Claim Forms</b>	No claim forms.
<b>Preventive Care:</b> Routine Physicals	Covered in full at primary physician's office with \$15 co-pay.
Annual Gynecological Check-up	Covered in full with \$15 co-pay. (Includes one pap smear per year and related lab fees.) No referral necessary.
Eye Exams	Covered with \$15 co-pay. Maximum 1 exam per 24 months. \$70 reimbursement for contact lenses or glasses every 24 months. Vision One Benefit Program provides significant discounts on eyewear.
Hearing Exams	Covered with \$15 co-pay. 1 screening per 24 months.
Immunizations	Covered with co-pay, except for travel, employment, or flu vaccine.
Well Baby Care & Pediatric Care	Birth to age 7, covered with \$15 co-pay. 1 <sup>st</sup> year - 6 visits 2 <sup>nd</sup> year - 2 visits Child to age 7 - 1 visit per calendar year
Early Cancer Screening	Mammograms covered in full. 1 per calendar year. Std Benefit begins at 40, age 35 exception approved.

<b>BENEFITS</b>	<b>ELECT CHOICE</b>
<b>Outpatient Services:</b> Primary Office Visits Specialist Office Visits Surgery  X-Ray and Lab Consultations & Second Opinions	Covered in full with \$15 co-pay. Covered in full with \$20 co-pay. Covered with a \$15 co-pay that applies if services rendered in the physician's office. If services are not rendered in the physician's office, the co-pay is 10% of charges (annual maximum co-insurance limit applies). Covered. Co-pay applies if services rendered in physician's office. Covered in full with \$20 co-pay.
<b>Inpatient Hospital Services:</b> Room & Board  Same Day Surgery	Co-pay: \$150 plus 10% of charges. Annual maximum co-insurance limit applies. Co-pay: 10% of charges.
<b>National Medical Excellence Program</b>	Included. \$50 per person per night for lodging expenses. \$10,000 maximum applies to travel and lodging.
<b>Maternity Care:</b> Physician Care	Covered with \$15 co-pay on initial visit. 100% thereafter.
<b>Vision One Benefit Program</b>	Significant discounts - see brochure.
<b>Home Health Care</b> (Prescribed Services as an alternative to hospitalization): Physician & Nursing Services  Diagnostic Tests  Physical & Occupational Therapy  Chiropractic Benefit  Medical Supplies  Homemakers & Home Health Aides	Must be approved in advance by Aetna Home Health Care Dept. Covered in full. Maximum 120 visits per calendar year. Covered. Co-pay applies if services rendered in physician's office. Short-term therapy: Covered with \$15 co-pay per visit. Maximum 60 days per calendar year. \$20 co-pay per visit when medically necessary. Covered in full. Not covered.

<b>BENEFITS</b>	<b>ELECT CHOICE</b>
<b>Mental Health Care:</b> (Provided or arranged for by a Preferred Mental Health Group)	
Outpatient	Covered with \$20 co-pay per visit. Limited to 25 visits per calendar year. Outpatient visits exchangeable two for one inpatient days.
Inpatient	Covered 30 days per calendar year. Co-pay: \$150 plus 10% of charges. Annual Maximum co-insurance limit applies.
<b>Substance Abuse:</b> Inpatient	Co-pay: \$150 plus 10% of charges. 30 day limit per calendar year. Two courses of treatment per lifetime. Annual maximum co-insurance limit does not apply.
Outpatient/Rehabilitation Benefits	Outpatient: Covered with \$20 co-pay per visit. Limited to 30 visits per calendar year; 120 day lifetime maximum. Outpatient visits exchangeable two for one rehab inpatient days.
<b>Out of Area Care</b>	Separate out of area benefit. See the benefits in the packets available.
<b>Emergency Care</b>	\$50 co-pay. Non-emergency use of emergency room is not covered.
<b>Ambulance</b>	Covered in full.
<b>Skilled Nursing Facility</b>	Covered in full. Maximum 120 days per calendar year.
<b>Hospice</b>	Covered in full. Maximum 30 days inpatient; \$5,000 outpatient.
<b>Allergy Injections</b>	Covered in full after \$15 co-pay if injection is rendered with other services/treatment.
<b>Oral Surgery</b>	Covered in full with applicable co-pay.
<b>Temporomandibular Joint Dysfunction (TMJ)</b>	Covered in full with \$15 co-pay. Pre-authorization recommended. Includes treatment that is medical in nature, including exams, x-rays, injections, anesthetics, and physical therapy. Excludes: orthodontia, tooth reconstruction and dental oral surgery expenses.
<b>Prescription Drugs</b>	Inpatient: Covered in full. Outpatient co-pays: \$5 Generics; \$15 brand name formulary; \$30 non-formulary brand name. Mail-order co-pays: \$10 Generics; \$30 brand name formulary; \$60 non-formulary brand name.

**NOTE 1:** This is an overview of the benefits provided. For more detailed description of benefits,

contact Aetna U.S. Healthcare.

**NOTE 2:** All non-emergency services received, other than from the Primary Care Physician, MUST have a prior written referral from the Primary Care Physician.

**NOTE 3:** All flat dollar co-pays and inpatient substance abuse expenses do not apply toward the annual maximum co-insurance limit.

**Employee Monthly Contribution To Premium  
15%**

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**DENTAL SCHEDULE OF BENEFITS**

**Deductible:** \$50 Single/\$100 Family

**Type A Services:**

Preventive and Diagnostic	90% (no deductible)
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**Type B Services — Restorative:**

Fillings, extractions, root canal	70% (deductible applies)
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**Type C Services — Major Restorative:**

Fixed bridgework, dentures, repair of crowns, inlays, onlays, crown restoration, etc.	50% (deductible applies)
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Above benefits subject to \$1,500 (\$1,700 if you use Delta Preferred Dentists exclusively) annual maximum.

<b>Orthodontics:</b>	50% \$1,500 lifetime maximum and limited to dependents under age 19
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**Employee Contribution to Premium  
15%**



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August 2010						
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