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Title: **Honeywell International Inc. and International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW) Locals 9, 153, 179, and 1508 (2003)**

K#: **4051**

Employer Name: **Honeywell International Inc.**

Location: **CA IN NJ NY**

Union: **International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW)**

Local: **9, 153, 179, 1508**

SIC: **3714**

NAICS: **3363**

Sector: **P**

Number of Workers: **1100**

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MASTER AGREEMENT

Between

**DIVISIONS OF
HONEYWELL
INTERNATIONAL INC.**

AS ENUMERATED HEREIN

and

UAW®

Effective May 3, 2007

- 5/3/07

and

LOCAL SUPPLEMENTAL AGREEMENTS

Between

Honeywell
Aircraft Landing Systems

South Bend, IN
Local No. 6

Honeywell Defense and
Space Electronic Systems

Teterboro, NJ
Local No. 1000

Honeywell
Friction Materials

Greenfield, MA
Local No. 1000

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K #4051

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60152/04

**MASTER
AGREEMENT**

**BETWEEN
DIVISIONS OF**

Honeywell International Inc.

AS ENUMERATED HEREIN

AND

INTERNATIONAL UNION,

UNITED AUTOMOBILE,

AEROSPACE AND

AGRICULTURAL IMPLEMENT

WORKERS OF AMERICA

(UAW)[®]

EFFECTIVE: May 3, 2003 - 5/7/07



PRINTED IN U.S.A.

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TABLE OF CONTENTS

	Page
Master Collective Bargaining Agreement	
Article I, Recognition.....	1
Article II, Check-off of Union Membership Dues	2
Article III, Representation.....	6
Article IV, Grievance Procedure.....	6
Article V, Probationary Period	11
Article VI, Shift Preference	12
Article VII, Promotions.....	12
Article VIII, Veterans	12
Article IX, Discharges.....	13
Article X, Hours of Work.....	14
Article XI, Absences	18
Article XII, Leaves of Absence.....	18
Article XIII, Rates of Production	21
Article XIV, New Jobs.....	21
Article XV, Call-In Pay.....	22
Article XVI, Call-Back Pay.....	22
Article XVII, Equal Pay for Equal Work	22
Article XVIII, Vacations.....	22
Article XIX, Movement of Departments or Plants.....	26
Article XX, Union Bulletin Boards.....	27
Article XXI, Anti-Discrimination	28
Article XXII, Health and Safety.....	28
Article XXIII, Supplemental Agreements.....	29
Article XXIV, Strikes, Stoppages and Slowdowns	29
Article XXV, Confinement of Issues.....	29
Article XXVI, General Provisions	30
Article XXVII, Apprenticeship Program	32
Article XXVIII, Holiday Pay	32
Article XXIX, Wages	37
Article XXX, Pension Plan, Insurance Program, and Supplemental Unemployment Benefit Plan	43
Article XXXI, Duration.....	43

INDEX

	Paragraph	Page
Agreements, Supplemental.....	118-119	29
Absences, Leaves of.....	74-80b	18-21
Absences.....	73	18
Appeal to Umpire, Withdrawal of.....	38	11
Apprenticeship Program.....	133	32
Anti-Discrimination.....	115	28
Back Pay, Limit of Claims for.....	39	11
Bargaining Units, Future		
Certification.....	5	2
Bereavement Pay.....	132	31-32
Bulletin Boards, Union.....	113-114	27-28
Calendar Week, Definition.....	56	14
Call-Back Pay.....	89	22
Call-In Pay.....	88	22
Check-Off.....	7-19	2-5
Classifications, Establishment of		
Temporary.....	85-87	21-22
Clean-Up Time.....	64	16
Company Bulletins.....	129	30
Company and Union Responsibility.....	4, 20	2,6
Confinement of Issues.....	123	29-30
Cost-of-Living Allowance.....	141	39-42
Discharge.....	34,49-55	10,13-14
Disciplinary Layoffs.....	34,49-55	10,13-14
Discrimination.....	3-4,115	1-2, 28
Double Time.....	60	15
Duration.....	143-144	43
Equal Pay for Equal Work.....	90	22
Extra Work, Equalizing.....	66	16-17
General Provisions.....	124-132	30-32
Grievance Procedure.....	23-40,123	6-11, 29-30
Health and Safety.....	116,117	28-29

	Paragraph	Page
Holidays, Paid	134-139	32-37
Hours, Working	56-63	14-16
Insurance	142	43
Investigation of Grievances by Union Representatives.....	30	9
Jury Duty	131	30-31
Leaves of Absence, Conditions Governing	74-79	18-20
Literature, Posting and Distribution of	114	28
Local Agreements, Limits on	118,119	29
Lunch Periods	68-71	17
Management Clause	4	2
Military Duty Pay, Short Term.....	80	20-21
Movements of Departments or Plants	108-112	26-27
New Job Rates	85-87	21-22
Night Shift Premium	72	18
Non-Bargaining Unit Employees Working	126	30
Overtime Provisions	59-62 66-67	15-16 16-17
Paid Absence Allowance	100-107	25-26
Pensions	142	43
Plant Visit, Union Representatives.....	30	9
Preferential Hiring	128	30
Premiums, Shift	72	18
Printing of Agreements	125	30
Probationary Employees.....	41-43	11-12
Promotions	45	12
Rates of Production	81-84	21
Recognition	2	1
Representation	21-22	6
Responsibility — Union	20	6

	Paragraph	Page
Rights of Company.....	4	2
Rules, Adoption of	124	30
Safety	116-117	28-29
Seniority	46,110	12, 26-27
Seven Day Operations, Continuous.....	61	15-16
Shift Hours, Change	65	16
Shift Preference	44	12
Smoking.....	127	30
Solicitation of Dues	19	5
Strikes, Stoppages and Slowdowns	120-122	29
Supervision, Working.....	126	30
Supplemental Agreements.....	118-119	29
Supplemental Unemployment Benefit Plan.....	143	43
Temporary Rates	85-87	21-22
Time and One-Half	59	15
Umpire.....	29, 31-40	8, 9-11
Union Bulletin Boards.....	113-114	27-28
Union Officials, Promotion of	130	30
Union Representatives, Visiting Plants.....	30	9
Union Responsibility	20	6
Union Shop.....	6	2
Vacations	91-99	22-25
Veterans	46-48	12-13
Wages	140-141	37-42
Working Hours	56-63	14-16

AGREEMENT

(1) This Agreement effective the 3rd day of May, 2003, between Honeywell International Inc. for its following divisions: Honeywell Aircraft Landing Systems, South Bend Indiana; Honeywell Aerospace Electronic Systems, Teterboro, New Jersey; Honeywell Aerospace Electronic Systems, Sun Valley, California; Honeywell Friction Materials, Green Island, New York, hereinafter referred to as the COMPANY, and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and its Local Unions No. 9, UAW, South Bend, Indiana; No. 153, UAW, Teterboro, New Jersey; No. 179, UAW, Sun Valley, California; and No. 1508, UAW, Green Island, New York; hereinafter referred to as the UNION.

I. RECOGNITION

(2) The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), as the exclusive representative of certain of its employees as certified under the decision of the National Labor Relations Board, and/or as set forth in each Local Supplemental Agreement, but excepting those employees excluded in the Recognition clause in each Local Supplemental Agreement, Honeywell Aircraft Landing Systems, South Bend, Indiana; Honeywell Aerospace Electronic Systems, Teterboro, New Jersey; Honeywell Aerospace Electronic Systems, Sun Valley, California; Honeywell Friction Materials, Green Island, New York, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment in the bargaining units in which they have been so certified in accordance with the terms of this Agreement and within the scope of the Labor-Management Relations Act, 1947, as amended.

(3) The Company shall not discriminate against any employee because of his membership or activity in the Union.

MANAGEMENT RIGHTS

(4) The management of the Company and the direction of the working forces, including but not limited to, the products to be manufactured, the location of plants, the schedules of production, the schedules of hours and shifts, the methods, processes and means of manufacturing, the right to hire, promote, demote, transfer, establish rules of conduct, discharge or discipline for cause, and to maintain discipline and efficiency of employees, are the sole and exclusive rights and responsibilities of the Company, except as provided for in this Agreement and all Supplemental Agreements. It is understood and agreed that this section will not be used for the purpose of discriminating against Union members.

INCLUSION OF OTHER PLANTS

(5) In case the UAW shall be certified as the bargaining representative for any additional bargaining units, the matter of including such unit under the terms of this Agreement shall be negotiated between the Company and the Union .

UNION SHOP

(6) The Company agrees that employees now in the bargaining unit shall on and after thirty (30) days from the signing of this Agreement, and employees employed after the signing of this Agreement shall on and after thirty (30) days from the date of their employment, become and remain members of the Union as a condition of continued employment, provided that nothing herein shall be interpreted to cause a violation of the Labor-Management Relations Act of 1947 or any other applicable law.

II. CHECK-OFF OF UNION MEMBERSHIP DUES

(7)

a. The Company agrees to deduct Union membership dues levied by the International Union or local Union in accordance with the Constitution and By-Laws of the Union from the pay or from Supplemental Unemployment Benefits of each employee who is or who becomes a member of the Union within the scope of the respective Divisional bargaining units and covered by this Agreement and who in writing, in accordance with the "Authorization for Check-Off of Dues" form set forth

below, has voluntarily authorized the Division to do so for the period covered thereby.

b. Lump-sum payments will be subject to dues deduction.

(8) The authorization for such deduction of Check-Off of Dues is as follows:

AUTHORIZATION FOR CHECK-OFF OF DUES

"To.....Date.....
(Division)

"I hereby assign to Local Union No, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, (UAW) from any wages earned to or to be earned by me as your employee (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No.....may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sums as may be established from time to time by said local union in accordance with the Constitution of the International Union, UAW, but not less than \$5.00 monthly. I authorize and direct you to deduct such amounts from my pay, and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect."

"This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you or until the termination of the collective agreement between the Company and the Union which is in force at the time of delivery of this Authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective bargaining agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between the Company and the Union, whichever occurs sooner."

"This authorization is made pursuant to the provisions of Section 302(c) of the Labor-Management Relations Act of 1947 and otherwise."

.....
(Signature of Employee here)

(Date of signing)

.....
(Address of Employee)

(Employee's Clock No.)

.....
(Type or print name of Employee)

(Date of Delivery To Employer)

.....
(City)

(State)

(9) Deductions shall be made in conformity with the International Union Constitution and By-Laws, applicable State or Federal Laws, and the provisions of this Section of the Agreement.

(10) A properly executed "Authorization for Check-Off of Dues" form for each employee for whom Union membership dues are to be deducted hereunder, shall be delivered to the local Management before any deductions are made. Deduction shall be made thereafter, only under Authorization for Check-Off of Dues forms which have been properly executed and are in effect. Any Authorization for Check-Off of Dues which is incomplete or in error will be returned to the Local Union by the local Management.

(11) Thereafter, on or before the fifteenth (15th) day of each succeeding month the Local Union shall furnish local Management with any additional executed Authorization for Check-Off of Dues forms under which Union membership dues are to be deducted beginning with the following calendar month.

(12) After receipt of the "Authorization for Check-Off of Dues" form, the Union membership dues for any calendar month shall be deducted from the first pay or from Supplemental Unemployment Benefit payments received by the employee in the succeeding month in which the employee has sufficient net earnings or Supplemental Unemployment Benefits due to cover the Union membership dues. In the case of employees rehired, or returning to work after layoff or leave of absence, or being transferred back into the bargaining unit, who previously have properly executed "Authorization for Check-Off of Dues" forms, deductions will be made for membership dues as provided herein. The Company agrees, beginning September 1, 2003 and continuing during the life of this agreement, to deduct from the pay of each employee voluntary contributions to UAW V-Cap, providing each employee executes the appropriate authorization. The Company agrees, be-

ginning September 1, 2003 and continuing during the life of this agreement, to deduct union dues from the SUB pay checks. The local union and local management will work out an appropriate method to provide union dues checkoff authorization forms for employees contemplating retirement.

(13) In cases where a deduction is made which duplicates a payment already made to the Union by an employee, or where a deduction is not in conformity with the provisions of the International Union Constitution and By-Laws, refunds to the employee will be made by the Local Union.

(14) Deductions for any calendar month shall be remitted to the designated financial officer of the Local Union as soon as possible after the tenth (10th) day of the following month. Local Management shall furnish the designated financial officer of the Local Union, monthly, with a list of those for whom deductions have been made and the amounts of such deductions.

(15) Any employee who loses seniority or who is transferred to a classification not in the bargaining unit shall cease to be subject to check-off deductions beginning with the month immediately following the month in which the loss of seniority or transfer occurred. The Local Union will be notified by local Management of the names of such employees following the end of each month.

(16) Any dispute which may arise as to whether or not an employee properly executed or properly revoked an "Authorization for Check-Off of Dues" form shall be reviewed with the employee by a representative of the Local Union and a representative of local Management. Should this review not dispose of the matter, the dispute may be referred to the Umpire, whose decision shall be final and binding on the employee, the Union and the Company. Until the matter is disposed of, no further deductions shall be made.

(17) The Company shall not be liable to the International Union or its locals by reason of the requirements of this Section of the Agreement for the remittance or payment of any sum other than that constituting actual deductions made from employee wages earned or from Supplemental Unemployment Benefit payments.

(18) The Union shall indemnify and hold harmless the Company against any and all liability which may arise by reason of the check-off by the Company of Union initiation fee and membership dues from employees' wages and Supplemental Unemployment Benefit payments in accordance with this Agreement.

(19) The Union agrees that there shall be no collection of dues at any time on Company property.

UNION RESPONSIBILITY

(20) The Union recognizes the responsibilities imposed upon it as the exclusive bargaining agent of the employees covered by this Agreement. In order to provide maximum opportunities for continuing employment, good working conditions, and fair and equitable wages, the Union agrees that it will cooperate with the Management to assure a full day's work on the part of its members and that it will do everything within its power to cause the employees covered by this Agreement, individually and collectively, to perform and render efficient work and service, and that it and its members will cooperate with the Management in the introduction or operation of new equipment or changes in processes or production methods.

III. REPRESENTATION

(21) The representation system in each Division or part of a Division where the Union now has bargaining rights shall remain in effect unless changed by mutual agreement by the Division and the Local Union.

(22) The Company shall recognize the National Bargaining Committee of the Union, one member of which shall be a skilled trades employee, for the purpose of negotiating modifications, amendments, termination or renewal of this Agreement. The Company and the National Bargaining Committee shall meet from time to time as meetings may be requested by either party.

IV. GRIEVANCE PROCEDURE

(23) If a grievance should arise between the Division and an employee or group of employees with respect to rates of pay, wages, hours of employment or other conditions of employment as specified under the terms of this Master Agreement and the Local Supplement Agreements, such grievances shall be taken up at the local Division in accordance with the procedure outlined herein.

(24) Step One:

a. Any employee having an alleged grievance or one designated member of a group having an alleged grievance shall take it up orally with his immediate supervisor or will request and receive permission of his immediate supervisor to discuss it with the appropriate Union Representative (hereinafter referred to in this Article IV as the Representative) as he is defined in the Representation sections of the respective supplemental agreements. The parties recognize the importance of

the settling of grievances at the earliest practicable opportunity and, therefore, agree to devote concentrated effort to resolve grievances at this stage judiciously and thereby minimize the necessity of reducing grievances to writing.

b. If the complaint is not settled within two (2) working days, excluding Saturday, Sunday and holidays, from the date of oral referral to the immediate Supervisor and the employee decides to pursue the grievance further, he shall have it reduced to writing in quadruplicate on a standard grievance form provided by the Division for this purpose. The grievance shall outline the nature of the complaint, the paragraph or section of the collective bargaining agreement allegedly violated or other basis for complaint, and the recourse requested in the way of remedial action. The grievance must be signed by the employee and the Representative and received within two (2) working days of the Supervisor's oral answer, excluding Saturday, Sunday and holidays. The Supervisor shall give his decision in writing within three (3) working days of his receipt of the written grievance excluding Saturday, Sunday and holidays, and the Representative shall indicate his acceptance or rejection of the decision within two (2) additional working days and place his signature thereon.

(25) Step Two: In the event the procedure above does not result in a satisfactory adjustment, the written grievance may be appealed to Step Two. The Union Representative responsible for processing complaints in Step Two shall, within two (2) working days of the rejection in Step One, present the written grievance to the Superintendent or Designee of the section involved and request an appointment to discuss the grievance. The Superintendent or Designee of the section shall grant the appointment within three (3) working days of the request and shall submit his decision in writing within five (5) working days of the request for appointment. The Representative shall indicate his acceptance or rejection of the decision within two (2) working days and place his signature thereon.

(26) Step Three: In the event the above procedure does not result in a satisfactory settlement, the grievance may be appealed to Step Three of the Grievance Procedure by placing it on the agenda for discussion at the next regular weekly grievance meeting; but, in any event, to be valid it must be placed on the agenda for the next regular weekly grievance meeting thereafter. To be included on the agenda, a grievance must be appealed in sufficient time to permit at least one (1) full working day prior to the meeting for investigation. Those grievances lacking in sufficient time to appear

on the agenda shall be placed on the next agenda for discussion at the next regular grievance meeting. The Division will give its written answer to the grievance at the next regular grievance meeting following the meeting in which it is discussed. The Union must accept or reject the answer at this same meeting. By mutual agreement the parties may hold a grievance over for additional meetings to provide time for further investigation. Special meetings may be held by mutual consent.

(27) The decision of the Division rendered in Step Three shall be final and the case shall be considered settled on the basis of the Division's decision unless notice of intent to appeal to the Umpire, provided it is the type of case on which the Umpire is authorized to rule, is filed in writing to the Director of Employee Relations within ten (10) working days after the Division has rendered its decision. Nothing in this Paragraph shall prevent the parties from establishing satisfactory local practices and methods of appealing grievances to the Umpire.

(28) Step Four: A grievance appealed to the Umpire shall not be scheduled for arbitration until the parties have held a pre-arbitration grievance review meeting which shall occur within a period no later than five (5) months following such appeal from Step Three, in accordance with procedures agreed upon locally. Grievances not satisfactorily resolved between the parties at this step will be considered scheduled for arbitration. The parties shall arrange for a mutually satisfactory Umpire hearing date to be held no later than three months from the date of this Fourth Step Meeting. The Union shall furnish the Division with a list of those grievances not scheduled for such arbitration proceeding within 30 days from the date of the arbitration proceeding. A grievance not disposed of within the time limits described above will be considered withdrawn without prejudice to either party's position. A similar meeting will be held on non-arbitrable grievances which remain unsettled after Step Three of the Grievance Procedure at a time mutually agreed to by the parties. Appropriate Representatives of the Corporation and the UAW-Honeywell National Aerospace Department will participate in such meetings.

(29) The Union and the Company agree there shall be six (6) Umpires selected on a regional basis, two (2) in the East, two (2) in the Midwest, and two (2) in the West mutually acceptable to the parties and designated in advance who shall be utilized during the term of this Agreement. Upon the occasion of an arbitration hearing, the parties shall contact one of the two alternate Umpires designated for the region in which the plant is located and schedule said Umpire, depending upon his availability, within the time lim-

its set forth herein. Within a region the arbitrators shall be utilized on a rotating basis. In the event neither of the Umpires in a region is available, an Umpire from one of the two remaining regions will be scheduled for the hearing.

(30) The Bargaining Committee of each Local Union and the Division shall be permitted to call upon the services of International Representatives of the UAW for the purpose of adjusting a specified grievance arising under the terms of this Agreement, or such supplemental agreements as may be negotiated between the Local Union and the Divisional Management. The Company shall permit such International Representative to enter the Plant provided that the Division is notified of the purpose of the visit at the time request for appointment is made. It is understood that request for appointment must be submitted at least twenty-four (24) hours in advance of the visit. The Company reserves the right to have a representative of the Company accompany such International Representative while he is in the Plant.

(31) The impartial Umpires shall have only the authority set forth herein and shall serve for the duration of the Agreement, provided they individually continue to be acceptable to both parties. The fees and expenses of the Umpires will be paid one-half by the Division or Plant and one-half by the Union and all other expenses shall be borne by the party incurring them.

(32) All cases shall be presented to the appropriate Umpire in accordance with the system outlined in Paragraph (29), either in the form of a written brief, or orally, or both, each party setting forth the facts and its position and the arguments in support thereof. The briefs of both parties, if they are to be submitted, shall be filed with the appropriate Umpire at any time prior to the beginning of the hearing. Each party shall furnish the other party with three (3) copies of its brief in each case, such exchange to occur at the same time the briefs are submitted to the Umpire, but in no event shall the exchange take place less than two (2) hours before the commencement of the hearing. A witness, who may or may not be the aggrieved employee, may be called into any Umpire hearing in order to submit additional facts or oral testimony. Either party may call its witnesses, whose only interest shall be to submit facts which are pertinent to the grievance. The Umpire shall hold a hearing in the area where the Division or Plant is located.

(33) It shall be the function of the Umpire, after due investigation and within thirty (30) days after the close of the hearing to render a decision. The Umpire's ruling, opinion, and award shall be confined to the issue or issues of the dispute. Neither party

shall have the right to waive the thirty (30) day maximum limit during which the ruling, opinion and award must be made.

(34) In disciplinary layoff and discharge cases, the Umpire shall have the power to adjudge the guilt or innocence of the employee involved, and review any penalties imposed on employees and modify or amend penalties if in his judgment the penalty is too severe. If the Umpire shall adjudge the employee innocent of the offense for which he was disciplined or discharged, the Division shall reinstate the employee in full with accumulated seniority and in case the employee was penalized by loss of working time, will pay him back wages, less any unemployment compensation which he may have received during the period of his separation from the payroll of the Division and less compensation for personal services other than the amount of compensation he was receiving from any other employment which he had at the time he last worked for the Company and which he would have continued to receive had he continued to work for the Company during the period covered by the claim.

(35) The Umpire shall have no power to add to or subtract from or modify any of the terms of this Agreement or any agreements made supplementary hereto, to establish or change any wage, or to pass on any matters arising under Section XIII (Rates of Production); Section XIV (New Jobs); and Section XXIX (Wages) of this present Agreement or any paragraph in any of the local supplemental agreements dealing with Rates of Production, New Jobs and Wages.

(36) Disputes involving the Pension Plan, Insurance Plan or the Supplemental Unemployment Benefit Plan as set forth in Exhibit A, Exhibit B, and Exhibit C, respectively, shall not be taken up under the provisions of this Grievance Procedure but shall be handled instead through the procedures outlined in the respective Exhibits to the Agreement.

(37) Any grievance not appealed from a decision from Step One or Step Two of this procedure to the next step within the specific time limits outlined herein shall be considered withdrawn by the Union without prejudice or precedent. Any grievance not answered by the Division within the specific time limits outlined in the first or second steps of the grievance procedure shall automatically advance the grievance to the Third Step of the Grievance Procedure. Nothing in this procedure shall preclude the parties from conducting additional meetings by mutual agreement to discuss the grievance(s). None of the time limits outlined in any Step of this Grievance Procedure shall apply to any grievance which is not subject to the jurisdiction of the Umpire as outlined in Paragraph (35).

(38) After a case on which the Umpire is empowered to rule hereunder has been referred to him, it may be withdrawn by the submitting party at any time prior to actual submission to the Umpire. Any claim with origin prior to the date hereon may not be appealed to the Umpire provided for herein, except by mutual consent. It is agreed that any grievance properly filed under the provisions of the Local and Master Agreements dated May 3, 1999, may be further processed in keeping with the provisions and limitations under said Master Agreement.

(39) Claims against the Division or Plant will not be accepted for consideration for a period prior to the date the grievance was first filed in writing, unless the circumstances made it impossible for the employee or for the Union, as the case may be, to know prior to that date that there were grounds for such a claim. In such cases, retroactive claims shall be limited to a period of thirty (30) days prior to the date the claim was first filed in writing.

(40) There shall be no appeal from the Umpire's decision, which will be final and binding on the Union and its members, the employee or employees involved, and the Division or Plant of the Company. The Union will discourage any attempt of its members, and will not encourage or cooperate with any of its members in any appeal to any court or Labor Board from a decision of the Umpire.

V. PROBATIONARY PERIOD

(41) Employees shall be regarded as probationary employees for the first sixty (60) calendar days of continuous employment.

(42) After sixty (60) calendar days of continuous employment, the names of such employees shall then be placed on the proper seniority list as of the most recent date of hire. However, the Company agrees that 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 sixty (60) calendar days prior to the date he completed his probationary period.

(43) Except as provided in this Paragraph, an employee will be on full probationary status for the first 60 days as provided in Paragraphs (41) and (42). If a probationary employee is discharged after the 45th day of the 60 day probationary period, such discharged employee who claims his discharge was not for cause, may grieve in accordance with the following procedure. The appropriate Union Committee member may take it up orally with

Employee Relations provided this is done within one working day of the discharge. Employee Relations will answer the oral grievance within three (3) working days of the discharge. If not received, a written grievance may be submitted within one working day of the oral answer and, if submitted, will be considered in the Third Step of the Grievance Procedure of Article IV and if not resolved may be continued to be processed in the balance of the Grievance Procedure as outlined in Article IV. The Union shall indicate on the written grievance concerning such employee in what respect the discharge is alleged to be arbitrary. There will be no liability on the part of the Company for the first three (3) full working days following discharge. If the employee and committeeman fail to follow the above procedure within the time limits provided for herein the discharge shall be absolute as of the date of the discharge.

VI. SHIFT PREFERENCE

(44) Shift preference shall be negotiated between the Local Union and the respective Division or Plant.

VII. PROMOTIONS

(45) Where ability, merit, and capacity are equal, employees with the longest seniority shall be promoted to higher paid jobs when such openings occur. Arrangements may be made locally by mutual agreement to establish appropriate procedures for posting of such openings. By local agreement, other arrangements can be made regarding any job openings.

VIII. VETERANS

(46) Any employee who enters the Military Service of the United States Government under the Selective Training and Service Act of 1940, as amended, or as used in the Selective Service Act of 1948, as amended, shall be reinstated in line with his seniority, to his previous position or a position of like seniority status, and pay at the current rate for such work, with seniority accumulative and provided he reports for work within ninety (90) days after his release from active duty and has not been dishonorably discharged.

(47) Any employee who is called to and required to serve on Short Term Military Duty, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard shall be reinstated in line with his seniority, to his previous position or a position of like seniority status, and pay at the current rate for such work, with seniority accumulative, provided he reports promptly after his release from duty with the obli-

gation to report as provided under the absences provision Paragraph (73).

(48) Any employee covered by the terms of this Agreement who left employment subsequent to the Selective Training and Service Act of 1940, as amended or as used in the Selective Service Act of 1948, as amended, in order to perform training or service in the Armed Forces of the United States, or required to serve on Short Term Military Duty, including annual active duty for training as a member of the United States Armed Forces Reserve or National Guard, and who has incurred a disability during the period of such service shall, as long as the disability prevents him from doing the work of the position which he held at the time of his entry into said Armed Forces, have the right to exercise his seniority on a plant-wide basis in accordance with such plant-wide seniority, at work which he is able to do.

IX. DISCHARGES

(49) In the event the Division suspends an employee, pending investigation, the Division shall give or send its decision in writing to the employee as soon as possible but in any event no later than three working days exclusive of Saturdays, Sundays, and holidays. This shall not interfere with any mutually satisfactory local practice in effect.

(50) The Division or Plant may discharge any employee for proper cause. At the time of the discharge the employee and the Union will be given a copy of the disposition. The procedures for providing this notification will be developed locally. If the discharged employee desires, he may contact his appropriate union representative (hereinafter referred to as the Representative) before leaving the Plant. If the discharged employee desires to make a complaint concerning such discharge, he shall deliver the complaint in writing to his Representative. This complaint must be signed by the discharged employee. The Representative may contact the employee's immediate Supervisor relative to such discharge or refer such grievance to the Bargaining Committee.

(51) If a hearing is desired, a member of the Bargaining Committee shall file the complaint with the Director of Employee Relations or his designated Representative(s) of the Division or Plant within two (2) working days, excluding Saturday, Sunday and holidays, after such discharge. The hearing will be held within two (2) working days, excluding Saturday, Sunday and holidays, after the filing of the complaint with the Director of Employee Relations or his designated Representative(s).

(52) A member of the Bargaining Committee will notify the employee of the time and place of hearing. Upon request, the Division will furnish to the Union the employee's most recent address as shown on the employment record. If such employee fails to make the complaint as herein provided, or if he fails to appear at said hearing or upon the hearing is not found to have been unjustly discharged, then his discharge shall be absolute as of the date of the discharge. Provided, however, that if the Union requests a postponement prior to the hearing, such request will be granted (not to exceed fifteen (15) days unless otherwise agreed upon) with the understanding that the Company shall not be obligated, in the event back pay is awarded, to pay beyond the date set for the original hearing unless the case is referred to the Umpire and the Company's position is reversed, but in no case is the delay to operate in such a manner as to cause a loss to the Company by reason of such delay.

(53) If upon such hearing, the employee is found to have been unjustly discharged, he shall be paid for all time lost, and reinstated without loss of seniority. If, upon such hearing, the Management finds that, in its judgment, discharge is too severe, it may commute the discharge to an appropriate penalty.

(54) The decision of the Management of the Division or Plant will be final unless notice of appeal to the Umpire is filed in writing with the Division within ten (10) working days after Management has rendered its decision.

(55) A grievance appealed to the Umpire, as provided herein, shall be scheduled for hearing in accordance with Paragraph (28) as to time intervals starting with notification of appeal to the Umpire. However, in discharge cases, the pre-arbitration grievance review meeting provided for in Paragraph (28) may, by mutual agreement, be either held at any time or waived, and by mutual agreement such case heard in arbitration at any earlier date than provided in Paragraph (28) allowing reasonable time for preparation of briefs.

X. HOURS OF WORK

(56) For the purpose of this Agreement, the employee work week will begin at 12:01 A.M., Monday and end at 12:01 A.M. the following Monday unless changed by local agreement. For purposes of this Agreement, the first (day) shift is that shift which starts nearest 7:00 A.M., the second (afternoon) shift follows the first shift, and the third (midnight) shift follows the second shift.

The Company and the Union understand that in some locations and in some businesses it may be necessary to operate in continuous 24 hour/day - 7 day/week schedules in addition to those described in this Section X - "Hours of Work". In these situations, the Company, the International Union and the Local Union will seek to develop agreements on this subject that will satisfy customer needs and encourage business competitiveness. No deviations from the Master Agreement on this subject will be implemented until such agreement is reached with the Local and International Union and the Company.

(57) For the purpose of establishing overtime provisions, hourly-rated employees covered by this Agreement will be compensated as follows:

Straight Time

(58)

- a. For the first eight (8) hours in any continuous twenty-four (24) hour period beginning with the starting time of employee's shift.
- b. For the regular working hours on any shift that starts on the day before and continues into Saturday or a specified holiday.

Time and One-Half

(59)

- a. Time and one-half shall be paid for all work in excess of eight (8) hours per day in any continuous twenty-four (24) hour period beginning with the starting time of the employee's shift.
- b. For the regular hours on any shift that starts on a Saturday and for the regular hours on any shift that starts on a Saturday and continues into Sunday.

Double Time

(60)

- a. Double-time shall be paid for all hours worked on all shifts that start on Sunday and the holidays as provided in Paragraph (135).
- b. For all hours worked in excess of eight (8) hours on a shift which starts the previous day and runs over to Sunday or one of the designated holidays as provided in Paragraph (135).

(61) Employees working in necessary continuous seven (7) day operations are not subject to the overtime provisions covering work on Saturdays and Sundays as such. Employees in these occu-

pations shall be paid time and one-half for all work performed on the sixth day worked in the employee's work week and double time for all work performed on the seventh day worked in the employee's work week. However, if such an employee is absent on a day or days he is scheduled to work such day or days of absence shall be considered as a day or days worked for the purpose of computing overtime payment. Such employee who works on his normal day(s) off, will not be deprived of premium pay for such work due to a subsequent layoff. Time and one-quarter (1-1/4), shall be paid for hours worked on Sunday, except that time and one-quarter (1-1/4) shall not be paid where an employee has received premium payment for such hours; and double time and one-half (2-1/2) shall be paid for hours worked on any of the designated holidays, it being understood that there shall be no pyramiding of holiday pay and holiday premium for such employees. Such employees shall be paid 10¢ per hour as previously negotiated for time worked which shall be included in computing vacation pay allowance, holiday pay, overtime and night shift premium. The provisions of this Paragraph shall not interfere with any mutually satisfactory local practice now in effect.

(62) The provisions of Paragraph (56) shall apply to continuous seven day operation employees with the understanding that this in no way alters the local practices now in effect.

(63) Employees required to report for work in advance of the starting time of their shifts shall also be permitted to work the regular hours of their shift. The hours worked in advance of their regular starting time shall be considered overtime .

Clean-Up Time

(64) Employees shall be allowed to stop work five (5) minutes before quitting time at the end of shift to wash up and take care of their tools, except as provided in Paragraph (68), "Lunch Periods."

Starting and Quitting Time

(65) The present starting and quitting time of each shift as now in effect in each Division or Plant covered by this Agreement shall remain in effect unless changed through negotiations by mutual agreement.

Equalization of Overtime

(66) Emergency extra work in periods of part time operation, and overtime, should, as far as it is possible and practicable, be equalized among the employees in the group engaged in similar work. Procedures for such equalization and for making information concerning equalization of their status available to employees

by department supervisor may be negotiated locally. This provision shall not interfere with any mutually satisfactory local practice now in effect.

(67) Insofar as practicable, and consistent with production requirements, the Company will make a determined effort to notify employees who are required to work beyond the normal work week (twenty-four (24) hours prior to the overtime day. Daily overtime shall be handled as in the past with emphasis on giving as much advanced notice of such overtime as production requirements permit. In applying the understanding set forth herein, it is agreed that due consideration shall be given handicapped employees where overtime effort would impair the health and efficiency of such employees. This provision shall not interfere with any mutually satisfactory local practice now in effect.

Lunch Periods

(68) On operations working three (3) continuous eight (8) hour shifts, lunch periods will be handled in accordance with either of the following plans:

- a. The first and second shifts will work eight (8) hours and receive a thirty (30) minute unpaid lunch period. The third shift will work seven (7) hours and will receive seven (7) hours' pay plus one (1) hour of pay at the employee's base rate. Such employees will not be granted the five (5) minute cleanup period provided for in paragraph (64); or
- b. All shifts will work a full eight (8) hours shift including a fifteen (15) minute paid lunch period.

(69) It is understood and agreed that the Company has the right to designate at any time during the term of this Agreement which of the two plans set forth above shall be placed in effect. Further, it is understood and agreed that the Company has the right to change from one plan to the other at its discretion and that both plans may be used simultaneously in various portions of the plant and or the entire plant. In the event the Company elects to change from one plan to the other, the Company shall give the Union ten (10) days' notice of such change.

(70) Paragraph (69) is not subject to the provisions set forth in Paragraph (65), "Starting and Quitting Time."

(71) This section — "Lunch Periods" — will not apply to the Honeywell Aerospace Electronic Systems facility in Sun Valley, California. For the other plants covered by the Master Agreement, any "Lunch Period" plans which differ from this section — "Lunch Periods" — must be mutually agreed upon by the International and Local Union and the Company.

Shift Differential

(72) Twenty-five cents (25¢) per hour on all hours worked will be paid to all hourly-rated employees working on the regular afternoon and midnight shifts at Honeywell Aircraft Landing Systems, South Bend, Indiana; Honeywell Aerospace Electronic Systems, Teterboro, New Jersey; Honeywell Aerospace Electronic Systems, Sun Valley, California; Honeywell Friction Materials, Green Island, New York, the present practice relating to night shift premium will be continued unless changed by agreement.

XI. ABSENCES

(73) Employees remaining away from work should notify the employment office of their Division or Plant on the first day of absence. Unless notification is received by the employment office within three (3) working days, the employee will lose all seniority rights. Any employee who reported within three (3) working days who remains away from work for more than one (1) working week, unless an authorized leave of absence has been granted, shall lose all seniority rights; the only exceptions being those cases where it was impossible for him to return as stipulated above because of circumstances beyond the employee's control, adequately supported by satisfactory proof.

XII. LEAVES OF ABSENCE

(74) Any employee covered by this Agreement, elected or appointed to office in an International Union or the local union or elected or selected to full time public office, shall, if he requests in writing, be granted a leave of absence while in office. Such leave must be renewed each year.

a. A seniority employee who is elected or appointed to a full time position with a legally constituted credit union shall, upon prior written request and upon submission of proper proof, receive a leave of absence. Such leave of absence must be renewed yearly with the approval of the Division.

b. A seniority employee entering the Peace Corps shall, upon prior written request and submission of evidence satisfactory to the Company, receive a leave of absence for his period of service with the Peace Corps but not to exceed thirty (30) months. The employee must return to work within thirty (30) days after completion of such service or lose all seniority rights.

c. A seniority employee entering VISTA upon prior written request and submission of evidence satisfactory to the Company, may receive a leave of absence for his period of service with VISTA but not to exceed fifteen (15) months. The employee must return to work within thirty (30) days after completion of such service or lose all seniority rights.

d. Under the provisions of Paragraphs (74)(a), (b), (c), employees returning from these leaves of absence will be reinstated in line with local seniority provisions and their seniority will accumulate during said leaves.

(75) Limited leaves of absence for sufficient cause will be granted by the Division to employees on application thereof. All requests for leaves of absence will be made through the supervisor of the department and will be forwarded to the Employment Department of the Division or Plant where the applicant for leave is employed with the written reason for request. Request for leave of absence must be made in writing on a form provided for that purpose. If request for leave of absence is not approved by the Employment Department, the matter may be presented for discussion at the next regularly scheduled Third Step Grievance Meeting. If such leave is granted, it shall be without prejudice to seniority rights.

(76) In those cases where it was impossible for the employee to have knowledge in advance of the request for the leave of absence in time to permit the processing of the paper work, the supervisor may approve the leave of absence by the issuance of written authorization to the employee prior to the processing of the written paper work.

(77) The Division shall grant employees leaves of absence automatically for disability resulting from sickness or injuries when proper proof of the disability is given to the Division. At the expiration of such leave, such employees will be returned to work which they can perform in accordance with their seniority as if they had not suffered such disability provided they have complied with the provisions of Paragraph (73), "Absences."

(78) In compensable injury and legal occupational disease cases, sick leave will be granted automatically and seniority will accumulate for the full period of legal temporary disability.

(79) With the exception of leaves covered in Paragraph (74)(a), (b), (c), gainful employment (including self-employment), during a leave of absence, shall automatically cancel any seniority or other rights. In the case of personal leaves, however, where there is sufficient evidence to support the fact that such self-employ-

ment will be no greater than that performed prior to the leave, the Company and the Union shall agree to such self-employment during the leave. In the case of disability leaves of absence, however, where the Division and the Union agree, seniority shall accumulate during said leave and employment elsewhere, either odd jobs or gainful employment, shall not cancel seniority rights.

Short-Term Military Duty Pay

(80)

a. An employee with one or more years of seniority who is called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces Reserve or National Guard shall be paid by the Company for each day partially or wholly spent in performing such duty, if the employee otherwise would have been scheduled to work for the Company and does not work an amount equal to the difference, if any, between (i) the employee's regular straight-time hourly rate on the last day worked (or, in the case of an incentive employee, his average straight-time hourly earnings, including incentive earnings, for the last four pay periods worked immediately preceding the week prior to the week in which the employee reports for military duty), exclusive of shift, seven-day operations, overtime and any other premiums, for the number of hours up to eight (8) that he otherwise would have been scheduled to work and (ii) his daily military earnings (including all allowances except for rations, subsistence and travel). The Company's obligation to pay an employee for performance of military duty under this Section is limited to a maximum of ten (10) scheduled working days in any calendar year, except where the days of such active duty are the result of local states of emergency or riot, in which case they shall not be chargeable against the ten (10) scheduled working day maximum.

In order to receive payment under this Section an employee must give the Company prior notice of such military duty and upon his return to work must furnish the Company with a statement of his military pay while on such duty.

b. Any employee covered by the terms of this Agreement who entered the Military Service of the United States Government under the Universal Military Training and Service Act, as amended, and who is re-employed in accordance with the Act, as amended, and other applicable laws and regulations, shall be granted unlimited leaves of absence in order to partake of

full time schooling offered them under The Veterans' Readjustment Act of 1966. At regular intervals, such employees shall furnish the Division and the Local Union proper notice and proof of full time attendance at school. During such leaves, they may engage in part time work available in and out of the plants.

XIII. RATES OF PRODUCTION

(81) The Company agrees that the rates of production will be set on the basis of fairness and equity and they shall be consistent with the quality of workmanship, efficiency of operation and reasonable working capacities of normal operators. Allowance will be made for personal time and other elements such as tool allowances where these are factors.

(82) When the Management decides to study a job, it will give advance notice to the employee who works on the job. The supervisor will instruct in the method of performing the operation. The Standards Department shall then notify both the supervisor and the employee of the standard on the job after the study has been completed.

(83) After the production rate is established under the approved procedure, method and job conditions, the rate will not be changed unless the Company changes the tools, equipment, methods, material or design which justify revision of the standards. In case of such change, only those elements of the standard will be changed which are affected by the change in tools, method, etc.

(84) If any grievance over rates of production should arise, and the supervisor cannot satisfactorily adjust the dispute, the job shall be examined by the designated steward or committee member. If a restudy is requested by the steward or committee member, such restudy shall be taken. A copy of the restudy when completed shall be made available to the steward or committee member and superintendent according to the local practice in addition to all facts relevant to the dispute. Should the dispute still not be satisfactorily settled, the matter shall be referred to the established grievance procedure, as set forth in this Agreement.

XIV. NEW JOBS

(85) When new jobs are placed in production, the Company will notify the Union promptly in writing, and if the job cannot be placed in existing classifications by mutual agreement, Management will set up a new classification and a rate covering the job in question, and will designate it as temporary. A copy of the tempo-

rary rate and classification name will be furnished to the Shop Committee.

(86) Within thirty (30) days after such a new job has been placed into production, the Company and Union will negotiate the rate and classification. When such negotiations have been completed, they shall become part of the local wage schedule, and the negotiated rate, if higher than the temporary rate, shall be applied retroactively to the date when the job began.

(87) In those cases where the parties mutually agree that there has been a change in the job content sufficient as to justify a new job classification, the procedures of Paragraph (85) and (86) shall apply.

XV. CALL-IN PAY

(88) Any employee called to work or permitted to come to work, without having been properly notified that there will be no work, shall receive in such instances four (4) hours of pay at the employee's hourly rate of pay including COLA adder and shift premium if applicable, in lieu thereof, except in case of labor disputes, or other conditions beyond the control of the local Management.

XVI. CALL-BACK PAY

(89) Employees called back to work after completion of their regular shifts shall receive in such instances four (4) hours' work or four (4) hours of pay at the employee's hourly rate of pay including COLA adder and shift premium if applicable.

XVII. EQUAL PAY FOR EQUAL WORK

(90) The company recognizes and agrees to abide by the principle of equal pay for equal work. It is understood in determining the question of proper classification that the content of the job shall be the basis for determining whether or not the employee is properly classified. Any dispute arising as to the question of proper classification of an employee will be subject to the grievance procedure including the Umpire.

XVIII. VACATIONS

(91) Annual vacations will be granted to employees covered by this Agreement who have the required seniority as of the eligibility dates of the particular vacation year, as provided below.

(92) There shall be two eligibility dates, June 30 or December 31, on which dates employees may qualify for a vacation pay allowance as provided hereinafter:

SENIORITY — One (1) year of seniority but less than three (3) years of seniority as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — One (1) week — VACATION ALLOWANCE — 2-1/2% of the employee's earnings for the preceding calendar year.

SENIORITY — Three (3) years of seniority but less than five (5) years of seniority as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — One (1) week — VACATION ALLOWANCE — 3-1/2% of the employee's earnings for the preceding calendar year.

SENIORITY — Five (5) years of seniority but less than ten (10) years of seniority as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — Two (2) weeks — VACATION ALLOWANCE — 4-1/2% of the employee's earnings for the preceding calendar year.

SENIORITY — Ten (10) years of seniority but less than fifteen (15) years of seniority as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — Two (2) weeks — VACATION ALLOWANCE — 6% of the employee's earnings for the preceding calendar year.

SENIORITY — Fifteen (15) years of seniority but less than twenty (20) years of seniority as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — Two (2) weeks — VACATION ALLOWANCE — 6-1/2% of the employee's earnings for the preceding calendar year.

SENIORITY — Twenty (20) years of seniority and over as of June 30 of the particular vacation year — PHYSICAL VACATION PERIOD — Three (3) weeks — VACATION ALLOWANCE — 8% of the employee's earnings for the preceding calendar year.

(93) An employee who has at least ten (10) years of seniority as of June 30 of the particular vacation year may, if he requests, be granted an additional week of vacation over that specified in Paragraph (92) provided he has Management approval and production schedules permit.

(94) On December 31st of each particular vacation year, seniority credits for vacation calculations will be reviewed and employees whose seniority has increased as of December 31st so as to increase his or her vacation allowance will be granted only the additional vacation allowance (the vacation allowance due December 31st less the vacation allowance as of June 30) as is necessary to bring the total vacation allowance to what the employee would have been entitled had vacation been calculated on the employee's seniority as of December 31st.

(95) It is understood and agreed that the term "earnings" as used in this section shall not include pay for vacation allowance and suggestion awards.

(96) Any vacation allowance previously paid which was based upon the previous year's earnings will be deducted from any vacation allowance due under this agreement.

(97) The physical vacation period will be negotiated locally each year in sufficient time so as to permit agreement not later than May 1 of each particular vacation year. This shall not affect any mutually satisfactory local practice now in effect. In the conduct of such negotiations, the parties will give due consideration to customer demand as well as production requirements. Employees whose services may be necessary during the negotiated vacation period will be assigned their vacation at other times of the year. In so doing, the local Management will give consideration to the extent practicable to the preference of the individual employee or employees so affected. In the event of a national emergency or at the request of an authorized agency of the United States Government, physical vacations may be suspended by the Company or by any particular Division. In such event, the vacation allowance will be paid in lieu thereof.

(98) Payment of the vacation allowance to which an employee would otherwise have been entitled under Paragraph (92) shall not be denied because of separation of the employee from the payroll for any reason prior to vacation allowance payments.

Vacation Allowance for Retiring Employees

(99)

a. Any employee who retires on or after the effective date of this agreement under the provisions of Sections 1, 2, and 3, Article V — Article V-A and Article IV, Section 2 of the Hourly Employees Pension Plan (Exhibit A), as amended, shall be entitled to a vacation allowance on the following basis:

b. He shall receive a vacation allowance at the time of retirement at the applicable percentage for his seniority according to the terms of Paragraph (92) of the Collective Bargaining Agreement on the basis of the vacation allowance that he would have received on the next June 30th, had he retained seniority.

c. If a retired employee, who has received a vacation allowance pursuant to the above provisions for retired employees, is re-employed and becomes eligible for a vacation al-

lowance under the other provisions of this Article on the next June 30th following his retirement, such vacation allowance shall be reduced by the amount of the vacation allowance received by such employee under the above provisions for retiring employees.

Paid Absence Allowance Credit

(100) An employee who has at least one year of seniority as of the June 30 eligibility date and has worked at least 26 pay periods in the previous calendar year shall be credited as of June 30 with 64 hours of Paid Absence Allowance credit.

(101) In instances where an eligible employee has worked less than 26 pay periods in the calendar year immediately preceding the June 30 eligibility date, a full-paid absence allowance credit shall be determined in accordance with the following table. In addition an employee who does not have one year's seniority on the above June 30 eligibility date, but who does acquire one year of seniority between June 30 and December 31 of a particular year shall be credited on December 31 of the same year, for use beginning January 1 of the following year, on a one-time basis, with the Paid Absence Allowance credits acquired in the preceding calendar year:

Pay Periods Worked	Hours of Full-Paid Absence Allowance Credit
26 or more	64 hours
24 and 25	56 hours
21 thru 23	48 hours
18 thru 20	40 hours
15 thru 17	32 hours
12 thru 14	24 hours
9 thru 11	16 hours
6 thru 8	8 hours
Less than 6	0 hours

(102) An eligible employee may use his paid absence allowance credit during the twelve-month period following the June 30th on which the absence allowance is credited to him, providing his absence from work is for not less than four (4) continuous hours and is excused for his illness (when not receiving Sickness and Accident Insurance Benefits) or personal business, or a leave of absence for vacation purposes at management discretion when production requirements permit the granting of such vacation.

(103) Absence allowance shall be paid at the employee's cur-

rent rate of pay immediately preceding the absence. Payment of earned but unused paid absence allowance to which an employee would otherwise have been entitled shall not be denied because of separation of the employee from the payroll by death.

(104) An employee who does not use his entire paid absence allowance credit during the twelve-month period following the June 30 eligibility date shall, in lieu of excused absence, be paid the unused portion based on the calculation provided in Paragraph (103).

(105) In determining the number of pay periods an employee shall have worked in the calendar year preceding the June eligibility date, he shall be credited with one pay period for each pay period in which he performs work in any Honeywell plant during that year.

(106) Illness occurring the day before or the day after a paid holiday or a physical vacation for which an eligible employee claims paid absence allowance credit must be supported by proper medical proof of illness satisfactory to the Company.

(107) In instances where employees have unused Paid Absence Allowance Credit, they will be paid in lieu thereof after the end of the eligibility year on the payment basis specified in this section.

XIX. MOVEMENT OF DEPARTMENTS OR PLANTS

(108) In the event the Company elects to move a department, or major portion thereof, or plant covered by this Agreement to another plant of the Company also covered by this Agreement, employees who worked in such departments or plants who are out of work as a result of the transfer, may if they so desire, within thirty (30) days elect to be transferred to the new plant and carry their ranking seniority to the new plant.

(109) Employees who so elect to be transferred to the new plant will receive the corresponding wage rate of the job classification to which they are assigned at the new plant for fifteen (15) days after which they will receive the top rate of such classification. If such employees received the top rate for the same job classification at the old plant or the top rate of a higher-paid classification to which they are assigned at the new plant without a breaking-in period, they shall receive the top rate of pay for such classification at the new location.

(110) An employee whose seniority is transferred between plants pursuant to Paragraph (108) of this Agreement will be paid a Moving Allowance provided that:

- a. The plant to which the employee is to be relocated is at least fifty (50) miles from the plant from which his seniority was transferred, and
- b. As a result of such relocation, he changes his permanent residence, and
- c. He makes application within six (6) months after assuming his new, permanent residence in the area of this plant to which he was relocated in accordance with the procedures established by the Company.

(111) The amount of the Moving Allowance will be determined as follows:

Miles Between Plants	Allowance	
	Single Employee	Married Employee
50-99.....	\$500	\$1,125
100-299.....	560	1,240
300-499.....	605	1,300
500-999.....	735	1,535
1,000 or more.....	845	1,760

In the event an employee who is eligible to receive a Moving Allowance under these provisions is also eligible to receive a Moving Allowance or its equivalent under any present or future Federal or State legislation, the amount of Moving Allowance provided under this Paragraph (112), when added to the amount of Moving Allowance provided by such legislation, shall not exceed the maximum amount of the Moving Allowance the employee is eligible to receive under the provisions of this Paragraph.

(112) Only one Moving Allowance will be paid where more than one member of a family living in the same residence are relocated pursuant to Paragraph (109).

XX. UNION BULLETIN BOARDS

(113) The Company shall furnish locked bulletin boards for the exclusive use of the Union for the posting of notices which have been approved by the local Management. These notices are restricted to notices of the following types:

- a. Notices of Union recreational and social affairs.
- b. Notices of Union elections.
- c. Notices of results of Union elections.
- d. Notices of Union meetings.
- e. Notices of official Union business.

(114) The bulletin boards shall not be used by the Union for disseminating propaganda of any kind whatsoever and among other things, shall not be used by the Union for posting or distributing pamphlets or political matter of any kind.

XXI. ANTI-DISCRIMINATION

(115) The Company agrees that it will not discriminate in the hiring of employees or in their training, upgrading, promotion, transfer, layoff, discipline, discharge, or otherwise, because of race, religion, color, national origin, sex, age, disabled veterans, veterans of the Viet Nam era, or certified physical or mental handicap. The Union agrees that it will not discriminate because of race, religion, color, national origin, sex, age, disabled veterans, veterans of the Viet Nam era, or certified physical or mental handicap. It is understood that whenever the masculine gender is used in this Agreement, and all Supplemental Agreements, it shall include the female gender where applicable.

XXII. HEALTH AND SAFETY

(116) The Company shall continue to make reasonable provisions for the safety and health of the employees during the hours of their employment by providing protective devices and other equipment necessary to protect the employees from injury and sickness.

(117) If a dispute shall arise regarding the necessity of certain protective devices and other equipment or if an employee has good reason to believe that an assigned job may be dangerous to life or limb, the supervisor and the appropriate Union representative may be notified immediately. If the matter is not resolved with the supervisor, the appropriate Union representative may take the matter up immediately with the Director of Employee Relations or his designated representative for the purpose of resolving the dispute. If the dispute is not then resolved, the management shall make an immediate investigation of legitimate safety complaints including consideration as to the advisability of stopping the job pending final determination of the dispute where in the opinion of management such action is warranted. If, however, the decision of the management is that the job is safe, the employee must perform the job assigned. If the decision of the management is that the job is safe, and the employee still contends otherwise, a procedure for obtaining a determination from an individual or agency acceptable to both the Company and the Union shall be established locally. The determination of the individual or agency shall be final and binding on the Union and its members, the em-

ployee or employees involved and the Division or Plant of the Company.

XXIII. SUPPLEMENTAL AGREEMENTS

(118) The Company and the Union agree that before each local supplemental agreement negotiated on a local level is made effective, it shall be referred to the National Honeywell Department of the Union and to the Employee Relations Department of Honeywell for their approval before becoming effective.

(119) Oral or written agreements other than the local supplemental agreement shall not be submitted to the National Honeywell Department of the Union nor to the Employee Relations Department of Honeywell for approval. They shall not, however, conflict with the provisions of this Agreement.

XXIV. STRIKES, STOPPAGES AND SLOWDOWNS

(120) It is the intent of the parties that the procedures outlined in this Agreement and all supplemental agreements hereto, shall serve as a means for peaceful settlement of all disputes that may arise between the parties.

(121) The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike, work stoppage, sit-down, stay-in or slowdown, or any curtailment of work or any restriction of production or interference with production in any plant of the Company or picket any of the Company's plants or premises until all of the bargaining procedure as outlined in this Agreement has been exhausted, and in no case on which the Umpire shall have ruled and in no other case on which the Umpire is not empowered to rule until after negotiations have been exhausted at the final step of the grievance procedure and not even then unless sanctioned by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), and notice of strike, work stoppage, sit-down, stay-in or slow down is given to the Company in writing by the International Union prior to the beginning of same.

(122) The Company reserves the right to discipline any employee taking part in any violation of this section of this Agreement. Such action as may be taken by the Company shall be subject to the grievance procedure including the Umpire.

XXV. CONFINEMENT OF ISSUES

(123) It is expressly understood and agreed that no grievance,

complaint, issue or matter other than the strikeable issue involved will be discussed or negotiated in connection with disputes on the issues in Paragraph (35) and the Union shall not request or insist upon the discussion or negotiation of any extraneous issues either before the authorization of a strike or after the occurrence of a strike.

XXVI. GENERAL PROVISIONS

(124) The Company may adopt locally from time to time and enforce reasonable rules and regulations not inconsistent with any of the terms of this Agreement and the respective local supplemental agreements. The observance of such rules and regulations shall be required by all employees.

(125) The Company agrees that each Division or part of Division will print and distribute to its employees copies of this Agreement together with the respective supplemental agreements as soon as practicable after the signing of this Agreement.

(126) Non-bargaining unit employees shall not perform the regular work of any employee who is covered by this Agreement, except for the purpose of instruction. Further implementation of this Paragraph shall be negotiated at the local level.

(127) The subject of smoking in the plant shall be a subject of local negotiations.

(128) Former employees with satisfactory employment records will be given preference in hiring. Honeywell will provide active bargaining unit employees access to Honeywell's on-line job posting and application process. Former and present employees with satisfactory employment records may apply for employment openings at other Honeywell facilities.

(129) Copies of any bulletin put out by the Company regarding shop conditions shall be given to the chairman of the Bargaining Committee to be posted in the Union Hall.

(130) No local Union officer, steward, or committee member shall be promoted to an administrative or supervisory position during the term of office.

(131) Any employee with seniority who is called to and reports for jury duty, including coroner's juries, shall be paid by the Company for each day partially or wholly spent in performing jury duty; if the employee otherwise would have been scheduled to work for the Company and does not work, an amount equal to the difference between the employee's regular straight-time hourly rate, including cost-of-living allowance, but exclusive of shift pre-

mium, seven-day operations, overtime premium, and any other premiums (or in the case of an incentive employee, his average straight-time hourly earnings including cost-of-living allowance, incentive earnings, but excluding shift premium, overtime premium, and all other premiums for the last four pay periods worked immediately preceding the week prior to the week in which the employee reports for jury duty) for the number of hours up to eight (8) that he otherwise would have been scheduled to work and the daily jury duty fee paid by the court (not including travel allowances or reimbursement of expenses.) In order to receive payment under this Paragraph, an employee must give the Company prior notice that he has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which he claims such payment. The provisions of this Paragraph are not applicable to an employee who, without being summoned, volunteers for jury duty.

In addition to normal service as a juror, an employee who is required to report during his normal working hours for selection or rejection as a juror, will be considered to have performed "jury duty" during the process of being selected or rejected, provided that the employee has reported in response to an official summons and has otherwise fulfilled all of the contractual requirements for eligibility. An employee will not be considered eligible for "jury duty" pay, however, in instances where the official summons provides a time span for reporting and such time span makes it possible for the employee to report on his regular days off or outside his normal working hours.

If jury duty extends beyond one full calendar week the employee may be paid prior to the completion of his service in accordance with the division's pay period and pay day for jury service performed, provided the employee submits satisfactory evidence to the division of such service and monies earned.

(132) When death occurs in an employee's immediate family; i.e., current spouse, parent or step-parent, parent or step-parent of current spouse, grandparent or grandparent of current spouse, brother or sister of current spouse, child or stepchild, brother or stepbrother, sister or stepsister, grandchild, the employee, on request, will be excused for any of the first three (3) regularly-scheduled working days (excluding Saturdays and Sundays; or in the case of seven-day operations, excluding the sixth and seventh work days of the employee's scheduled work week) immediately following the date of death. Death in employee's immediate family shall include the employee's stillborn child or the employee's stillborn grandchild, provided the employee attends the funeral in accor-

dance with existing provisions of this paragraph. The three (3) day bereavement period can be available for up to 30 days after the date of death as necessary for attendance at funeral service or memorials with documented proof supplied to Human Resources.

After making written application therefore, the employee shall receive pay for any scheduled hours of work up to eight (8) per day for which he is excused (excluding Saturdays and Sundays or in the case of seven-day operations, excluding the sixth and seventh work days of the employee's scheduled work week) provided he attends the funeral and provides satisfactory evidence of his attendance to the Company. In the event the body of a member of the employee's immediate family is not buried in Continental North America solely because the cause of death has physically destroyed the body, or the body is donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

Payments shall be made at the employee's regular straight-time hourly rate (excluding overtime and night shift premium) as of his last day worked. Time thus paid will not be counted as hours worked for purposes of overtime.

XXVII. APPRENTICESHIP PROGRAM

(133) An Apprenticeship Program will be negotiated locally when local facilities permit such program.

XXVIII. HOLIDAY PAY

(134)

a. All hourly-rated employees coming under the scope of the Agreement shall be paid for the following holidays:

First Contract Year (14)

Monday, May 26, 2003 Memorial Day
Friday, July 4, 2003 - Independence Day
Monday, September 1, 2003 Labor Day
Thursday, November 27, 2003 Thanksgiving
Friday, November 28, 2003 Day After Thanksgiving
Wednesday, December 24, 2003 Christmas Shutdown
Thursday, December 25, 2003 Christmas Shutdown
Friday, December 26, 2003 Christmas Shutdown
Monday, December 29, 2003 Christmas Shutdown
Tuesday, December 30, 2003 Christmas Shutdown
Wednesday, December 31, 2003 Christmas Shutdown
Thursday, January 1, 2004 Christmas Shutdown
Friday, January 2, 2004 Christmas Shutdown
Friday, April 9, 2004 Good Friday

Second Contract Year (12)

Monday, May 31, 2004 Memorial Day
Monday, July 5, 2004 Independence Day (observed)
Monday, September 6, 2004 Labor Day
Thursday, November 25, 2004 Thanksgiving
Friday, November 26, 2004 Day After Thanksgiving
Friday, December 24, 2004 Christmas Shutdown
Monday, December 27, 2004 Christmas Shutdown
Tuesday, December 28, 2004 Christmas Shutdown
Wednesday, December 29, 2004 Christmas Shutdown
Thursday, December 30, 2004 Christmas Shutdown
Friday, December 31, 2004 Christmas Shutdown
Friday, March 25, 2005 Good Friday

Third Contract Year (12)

Monday, May 30, 2005 Memorial Day
Monday, July 4, 2005 Independence Day
Monday, September 5, 2005 Labor Day
Thursday, November 24, 2005 Thanksgiving
Friday, November 25, 2005 Day After Thanksgiving
Monday, December 26, 2005 Christmas Shutdown
Tuesday, December 27, 2005 Christmas Shutdown
Wednesday, December 28, 2005 Christmas Shutdown
Thursday, December 29, 2005 Christmas Shutdown
Friday, December 30, 2005 Christmas Shutdown
Monday, January 2, 2006 Christmas Shutdown
Friday, April 14, 2006 Good Friday

Fourth Contract Year (13)

Monday, May 29, 2006 Memorial Day
Monday, July 3, 2006 Monday before Independence Day
Tuesday, July 4, 2006 Independence Day
Monday, September 4, 2006 Labor Day
Thursday, November 23, 2006 Thanksgiving
Friday, November 24, 2006 Day After Thanksgiving
Monday, December 25, 2006 Christmas Shutdown
Tuesday, December 26, 2006 Christmas Shutdown
Wednesday, December 27, 2006 Christmas Shutdown
Thursday, December 28, 2006 Christmas Shutdown
Friday, December 29, 2006 Christmas Shutdown
Monday, January 1, 2007 Christmas Shutdown
Friday, April 6, 2007 Good Friday

Providing they meet all of the following eligibility rules, unless otherwise provided herein:

1. The employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods; and
2. The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday; and
3. The employee must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week, except in the case of holidays which fall in the Christmas holiday period.

In the case of the Christmas holiday period, in 2003, starting December 24, 2003, through January 2, 2004; in 2004, starting December 24, 2004, through December 31, 2004; in 2005, starting December 26, 2005, through January 2, 2006; in 2006, starting December 25, 2006, through January 1, 2007, the employee must have worked the last scheduled working day prior to and the next scheduled working day after such holiday period, regardless of the work week in which the scheduled working days fall.

An otherwise eligible employee absent without excuse on both the scheduled working day prior to and the next scheduled working day after a Christmas holiday period shall be ineligible for holiday pay for all of the holidays within the Christmas holiday period. An otherwise eligible employee absent without excuse on either the last scheduled working day prior to or the next scheduled working day after a Christmas holiday period shall be ineligible for two (2) of the holidays

for which he would otherwise be eligible in the Christmas holiday period, but shall, if otherwise eligible, receive pay for the remaining holidays in the Christmas holiday period.

An otherwise eligible employee who has been laid off in a reduction in force or who has gone on sick leave during the work week prior to, or during the work week in which the holiday falls, shall receive pay for such holiday. An otherwise eligible employee who is laid off during the second work week prior to a week in which one or more of the holidays in the Christmas holiday period falls, and who worked his last scheduled working day prior to such layoff shall, if otherwise eligible, receive pay for the holidays falling within the Christmas holiday period. An otherwise eligible employee on layoff or sick leave of absence when the holiday(s) occurs who returns to work following the holiday(s) but during the week in which the holiday(s) falls shall receive pay for such holiday(s).

b. Employees who will be called in to work only in emergencies on the following days which are not paid holidays under this Agreement:

Saturday, December 27, 2003

Sunday, December 28, 2003

Saturday, December 25, 2004

Sunday, December 26, 2004

Saturday, January 1, 2005

Sunday, January 2, 2005

Saturday, December 24, 2005

Sunday, December 25, 2005

Saturday, December 31, 2005

Sunday, January 1, 2006

Saturday, December 30, 2006

Sunday, December 31, 2006

Employees shall not be disqualified for holiday pay, if otherwise eligible for such pay, if they decline a work assignment on one or more of the above days.

The foregoing provisions shall not apply to:

1. Employees assigned to seven day operations; and
2. Employees who perform work on Sunday which is part of the third shift, Monday.

c. Effect of Unemployment Compensation

If, for a week which includes one or more holidays which fall after December 22, but before the following January 3, an employee supplements his holiday pay for such holidays by claiming and receiving an unemployment compensation bene-

fit or by claiming and receiving waiting period credit, to which he otherwise would not have been entitled if such holiday pay had been treated as remuneration and considered disqualifying income for unemployment compensation, a deduction of the lesser of the following amounts will be made from the employee's earnings from the Company:

1. An amount equal to the employee's holiday pay for each week in question; or
2. An amount equal to either the unemployment compensation paid to the employee for each week in question or the unemployment compensation which would have been paid to the employee for each week in question if it had not been considered a waiting period.

d. A letter will be sent by Honeywell Labor Relations to their respective Directors of Employee Relations regarding the Administration of the Christmas Holiday Shutdown on or about December 1 of each year; a copy of which will be provided to the International UAW Honeywell Department.

(135) When one of the above holidays falls within an eligible employee's approved vacation period, and he is absent from work during his regularly scheduled work week because of such vacation, he shall be paid for such holiday.

(136) Employees with the necessary seniority who have been laid off in a reduction in force or who have gone on a sick leave or on an approved leave of absence during the work week prior to or during the week in which the holiday falls or returns to work from sick leave, leave of absence or lay off following the holiday but during the week in which the holiday falls shall be eligible for pay for that holiday.

(137) Employees eligible under these provisions shall receive eight (8) hours of pay at their regular straight-time hourly rate exclusive of night shift and overtime premium for each such holiday (in the case of incentive workers, the employee's average earned rate exclusive of night shift and overtime premiums for the full four-week period preceding the week in which the holiday falls shall be used.)

(138) An employee whose work is in necessary continuous seven-day operations as covered by Paragraph (61) of the National Agreement shall receive holiday pay only in the event the holiday falls on one of his regularly scheduled days off, and he meets the other eligibility requirements of this Holiday Pay section; provided, however, that such employee shall not receive holiday pay if he is scheduled to work on such day off and absents himself

from scheduled work on such holiday without reasonable cause acceptable to Management.

(139) Employees not working in necessary continuous seven-day operations who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause, shall not receive holiday pay under this Holiday Pay Section.

XXIX. WAGES

(140) New employees hired following ratification of the Agreement shall be paid at a rate sixty (60) cents below the minimum of the base rate for the job classification and shall receive an automatic increase of twenty-five (25) cents on the first Monday following thirty (30) days service in the job classification. Thereafter, the employee shall receive an increase to the minimum of the base rate for the job classification on the first Monday following ninety (90) days service in the job classification. An employee laid off after completion of the probationary period, but prior to attaining the minimum of the base rate for the job classification and who is subsequently reemployed, shall receive a rate of pay upon reemployment that has the same relative position to the minimum of the base rate for the job classification as attained by the employee prior to layoff. Upon reemployment, the credited rate progression earned by the employee during the prior period of employment shall be applied toward the period needed for progression to the minimum of the base rate for the job classification. The foregoing shall not apply to skilled trades job classifications.

Improvement Factor*

The Improvement Factor provided for herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes, and equipment and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective.

Accordingly, it is agreed that this Improvement Factor will become effective for each employee covered by this Agreement.

Effective May 3, 2003, an increase of three percent (3.0%) shall be granted to each employee covered by this Agreement, of his straight time hourly wage rate (exclusive of cost-of-living allowance, shift premium, and any other premiums). This general wage increase will be applied to the base wage rates in effect prior

to the COLA fold of one dollar and thirty-nine cents (\$1.39). It is understood that the Sun Valley, CA plant is closing in 2003 and for that reason the wage increase effective May 3, 2003 will be paid as an equivalent lump sum, calculated per the lump sum bonus provisions in this contract and payable on May 12, 2003, or as soon as possible thereafter upon ratification.

Effective May 9, 2005, an increase of three percent (3.0%) shall be granted to each employee covered by this Agreement, of his straight time hourly wage rate (exclusive of cost-of-living allowance, shift premium, and any other premiums).

*Unless otherwise agreed to locally with approval of Honeywell & the Honeywell-UAW Aerospace Department.

Wage Table

Straight Time Hourly Wage Rate	Annual Improvement Factor
Less than \$13.84	\$0.41
\$13.84 but less than 14.17	0.42
14.17 but less than 14.50	0.43
14.50 but less than 14.84	0.44
14.84 but less than 15.17	0.45
15.17 but less than 15.50	0.46
15.50 but less than 15.84	0.47
15.84 but less than 16.17	0.48
16.17 but less than 16.50	0.49
16.50 but less than 16.84	0.50
16.84 but less than 17.17	0.51
17.17 but less than 17.50	0.52
17.50 but less than 17.84	0.53
17.84 but less than 18.17	0.54
18.17 but less than 18.50	0.55
18.50 but less than 18.84	0.56
18.84 but less than 19.17	0.57
19.17 but less than 19.50	0.58
19.50 but less than 19.84	0.59
19.84 but less than 20.17	0.60
20.17 but less than 20.50	0.61
20.50 but less than 20.84	0.62
20.84 but less than 21.17	0.63
21.17 but less than 21.50	0.64
21.50 but less than 21.84	0.65
21.84 but less than 22.17	0.66
22.17 but less than 22.50	0.67
22.50 but less than 22.84	0.68

22.84 but less than 23.17	0.69
23.17 but less than 23.50	0.70
23.50 but less than 23.84	0.71
23.84 but less than 24.17	0.72
24.17 but less than 24.50	0.73
24.50 but less than 24.84	0.74
24.84 but less than 25.17	0.75

The increase shall be computed in accordance with the above table based upon base rates in effect immediately preceding May 3, 2003.

Bonus Payments*

All employees with seniority on the below eligibility date shall receive a lump sum bonus payment of three percent (3%) of the employee's W-2 earnings for the prior calendar year, minus any suggestion awards to be paid on the date indicated below:

Eligibility Date	Payable
May 3, 2004	May 10, 2004
May 1, 2006	May 8, 2006

* Unless otherwise agreed to locally with approval of Honeywell & the Honeywell-UAW Aerospace Department.

One-Time Lump Sum Bonus

Employees who are on the active payroll as of May 3, 2003, and who are also (A) on the active payroll as of January 12, 2004, or (B) on layoff or leave as of January 12, 2004, or (C) retired as of January 12, 2004, will receive a one-time lump sum bonus of five hundred dollars (\$500) in the pay period for the week of January 19, 2004. Eligible employees who retire before January 12, 2004, will receive this one-time lump sum bonus when they receive their last regular paycheck prior to retirement. Eligible employees at the Sun Valley, CA, plant who are eligible for a severance payment under the Sun Valley plant closing agreement will receive this one-time lump sum bonus at the same time they receive their severance payment.

Cost-of-Living Allowance*

(141) Each employee covered by the Agreement shall receive a Cost-of-Living Allowance as set forth in this section.

* Unless otherwise agreed to locally with approval of Honeywell & the Honeywell-UAW Aerospace Department.

- a. Effective May 12, 2003, one dollar and thirty-nine cents (\$1.39) shall be deducted from the one dollar and forty-four cent (\$1.44) Cost-of-Living Allowance in effect immediately prior to the date and one dollar and thirty-nine cents (\$1.39) shall be added to the base wage rates (minimum, intermediary

and maximum) for each day work classification in effect on that day, except that one dollar and thirty-nine cents (\$1.39) shall be added to the gross hourly earnings of the employee after the gross incentive earnings for piece workers, group workers, and incentive workers have been computed.

The amount of the Cost-of-Living Allowance beginning May 4, 2003 shall be five cents (\$.05). Thereafter, during the period of this Agreement, adjustments in the Cost-of-Living Allowance shall be computed in accordance with b, c and d of this Section.

b. Basis for Allowance

(1) The amount of the Cost-of-Living Allowance shall be determined in accordance with changes in the official Consumers' Price Index for Urban Wage Earners and Clerical Workers (revised, CPI-W)-United States City Average published by the Bureau of Labor Statistics, U.S. Department of Labor, (1967 = 100) and hereinafter referred to as the Index.

(2) Continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for March, 2003, except as otherwise agreed upon by the parties.

(3) If the Bureau of Labor Statistics changes the form or the basis of calculating the official Consumer Price Index, the parties agree to request the Bureau to make available, for the duration of the Agreement, a *monthly Consumers' Price Index* in its present form and calculated on the same basis as the Index for March, 2003, provided, however, that if the Index is revised by the Bureau of Labor Statistics based on the 1982-84 Consumer Expenditure Survey, it shall be used for any month for which such revised Index is officially published.

(4) No adjustment, retroactive or otherwise, shall be made in the amount of the Cost-of-Living Allowance due to any revision which later may be made in the published figures for the Index for any month or months specified in Paragraph (141)c.

(5) In the event the Bureau of Labor Statistics does not issue the appropriate indexes on or before the beginning of one of the pay periods referred to in Paragraph (141)c.(1), any adjustment in the Cost-of-Living Allowance required

by such appropriate Index shall be effective at the beginning of the first pay period after receipt of such Index.

c. Payments of Cost-of-Living Allowance

(1) The amount of the Cost-of-Living Allowance for the period beginning May 4, 2003 and ending July 6, 2003, shall be five cents (5¢) per hour.

(2) For the period July 7, 2003 through January 1, 2007, adjustments in the Cost-of-Living Allowance shall be made at the following times:

Effective Date of Adjustment	Based on Three-Month Average of the BLS CPI for:
July 7, 2003	March, April, and May 2003
First pay period beginning on or after October 6, 2003 and at three-calendar month intervals thereafter to January 1, 2007	June, July, and August 2003, and at three-calendar month intervals thereafter to September, October, and November, 2006

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.1 Index Point.

(3) For the period July 7, 2003 through January 1, 2007, as provided in Paragraph (141)c.(2), the amount of the Cost-of-Living Allowance shall be in accordance with the following table, except as modified by Paragraph (141)c.(4):

Three-Month Average BLS Consumer Price Index (1967 = 100)	Cost-of-Living Allowance
528.8 or less	none
528.9 - 529.1	\$.01
529.2 - 529.4	\$.02
529.5 - 529.6	\$.03
529.7 - 529.9	\$.04
530.0 - 530.1	\$.05
530.2 - 530.4	\$.06
530.5 - 530.7	\$.07
530.8 - 530.9	\$.08
531.0 - 531.2	\$.09

and so forth with one-cent (1¢) adjustment for each 0.26 point change in the average Index for the appropriate three months, as indicated in Paragraph (142)c. The above table shall be continued sequentially for each 0.3, 0.2, 0.3, 0.2 and 0.3 change in the average Index, and so forth, with that sequence of the five changes being repeated thereafter in the table so as to produce an average adjustment over time of one cent (1¢) for each 0.26 change in the Average Index.

(4) For each adjustment during the fifteen (15) three-month periods in which an increase in the Cost-of-Living Allowance shall be required according to the above table, the amount of increase so required in each three-month period shall be reduced by four cents (4¢) up to a maximum cumulative reduction during the three-month period beginning January 1, 2007, of sixty cents (60¢); provided however, that if the amount of increase in one or more of these fifteen three-month periods is insufficient to provide the required reduction, no additional increase in Cost-of-Living payments shall be granted. However, the increase in the following three-month period(s) will not be applied toward satisfying such reduction.

(5) The amount of any Cost-of-Living Allowance in effect at the time shall be taken into account in computing overtime, holiday and shift premiums and in determining call-in pay, call-back pay, pay for vacation, unworked holidays, paid absence allowance, jury duty pay, bereavement pay, and short-term military duty pay.

XXX. PENSION PLAN, INSURANCE PROGRAM, SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN, AND EMPLOYEE SAVINGS PLAN

(142) The parties have provided for a Pension Plan, Insurance Program, Supplemental Unemployment Benefit Plan and Employee Savings Plan by Supplemental Agreements signed by the parties simultaneously with the execution of this Agreement (which Supplemental Agreements are set forth in Exhibit A, Exhibit B, Exhibit C, and Exhibit D respectively, and made parts of this Agreement as if set out in full herein, subject to all the provisions of this Agreement). No matter respecting the provisions of the Pension Plan, or the Insurance Program, or the Supplemental Unemployment Benefit Plan or the Employee Savings Plan shall be subject to the grievance procedure established in this Agreement.

XXXI. DURATION

(143) This Agreement settles in full all of the demands of the Union and the Union agrees it will make no further demands of any kind for the duration of this Agreement.

(144) This Agreement shall remain in full force and effect until 6:00 p.m., May 3, 2007, and shall thereafter be continued in full force and effect from year to year after 6:00 p.m., May 3, 2007, unless notice of termination or a desire to modify or change this Agreement is given in writing by either party at least sixty (60) days before the expiration date. Upon receipt of such notice, a conference shall be arranged for within thirty (30) days. This provision shall not be interpreted to require a meeting prior to sixty (60) days before the expiration date of this Agreement.

(145) The Company and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, even though such subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement. It is further agreed that neither party has relinquished any rights or given up any position or affected its right to interpret the Collective Bargaining Agreement by the withdrawal or modification of proposals made during the course of negotiations leading to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written.

For:

**International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America, UAW**

Cal Rapson
Richard Ruppert
Mary K. Riordan
Tom Bode
Bob Ambrosini
Bruce Eaton
Glenn Gaines
Brian DeMarco

For:

Honeywell International Inc.

Edward J. Bocik
Mary Johnson
Eric Warren
Noe Gaytan
Allen Clarke
Michael Oglensky

SUPPLEMENTAL AGREEMENT

REGARDING

RETIREMENT AND PENSIONS

**EXHIBIT "A" TO AGREEMENT
BETWEEN
DIVISIONS OF**

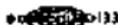
Honeywell International Inc.

AS ENUMERATED HEREIN

AND

**INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)[®]**

EFFECTIVE: MAY 3, 2003



PRINTED IN U.S.A.

TABLE OF CONTENTS

SUPPLEMENTAL AGREEMENT

REGARDING RETIREMENT AND PENSIONS

SECTION 1.	ESTABLISHMENT OF PLAN.....	1
SECTION 2.	EMPLOYEES INCLUDED.....	2
SECTION 3.	FINANCING.....	2
SECTION 4.	RETIREMENT.....	3
SECTION 5.	EFFECT OF RETIREMENT ON EMPLOYMENT STATUS AND SENIORITY.....	3
SECTION 6.	BOARD OF ADMINISTRATION.....	4
SECTION 7.	FOUNDRY JOBS.....	4
SECTION 8.	DURATION OF AGREEMENT, CHANGES, AMENDMENTS, AND ADDITIONS.....	5
ARTICLE I.	PURPOSES.....	6
ARTICLE II.	DEFINITIONS.....	6
SECTION 1.	BOARD.....	7
SECTION 2.	CODE.....	7
SECTION 3.	COMPANY.....	7
SECTION 4.	DISABILITY.....	7
SECTION 5.	DIVISION.....	7
SECTION 6.	EARLY RETIREMENT SUPPLEMENT.....	7
SECTION 7.	ELIGIBLE ABSENCE.....	7
SECTION 8.	ELIGIBLE FOR AN UNREDUCED SOCIAL SECURITY BENEFIT.....	8
SECTION 9.	EMPLOYEE.....	8
SECTION 10.	FEDERAL SOCIAL SECURITY ACT.....	8
SECTION 11.	INTEGRATED BENEFITS.....	8
SECTION 12.	INTERIM SUPPLEMENT.....	8
SECTION 13.	LAST DAY ACTIVELY AT WORK FOR THE COMPANY.....	9
SECTION 14.	LIFE INCOME BENEFIT.....	9
SECTION 15.	NORMAL RETIREMENT DATE.....	9
SECTION 16.	PARTICIPATING UNIT.....	9
SECTION 17.	PENSION.....	9
SECTION 18.	PLAN.....	9
SECTION 19.	PLAN YEAR.....	9
SECTION 20.	PRIOR PLAN.....	9
SECTION 21.	REQUIRED BEGINNING DATE.....	10
SECTION 22.	RETIREMENT.....	10
SECTION 23.	SERVICE.....	10
SECTION 24.	SOCIAL SECURITY BENEFIT.....	11
SECTION 25.	SOCIAL SECURITY RETIREMENT AGE.....	11
SECTION 26.	SPECIAL BENEFIT.....	11
SECTION 27.	SUPPLEMENT.....	11

SECTION 28. SUPPLEMENTAL ALLOWANCE	11
SECTION 29. TEMPORARY BENEFIT	12
SECTION 30. TRUSTEE	12
SECTION 31. TRUST FUND	12
SECTION 32.	12
SECTION 33.	12
ARTICLE III. EMPLOYEES INCLUDED	12
ARTICLE IV. REQUIREMENTS FOR RETIREMENT ...	13
SECTION 1.	13
SECTION 2.	13
SECTION 3.	14
SECTION 4.	14
SECTION 5.	15
SECTION 6.	16
ARTICLE V. RETIREMENT AND OTHER BENEFITS. . .	17
SECTION 1. NORMAL RETIREMENT PENSION	17
SECTION 2. EARLY RETIREMENT PENSION	17
SECTION 3. DISABILITY RETIREMENT PENSION ..	21
SECTION 4. DEFERRED VESTED PENSION	22
SECTION 5. REEMPLOYMENT	23
SECTION 6. SURVIVORSHIP OPTION	23
SECTION 7. PRERETIREMENT SURVIVOR BENEFITS	27
SECTION 8. EMPLOYEES WHO RETIRED PRIOR TO MAY 4, 2003.	29
SECTION 9. SPECIAL BENEFIT	39
SECTION 10. SPECIAL LUMP SUM PAYMENT	40
SECTION 11. ADDITIONAL LUMP SUM OPTION	42
ARTICLE V-A. SUPPLEMENTAL ALLOWANCE	43
SECTION 1. ELIGIBILITY FOR SUPPLEMENTAL ALLOWANCE	43
SECTION 2. AMOUNT OF SUPPLEMENTAL ALLOWANCE	44
SECTION 3. ASSUMPTIONS AND ADJUSTMENTS IN COMPUTING AMOUNT OF SUPPLEMENTAL ALLOWANCE	45
SECTION 4. PAYMENT OF ALLOWANCE PROVISIONS	47
SECTION 5. DISCHARGED EMPLOYEES	48
ARTICLE VI. NON-ALIENATION OF BENEFITS.	48
ARTICLE VII. FACILITY OF PAYMENT	49
ARTICLE VIII. OTHER BENEFITS	49
ARTICLE IX. CONTRIBUTIONS	50
SECTION 1.	50
SECTION 2.	50

ARTICLE X. TRUST FUND	50
SECTION 1.	50
SECTION 2.	51
SECTION 3.	51
ARTICLE XI. ADMINISTRATION AND FIDUCIARIES..	52
SECTION 1.	52
SECTION 2.	52
SECTION 3.	54
ARTICLE XII. GUARANTEES AND LIABILITIES	56
SECTION 1.	56
SECTION 2.	56
SECTION 3.	57
ARTICLE XIII. AMENDMENT, TERMINATION, ETC. ...	57
SECTION 1. AMENDMENT.	57
SECTION 2. TERMINATION OF PLAN	58
SECTION 3.	59
SECTION 4.	60
SECTION 5.	61
ARTICLE XIV. MISCELLANEOUS PROVISIONS.	61
SECTION 1.	61
SECTION 2.	61
SECTION 3.	61
ARTICLE XV. ADMINISTRATIVE RULES	62
SECTION 1. CREDITED SERVICE PRIOR TO NOVEMBER 1, 1950.	62
SECTION 2. CREDITED SERVICE SUBSEQUENT TO NOVEMBER 1, 1950.	62
SECTION 3. ELIGIBILITY SERVICE	68
SECTION 4. LOSS OF CREDITED SERVICE AND ELIGIBILITY SERVICE	68
SECTION 5. TRANSFERS	69
SECTION 6. SOCIAL SECURITY BENEFIT	70
SECTION 7. INTEGRATED BENEFITS	71
SECTION 8. DISABILITY	72
SECTION 9. MISCELLANEOUS	73
APPENDIX	74

SUPPLEMENTAL AGREEMENT REGARDING RETIREMENT AND PENSIONS

This Supplemental Agreement effective as of the 3rd day of May, 2003, between Honeywell International Inc. for its following units: Aircraft Landing Systems, South Bend, Indiana; Aerospace Electronic Systems, Teterboro, New Jersey and Sun Valley, California; and Friction Materials, Green Island New York; hereinafter referred to as the COMPANY, and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and its Local Unions No. 9, UAW, South Bend, Indiana; No. 153, UAW, Teterboro, New Jersey; No. 179, UAW, Sun Valley, California; and No. 1508, UAW, Green Island, New York, hereinafter referred to as the UNION constitutes the entire Agreement between the parties hereto with respect to Retirement and Pensions.

Section 1. ESTABLISHMENT OF PLAN:

Subject to the approval of its Board of Directors, the Company will establish an amended Pension Plan, hereinafter referred to as the "Plan," a copy of which is attached hereto. In the event of any conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of this Supplemental Agreement will supersede the provisions of the Plan to the extent necessary to eliminate such conflict. The Plan, as thus set forth herein and the Plan as it may be modified and supplemented by superseding provisions of this Agreement, as above provided, are both contingent upon and subject to obtaining and retaining such approval of the Internal Revenue Service as the Company may find necessary to establish the deductibility for income tax purposes of any and all payments made by the Company under both plans as being tax exempt under Sections 401, 404 and 501(a), or other applicable provisions of the Internal Revenue Code. Any modification or amendment of either the Plan, or the Plan as modified and supplemented by this Agreement, may be made retroactively by the Company with the consent of the Union, if necessary or appropriate, to qualify or maintain the Plan as a plan and trust meeting the requirements of Sections 401, 404 and 501(a), of the Internal Revenue Code, as now in effect or hereafter amended, or any other applicable provisions of the Federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder, or to comply with any other Federal law, provided that pension benefits under the Plan are not diminished. Any actions to be taken by the Company under the Agreement or the Plan may be delegated by the Company as it deems appropriate.

Section 2. EMPLOYEES INCLUDED:

This agreement shall cover all hourly rated employees of the following units: Aircraft Landing Systems, South Bend, Indiana; Aerospace Electronic Systems, Teterboro, New Jersey and Sun Valley, California; and Friction Materials, Green Island, New York, who come within the scope of the Master Collective Bargaining Agreement between the Employer and the Union effective as of the 3rd day of May, 2003.

Section 3. FINANCING:

The Company agrees to make contributions from time to time to fund the benefits provided by this Agreement. Contributions for each fiscal year of the Company shall be determined by a qualified actuary selected by the Company pursuant to a valuation of the actuarial liabilities of the Plan as of the beginning of that year, based on the benefit structure then in effect, and shall be in accordance with assumptions and procedures generally acceptable to the Internal Revenue Service as a basis for determining deductions for contributions to Plans qualified under Section 401 of the Internal Revenue Code. Such contributions shall consist of a normal cost contribution in respect to current service and a past service contribution calculated so as to fund past service liabilities on a level basis over respective 30 year periods from the dates such liabilities were created; provided, however, that the Company need contribute in addition to normal cost only interest at the valuation rate on any past service liabilities attributable to early retirement and interim supplements.

If the Internal Revenue Service will not approve payment of the Special Benefit provided under Article V, Section 9 of the Plan in the manner therein provided, the Company may remove this benefit from the Plan and may provide it under the group insurance program, directly through Company funds, or under any other program as it may elect.

A Trustee or Trustees shall be designated as provided in the Plan, and a Trust Agreement or Agreements executed between the Company and such Trustee under the terms of which a Trust Fund shall be established to receive and hold contributions payable by the Company, interest, and other income, and to pay the pensions provided by the Plan and the expenses incident to the operation and maintenance of the Plan. The Trust Agreement(s) may provide for the collective investment of the assets of other retirement plans of the Company and its subsidiaries and Affiliated Companies. Investment Managers may be appointed, as provided in the Plan and Trust Agreement, to manage the assets in the Trust Fund.

Nothing herein shall be deemed to prevent the Company from making contributions for purposes of the Plan greater than those required under this Section, nor shall a greater contribution in any year be construed to reduce the maximum funding period established as provided above.

All of the foregoing is subject to the understanding that (i) the Company shall be required to make in any year no contribution in an amount which is greater than the amount which is deductible for tax purposes in that year, and (ii) except as otherwise provided in the Employee Retirement Income Security Act of 1974, the Company shall not be obligated to make additional payments to the Pension Fund to make up deficiencies in any year arising from unrealized depreciation in the value of the securities in the Pension Fund or from depreciation in the value of the securities in the Pension Fund resulting from abnormal conditions

Except as otherwise provided in the Employee Retirement Income Security Act of 1974, the Company, by payment of the contributions or amounts hereinbefore provided in this Section, shall be relieved of any further liability, and pensions shall be payable only from the Trust Fund.

Section 4. RETIREMENT:

No Employee shall be required to retire by reason of age alone.

The above provisions of this Section 4 shall not affect the Company's right to discharge or otherwise discipline Employees, subject to any pension rights under the Plan, prior to the Retirement dates, provided, however, that any Employee so discharged or disciplined shall have the right to file a grievance in accordance with the grievance procedure established in the Collective Bargaining Agreement.

Section 5. EFFECT OF RETIREMENT ON EMPLOYMENT STATUS AND SENIORITY:

- (a) An Employee who retires on a pension under the terms of the Pension Plan shall cease to be an Employee and shall have his seniority cancelled.
- (b) An Employee who has been retired on a Disability Retirement Pension and who thereby has broken his seniority in accordance with Subsection (a) above, but who recovers and is subsequently reemployed, shall have his seniority reinstated as though he had been continued on a sick leave of absence during the period of his Disability Retirement.

If the Disability Retirement Pension of a Retired Employee shall cease and his seniority is reinstated as set forth above, he shall be credited with the Credited Service and Eligibility Service he had at the time his Disability Retirement commenced.

- (c) If an Employee, retired for reasons other than total and permanent disability, who has lost seniority in accordance with Subsection (a) above, is rehired, such Employee will have the status of an Employee at will without seniority, and he shall not acquire or accumulate any seniority thereafter, for any purpose under this Agreement. As used herein, seniority is defined under the applicable Collective Bargaining Agreement.
- (d) The absence of an Employee from active work at the time he would be eligible to retire under the Plan shall not preclude his retirement without return to active work, provided that such absence is due to layoff, sick leave or other Company approved leave of absence and provided there has been no loss of Eligibility Service. The Pension payable under such cases shall not commence until the cessation of any weekly sickness or accident benefits payable to the Employee under any plan to which the Company has contributed.

Section 6. BOARD OF ADMINISTRATION:

As provided in Article XI of the Plan, there shall be established a Board of Administration, consisting of six members, three appointed by the Company and three by the Union (the "Board").

The Union will discourage any attempt of its members and will not encourage or cooperate with any of its members, in any appeal to any Court, or Administrative Board or Agency from a ruling of the Board.

No matter respecting the Plan or any difference arising thereunder shall be subject to the grievance procedure established in the Collective Bargaining Agreement between the Company and the Union.

Section 7. FOUNDRY JOBS:

Any job classification put into effect after April 22, 1974, at a plant identified in Appendix E of the Plan shall be designated by written agreement between the parties as a foundry job if such job classification (a) supersedes or replaces a job classification previously designated as a foundry job for such plant and (b) becomes applicable to Employees who perform substantially the same work as had been performed by Employees while on a job classification previously designated as a foundry job for such plant.

**Section 8. DURATION OF AGREEMENT,
CHANGES, AMENDMENTS, AND ADDITIONS:**

This Supplemental Agreement regarding retirement and pensions shall become effective upon its execution and shall remain in full force and effect *without change until 6:00 p.m., May 3, 2007.* Neither party shall have the right to request any change, amendment or addition in this Agreement until 6:00 p.m., May 3, 2007.

It is hereby expressly stipulated that if either party shall make such a request the other party will automatically be relieved of any duty to negotiate or bargain with respect to such request.

The parties mutually covenant to and with each other that until such date of 6:00 p.m., May 3, 2007, *neither will resort to any strike, lockout or exercise of economic force of whatever name or nature, or threat thereof, for the purpose of inducing the other party to agree to, or to negotiate or bargain concerning any proposed change, amendment, or addition to this Supplemental Agreement.*

Each party shall be at liberty, however, to request such changes, amendments or additions or to give notice of the desire for termination of this Agreement by written notice to the other party not earlier than ninety (90) days, nor later than sixty (60) days in advance of 6:00 p.m., May 3, 2007. In the event that neither party gives such notice, this Agreement shall continue upon the same terms and conditions upon a year-to-year basis.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written.

For:

**International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America, UAW**

Cal Rapson
Richard Ruppert
Mary K. Riordan
Tom Bode

Bob Ambrosini
Bruce Eaton
Glenn Gaines
Brian DeMarco

For:

Honeywell International Inc.

Edward J. Bocik
Mary Johnson
Eric J. Warren

Noe Gayton
Allen Clarke
Michael Oglensky

HONEYWELL RETIREMENT EARNINGS PLAN

SUPPLEMENT F THE ALLIEDSIGNAL INC. PENSION PLAN FOR HOURLY EMPLOYEES

Provisions Applicable to Employees Represented under the
UAW Master Agreement
(As amended effective May 3, 2003)

The AlliedSignal Inc. Pension Plan for Hourly Employees was merged into, and made a supplement to, the Honeywell Retirement Earnings Plan effective July 1, 2000. The provisions of this Supplement, which are applicable only to those hourly Employees represented by the UAW and covered by the Master Agreement, are generally only applicable to eligible Employees who are employed by a Participating Unit on or after July 1, 2000. Except as otherwise provided in a retroactively effective provision of this Supplement, any person who was covered by the provisions of the AlliedSignal Inc. Pension Plan for Hourly Employees applicable to employees represented by the UAW Master Agreement as in effect before July 1, 2000 and who retires, terminates employment, or Whose Last Day Actively At Work For The Company is before July 1, 2000 shall continue to be entitled to the benefits, if any, provided under said Plan as in effect on his termination of employment, retirement, or Last Day Actively At Work For The Company. All references herein to paragraphs, Sections and Articles shall refer to paragraphs, Sections and Articles of this Supplement.

ARTICLE I. PURPOSES

The purpose of this Supplement is to provide for the accumulation of a Trust Fund in order to pay pensions to eligible Employees of the Company upon retirement after a period of faithful service with the Company.

ARTICLE II. DEFINITIONS

The following words and phrases when used herein, unless the context clearly indicates otherwise, shall have the following respective meanings. To the extent that the terms set forth in this Article II are identical to terms contained in Article II of the Honeywell Retirement Earnings Plan (the "Plan"), the definitions set forth in this Article II shall control and supercede any definition that appears in the Plan.

Section 1. BOARD:

The "Board of Administration" as provided herein, at any particular time acting hereunder.

Section 2. CODE:

The Internal Revenue Code of 1986, as amended from time to time.

Section 3. COMPANY:

"Company" shall mean Honeywell International Inc. (including any predecessor or successor thereto) which prior to December 1, 1999 was known as AlliedSignal Inc. and any Affiliated Company. "Affiliated Company" shall mean any corporation, trade or business if it and Honeywell International Inc. are members of a controlled group of corporations, or are under common control, or are members of an affiliated service group (within the meaning of Code sections 414(b), 414(c) and 414(m), respectively), and any other entity required to be aggregated with the Company pursuant to regulations under Code section 414(o).

Section 4. DISABILITY:

A physical or mental condition as described in Article XV.

Section 5. DIVISION:

Divisions of the Company.

Section 6. EARLY RETIREMENT SUPPLEMENT:

That portion of the Supplemental Allowance provided in accordance with the provisions of Article V-A, section 2 (a).

Section 7. ELIGIBLE ABSENCE:

An Eligible Absence is an absence by an Employee for any of the following reasons:

- (a) pregnancy of an Employee,
- (b) birth of a child of the Employee,
- (c) placement of a child with the Employee in connection with the adoption of such child by such Employee, or
- (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

Section 8. ELIGIBLE FOR AN UNREDUCED SOCIAL SECURITY BENEFIT:

Attainment of the qualifying age for unreduced benefits by reason of age under the Federal Social Security Act or eligible for a disability insurance benefit under such Act, whichever occurs first. A person shall be considered as eligible for benefits under such Act even though he does not qualify for, or loses, such benefits through failure to make application therefor, entering into covered employment, or other act or failure to act.

Section 9. EMPLOYEE:

"Employee" means any person regularly employed by the Company in a bargaining unit at the Aircraft Landing Systems, South Bend, Indiana; Aerospace Electronic Systems, Teterboro, New Jersey and Sun Valley, California; and Friction Materials, Green Island, New York on an hourly-rated basis, including any hourly-rated persons on incentive pay plans, coming within the scope of the applicable Master Collective Bargaining Agreement between the Company and the UAW (the "Bargaining Unit"). The Company by action of its Board of Directors may also include as Employees hereunder other units of hourly-rated employees at the aforementioned locations. A Former Employee is a person who was formerly an Employee, and includes those who have retired, and those who have not retired. A person who is a "leased employee" of the Company, within the meaning of Code Section 414(n), shall not be considered an Employee for purposes of this Supplement.

Section 10. FEDERAL SOCIAL SECURITY ACT:

"Federal Social Security Act" means such Act, as from time to time amended, or any future Federal legislation which shall supplement, supersede or incorporate such Act, or the benefits provided therein.

Section 11. INTEGRATED BENEFITS:

Benefits, excluding the Social Security Benefit, payable to a retired or disabled Employee under any other Federal, State or other system to which the Company is required by law to contribute or pay all or part of the costs, as determined pursuant to Article XV, section 7.

Section 12. INTERIM SUPPLEMENT:

That portion of the Supplemental Allowance provided in accordance with the provisions of Article V-A, section 2(b).

Section 13. LAST DAY ACTIVELY AT WORK FOR THE COMPANY:

An Employee's Last Day Actively At Work For The Company is the last *workday* on which the Employee or Former Employee was scheduled to work for the Company and was physically working on the Company's premises.

Section 14. LIFE INCOME BENEFIT:

The portion of the retirement benefits provided in Article V (except the Special Benefit provided in Article V, section 9) that continues to be payable, subject to the provisions of this Supplement, to a retired Employee or Former Employee during his lifetime. A Supplemental Allowance provided in Article V-A shall not be deemed to be a Life Income Benefit.

Section 15. NORMAL RETIREMENT DATE:

Normal Retirement Date shall be as defined in Article IV, section 2(a).

Section 16. PARTICIPATING UNIT:

A bargaining unit, or other specific classification of Employees, designated as participating in this Supplement as authorized from time to time by the Company.

Section 17. PENSION:

A series of uniform monthly payments payable to a retired Employee or Former Employee, the first such payment to be made as of the beginning of the month following the last day of employment immediately prior to Retirement, or such other date specified for that purpose, and the last payment to be made as of the beginning of the month in which the death of the retired or Former Employee occurs, or in which the Disability ends, or in which reemployment occurs.

Section 18. PLAN:

The Honeywell Retirement Earnings Plan, as amended and restated effective January 1, 2000.

Section 19. PLAN YEAR:

The Plan Year shall be the 12-month period beginning on January 1 of each year.

Section 20. PRIOR PLAN:

The AlliedSignal Inc. Pension Plan For Hourly Employees (Provisions Applicable to Employees Represented under the UAW

Master Agreement). The provisions of the Prior Plan with respect to the Participating Units defined by section 16 of this Article II are hereinafter set forth.

Section 21. REQUIRED BEGINNING DATE:

An Employee's Required Beginning Date is the April 1 following the year in which the Employee attained age 70-1/2. However, the Required Beginning Date for an Employee who has not terminated employment and who had attained age 70-1/2 as of January 1, 1988 (and who was not a 5 percent owner, as defined in Code section 416(i) at any time during the Plan Year in which he attained age 66-1/2, or during any subsequent Plan Year) shall be April 1 of the year following the year in which such Employee retires. Notwithstanding anything in this Section to the contrary, effective for Employees who attain age 70-1/2 on or after January 1, 2002, "Required Beginning Date" shall have the meaning set forth in the Plan. Any Employee attaining age 70-1/2 in years after 1995 may elect by April 1 of the calendar year following the year in which the Employee attained 70-1/2, (or by December 31, 1997 in the case of an Employee attaining age 70-1/2 in 1996) to defer distributions until the calendar year following the calendar year in which the Employee retires. If no such election is made the Employee will begin receiving distributions by the April 1 of the calendar year following the year in which the Employee attained age 70-1/2 (or by December 31, 1997 in the case of an Employee attaining age 70-1/2 in 1996).

Section 22. RETIREMENT:

Termination of employment of an Included Employee, after attainment of the age, service and other requirements for a Normal Retirement, Early Retirement or Disability Retirement Pension under this Supplement. A retired employee is one who terminated employment after meeting the above conditions. A Former Employee who is eligible for or receiving a Deferred Vested Pension is not a retired Employee.

Section 23. SERVICE:

(a) CREDITED SERVICE:

The period of employment by the Company of an Employee used for purposes of determining the amount of such Employee's Pension under this Supplement, as set forth in Article XV.

(b) ELIGIBILITY SERVICE:

The period of employment by the Company of an Employee used for purposes of establishing such Employee's eligibility for Pensions under this Supplement, as set forth in Article XV.

Section 24. SOCIAL SECURITY BENEFIT:

The amount to be available from month to month for the benefit of a retired Employee, excluding payments for spouses and dependents, under the Old Age and Disability Insurance Benefit provisions of the Federal Social Security Act, or any similar Federal Act or Acts, as now existing or hereafter enacted or amended.

Section 25. SOCIAL SECURITY RETIREMENT AGE:

The term Social Security Retirement Age means—

- (a) age 65 for an Employee born before January 1, 1938;
- (b) age 66 for an Employee born after December 31, 1937, but before January 1, 1955; and
- (c) age 67 for an Employee born after December 31, 1954.

Section 26. SPECIAL BENEFIT:

That benefit provided in accordance with the provisions of Article V, section 9.

Section 27. SUPPLEMENT:

Supplement means this Supplement F to the Honeywell Retirement Earnings Plan.

Section 28. SUPPLEMENTAL ALLOWANCE:

Those portions of retirement benefits, consisting of the early retirement supplement, and interim supplement, provided in accordance with the provisions of Article V-A. Unless otherwise expressly provided, a Supplemental Allowance is subject to the provisions of this Supplement applicable generally to retirement benefits payable from the Trust Fund. The term Supplemental Allowance also includes age-service supplement and lifetime supplement payable to certain Employees who retired prior to May 1, 1980.

Section 29. TEMPORARY BENEFIT:

The portion of the retirement benefits provided in Article V that is terminated upon the earlier of a retired employee's attainment of age 62 and one month (age 62 for an Employee whose Last Day Actively At Work For The Company was prior to May 1, 1983) or becoming Eligible For an Unreduced Social Security Benefit.

Section 30. TRUSTEE:

The bank or banks, trust or trust company or companies, or any combination thereof designated by the Company as the Trustee under the Trust Agreement provided for in Article X.

Section 31. TRUST FUND:

The Trust Fund shall mean the trust created under the Plan.

Section 32.

Masculine pronouns refer to both men and women unless the context indicates otherwise.

Section 33.

The original effective date of the Prior Plan, with respect to the Participating Unit, is November 1, 1950.

ARTICLE III. EMPLOYEES INCLUDED

All Employees included in any Participating Unit on the effective date of participation of such Unit shall be included in this Supplement as of such date. In addition, all persons becoming Employees in any Participating Unit after the effective date of participation of such Unit shall be included in this Supplement as of the later of the date they become an Employee in any Participating Unit or the date on which the employee completes a year of service. For purposes of this section, a year of service is the 12-month period beginning on date of hire by the Company or Affiliated Company, or any 12-month period beginning on an anniversary of date of hire, during which the employee has not less than 1,000 hours counted for the purpose of computing Eligibility Service. Employees included in this Supplement are sometimes referred to hereafter as "Included Employees."

Included Employees shall be excluded from this Supplement when they cease to be Employees.

A person who is a "leased employee" of the Company, within the meaning of Code section 414(n), shall not be considered an Employee for purposes of this Supplement. If such a person participates in this Supplement as a result of subsequent employment

with the Company, such person shall receive Eligibility Service, but not Credited Service, for his period of employment as a leased employee.

ARTICLE IV. REQUIREMENTS FOR RETIREMENT PENSIONS AND DEFERRED VESTED PENSIONS

Section 1.

The benefits, if any, of an Employee who retired or terminated employment prior to May 4, 2003, or of an Employee whose Last Day Actively At Work For The Company was prior to May 4, 2003, or of the spouse or other beneficiary of such an Employee or Former Employee, shall be determined by reference to the terms of the Prior Plan as in effect prior to that date, except as provided in sections 8 and 9 of Article V and except to the extent that any other provision of this Supplement is made effective prior to such date or specifically applies to events occurring prior to such date.

Section 2.

An Included Employee shall be considered as retired under this Supplement and as becoming a retired or disabled Employee entitled to a Pension, upon termination of employment, provided such Retirement occurs while the Employee is included in this Supplement, and

- (a) After his Normal Retirement Date, which is the later of
 - (1) His 65th birthday, or
 - (2) The fifth anniversary of the day he became an Included Employee, or
- (b) Prior to age 65 and either
 - (1) After age 60 and after ten years of Eligibility Service, or
 - (2) After age 55 if his combined years of age (to the nearest 1/12th) and Credited Service total at least 85, or
- (c) After ten years of Eligibility Service in the event termination is caused by Disability and the Employee is so disabled prior to his reaching age 65, or
- (d) After attainment of his 55th birthday but not his 65th birthday and after completion of ten or more years of Eligibility Service provided that such retirement is at the option of the Company or under mutually satisfactory conditions and does not result from discharge for cause, or

- (e) Upon retirement at any age and after completion of 30 or more years of Credited Service.

Section 3.

Notwithstanding any other provisions of this Supplement, an Included Employee whose employment terminates on or after May 4, 2003, and (i) who at the time of such termination shall have 5 or more years of Eligibility Service, and (ii) who shall not be eligible for or receiving any other type of retirement benefit under this Supplement based (in whole or in part) on Credited Service prior to the date of such termination shall be entitled to a Deferred Vested Pension as provided in Article V, section 4 of this Supplement.

Application for a Deferred Vested Pension must be made by a Former Employee otherwise eligible therefor not earlier than 90 days prior to the date on which he elects to have his benefit commence under Article V, section 4.

A Former Employee who would be eligible to receive a Deferred Vested Pension but who has not made application therefor by the 90th day prior to his 65th birthday shall on or about the time be mailed by the Board a notice informing him that he may make such application. The notice shall be mailed to his last address shown on the Board's records. A Former Employee who does not submit the documents required by the Company for commencement of his Deferred Vested Pension by his 65th birthday shall be deemed to have elected to have deferred commencement of his Pension benefits until the earlier of his Required Beginning Date or the date he makes a timely application therefor in accordance with the procedures established by the Company.

Section 4.

Notwithstanding any other provisions of this Supplement, a Former Employee or surviving spouse entitled to receive a pension may, for personal reasons and without disclosure thereof, request the Company in writing to suspend for any period payment of all or any part of such Pension otherwise payable to him hereunder. The Company, on receipt of such request, shall authorize such suspension, in which event the Employee or spouse shall be deemed to have forfeited all rights to the amount of Pension so suspended, but shall retain the right to have full pension otherwise payable to him hereunder reinstated as to future monthly payments upon written notice to the Company of his desire to revoke his prior request for a suspension under this paragraph. Any suspension requested hereunder by a retired Employee of benefits

payable to him under this Supplement shall not affect benefits payable under any survivorship election he has made or is deemed to have made under this Supplement.

Section 5.

Unless an Employee or Former Employee elects, or is deemed to otherwise elect, Pension benefit payments under this Supplement shall commence not later than the January 1 coincident with or next following the latest of (i) the date such person attains age 65, (ii) such person's Normal Retirement Date, (iii) the date such person attains the tenth anniversary of the date on which he became an Included Employee, or (iv) the date such person terminates employment with the Company; provided, however, that Pension benefit payments to an Employee or Former Employee shall in no event commence after the Employee's or Former Employee's Required Beginning Date.

In the event that an Employee continues in employment beyond his Required Beginning Date, the amount of his Pension shall be recalculated and adjusted (as to future payments only) each Plan Year to reflect the additional accrual for such Plan Year. These additional accruals shall not be offset by the value of any previous payments.

Effective January 1, 1997, the Normal Retirement Pension of an Employee who is employed or reemployed after his Normal Retirement Date will be actuarially adjusted to take into account any delay in payment after the Employee attains age 70-1/2. The adjustment will be calculated as (i) the actuarial equivalent of the Employee's benefit as of the April 1 following attainment of age 70-1/2, plus (ii) the actuarial equivalent of any benefits accrued after that date, reduced by (iii) the actuarial equivalent of any distributions made under this Supplement after such date. This actuarial adjustment shall be provided even during a period that an Employee's benefits are suspended under Article IV, Section 6 of this Supplement. Actuarial adjustments under this Section shall be determined using the Applicable Mortality Table as defined in Section 10 of Article V and an interest rate of five percent (5%). For purposes of Code Section 411(b)(1)(H), this actuarial increase will be treated as an adjustment attributable to the delay in distribution of benefits after the attainment of Normal Retirement Date. Accordingly, to the extent permitted under Code Section 411(b)(1)(H), the actuarial increase will reduce the benefit accrual otherwise required under Code Section 411(b)(H)(i), without regard to the rules on suspension of benefits.

Notwithstanding anything in this Supplement to the contrary, all

distributions under this Supplement shall be made in accordance with section 401(a)(9) of the Code and any regulations thereunder.

Section 6.

In the case of an Employee who remains employed after his Normal Retirement Date, or is reemployed by the Company or an Affiliated Company after his Pension benefits have commenced—

- (a) no benefits shall be paid under this Supplement for any month prior to the Employee's attainment of his Normal Retirement Date in which he is credited with any hours of service;
- (b) no benefits shall be paid for any month after the Employee's Normal Retirement Date in which he is compensated for 40 or more hours of service;
- (c) for periods of employment or reemployment described in subsection (b), Department of Labor regulation section 2530.203-3, including the notice procedures described below, shall be followed;
- (d) benefits paid after a subsequent termination of employment shall not be adjusted on account of payments suspended during periods of employment or reemployment; and
- (e) in the case of an Employee who is reemployed after his benefits commence, benefits under this Supplement shall be re-determined upon the Employee's subsequent termination of employment as if he then first retires, based on his Credited Service before and after his absence. If an Employee eligible for a Normal Retirement Pension shall previously have been retired on an Early Retirement Pension under the conditions of Article IV, section 2(b), his monthly Normal Retirement Pension payable from the Trust shall be reduced by $\frac{8}{10}$ of 1 percent of the sum of the Early Retirement Pension payments (other than Supplemental Allowances) he shall have received prior to his Normal Retirement Date, but not to exceed 25 percent of the monthly Retirement Pension payable prior to such reduction. In no event shall such reduction result in a pension payable on subsequent retirement that is smaller than his original Early Retirement Pension.

In no event shall benefits payable to an Employee after his Required Beginning Date be suspended under this section.

If an Employee's benefits are suspended after his Normal Retirement Date under this section, the Company shall notify the Employee of such suspension. This notice shall be by personal de-

livery or first class mail during the first calendar month for which payments are withheld. This notice shall contain—

- (a) a general description of the reasons why payments are suspended;
- (b) a general description of this Supplement's provisions relating to the suspension of benefits;
- (c) a copy of such Supplement provisions;
- (d) a statement that applicable Department of Labor regulations may be found in section 2530.203-3 of Title 29 of the Code of Federal Regulations; and
- (e) a statement that a review of the suspension may be requested under this Supplement's claims procedure.

ARTICLE V. RETIREMENT AND OTHER BENEFITS

Section 1. NORMAL RETIREMENT PENSION:

The amount of the monthly Pension payable to an Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003 and who shall have retired or shall retire upon or after reaching age 65, shall be an amount equal to the Life Income Benefit rate of the Benefit Class Code applicable to him at retirement as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made, and multiplied by the number of years of Credited Service at Retirement.

Except as provided in sections 5 and 6 of Article IV, the monthly Normal Retirement Pension payable from the Trust Fund shall become payable to the retired Employee, if he then shall be living, on the first day of the first month after (i) he shall become eligible for such Pension, and (ii) his employment shall have terminated, and shall be payable on the first day of each month thereafter during his lifetime. Upon attainment of his Normal Retirement Date, the rights of an Employee to his benefits under this section shall be nonforfeitable.

Section 2. EARLY RETIREMENT PENSION:

(a) Early Retirement Pension

- (1) The amount of the monthly Pension payable out of the Trust Fund to an Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003, and who thereafter shall retire at his option under the

conditions of Article IV, section 2(b) of this Supplement, and who shall make application therefor, shall be a Life Income Benefit commencing either on or after the date of Early Retirement as specified in his application for Early Retirement in amounts equal to the Life Income Benefit rate as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made, for each year of his Credited Service at Retirement, multiplied by the percentage applicable with respect to his attained age when benefits commence in accordance with the following table, with percentages for intermediate ages to each full month obtained by straight line interpolation to the nearest 1/10 of 1 percent:

Benefits Commence	Percentage
47	30.4%
48	32.8
49	35.4
50	38.3
51	41.5
52	45.0
53	48.9
54	53.2
55	57.9
56	63.5
57	69.4
58	75.2
59	80.8
60	86.7
61	93.3
62	100.0

- (2) The amount of the monthly Pension payable to an Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003, and who thereafter shall retire under the conditions of Article IV, section 2(e) of this Supplement and who shall make application therefor shall be a Life Income Benefit

commencing on his Retirement date equal to the Life Income Benefit rate as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made, for each year of his Credited Service at Retirement, multiplied by the applicable percentage determined from subsection (1) of this section, provided, however, that beginning with the month following the month in which he shall attain age 62 and one month, said Life Income Benefit otherwise payable to him shall be redetermined without any such percentage determined from subsection (1) of this section 2(a).

For those individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003,

the Life Income Benefit shall be redetermined without any such percentage beginning with the month following the month in which the retiree is eligible to begin collecting 80% of his Social Security benefit.

(b) The amount of the monthly Pension payable out of the Trust Fund to an Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003, and who thereafter shall be retired under the conditions of Article IV, section 2(d) of this Supplement, and who shall make application therefor, shall be as follows:

- (1) An immediate Life Income Benefit commencing at Early Retirement in an amount equal to the Life Income Benefit rate as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made, for each year of Credited Service at Retirement, and
- (2) An immediate Temporary Benefit commencing at Early Retirement in an amount equal to the Temporary Benefit rate applicable to him at Retirement as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company, for each year of his Credited Service at Retirement; provided, however, that for any month after the retired Employee attains age 62 and one month or becomes Eligible For An Unreduced Social Security Benefit, whichever occurs first, the Temporary Benefit shall not be payable.

The Temporary Benefit will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Temporary Benefit will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003, or
- (ii) retire on or before May 3, 2007.

- (c) An Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003, and who thereafter incurs a break in seniority after such Employee (i) shall have reached his 60th birthday, but not his 65th birthday, and shall have ten or more years of Eligibility Service or (ii) shall have reached his 55th birthday but not his 60th birthday and whose combined years of age (to the nearest 1/12th) and Credited Service shall total at least 85, shall be considered a retired Employee, and his benefits shall be the regular Early Retirement Benefit as provided under section 2(a)(1) of this Article.
- (d) For the purpose of section 2(b) above, and section 3 of Article V-A, a retired Employee shall be considered as being eligible for benefits payable under the Federal Social Security Act even though he does not qualify for, or loses such payments through failure to make application therefor, entering into covered employment, or other act or failure to act.
- (e) The monthly Early Retirement Pension shall become payable to the retired Employee, if he shall then be living, on the first day of the first month after
 - (1) he shall have become eligible for such benefit and
 - (2) he shall have filed application for such Pension; and shall be payable on the first day of each month thereafter during his lifetime; provided, however, that any Temporary Benefit shall be subject to such further limitations as may be applicable to it.

Section 3. DISABILITY RETIREMENT PENSION:

The monthly Pension payable out of the Trust Fund to an Employee who shall retire on or after May 4, 2003, and who thereafter shall be eligible for a Pension under the provisions of Article IV, section 2(c) of this Supplement shall be:

- (a) A Life Income Benefit in an amount equal to the Life Income Benefit rate of the Benefit Class Code as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made, for each year of his Credited Service at Retirement, and
- (b) A Temporary Benefit in an amount equal to the Temporary Benefit rate as set forth in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company, for each year of Credited Service at Retirement; provided, however, that after the retired Employee attains age 62 and one month, or becomes Eligible For An Unreduced Social Security Benefit, whichever occurs first, the Temporary Benefit shall not be payable.

The Temporary Benefit will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Temporary Benefit will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003, or
- (ii) retire on or before May 3, 2007.

For the purposes of this section, a retired Employee shall be considered as being Eligible For An Unreduced Social Security Benefit by reason of disability even though he does not qualify for, or loses such payments, through failure to make application therefor or other act or failure to act.

The monthly Disability Retirement Pension payable from the Trust Fund shall become payable to the retired Employee, if he then shall be living, on the first day of the first month after

- (1) he shall have filed an application for such Pension, and
- (2) his Disability Retirement shall have commenced, and
- (3) at least 5 months shall have elapsed since the date upon which his Disability commenced, and shall be payable on the first day of each month thereafter until, but not including, the month after
 - (a) his Disability Retirement shall end, or
 - (b) he shall attain age 65, or
 - (c) he shall die, whichever first shall occur.

When a retired Employee receiving a Disability Retirement Pension shall reach age 65 or the qualifying age for an unreduced insurance benefit by reason of age under the Federal Social Security Act, he thereafter shall receive a Normal Retirement Pension in accordance with the provisions of section 1 of this Article and shall no longer be considered to be on Disability Retirement.

Section 4. DEFERRED VESTED PENSION:

The monthly Pension payable out of the Trust Fund to a Former Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003, and who thereafter shall be eligible for a Deferred Vested Pension under the provisions of Article IV, section 3 of this Supplement shall be an amount equal to the Life Income Benefit rate as provided in Appendix A to this Supplement, based on his Last Day Actively At Work For The Company, multiplied by the number of his years of Credited Service.

Except as provided in Article V, section 11 of this Supplement, the monthly Pension shall become payable to such Former Employee, if he shall then be living, on the first day of the month after his 65th birthday, and, provided application shall have been made, shall be paid on the first day of each month thereafter during his lifetime; provided, however, that such Employee may elect a monthly pension commencing on the first day of any month after he shall have either (i) reached his 60th birthday or (ii) reached his 55th birthday, if the sum of his age and Credited Service is at least 85, and before he shall have reached his 65th birthday, in which event his monthly Pension shall be in an amount equal to the Pension payable at age 65 reduced by a percentage equal to 5/9 of 1 percent for each of the first 60 months plus 5/18 of 1 percent for each month in excess of 60, for months from the date his benefits are to commence to the first day of the month following his 65th birthday.

Section 5. REEMPLOYMENT:

If an Employee receiving a Pension benefit shall be reemployed with the Company or an Affiliated Company, the provisions of Article IV, section 6 shall apply.

If the Disability Retirement Pension of a retired Employee shall cease and his seniority is reinstated, he shall be credited upon subsequent retirement with the Credited Service and Eligibility Service he had at the time his Disability Retirement commenced and shall receive credit for Credited Service and Eligibility Service accumulated during the period of reemployment.

A Former Employee who previously terminated employment and was eligible for a Deferred Vested Pension, and who again becomes an Employee, prior to his application for such Pension, shall receive credit for Credited Service and Eligibility Service accumulated at the time of such termination and shall also receive credit for Credited Service and Eligibility Service accumulated during the period of reemployment. Upon subsequent Retirement, such person's eligibility for Retirement and the amount of monthly Pension shall be determined on the basis of his total Credited Service.

Section 6. SURVIVORSHIP OPTION:

- (a) In lieu of the applicable Life Income Benefit provided in sections 1 through 4 of this Article V (but not any Temporary Benefit ceasing at or before age 62 and one month) an Employee who retires or whose employment is terminated and is entitled to a Deferred Vested Pension, shall automatically be deemed to have elected a reduced monthly benefit during his lifetime with the provision that, following his death, a monthly survivor's benefit shall be payable to his designated spouse during the further lifetime of the spouse which is neither less than 50 percent of, nor greater than 100 percent of the reduced Life Income Benefit payable during the joint lives of the Employee and his or her designated spouse.
- (b) This automatic election shall be deemed to have been made on the commencement date of the Employee's (or Former Employee's) monthly Pension. The automatic election provided in this subsection shall be applicable only with respect to a spouse to whom the Employee (or Former Employee) is married at the date of election and has been married for at least one year prior to that date; provided, however, that for an Employee (or Former Employee) married at the date of

election, but for less than one year, the survivorship option shall become effective on the first day of the month following the month in which the Employee (or Former Employee) has been married one year, or if later, the first day of the first month for which a benefit under this Supplement is payable.

An Employee (or Former Employee) may prevent the automatic election provided in this subsection by specific written rejection accompanied by written spousal consent which has been witnessed by a notary public and executed in whatever form and manner as may be prescribed for this purpose, at any time within 90 days before his automatic election date, in which event he shall be entitled to the applicable Life Income Benefit provided in sections 1, 2, 3 or 4 of this Article without the reduction provided in subsection (c) below; provided, however, that said rejection may be cancelled by the Employee or Former Employee by written action at any time any number of times prior to the date his benefits are to commence; provided, further, that a spouse's consent to such rejection shall be irrevocable unless the Employee cancels such rejection and subsequently reinstates such rejection, in which case a new spousal consent shall be required.

The Board shall, not less than 30 days and not more than 90 days prior to an Employee's (or Former Employee's) automatic election date, make available to such Employee

- (1) a general description of the survivorship option and the right to reject such benefits,
- (2) a general explanation of the financial effect of a rejection of the survivorship option and
- (3) a statement as to the specific amount of retirement benefit payable to him and his spouse under such survivorship option as compared to payment for his lifetime only. Within 30 days following an Employee's written request for further information concerning the financial effect of accepting or declining the survivorship option, the Board shall provide such further information. If an Employee requests such additional information, the period allowed for rejecting the automatic election shall be extended to include 90 calendar days following the personal delivery or mailing of such information and (notwithstanding any other provisions of this Supplement), the commencement of benefits shall be

delayed until the end of the election period as thus extended; and if such request is made less than 90 days before his anticipated benefit commencement date (such as in the event of early retirement), the election period shall commence on the date the Board receives such notification and shall extend until 90 days following personal delivery or mailing of the additional information requested by such Employee, and (notwithstanding any other provisions of this Supplement), the commencement of benefits shall be delayed until the end of the election period thus established.

The Board may allow an Employee or Former Employee to elect with spousal consent to waive any requirement that the general description and statement set forth in subsection (b) of this Section 6 be provided at least 30 days before the commencement date of the Employee's or Former Employee's monthly pension, provided, the distribution commences more than seven days after the requirements of subsection (b) of this Section 6 are provided. Such waiver shall comply with the administrative requirements of rejecting a survivorship option set forth in subsection (b) of this Section 6.

- (c) The amount of the reduced monthly Life Income Benefit payable under this section 6 to a retired Employee who shall retire on or after May 4, 2003 (including, for purposes of this subsection, a Former Employee who shall incur a break in seniority on or after May 4, 2003, and is entitled to a Deferred Vested Pension Benefit), and who shall not have rejected the automatic survivorship election provided in subsections (a) and (b) of this section, shall be determined by reducing the amount of the applicable Life Income Benefit by a percentage, determined as hereinafter provided, of the Life Income Benefit that would be payable to the retired Employee after age 65 if he had rejected a survivorship option. The percentage to be used shall be five percent except that such percentage shall be decreased by 1/2 of 1 percent for each year in excess of five years up to ten years that the spouse's age exceeds the Employee's age, and increased by 1/2 of 1 percent for each year in excess of five years that the spouse's age is less than the Employee's age (the age of each determined as being the age of his or her birthday nearest the date on which the first payment of such Employee's benefit shall be payable). The reductions provided in this subsection (c) shall be made in the monthly Life Income Benefits payable to the retired Employee on or after the date

on which the retired Employee's election becomes effective. In the event the spouse predeceases the Employee, or they are divorced by court decree (the terms of which do not expressly prohibit cancellation of the survivorship election), such Employee may cancel the survivor benefit election and have his monthly Life Income Benefit restored to the amount payable without such election, effective the first day of the third month following the month in which the Board receives

- (1) evidence satisfactory to it of the spouse's death, or
 - (2) such Employee's written revocation of the election because of divorce, on a form approved by the Board and accompanied by evidence satisfactory to it of a final decree of divorce, unless the terms of the divorce decree expressly prohibit revocation, cancellation or change of the survivorship election.
- (d) The amount of the monthly survivor's benefit payable to the surviving spouse of a retired Employee for whom the survivorship option hereunder is effective shall be 60 percent of the amount of the monthly Life Income Benefit that was or would have been payable after age 65 to the retired Employee after the reduction provided in subsection (c) above.

The benefit rate used for purposes of calculating the amount of monthly survivor's benefit under this subsection (d) and monthly Life Income Benefit referred to in subsection (c) above shall be whatever rate is applicable to the retired Employee under section 1, 2, or 3 of this Article V, based on his Last Day Actively At Work For The Company and on the month for which payment is being made. The Life Income Benefit rate used for purposes of calculation of such benefit applicable to a Former Employee under section 4 of this Article V shall be whatever rate is applicable to the Former Employee under that section.

- (e) If, for any month the spouse is entitled to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit under the Company's group insurance program, then such Transition or Bridge Benefits shall be reduced by the monthly amount of the spouse's survivor benefit payable under this section.
- (f) An Employee's spouse shall have no right to a survivor's benefit and there shall be no reduction in the applicable Life Income Benefit payable to the Employee, if the Employee

or his spouse dies before the effective date of the election, or if the Employee duly rejects the automatic election pursuant to this section.

- (g) An Employee who shall retire under the provisions of section 1, 2 or 3 of this Article V who marries, or remarries, subsequent to the earliest date a survivorship option was in effect, or was not in effect on such date solely because the retired Employee was not then married, may elect, or reelect, a survivorship option. Any such option, and the benefits thereunder, shall be provided under the terms and conditions of this Supplement in effect at the time of the Employee's retirement. Such option shall become effective on the first day of the third month following the month in which the Board receives a completed election form, but in no event before the first day of the month following the month in which the retired Employee has been married one year.

No election provided hereunder shall become effective under any circumstance for any retired Employee whose completed election form is received by the Board after the first day of the month in which the retired Employee has been married one year.

Section 7. PRERETIREMENT SURVIVOR BENEFITS:

- (a) If on or after May 4, 2003 an Employee dies
- (1) on or after his 60th birthday with ten or more years of Eligibility Service, or if he shall then have reached his 55th birthday with combined years of age (to the nearest 1/12th) and Credited Service that totals at least 85, or before he shall have reached his 55th birthday if he has 30 or more years of Credited Service, and
 - (2) he had seniority at the time of his death or, if he has broken seniority by Retirement, he dies before the date when his Life Income Benefits are to commence, and
 - (iii) he is survived by a spouse to whom he had been married for at least one year prior to death, then the Employee's surviving spouse shall be eligible upon due application therefor to receive a monthly survivor's benefit.

The monthly survivor's benefit payable to a deceased Employee's spouse who shall have become eligible for such benefit described above in this subsection (a), shall be a

Pension payable for life and the amount thereof shall be equal to the amount such survivor would have been entitled to receive under section 6 of this Article V if the Employee had retired on Early Retirement at his own option on the date of his death with benefits commencing the first of the following month and had effectively made the survivorship election specified in section 6 of this Article V.

- (b) The following Special Preretirement Option shall be deemed to have been elected automatically by an Employee who
- (1) has seniority status and has completed 5 years of Eligibility Service, or
 - (2) terminates employment when eligible for a Deferred Vested Pension under section 4 of Article V. This option shall be effective for an Employee who has seniority status until the time he is eligible for the Preretirement Survivor Option described in subsection (a) above.

Under this Special Preretirement Survivor Option, a reduced monthly Pension will be payable to the Employee or Former Employee upon his subsequent Retirement under this Supplement or commencement of a Deferred Vested Benefit (and the survivor's benefit available pursuant to section 6 of this Article shall be determined by reference to such reduced monthly Pension), in return for which a survivor's benefit shall be payable to the Employee's or Former Employee's spouse but only in the event of his death prior to the effective date of the automatic election of the survivorship option in section 6, above. The survivor's benefit shall not commence prior to the date the Employee or Former Employee would have attained age 60, or if earlier, the date he would have attained at least age 55 with the sum of his age (to the nearest 1/12th) and Credited Service totals at least 85, and shall not commence later than December 31 of the calendar year in which the Employee or Former Employee would have attained age 70-1/2. (Credited Service for the Employee shall be fixed at his date of death.)

The amount of the spouse's survivor's benefit shall be equal to 60 percent of the Life Income Benefit, if any, to which the Employee or Former Employee would have been entitled if he had

- (1) retired under Article V, section 4 on the day preceding his death,
- (2) survived until age 60, or if earlier, the date that the Employee would have attained at least age 55 with the sum of his age (to the nearest 1/12th) and Credited Service totaling at least 85, and
- (3) elected the survivorship option set forth in section 6 of this Article V in effect.

Coverage for employees while in active service or with seniority status will continue until such Employee is eligible for the Preretirement Survivor Benefit described in subsection (a) above.

- (c) If, for any month the spouse is entitled to receive a Transition Survivor Income Benefit or a Bridge Survivor Income Benefit pursuant to the Group Insurance Program, then such Transition or Bridge Benefits shall be reduced by the monthly amount of the spouse's survivor benefit (or in the case of a lump sum benefit, the monthly actuarial equivalent of such benefit) payable for that month under this section.

Section 8. EMPLOYEES WHO RETIRED PRIOR TO MAY 4, 2003:

- (a) The monthly Life Income Benefit of an Employee who prior to May 4, 2003, retired (or who subsequently retired if his Last Day Actively At Work For The Company was prior to May 4, 2003) pursuant to the Normal, Early or Disability Retirement provisions of this Supplement then in effect or of his surviving spouse (but not of a Former Employee who prior to May 4, 2003, terminated employment with entitlement to a Deferred Vested Pension, or the surviving spouse of such a Former Employee) shall be payable for months commencing on or after June 1, 2003 as provided in Appendix D to this Supplement for each year of Credited Service of such retired Employee; provided, however, that if the monthly benefit of such Employee or surviving spouse was adjusted by reason of Early Retirement or election of a survivor option, the same percentage adjustment shall be applied to the benefit herein provided. Any Temporary Benefits payable to such retired Employees until age 65 (age 62 in the case of a retired Employee whose Last Day Actively At Work for the Company was on or after September 1, 1974, or age 62 and one month if the Employee retired on or after February 1, 1984 and whose

Last Day Actively At Work For The Company was on or after May 1, 1983) or, if earlier, until the age at which the retired Employee becomes or could have become eligible for a Social Security Benefit for disability or for an unreduced Social Security Benefit for age shall be determined to the extent necessary to provide monthly Temporary Benefits which would have been payable had the Temporary Benefits payable to the retired Employee prior to such age 65 (or age 62 or age 62 and one month) or earlier age been based on the applicable amounts provided in Appendix D to this Supplement.

The Supplemental Allowance of any such retired Employee who retired with 30 or more years of Credited Service and is receiving a monthly Supplemental Allowance shall be the applicable amounts as provided in Appendix D to this Supplement.

- (b) Certain Employees who retired with benefits commencing prior to October 1, 1968, have elected a special survivorship option to provide that, if their designated spouse shall be living at their death after such election shall have become effective, a survivor benefit shall be payable to such spouse during her further lifetime.

The monthly Life Income Benefit otherwise payable to such retired Employees pursuant to the provisions of this Supplement was reduced for months commencing on or after the effective date of such election by an amount equal to \$1.00 for each year of Credited Service that he had at his Retirement date.

The Survivor Benefit payable to the surviving spouse of a retired Employee who completed such an election pursuant to this subsection (b), and who dies after such an election becomes effective, shall be a monthly benefit for the further lifetime of such surviving spouse equal to the amounts set forth in the following table:

Benefits Payable for any Month Commencing:	Amount per year of Credited Service that Retired Employee had at Retirement Date
November 1, 1980 - January 31, 1987	\$ 4.50
February 1, 1987 - January 31, 1990	\$ 5.00
February 1, 1990 - January 31, 1993	\$ 6.00
February 1, 1993 - May 31, 1995	\$ 8.00
June 1, 1995 - May 31, 1999	\$10.00
June 1, 1999 - May 31, 2003	\$12.00
June 1, 2003 and after	\$15.00

- (c) The monthly Special Benefit of an Employee or eligible surviving spouse otherwise eligible therefore under the terms of the Prior Plan as in effect prior to May 1, 2003 shall be the amounts set forth in the following table:

Benefits Payable for any Month Commencing:	Monthly Special Benefit Amount
May 1, 1986 - January 31, 1987	\$13.50
February 1, 1987 - January 31, 1988	\$15.50
February 1, 1988 - January 31, 1989	\$17.50
February 1, 1989 - January 31, 1990	\$19.60
February 1, 1990 - January 31, 1991	\$25.00
February 1, 1991 - January 31, 1992	\$27.00
February 1, 1992 - January 31, 1993	\$28.00
February 1, 1993 - January 31, 1994	\$32.00
February 1, 1994 - January 31, 1995	\$36.00
February 1, 1995 - January 31, 1996	\$40.00
February 1, 1996 - January 31, 1997	\$42.00
February 1, 1997 - January 31, 1998	\$44.00
February 1, 1998 - January 31, 1999	\$46.00
February 1, 1999 - January 31, 2001	\$52.00
February 1, 2001 - January 31, 2002	\$54.00
February 1, 2002 - January 31, 2003	\$56.00
February 1, 2003 - January 31, 2004	\$60.00
February 1, 2004 - January 31, 2005	\$66.00
February 1, 2005 - January 31, 2006	\$69.00
February 1, 2006 - January 31, 2007	\$73.00
February 1, 2007 and after	\$76.00

Provided, however, that the monthly Special Benefit shall not exceed the generally applicable Medicare Part B Premium, nor shall more than one Special Benefit be paid to any individual for any one month. No such payment shall be made to any individual under age 65 for any month such individual not enrolled for such voluntary "Medicare" coverage, provided, however, that for employees who retire on or after January 1, 1993 or retired Employees who first become eligible for Medicare on or after January 1, 1993, no such payment shall be made regardless of age for any month such individual is not enrolled for Medicare Part B coverage. This Special Benefit shall be effective one month after age 65 or the first of the month following the month in which the Board receives proof of enrollment in Medicare Part B coverage, whichever is later.

- (d) An Employee who retired under this Supplement with benefits payable commencing prior to May 4, 2003, or who broke seniority prior to such date or whose Last Day Actively At Work For The Company was prior to May 4, 2003, and is eligible for a Deferred Vested Pension pursuant to the Prior Plan, and who has a survivor benefit option in effect but whose designated spouse predeceases him, may have his monthly Life Income Benefit restored to the amount payable without such option, effective the first day of the third month following the month in which the Board receives evidence satisfactory to it of the spouse's death.
- (e) In lieu of receiving a reduced amount of any increase in benefits otherwise payable to him under this section on or after November 1, 1971, in order to provide an increase in the amount of survivor benefit otherwise payable, an Employee who retired under the Prior Plan with benefits payable commencing prior to April 16, 1971, who previously elected a survivor option, and who is divorced by court decree from the designated spouse for whom such survivor benefit option is in effect, may elect to receive the full amount of such increase. To make such election he must complete a form approved by the Board and file it with the Board, accompanied by evidence satisfactory to the Board of a final decree of divorce, in which case such election shall become effective with respect to benefits falling due for months commencing on the first day of the third month following the month in which the Board receives such completed election form and final decree of divorce.
- (f) An Employee who retired under the Normal, Early or

Disability Retirement provisions of the Prior Plan with benefits payable commencing on or after January 1, 1962, who marries, or remarries, subsequent to the earliest date a survivorship option was in effect, or was not in effect on such date solely because the retired Employee was not then married, may elect, or re-elect, a survivorship option. Any such option, and the benefits thereunder, shall be provided under the terms and conditions of the Prior Plan in effect at the time of the Employee's retirement. Such option shall become effective on the first day of the third month following the month in which the Board receives a completed election form, but in no event before the first day of the month following the month in which the retired Employee has been married one year.

- (g) In the case of an Employee who shall have retired on regular Early Retirement on or after February 1, 1971, and before April 16, 1971, the amount of monthly Supplemental Allowance shall be reduced for any month prior to age 65 for which an Employee would be Eligible For An Unreduced Social Security Benefit in accordance with the following table:

Benefits Payable For Months on or After	Date of Eligibility for an Unreduced Social Security	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction
February 1, 1971	Prior to May 1, 1974	\$6.00	\$150.00
May 1, 1974	May 1, 1974 - October 31, 1980	\$7.00	\$175.00
November 1, 1980	November 1, 1980 - January 31, 1987	\$9.00	\$225.00
February 1, 1987	February 1, 1987 and after	\$10.00	\$250.00

In the case of an Employee who shall have retired on regular Early Retirement on or after April 16, 1971, and before April 16, 1974, the monthly amount of Supplemental Allowance shall be reduced for any month prior to age 65 for which an Employee would be Eligible For An Unreduced Social Security Benefit in accordance with the following table:

Benefits Payable For Months on or After	Date of Eligibility for an Unreduced Social Security	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction
November 1, 1971	Prior to May 1, 1974	\$7.50	\$187.50
May 1, 1974	May 1, 1974 - October 31, 1980	\$8.50	\$212.50
November 1, 1980	November 1, 1980 - January 31, 1987	\$9.50	\$237.50
February 1, 1987	February 1, 1987 and after	\$10.50	\$262.50

In the case of an Employee who shall have retired on regular Early Retirement on or after April 16, 1974, the monthly Supplemental Allowance shall be reduced for any month for which an Employee would be Eligible For An Unreduced Social Security Benefit in accordance with the following table:

Last Day Actively At Work For the Company	Date of Eligibility For an Unreduced Social Security Benefit	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction	Reduction Applicable to Benefits Payable For Months Prior To Age
Prior to 9/1/74	Prior to 11/1/80	\$ 8.50	\$212.50	65
	On or After 11/1/80 and prior to 2/1/87	9.50	237.50	65
	On or after 2/1/87	10.50	262.50	65
9/1/74 through 3/31/77	Prior to 11/1/80	9.50	237.50	65
	On or after 11/1/80 and prior to 2/1/87	10.50	262.50	65
	On or after 2/1/87	11.50	287.50	65
4/1/77 through 3/31/79	Prior to 11/1/80	10.00	250.00	65
	On or after 11/1/80 and prior to 2/1/87	11.00	275.00	65
	On or after 2/1/87	12.00	300.00	65
4/1/79 through 4/30/80	Prior to 11/1/80	11.00	275.00	65
	On or after 11/1/80 and prior to 2/1/87	12.00	300.00	65
	On or after 2/1/87	13.00	325.00	65

Last Day Actively At Work For the Company	Date of Eligibility For an Unreduced Social Security Benefit	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction	Reduction Applicable to Benefits Payable For Months Prior To Age
5/1/80 through 10/31/81	Prior to 11/1/80	\$11.00	\$275.00	65
	On or after 11/1/80 and prior to 2/1/87	13.00	325.00	62
	On or after 2/1/87	14.00	350.00	62
11/1/81 through 10/31/82	On or after 11/1/81 and prior to 2/1/87	14.00	350.00	62
	On or after 2/1/87	15.00	375.00	62
11/1/82 through 4/30/83	On or after 11/1/82 and prior to 2/1/87	15.00	375.00	62
	On or after 2/1/87	16.00	400.00	62
5/1/83 through 12/31/87	On or after 5/1/83 prior to 2/1/87	15.00	450.00*	62 and one month*
	On or after 2/1/87	16.00	480.00*	62 and one month*
1/1/88 through 12/31/88	On or after 1/1/88	17.00	510.00	62 and one month

*If retired prior to 2/1/84, the Maximum Reduction is based upon Credited Service up to 25 years for months prior to age 62. If re-

Last Day Actively At Work For the Company	Date of Eligibility For an Unreduced Social Security Benefit	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction	Applicable to Benefits Payable For Months Prior To Age
1/1/89 through 12/31/89	On or after 1/1/89	\$18.00	\$540.00	62 and one month
1/1/90 through 12/31/90	On or after 1/1/90	19.20	576.00	62 and one month
1/1/91 through 12/31/91	On or after 1/1/91	20.30	609.00	62 and one month
1/1/92 through 12/31/92	On or after 1/1/92	21.40	642.00	62 and one month
1/1/93 through 12/31/93	On or after 1/1/93	24.40	732.00	62 and one month
1/1/94 through 12/31/94	On or after 1/1/94	26.75	802.50	62 and one month
1/1/95 through 5/3/95	On or after 1/1/95	28.75	862.50	62 and one month
5/4/95 through 5/3/99	On or after 5/4/95	35.00	1,050.00	62 and one month**
5/4/99 through 5/3/03	On or after 5/4/99	42.50	1,275.00	62 and one month**

**For Retirees born between 1938 and 1945 inclusive, the reduction is applicable to benefits payable until the date when 80% of their Social Security Benefit is payable.

- (h) The Interim Supplement (if any) of a retired Employee who retired prior to May 4, 2003 (or who subsequently retired if his Last Day Actively At Work For The Company was prior to May 4, 2003), shall continue without change until he reaches age 62, (age 62 and one month if his Last Day Actively At Work For The Company was on or after May 1, 1983 and he retired on or after February 1, 1984) or becomes Eligible For An Unreduced Social Security Benefit, whichever occurs first.

The Interim Supplement will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Interim Supplement will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003, or
- (ii) retire on or before May 3, 2007.

- (i) The monthly amount of any Lifetime Supplement payable to a retired Employee whose Last Day Actively At Work For The Company was on or after September 1, 1974, and before May 1, 1980, and who thereafter retired with 30 or more years of Credited Service shall be \$65.00 commencing November 1, 1980 and thereafter.
- (j) Monthly benefits payable under this section 8 on and after May 1, 1983, shall not be limited by the 70 percent benefit limitation in section 5 of Article V-A.
- (k) The amount of monthly Pension payable to an Employee who was employed by Nylen Products Company prior to December 15, 1952, and who retired prior to November 1, 1980, under the Normal, Early or Disability Retirement provisions of the Prior Plan and the surviving spouse of such a retired Employee (but not of a Former Employee who prior to November 1, 1980, terminated employment with entitlement to a Deferred Vested Pension, or the surviving spouse of such a Former Employee), shall be increased as of November 1, 1980, by an amount equal to the monthly Pension otherwise payable under this Supplement

multiplied by a fraction, the numerator of which is the length of Nylene Seniority (as defined in the Hydraulics Division Collective Bargaining Agreement) on December 15, 1952, computed to the nearest 1/12th year, and the denominator of which is his Credited Service at his date of Retirement, computed under the Prior Plan as then in effect.

Section 9. SPECIAL BENEFIT:

A retired Employee who is receiving a benefit payable out of the Trust Fund under Article V, section 1, 2 or 3, or a surviving spouse who is receiving a benefit payable out of the Trust Fund under Article V, section 6, 7(a) or 8(b), who is either (i) age 65 or older, or (ii) under age 65 and enrolled in the voluntary "Medicare" coverage under the Federal Social Security Act by making contributions (excluding in either case the surviving spouse of an Employee or Former Employee who is eligible for only a Deferred Vested Pension under Article V, section 4), shall receive a monthly Special Benefit as set forth in the following chart:

Benefits Payable for any Month Commencing:	Monthly Special Benefit Amount
February 1, 1992 - January 31, 1993	\$28.00
February 1, 1993 - January 31, 1994	\$32.00
February 1, 1994 - January 31, 1995	\$36.00
February 1, 1995 - January 31, 1996	\$40.00
February 1, 1996 - January 31, 1997	\$42.00
February 1, 1997 - January 31, 1998	\$44.00
February 1, 1998 - January 31, 1999	\$46.00
February 1, 1999 - January 31, 2001	\$52.00
February 1, 2001 - January 31, 2002	\$54.00
February 1, 2002 - January 31, 2003	\$56.00
February 1, 2003 - January 31, 2004	\$60.00
February 1, 2004 - January 31, 2005	\$66.00
February 1, 2005 - January 31, 2006	\$69.00
February 1, 2006 - January 31, 2007	\$73.00
February 1, 2007 and after	\$76.00

provided that in no event shall such payment exceed the generally applicable Medicare Part B Premium, nor shall such payment commence prior to the first day of the month following the earlier

of (i) the month during which age 65 is attained, or (ii) receipt by the Company of application on a form provided for this purpose from an otherwise eligible individual under age 65. Not more than one such payment shall be made to any individual for any one month. No such payment shall be made to any individual under age 65 for any month such individual is not enrolled for such voluntary "Medicare" coverage, provided, however, that for Employees who retire on or after January 1, 1993 or retired Employees who first become eligible for Medicare on or after January 1, 1993, no such payment shall be made regardless of age for any month such individual is not enrolled for Medicare Part B coverage. This Special Benefit shall be effective one month after age 65 or the first of the month following the month in which the Board receives proof of enrollment in Medicare Part B Coverage, whichever, is later.

Section 10. SPECIAL LUMP SUM PAYMENT:

Effective January 1, 1998, any Former Employee who is entitled to a Deferred Vested Pension under section 4 of this Article V and who has not yet begun to receive such monthly benefit, and any surviving spouse of an Employee or Former Employee who is entitled to a survivor benefit under the Special Preretirement Option described in section 7(b) of this Article V and who has not yet begun to receive such survivor benefit, shall be paid the actuarial equivalent of such monthly benefit in a single lump sum in lieu of such monthly benefit, provided that the lump sum is not greater than \$5,000. Such lump sum payment shall be made as soon as practicable after the Employee's termination of employment with the Company (or death, in the case of a payment to the surviving spouse). For purposes of this section 10, prior to May 4, 1999, the actuarial equivalent of a monthly benefit shall be the present value of such benefit calculated by using (i) the UP-1984 Mortality Table and (ii) the immediate and deferred interest rates that would be used (as of the first day of the Plan Year in which the lump sum payment occurs) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination. On or after May 4, 1999, the actuarial equivalent of a monthly benefit for purposes of this Section 10 shall be the present value of such benefit as of the date of payment, calculated by using (i) the Applicable Mortality Table, and (ii) the Applicable Interest Rate, as defined below:

- (i) The "Applicable Mortality Table" means the mortality table prescribed by the Secretary of the Treasury pursuant to Code Section 417(e). Such table shall be based on the pre-

vailing commissioners' standard table (described in Code Section 807(d)(5)(A)) used to determine reserves for group annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of Code Section 807(d)(5)).

- (ii) The "Applicable Interest Rate" means the average annual rate of interest on 30-year Treasury securities determined as of the third calendar month preceding the first day of the Plan Year during which benefits commence; provided, however, that for distributions for which the benefit commencement date occurs during the one-year period commencing May 4, 1999 and ending on May 3, 2000, a Former Employee or surviving spouse (as applicable) shall be paid the greater of (1) the single sum benefit derived from using the Applicable Interest Rate determined as of the third calendar month preceding the first day of the Plan Year during which benefits commence, or (2) the single sum benefit derived from using the Applicable Interest Rate for January of the Plan Year that contains the benefit commencement date.

If a Former Employee who has received a lump sum payment pursuant to this Section 10 is subsequently reemployed and earns additional Credited Service, his (or his surviving spouse's) benefit upon his subsequent retirement or termination of employment shall be based on all his Eligibility Service and Credited Service under this Supplement, but such benefit shall be reduced to take into account the actuarial value (using the actuarial assumptions set forth above) of such lump sum payment. This Section 10 shall apply to Former Employees (and their surviving spouses) who terminated employment or died before June 1, 1989, as well as to those who terminate employment or dies after such date.

An Employee who has a termination of employment and whose vested benefit is zero shall be deemed to have received an immediate single sum payment of his benefit and shall thereupon cease to participate in this Supplement.

Any Former Employee or beneficiary who receives a distribution after December 31, 1992 which is an Eligible Rollover Distribution, as defined in Code section 402(f)(2)(A), may elect in writing, on the form or forms approved by the Board to make a direct rollover pursuant to Code section 401(a)(31) and the regulations thereunder, to an Eligible Retirement Plan, as defined in Code section 402(c)(8)(B); provided that the amount of Eligible Rollover Distribution for the calendar year is or is reasonably expected to be at least \$200 and, if only a portion of the Eligible Rollover Distribution is to be rolled over, the amount of the direct

rollover is at least \$500. An election to make or not to make a direct rollover with respect to payments which are a part of a series of payments shall apply to all subsequent payments unless a new election is made with respect to subsequent payments. A direct rollover of an Eligible Rollover Distribution by a Former Employee or beneficiary may not be made to more than one Eligible Retirement Plan. If a Former Employee or beneficiary fails to make a direct rollover election before the deadline chosen by the Board of Administration, this Supplement shall distribute the amount as if a direct rollover election with respect to the distribution had not been made. This Supplement shall not accept direct rollovers from another plan.

Section 11. ADDITIONAL LUMP SUM OPTION:

- (a) Notwithstanding anything in this Supplement to the contrary, effective May 4, 1999, if the lump sum value of a benefit payable to an Employee or Former Employee is greater than \$5,000 but does not exceed \$10,000, said Employee or Former Employee may elect to have such benefit paid in a lump sum as soon as practicable following the termination of employment or Retirement (whichever is applicable) subject to proper waiver in accordance with Article V, Section 6 of this Supplement of immediate payment of the Life Income Benefit provided in Article V, Sections 1, 2 and 4 of this Supplement, or the reduced monthly benefit (automatic survivorship option) provided in Article V, Section 6, whichever is applicable. For purposes of calculating the immediate automatic survivorship option payable to a married Employee or Former Employee entitled to a Deferred Vested Benefit or the immediate Life Income Benefit payable to an unmarried Employee or Former Employee entitled to a Deferred Vested Benefit who is eligible to receive said Deferred Vested Benefit under this Article V, Section 11, said monthly annuities, once determined, shall be reduced for early commencement using (i) the applicable reduction factors set forth in Section 4 of this Article V (to the age at which the Employee or Former Employee otherwise would have become eligible to commence his Deferred Vested Pension); and (ii) using the Applicable Interest Rate and the Applicable Mortality Table as defined in Section 10 of this Article V (from the age at which the Employee or Former Employee would otherwise have been eligible to commence his Deferred Vested Pension to the Employee or Former Employee's age at the time of commencement). The lump sum value of the benefit payable under this

Section shall be determined in accordance with the provisions of Article V, section 10 that are in effect on or after May 4, 1999.

- (b) Notwithstanding anything in this Supplement to the contrary, effective May 4, 1999, if the lump sum value of the benefit payable to a surviving spouse under Section 7 of this Article V is greater than \$5,000 but does not exceed \$10,000, said surviving spouse may elect to have such benefit paid in a lump sum as soon as practicable following an Employee's or Former Employee's death. The lump sum value shall be determined in accordance with the provisions of Article V, section 10 that are in effect on or after May 4, 1999.
- (c) If a Former Employee who has received a lump sum payment pursuant to this Section 11 is subsequently reemployed and earns additional Credited Service, his (or his surviving spouse's) benefit upon his subsequent retirement or termination of employment shall be based on all his Eligibility Service and Credited Service under this Supplement, but such benefit shall be reduced to take into account the actuarial value (using the actuarial assumptions set forth in Section 10, Article V) of such lump sum payment. This Section 11 shall apply to Former Employees (and their surviving spouses) who terminated employment or died before June 1, 1989, as well as to those who terminate employment or die after such date.

ARTICLE V-A. SUPPLEMENTAL ALLOWANCE

Section 1. ELIGIBILITY FOR SUPPLEMENTAL ALLOWANCE:

An Employee whose Last Day Actively At Work For The Company was on or after May 4, 2003 (excluding a discharged Employee, except as provided in section 6 of this Article V-A) who shall meet the requirements of subsections (a) and (b) of this section 1 will receive a monthly Supplemental Allowance, in addition to his other retirement benefits under this Supplement, as hereinafter provided in this Article V-A.

- (a) The Employee must retire under subsection 2(c) of Article IV (Disability Retirement), subsection 2(b) or 2(e) of Article IV (Regular Early Retirement), or subsection 2(d) of Article IV (Special Early Retirement).

- (b) The Employee must file his application for retirement benefits within five years after his Last Day Actively At Work For The Company.

Section 2. AMOUNT OF SUPPLEMENTAL ALLOWANCE:

Subject to the provisions of other sections of this Article V-A, the amount of the monthly Supplemental Allowance for an Employee eligible therefor whose Last Day Actively At Work For The Company is on or after May 4, 2003, and who shall thereafter retire shall be:

- (a) If the Employee shall retire under Article IV, section 2(e) with 30 or more years of Credited Service, he shall be entitled to a monthly Early Retirement Supplement until age 62 and one month in an amount which when added to his monthly retirement under Article V shall equal the amount of total monthly benefits applicable to him as provided in Appendix B to this Supplement, based on his Last Day Actively At Work For The Company and on the month for which payment is being made.

The Early Retirement Supplement will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Early Retirement Supplement will be extended until the date in which 80% of the Social Security benefits is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003 or
- (ii) retire on or before May 3, 2007.

- (b) If the Employee shall retire under Article IV, section 2(b) with less than 30 years of Credited Service and before the first day of the month following the month in which he shall attain age 62 and one month, an Interim Supplement shall be payable until and including the month in which he shall attain age 62 and one month, in an amount equal to the Interim Supplement rate applicable to him at Retirement as provided in Appendix C to this Supplement, based on his attained age at the time of Retirement under this Supplement,

and on the month for which payment is being made, for each year of his Credited Service at Retirement.

The Interim Supplement will be extended until the month following in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Interim Supplement will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003 or
- (ii) retire on or before May 3, 2007.

Section 3. ASSUMPTIONS AND ADJUSTMENTS IN COMPUTING AMOUNT OF SUPPLEMENTAL ALLOWANCE:

- (a) In the case of an Employee who shall have retired under subsection 2(e) of Article IV, the monthly Supplemental Allowance shall be computed in accordance with the provisions of section 2(a) of this Article V-A, on the assumption that his retirement benefits under Article V of this Supplement would commence immediately after Retirement; and the amount so computed shall be reduced for any month prior to age 62 and one month for which he would be Eligible For An Unreduced Social Security Benefit. For individuals born between 1938 and 1942, inclusive, who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

The Supplemental Allowance shall be reduced for any month prior to the month in which the retiree begins collecting 80% of his Social Security benefit.

Notwithstanding the foregoing, effective as of May 4, 2003, the Supplemental Allowance will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003 or
- (ii) retire on or before May 3, 2007.

The Supplemental Allowance shall be reduced in accordance with the following table:

Last Day Actively At Work For The Company	Amount of Reduction Per Year of Credited Service at Retirement	Maximum Reduction
May 4, 1992 - December 31, 1992	\$21.40	\$642.00
January 1, 1993 - December 31, 1993	\$24.40	\$732.00
January 1, 1994 - December 31, 1994	\$26.75	\$802.50
January 1, 1995 - May 3, 1995	\$28.75	\$862.50
May 4, 1995 - May 3, 1999	\$35.00	\$1,050.00
May 4, 1999 - May 3, 2003	\$42.50	\$1,275.00
On or after May 4, 2003	\$53.30	\$1,599.00

(b) In the case of an Employee who shall retire on regular Early Retirement under Article IV, section 2(b) of this Supplement with less than 30 years of Credited Service and before the first day of the month following the month in which he shall attain age 62 and one month, the monthly Interim Supplement provided under section 2(b) of this Article V-A shall not be payable for any month for which he would be Eligible For An Unreduced Social Security Benefit. For individuals born between 1938 and 1942, inclusive, who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003,

the Interim Supplement shall not be payable the month following the month in which the retiree begins collecting 80% of his Social Security benefit or for any month for which he would be Eligible For An Unreduced Social Security Benefit.

Notwithstanding the foregoing, effective as of May 4, 2003, the Interim Supplement will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003 or
- (ii) retire on or before May 3, 2007.

(c) In the case of an Employee retiring on Special Early Retirement under subsection 2(d) of Article IV or Disability

Retirement under subsection 2(c) of Article IV, the monthly Early Retirement Supplement shall be computed in accordance with section 2(a) of this Article V-A on the assumption that the monthly retirement benefit under Article V for any month for which he would be Eligible For An Unreduced Social Security Benefit includes the Temporary Benefit provided in (a) above, based on his Last Day Actively At Work For The Company, the date of his Retirement under this Supplement and the date he became or shall become Eligible For An Unreduced Social Security Benefit, even though it shall not actually include the Temporary Benefit.

- (d) In the case of an Employee entitled to an Early Retirement Supplement who shall have elected a Survivorship Option under section 6 of Article V, the monthly Early Retirement Supplement shall be computed in accordance with section 2(a) of this Article V-A on the basis of the monthly retirement benefit he would have received if he had not elected the Survivorship Option.

Section 4. PAYMENT OF ALLOWANCE PROVISIONS:

The Supplemental Allowance of an Employee entitled to such allowance shall become payable on the first day of the first month after

- (a) his employment shall have terminated, and
- (b) he shall have filed an application for a retirement benefit with the Board and shall be payable on the first day of each month thereafter until and including the first day of the month in which he dies, or is reemployed by the Company, or his retirement benefits under Article V of this Supplement cease for any other reason, or he shall attain age 62 and one month (age 62 in the case of retirements on or after November 1, 1980 and prior to February 1, 1984, or age 65 if retired with benefits commencing prior to November 1, 1980) in the case of the Early Retirement Supplement, whichever shall occur first.

The Supplemental Allowance will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

Notwithstanding the foregoing, effective as of May 4, 2003, the Supplemental Allowance will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003 or
- (ii) retire on or before May 3, 2007.

Section 5. DISCHARGED EMPLOYEES:

A discharged Employee shall not be eligible to receive the Supplemental Allowance under sections 2(a) or 2(b) of this Article, except that a discharged Employee eligible for benefits under subsections 2(b) or 2(e) of Article IV may retire and also process a grievance seeking determination through the regular grievance procedure under the Collective Bargaining Agreement that the reason for his discharge should not result in his being ineligible to receive such Supplemental Allowance.

ARTICLE VI. NON-ALIENATION OF BENEFITS

The Trust Fund shall not, in any manner, be liable for or subject to the debts or liability of any Employee, retired Employee, Former Employee or survivor. No right, benefit or pension at any time under this Supplement shall be subject in any manner to alienation, sale, transfer, assignment, pledge or encumbrances of any kind except to the extent permitted by law and in accordance with applicable regulations. If an Employee, Former Employee or survivor shall attempt to, or shall alienate, sell, transfer, assign, pledge or otherwise encumber his rights, benefits or pensions under this Supplement or any part thereof, or if by reason of his bankruptcy or other event happening at any time such benefits would otherwise be received by anyone else or would not be enjoyed by him except to the extent permitted by law and in accordance with applicable regulations, the Board in its discretion may terminate his interest in any such benefit and instruct the Trustee to hold or apply it to or for the benefit of such person, his spouse, children or other dependents, or any of them as the Board may instruct.

The preceding paragraph shall also apply to the creation, assignment, or recognition of a right to any interest or benefit payable with respect to an Employee pursuant to a domestic relations order, unless the order is determined to be a qualified domestic relations order (as defined in Code section 414(p)). The

Company shall establish reasonable procedures to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Benefits payable to an alternate payee, and to an Included Employee, under the terms of a qualified domestic relations order, shall be determined on an actuarial equivalent basis, pursuant to section 206(d) of ERISA and section 414(p) of the Code, and such actuarial equivalence shall be determined using a 9 percent interest rate and the 71 CAT mortality table.

Notwithstanding anything in this Article VI, however, the Trustee shall be authorized by the Board to deduct from the monthly benefit payable to any retired Employee or surviving spouse electing insurance coverage as provided in the Insurance Plan established pursuant to the Collective Bargaining Agreement, the amount of the contribution as it may be established from time to time for such coverage as certified to the Trustee by the Board and to pay such amount directly to the appropriate insurance carrier or to the Company for transmittal to such carrier upon submission to the Trustee by the retired Employee or surviving spouse of written authorization and direction acceptable to the Trustee.

ARTICLE VII. FACILITY OF PAYMENT

In the event that it shall be found that any person to whom a Pension is payable is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless prior claim therefor shall have been made by a duly-qualified guardian or other legal representative) may be paid to the spouse, parent, brother, sister, or other person deemed by the Board to have incurred expenses for such pensioner otherwise entitled to payment. Any such payment shall be a payment for the account of the pensioner and shall be a complete discharge of any liability of this Supplement therefor.

ARTICLE VIII. OTHER BENEFITS

No benefits are payable under this Supplement upon the death of an Employee, Former Employee or other person except pursuant to section 6 or 7 of Article V. No benefits are payable under this Supplement upon termination of employment of a person who does not satisfy the eligibility requirements set forth in Article IV, sections 2 and 3.

ARTICLE IX. CONTRIBUTIONS

Section 1.

No Employee shall make any contribution to the Plan.

Section 2.

The Company shall make all contributions, and such contributions shall be in such amounts and shall be paid at such times as the Company shall from time to time determine. Contributions for each Plan Year shall be determined by a qualified actuary (who shall be an "enrolled actuary" under the Employee Retirement Income Security Act of 1974) selected by the Company pursuant to a valuation of the actuarial liabilities of this Supplement as of the beginning of that year, based on the benefit structure then in effect, and shall be in accordance with assumptions and procedures generally acceptable to the Internal Revenue Service as a basis for determining deductions for contributions to plans qualified under section 401 of the Internal Revenue Code. Such contributions shall be at least sufficient to conform to the minimum funding standards prescribed in the Employee Retirement Income Security Act of 1974.

Nothing herein shall be deemed to prevent the Company from making contributions for purposes of this Supplement greater than those required under this section.

All of the foregoing is subject to the understanding that the Company shall not be required to make in any year any contribution in an amount which is greater than the amount which is deductible for tax purposes in that year.

ARTICLE X. TRUST FUND

Section 1.

The Company shall execute a Trust Agreement or Agreements with a Trustee or Trustees chosen by the Company to hold and manage the assets of the Trust Fund, and to receive, hold and disburse contributions, interest and other income for the purpose of paying the pensions under this Supplement and the expenses incident to the operation and maintenance of this Supplement. From time to time, one or more investment managers may be appointed by the Company to manage assets of the Trust Fund, which investment managers shall be solely responsible for investing, reinvesting and managing the assets of the Trust Fund. A Trustee may also be an investment manager and in the absence of any separate

agreement with an investment manager, the Trustee shall be the investment manager.

The Company is allocated the authority to appoint or retain or remove one or more individuals or corporations as Trustees under this Supplement and to appoint or retain or remove one or more individuals or corporations as investment managers under this Supplement to manage (including the power to acquire and dispose of) any assets of this Supplement.

Each Trustee and investment manager so appointed must acknowledge that he is fiduciary within the meaning of ERISA, and must be either (a) an investment advisor registered under the Investment Advisors Act of 1940, (b) a bank as defined in the Investment Advisors Act of 1940, or (c) an insurance company qualified to manage, acquire or dispose of assets under the laws of more than one state.

Section 2.

The Company shall determine the form and terms of any Trust Indenture or investment management agreement, which may authorize the inclusion of obligations and stock of the Company and its subsidiaries and affiliates among the investments of the Trust Fund (subject to the provisions of any applicable law), and which may authorize the pooling of the Trust Fund for investment purposes with other Internal Revenue Service qualified pension funds of the Company and its subsidiaries and affiliates. The Company may modify such Trust Indenture or investment management agreement from time to time, or terminate them pursuant to the terms thereof. In case of a conflict between this Supplement and the Trust Indenture, the provisions of the Trust Indenture shall be deemed controlling.

Section 3.

- (a) The Company shall have no right, title or interest in the contributions made by it to the Trustee and no part of the pension fund shall revert to the Company, except that after satisfaction of all liabilities of the Plan as set forth herein, such contributions as may have been made by the Company, as the result of over-payments or actuarial error shall revert to the Company.
- (b) The pension benefits of the Plan shall be only such as can be provided by the assets of the Trust Fund and there shall be no liability or obligation on the part of the Company to make any further contributions to the Trustee in event of ter-

mination of the Plan. Except as otherwise required by the Employee Retirement Income Security Act of 1974, no liability for the payment of pension benefits under the Plan shall be imposed upon the Company, the officers, directors or stockholders of the Company.

ARTICLE XI. ADMINISTRATION AND FIDUCIARIES

Section 1.

There shall be established a Board of Administration (the "Board"), consisting of six members, three appointed by the Company, and three appointed by the Union which represents the Included Employees at the Participating Units. "Union" means the following local unions of The International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America: No. 9 (South Bend); No. 153 (Teterboro); No. 179 (Sun Valley, CA); and No. 1508 (Green Island, NY).

Section 2.

The Company and the Board of Administration shall be named fiduciaries, within the meaning of the Employee Retirement Income Security Act of 1974, with respect to this Supplement. The fiduciary responsibilities of the Company and the Board shall be allocated as follows:

- (a) The Board shall have authority with regard to and responsibility for the following matters, but only with respect to the Participating Unit:
 - (1) To make arrangements for the proper administration of this Supplement in accordance with the rules, provisions, and regulations herein set forth.
 - (2) To prescribe procedures to be followed by Employees and Former Employees in filing applications for benefits, and procedures to be followed by them for the furnishing of evidence necessary to establish their rights to benefits under this Supplement.
 - (3) To find facts and determine the rights of any Employee or Former Employee applying for retirement benefits and to afford any applicant if dissatisfied with any finding of fact or determination the right to a hearing.
 - (4) To establish procedures for making appeals to the Board.

- (5) To establish means of verifying determinations by the Board of Service Credits to which Employees or Former Employees are entitled under this Supplement.
 - (6) To apply the procedures set forth for establishing and verifying Credited Service and Eligibility Service of Employees and, after affording Employees and the Company an opportunity to object, to determine the Credited Service and Eligibility Service of Employees at or before retirement.
 - (7) To establish how determinations of total and permanent disability claims will be handled.
 - (8) To establish methods of furnishing information to Employees regarding service credits.
 - (9) To prepare and distribute in such manner as the Board determines to be appropriate, information explaining this Supplement.
 - (10) To obtain from the Company, from the Union, the Trustee and from Employees and Former Employees, such information as shall be necessary for proper administration of this Supplement.
 - (11) To receive, not more often than once a year, a report from the Company of the total receipts and disbursements of the Trustee or Trustees for the time being of the Trust Fund and the report of the actuary selected by the Company on the state of the Trust Fund as it pertains to this Supplement.
 - (12) To make arrangements for authorizing the Trustee to pay benefits from the Trust Fund to retired Employees or Former Employees entitled to them and to authorize paying them.
 - (13) To arrange with the Company for office space, equipment, and clerical or other assistance as may be reasonably necessary for performing the duties of the Board, which the Company will furnish and for which it shall be reasonably compensated from the Trust Fund, with due regard to economical administration of this Supplement.
- (b) The Board of Directors of the Company, acting on behalf of the Company, is allocated the authority to amend this Supplement. The Company is allocated the responsibilities set forth in Article X. The Company shall have authority with regard to, and responsibility for, all other matters under

this Supplement and shall be the administrator of this Supplement.

Both the Company and its Board of Directors may designate persons other than themselves to carry out their fiduciary responsibilities under this Supplement, or to take any actions on their behalf which they deem appropriate. Any person or group may serve in more than one fiduciary capacity with respect to this Supplement. The Company and its Board of Directors, or anyone designated by them to carry out fiduciary responsibilities under this Supplement, may employ one or more persons to render advice with regard to responsibility either may have under this Supplement.

Neither the Board, nor the Company or its Board of Directors, shall be liable for the acts or omissions of the other.

- (c) The Company and the Board shall each have the full discretionary authority and power to control and manage the aspects of this Supplement for which each is responsible as described in subsections (a) and (b), above, to determine eligibility for benefits under this Supplement, to interpret and construe the terms and provisions of this Supplement, to determine questions of fact and law, to direct disbursements, and to adopt rules for the administration of this Supplement as it may deem appropriate in accordance with the terms of this Supplement and all applicable laws.

Section 3.

The Board shall meet at such time and for such periods for the transaction of necessary business as may be mutually agreed upon by the Board members.

To constitute a quorum, for the transaction of business, the presence of four members of the Board shall be required. At all meetings of the Board, the member or members present, appointed by the Company, shall have in the aggregate a total of one vote to be cast on behalf of the Company, and the member or members present, appointed by the Union, shall have in the aggregate a total of one vote to be cast on behalf of the Union.

The members of the Board will serve without compensation from the Trust Fund. The expenses of the members of the Board appointed by the Union however, will be paid by the Union and the expenses of the members appointed by the Company will be paid by the Company.

The Company shall cause to be furnished to the Board of Administration annually,

- (a) A statement reflecting the value (as determined by the Trustee or Trustees) of the Trust Fund as it pertains to this Supplement, as then comprised of any contracts and total other assets, invested and uninvested, such total assets being valued on a basis at least equal to the total cost thereof;
- (b) A statement showing in summary form the value of such assets by general categories of investment such value being determined on a basis at least equal to the total cost thereof for each such category; and
- (c) Such information as to age, sex, and service of hourly rate Employees and as to the number of pensioners, and amount of pensions by age groups, as the Board may reasonably require, but in no event shall the Company be required to furnish the Board with any data not furnished by the Company to the actuary.

The Company shall also cause to be furnished to the Board of Administration annually a statement setting forth:

- (a) The value of the Trust Fund as it pertains to this Supplement, as of the previous anniversary date of this Supplement.
- (b) Additions during year as they pertain to this Supplement:
 - (1) Payments by the Company into the Trust Fund,
 - (2) Interest and dividends received by Trust Fund,
 - (3) Net profits realized on sales of securities by the Trust Fund, and
 - (4) Total additions.
- (c) Pension payments to retired Employees and Former Employees during year.
- (d) The value of the Trust Fund as it pertains to this Supplement as of the anniversary date of this Supplement for the year for which the statement is being submitted.

The Board shall have no power to add to or subtract from or modify any of the terms of this Supplement, nor to change or add to any benefit provided by this Supplement, nor to waive or fail to apply any requirement of eligibility for a benefit under this Supplement.

Any case referred to the Board on which it has no power to rule shall be referred back to the parties without ruling.

No ruling or decision of the Board in one case shall create a basis for a retroactive adjustment in any other case prior to the date of written filing of each such specific claim.

There shall be no appeal from any ruling by the Board which is within its authority. Each such ruling shall be final and binding on the Union and its members, the Employee or Employees or Former Employees involved, and on the Company.

In case of a deadlock on matters involving the processing of individual cases, an Arbitrator shall be selected by the Board to cast the deciding vote. The Arbitrator will not be counted for the purpose of a quorum, and will vote only in case of a failure of the Board to agree upon a matter which is properly before the Board and within the Board's authority to determine. The Arbitrator may vote only on matters involving the processing of individual cases and not on the development of procedures. The fees and expenses of the Arbitrator when required will be paid one-half by the Company and one-half by the Union.

The Board and any member of the Board shall be entitled to rely upon the correctness of any information furnished by the Union, or the Company. To the extent permitted by law, neither the Board nor any officer or other representative of the Company, nor the Union or any officer or other representative of the Union shall be liable because of any act, or failure to act, on the part of the Board or any of its members, except that nothing herein shall be deemed to relieve any such individual from any liability for his own fraud or bad faith.

No matter respecting the Plan or this Supplement or any difference arising thereunder shall be subject to the grievance procedure established in the Collective Bargaining Agreement between the Company and the Union.

ARTICLE XII. GUARANTEES AND LIABILITIES

Section 1.

Nothing contained in the Plan or this Supplement shall be construed as a contract of employment between the Company and any Employee, or as a right of any Employee to be continued in the employment of the Company.

Section 2.

No Employee or Former Employee shall have any rights to, or

interest in, any part of the Trust Fund assets upon termination of employment or otherwise, except as provided from time to time under this Supplement and then only to be the extent of the benefits payable to such Employee or Former Employee out of the assets in the Trust Fund. All payments of benefits as provided for in this Supplement shall be made solely out of the assets in the Trust Fund and neither the Company, its Board of Directors, or the Trustee, shall be in any manner liable therefor.

Section 3.

Neither the Company, its Board of Directors or the Trustee, in any manner guarantees the Trust Fund against loss or depreciation, nor shall any of them be liable for any act or failure to act, made in good faith pursuant to the provisions of the Plan or this Supplement. The Company shall not be responsible for any act or failure to act of the Trustee or any successor trustee.

ARTICLE XIII. AMENDMENT, TERMINATION, ETC.

Section 1. AMENDMENT:

The Company reserves the right to amend, modify, suspend, or terminate the Plan or this Supplement by action of its Board of Directors, provided, however, that no such action shall alter this Supplement or its operation, except as may be required by the Internal Revenue Service, for the purpose of meeting the conditions for qualification and tax deduction under sections 401 and 404 of the Internal Revenue Code in respect of Employees who are represented under a Collective Bargaining Agreement in contravention of the provisions of any such agreement pertaining to pension benefits as long as such agreement is in effect. Except as provided in Article X, section 3, no such action shall operate to recapture for the Company any contributions previously made to the Trustee under this Supplement. No plan amendment lengthening any vesting schedule shall be adopted unless each Employee having not less than 3 years of Eligibility Service is permitted to elect, within a reasonable period after the adoption of such amendment, to have his nonforfeitable percentage under this Supplement determined without regard to such amendment.

No amendment of the Plan or this Supplement shall cause any applicable part of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of the Included Employees

or beneficiaries. No plan amendment may decrease the accrued benefit of any Included Employee. No plan amendment may (a) eliminate or reduce an early retirement benefit or a retirement-type subsidy (as defined in Treasury regulations) or (b) eliminate an optional form of benefit with respect to benefits attributable to service before the amendment, except as permitted under Code section 411(d)(6). Retroactive amendments may not decrease the accrued benefit of any Included Employee determined as of the time the amendment was adopted.

The powers described herein may be exercised by the Company to the full extent permitted by Delaware law, by action of the Board of Directors of the Company or, pursuant to authority delegated by the Board of Directors, by action of any committee of the Board of Directors, the Chief Executive Officer, the Senior Vice President - Human Resources or by any other properly authorized officer or employee of the Company. Any exercise of the powers described herein shall, if exercised by the Board of Directors or a committee of the Board of Directors, be evidenced by an appropriate resolution or in such other manner authorized or permitted by the Company's by-laws and Delaware law and, if exercised by the Chief Executive Officer, the Senior Vice President - Human Resources or other properly authorized officer or employee, by an appropriate adoption agreement or other written document as authorized or permitted by the delegations of the Board of Directors of the Company, the Company's by-laws and Delaware law.

Section 2. TERMINATION OF PLAN:

If the Company terminates the Plan in accordance with section 1 above, the amount of the Trust Fund assets pertaining to this Supplement held by the Trustee shall be allocated, subject to provision for expenses of administration or liquidation, to provide the accrued benefits of Employees and retired and vested terminated employees based on their Credited Service to the date of termination of the Plan, in the manner and order specified in section 4044 of the Employee Retirement Income Security Act of 1974; provided, however, that appropriate subclasses may be provided if required for compliance with the provisions of section 4 of this Article, or if otherwise deemed appropriate by the Company and the Union.

Such allocation shall be accomplished through continuance of the existing Trust Fund, through a new trust instrument for that purpose, through the purchase by the Trustee of insurance company annuity contracts, or by a combination of those methods, provided, however, that the Company, upon finding that it is not

practicable or desirable under the circumstances to do any of the foregoing with respect to some or all of the groups listed above, may, with the unanimous consent of all of its members of the Board of Administration, provide for some allocation of a part or all of the assets of the Trust pertaining to this Supplement other than the continuance of a Trust Fund or the purchase of insurance annuity contracts with respect to any or all of such groups, provided, however, that no change shall be effected in the order of precedence and basis for allocation above established.

Anything in the Plan or this Supplement which might be construed to the contrary notwithstanding, however, it shall be impossible at any time prior to the satisfaction of all liabilities with respect to Employees under this Supplement for any part of the corpus or income of the Trust as it pertains to this Supplement to be used for, or diverted to, purposes other than for the exclusive benefit of the Employees or the surviving spouses with respect to whom a survivor option shall be in effect under Article V, section 6 or 7.

Effective January 1, 1998, if the allocations produce a pension that has an actuarial lump sum equivalent value of less than \$5,000, then the benefit shall be paid as a lump sum. For determining the actuarial equivalent, the UP-1984 Mortality Table set forward one year shall be used with an interest rate used by the Pension Benefit Guaranty Corporation in valuing plan terminations. The rate used shall be the rate in effect on the date on which payment is made. Notwithstanding the foregoing provisions, effective May 4, 1999, the actuarial lump sum equivalent under this Section 2, Article XIII shall be determined using the Applicable Mortality Table and the Applicable Interest Rate set forth in Section 10 of Article V.

Upon the termination or partial termination of the Plan, the rights of all Employees and Former Employees to benefits accrued hereunder to the date of such termination or partial termination, are nonforfeitable; but this provision shall not require the Company to make further contributions to the Plan or otherwise to fund such benefits, except as required by law.

Section 3.

The Plan is contingent upon and subject to obtaining and retaining such approval of the Internal Revenue Service as the Company may find necessary to establish the deductibility for income tax purposes of any and all payments by the Company under the Plan as being tax exempt under sections 401, 404 and 501(a) or other applicable provisions of the Internal Revenue Code, and such

other approvals as may be required under any other applicable Federal law as now in effect or hereafter amended or adopted.

If any approval by the Internal Revenue Service shall be withdrawn or shall no longer be applicable, no further applications for benefits shall be processed for payment until such approval shall have been reinstated, at which time such benefits shall be adjusted retroactively to the dates they would otherwise have become payable.

Section 4.

- (a) Effective January 1, 1987, and notwithstanding any other provision of this Supplement to the contrary, in no event may the annual benefit provided under this Supplement (together with that provided by all other defined benefit plans of the Company and all Affiliated companies) for any Employee for a limitation year exceed the lesser of
- (1) \$90,000, or
 - (2) 100 percent of the Employee's average annual compensation (as defined in Treasury regulation section 1.415-2(d)) over the three consecutive years during which he had the greatest aggregate compensation from the Company and all Affiliated Companies.

For purposes of this Supplement, the limitation year shall be the calendar year.

If an Employee has fewer than ten years of participation in the Prior Plan and/or this Supplement, the dollar limit described in paragraph (1) shall be multiplied by a fraction (not to be less than 1/10 or greater than one), the numerator of which is the Employee's years of participation in this Supplement and the denominator of which is ten.

If an Employee has fewer than ten years of Eligibility Service, the compensation limit described in paragraph (2) shall be multiplied by a fraction (not to be less than 1/10 or greater than one), the numerator of which is the Employee's years of Eligibility Service and the denominator of which is ten.

- (b) The limits of subsection (a) shall be adjusted if an Employee's benefit commencement date does not coincide with the Employee's attaining Social Security Retirement Age. These adjustments shall be made as specified in Code section 415(b)(2).
- (c) The limit in subsection (a)(1), and the limit in subsection (a)

(2) for an Employee who has incurred a termination of employment, shall be adjusted for increases in the cost of living in the manner specified in applicable regulations.

- (d) In applying the limitations on benefits hereunder, the qualified plans of any employer that is not the Company or an Affiliated Company shall be aggregated with this Supplement or any other plan of the Company or an Affiliated Company if the employer would be an Affiliated Company if the phrase "at least 80 percent" in Code section 1563(a)(1), in applying such section to Code section 414(b) or (c), were replaced with "more than 50 percent."
- (e) Nothing in this section shall limit or prohibit the payment to an Employee of his benefit determined as of December 31, 1986, to the extent that this payment would have been permitted under the terms of the Prior Plan as in effect on such date.

Section 5.

There shall be no merger or consolidation of the Plan with any other plan, or transfer of assets or liabilities of the Plan to any other plan, unless each person entitled to a benefit under the Plan, if the Plan would terminate immediately after such merger, consolidation or transfer, would receive a benefit equal to or greater than the benefit he would have been entitled to receive had the Plan terminated immediately before such merger, consolidation or transfer.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

Section 1.

No Employee or Former Employee shall have any vested rights under this Supplement except to the extent that such rights may accrue to him as provided under this Supplement.

Section 2.

The Company's rights to discipline or discharge Employees shall not be affected by reason of any of the provisions of this Supplement.

Section 3.

To the extent not preempted by federal law, the Plan and this Supplement shall be governed by and construed according to the laws of New Jersey.

ARTICLE XV. ADMINISTRATIVE RULES

(APPLICABLE ONLY TO EMPLOYEES IN ACTIVE SERVICE OR WITH SENIORITY STATUS ON OR AFTER JANUARY 1, 1985)

Section 1. CREDITED SERVICE PRIOR TO NOVEMBER 1, 1950:

Credited Service prior to November 1, 1950, shall be computed to the nearest 1/12th year and shall be the sum of:

- (a) the number of years following the Employee's plant or divisional seniority date (except time credited for military service prior to employment by the Company) and preceding November 1, 1950, plus
- (b) any period or periods of past service prior to November 1, 1950, as an hourly or salaried employee of any plant or division of the Company (or predecessor company) preceding the Employee's seniority date, provided that if there was an interval equal to two years or more between periods of employment with the Company beginning with the last day of active service in the employment immediately preceding such interval, no service prior to such interval shall be counted. In no event shall Credited Service be granted for any period of hourly employment preceding the Employee's seniority date, with which he continues to be credited for benefit computation purposes under any other retirement plan of the Company (or predecessor company) or of an Affiliated Company.

Section 2. CREDITED SERVICE SUBSEQUENT TO NOVEMBER 1, 1950:

- (a) Credited Service commencing with November 1, 1950, and thereafter, shall be computed for each calendar year for each Employee on the basis of total hours compensated by the Company as an Employee during such calendar year. Any calendar year in which the Employee has 1,700 or more compensated hours shall be counted as a full calendar year. For a calendar year in which he received pay for working less than 1,700 hours, a proportionate credit shall be given to the nearest 1/12th of a year, each hour in any year to count only once although he may receive more than straight time pay for it. For the calendar year 1950, no more than a year's credit will be given including credit for service prior to November 1, 1950. For the purpose of computing Credited Service, hours of pay at premium rate shall be

computed as straight time hours.

(b) For the purpose of computing compensated hours under subsection (a) of this section 2:

(1) Commencing on and after January 1, 1969, an Employee who has seniority on or after that date and who in any calendar year thereafter accrues less than the total number of hours necessary for a full year of Credited Service, shall receive Credited Service based on 40 hours per week for the period of any absence during such year due to layoff or Company-approved sick leave of absence provided that the Employee shall have received pay during that year for at least 170 hours, and provided further, that if such layoff or sick leave commencing in 1971 or any calendar year thereafter shall continue after that year, the Employee shall be credited with 40 hours for each complete calendar week of absence after that year, not to exceed 1530 hours of credit for all such absence related to receipt of such pay from the Company in the first year. An Employee who returns to work on or after May 1, 1980, and receives pay for a period of less than 170 hours and who thereafter returns to such layoff or sick leave, shall not be disqualified, solely because of the receipt of such pay from receiving any such credit for which he otherwise would be eligible hereunder. For the purposes of this subsection only, an Employee who is laid-off or who is granted a Company-approved sick leave of absence subsequent to May 1, 1980, and whose first day of absence due to such layoff is the first regularly scheduled work day in the January next following his last day worked shall be deemed to have been laid off on December 31 of the year in which he last worked. A part-time Employee shall be credited for any week of such absence in the same percentage relationship as such Employee's regular part-time schedule is to 40 hours.

An Employee who (1) is at work on or after January 1, 1984; (2) has ten or more years of seniority at the time of layoff commencing on or after January 1, 1984; (3) while on layoff has received the maximum of 1,530 hours of credit for periods of absence in accordance with the preceding paragraph of this subsection 2(b)(i); and (4) continues thereafter to be absent due to such layoff shall be credited with 40 hours for each complete calendar week of absence due to such layoff up to a maxi-

num of 1,700 hours of credit.

In no event shall the provision of this subsection permit a duplication of Credited Service provided in any other paragraph of this Article.

- (2) Commencing on or after October 1, 1961, an Employee who shall be absent from work because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on the account of such absence receives Workmen's Compensation while on Company-approved leave of absence, shall receive Credited Service based on 40 hours per week during such absence, provided that no Employee shall receive Credited Service under this subsection after Retirement.
- (c) In addition to the hours provided for above, an Employee shall receive Credited Service based on hours occurring
- (1) in periods during which he shall have been engaged in the business of, or working for, the Local Union at his plant while on approved leave of absence requested by such Local Union; and
- (2) in periods during which he shall have held a position on the staff of the International Union while on approved leave of absence requested by the Union. The number of hours to be used under this paragraph shall be 40 hours per week during such leaves. An Employee who on or after November 1, 1950, was or is absent from employment because he left to enter into active service in the Armed Forces of the United States while on an approved leave of absence and who was or is reinstated with seniority credit under the Collective Bargaining Agreement for the period of such service shall be credited with 40 hours per week during such leave; provided, however, that
- (A) Credited Service based on such hours for Employees entering such service after September 1, 1955, shall be limited to four (4) years or such longer period during which he has re-employment rights pursuant to any Federal law,
- (B) The Employee is reemployed in accordance with the terms of such leave of absence and
- (C) this paragraph shall not apply to an Employee who retired or otherwise incurred a break in his seniority

subsequent to such re-employment and prior to September 15, 1961.

- (d) For the purpose of computing compensated hours under subsection (a) of this section, an Employee who after November 1, 1950, is paid for a holiday not worked as provided for in the Collective Bargaining Agreement shall be credited with the number of straight time hours paid for by the Company.
- (e) For the purpose of computing compensated hours under subsection (a) of this section, Employees who after November 1, 1950, are granted a scheduled vacation with pay shall be credited with the number of hours of such scheduled vacation period. Credit under this subsection will not be allowed where pay is granted in lieu of vacation.
- (f) An Employee who has at least five years of seniority:
 - (1) on January 1, 1981, who was absent from work because of layoff during any calendar year after December 31, 1953, and before January 1, 1966,
 - (2) on January 1, 1984 who was absent from work because of layoff during any calendar year after December 31, 1965 and before January 1, 1969, or
 - (3) on May 1, 1989 who was absent from work because of layoff during any calendar year after December 31, 1968 and before January 1, 1974, or
 - (4) on May 4, 1992 who was absent from work because of layoff during any calendar year after December 31, 1973 and before January 1, 1977, or
 - (5) on May 4, 1995 who was absent from work because of layoff during any calendar year after December 31, 1976 and before January 1, 1980, or
 - (6) on May 4, 1999 who was absent from work because of layoff during any calendar year after December 31, 1979 and before January 1, 1986
 - (7) on May 4, 2003 who was absent from work because of layoff during any calendar year after December 31, 1985 and before January 1, 1992.

shall receive Credited Service based on 40 hours per week for each complete calendar week of such absence during which he had seniority status under the applicable Collective Bargaining Agreement, multiplied by a percentage as set forth in the following table:

Employees' Length of Seniority on January 1, 1981 in the case of paragraph (1) Above or January 1, 1984 in the case of paragraph (2) Above, May 1, 1989 in the case of paragraph (3) Above, or May 4, 1992 in the case of paragraph (4) Above, May 4, 1995 in the case of paragraph (5) Above, May 4, 1999 in the case of paragraph (6) Above, or May 4, 2003 in the case of paragraph (7) Above	Percentage
20 years or more	100
15 years but less than 20 years	75
10 years but less than 15 years	50
5 years but less than 10 years	25

provided that the Employee (i) shall have otherwise received less than a full year of Credited Service for such year, (ii) shall make proper written application to the Company and (iii) shall not be credited with more than 1,700 hours in any such calendar year; and provided further that there shall be no duplication of Credited Service nor Credited Service of more than one year in respect of any calendar year by virtue of this subsection; or

(g) An Employee whose Last Day Actively At Work For The Company is on or after May 1, 1980, who at Retirement has over ten years of Credited Service which he accrued while employed on certain foundry job classifications as set forth in Appendix E, shall receive additional credited Service related thereto. Total Credited Service for any such Employee who retires after May 1, 1980, shall be the sum of

- (1) Credited Service otherwise credited to him, and
- (2) any such additional Credited Service which shall be credited to him in accordance with the following table:

Years of Credited Service on Foundry Jobs	Additional Credited Service
For years 1 through 10	0
For Years 10-1/2 through 25	33-1/3%
For years over 25	20%

If any such Employee is continuously employed exclusively on such foundry jobs in a calendar year such additional Credited Service shall apply to any Credited Service otherwise credited to him for such year. If any such Employee (i) is not continuously employed in a calendar year, or (ii) is employed on other than such foundry jobs in such year, such additional Credited Service shall apply to any Credited Service otherwise credited to him for such year in accordance with the following table:

If Credited Service Otherwise Credited to Employee For Calendar Year Is	Additional Credited Service Applies to Such Year Only if Employee Spent Following Minimum Number of Complete Calendar Weeks on Foundry Jobs During Such Year
1 year	26
11/12 year	24
10/12 year	22
9/12 year	20
8/12 year	17
7/12 year	15
6/12 year	13
5/12 year	11
4/12 year	9
3/12 year	7
2/12 year	4
1/12 year	2

No additional Credited Service shall be granted for any calendar year in which any such Employee spends less than the minimum required number of complete calendar weeks on such foundry jobs, as indicated above.

If any such Employee is on such foundry job at the time he goes on layoff or approved leave of absence, such additional Credited Service shall apply to any Credited Service otherwise credited to him while on such layoff or approved leave of absence.

(h) An Employee with seniority on or after May 1, 1980, who was absent from work while on an approved sick leave of absence because of pregnancy on or after November 1, 1950, and before January 1, 1969, shall be credited with up

to 4 months of Credited Service for any such absence during which she had seniority provided that the Employee makes proper application but in no instance shall there be duplication of Credited Service by virtue of this subsection.

- (i) For the purposes of this section, compensated hours will include any hours of employment for which back pay is awarded, irrespective of mitigation of damages, and shall be credited to the period for which the award was granted, if different from the year paid.
- (j) Notwithstanding any provision in this Supplement to the contrary, benefits and service credits with respect to Included Employees engaged in qualified military service will be provided in accordance with Section 4(4)(u) of the Code.

Section 3. ELIGIBILITY SERVICE:

- (a) Effective for Employees who leave employment after December 31, 1983, Eligibility Service shall be computed for each Employee on the basis of total hours compensated by the Company during each calendar year, with one year of Eligibility Service being recognized for each calendar year in which the Employee receives compensation for 1,000 hours or more (including as compensated hours, the hours referred to in subsections 2(b) through 2(j) of this Article). No proportionate or partial credits shall be given for the purpose of computing Eligibility Service. Hours of pay at premium rate shall be computed as straight time hours.
- (b) If at the date of an Employee's Retirement or termination of employment with the Company, his Eligibility Service is less than his Credited Service with the Company, his Eligibility Service shall be deemed to equal his Credited Service.

Section 4. LOSS OF CREDITED SERVICE AND ELIGIBILITY SERVICE:

Loss of Credited Service and Eligibility Service prior to January 1, 1985 will be determined in accordance with the provisions of the Prior Plan as heretofore in effect. Thereafter, an Employee will lose all Credited Service and Eligibility Service for purposes of this Supplement (and if reemployed, shall be considered a new employee for the purposes of this Supplement):

- (a) If before becoming entitled to a Pension benefit under this Supplement, he quits, is discharged or released, or if his se-

iority is broken for any other reason, and

- (b) If he receives compensation from the Company for less than 500 hours (computed as set forth in section 2 of this Article) in the calendar year when such quit, discharge, release, or loss of seniority occurs or in the next following calendar year. Any such occurrence is hereinafter referred to as a "Break in Service." An Employee who terminates employment due to an Eligible Absence shall not incur a "Break in Service" in the year of termination. If the Employee terminated employment due to an Eligible Absence after receiving compensation from the Company for at least 500 hours prior to termination, the Employee shall not incur a "Break in Service" in the calendar year following such termination. If an Employee referred to in subparagraph (a) above is reemployed prior to incurring a "Break in Service," no loss of Credited Service or Eligibility Service will be deemed to have occurred.

Notwithstanding the foregoing, however:

- (c) An employee retired under this Supplement who again becomes an Employee will have his Credited Service and Eligibility Service at the time of original Retirement reinstated; and
- (d) If after January 1, 1985 an Employee who terminates employment and has a Break in Service and is subsequently reemployed by the Company and earns not less than one year of Eligibility Service after reemployment, the Eligibility Service and Credited Service he had when the termination of employment and the Break in Service occurred, shall be restored to him.
- (e) If an Employee has a Break in Service due to an Eligible Absence and is subsequently re-employed by the Company at any time within the Plan Year in which the Eligible Absence began or the following Plan Year, the Eligibility Service and Credited Service the Employee had when the Break in Service occurred shall be restored to him.

Section 5. TRANSFERS:

- (a) Any salaried employee of the Company who becomes an Employee subsequent to November 1, 1950, shall be credited hereunder with all service he had under any company retirement plan for salaried Employees for the purpose of computing his Eligibility Service and Credited Service hereunder provided that there shall be no duplication of benefits

under this Supplement and any other such plan based on the same period of service, nor shall one calendar year of service with the Company result in more than one year of credit for vesting and benefit computation purposes under this Supplement and other plans of the Company.

- (b) Any Employee who shall be transferred on or after January 1, 1976, to an employment classification with the Company which is not in the Bargaining Unit and is no longer an Employee in the Bargaining Unit shall receive no further Credited Service but shall continue to be credited with Eligibility Service. The benefits, if any, of such person shall be determined only by reference to Article V to this Supplement, based on the benefit rates applicable to persons terminating Employment on the last day such person was an Employee in the Bargaining Unit; and then only to the extent that his service hereunder has not been recognized for purposes of determining benefits under another pension or retirement income plan of the Company, provided, however, that the combined total of an employee's vested benefits under this and any other pension or retirement plan of the Company shall not be diminished as a result of the operation of this paragraph (b).
- (c) Any other employee of the Company who becomes an Employee subsequent to January 1, 1976, and who prior thereto was employed in any other plant or division of the Company on an hourly rated basis shall be credited hereunder with service in respect of such prior period of employment for the purpose of computing his Eligibility Service hereunder, but not his Credited Service; provided that one calendar year of service with the Company shall not result in more than one year of credit for vesting computation purposes under this and all other plans of the Company.

Section 6. SOCIAL SECURITY BENEFIT:

- (a) In determining benefits under this Supplement, the Social Security Benefit shall be assumed to be the amount applicable to any month for which a benefit is payable under this Supplement to an Employee under the Old Age and Disability Insurance provisions of the Federal Social Security Act, as from time to time amended, for the benefit of the Employee, excluding payments for spouses and dependents.
- (b) An Employee shall be deemed to be eligible for a Social Security Benefit even though the Employee either does not

apply for, or loses part or all of such payments through delay in applying for them, by entering into covered employment, or otherwise.

- (c) If an Employee is eligible for a Federal Social Security Benefit for disability or an unreduced Federal Social Security Benefit for age at the time of Retirement or thereafter, such Employee shall provide the Company with evidence of the effective date of entitlement to such benefit.

Section 7. INTEGRATED BENEFITS:

- (a) Notwithstanding any provision of this Supplement to the contrary, in determining the portion of the retirement benefit payable out of the Trust Fund to any retired Employee, a deduction shall be made unless waived by the Company, equivalent to all or any part of any disability benefits (other than those payable on the basis of "need," because of military service or under the Federal Social Security Act) payable to such retired Employee by reason of any law of the United States, or any political subdivision thereof, which has been or shall be enacted, provided that such deductions shall be to the extent that such benefits have been provided by premiums, taxes, or other payments paid by or at the expense of the Company.
- (b) The absence of an Employee from active work at the time he would be eligible to retire under this Supplement shall not preclude his retirement without return to active work, provided that such absence is due to layoff, sick leave, or other Company approved leave of absence commencing subsequent to December 15, 1964, and provided there has been no loss of Eligibility Service. Notwithstanding any provisions of this Supplement to the contrary, in determining the retirement benefit payable out of the Trust Fund to any retired Employee, no benefit shall be payable for any month for which the retired Employee is receiving weekly accident or sickness benefits under any plan to which the Company shall have contributed; for any month for which the retired Employee has received such accident or sickness benefits for part of the month, a proportionate amount of the monthly retirement benefit otherwise payable shall be paid for that part of the month for which the retired Employee receives no such accident or sickness benefits.
- (c) Notwithstanding any other provisions of this Supplement to the contrary, in determining the monthly amount of the retirement benefit (including any Supplemental Allowance)

payable out of the Trust Fund to any retired Employee, a deduction shall be made unless prohibited by law, equivalent to all or any part of Workers Compensation (including compromise or redemption settlements) payable to such retired Employee by reason of any law of the United States or any political subdivision thereof, which has been or shall be enacted, provided that such deductions shall be to the extent that such Workers Compensation has been provided by premiums, assessments, taxes or other payments paid by or at the expense of the Company, except that no deduction shall be made for the following:

- (1) Workers Compensation payments specifically allocated for hospitalization or medical expenses, fixed statutory payments for the loss of any bodily member or 100 percent loss of use of any bodily member, or payments for loss of industrial vision.
- (2) Compromise or redemption settlements payable prior to the date monthly retirement benefits first become payable.
- (3) Workers Compensation payments paid under a claim filed not later than two years after the breaking of seniority.

Section 8. DISABILITY:

- (a) An Employee or Former Employee shall be deemed to be totally and permanently disabled only if he is not engaged in regular employment or occupation for remuneration or profit (excluding employment or occupation which the Board determines to be for the purposes of rehabilitation) and if the Board shall find, on the basis of medical evidence,
 - (1) that he is totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any regular occupation or employment with the Company at the plant or plants where he has seniority and
 - (2) that such disability will be permanent and continuous during the remainder of his life; provided, however, that no Employee shall be deemed to be totally and permanently disabled for the purposes of this Supplement if his incapacity resulted from service in the armed forces of any country, except that, nothing herein shall prevent an employee from being deemed so disabled under this Supplement if he has accumulated at least 5 years of se-

niarity after separation from service in the armed forces and before such incapacity occurs.

- (b) Any disability pensioner may be required to submit to medical examination at any time during retirement prior to age 65, but not more often than semi-annually, to determine whether he is eligible for continuance of the disability pension. If, on the basis of such examination, it is found that he is no longer disabled, or if he engages in gainful employment, except for purposes of rehabilitation, his disability pension will cease. In the event the disability pensioner refuses to submit to medical examination, his pension will be discontinued until he submits to examination.
- (c) If the Disability Retirement Pension of a Retired Employee shall cease and his seniority is reinstated as set forth above, he shall be credited with the Credited Service and Eligibility Service he had at the time his Disability Retirement commenced.
- (d) Any lump sum payment of Integrated Benefits shall be pro-rated on a monthly basis from the date of payment thereof and no payment shall be due hereunder until said sum, as thus pro-rated, is exhausted.
- (e) Effective June 1, 1989, any disability pensioner (regardless of when he retired) who successfully appeals the denial of his Social Security disability benefits and who is required to restore to this Supplement any overpayment to him arising out of the retroactive grant of Social Security disability benefits may deduct from such restored overpayment his reasonable attorneys' fees incurred in connection with such appeal.

Section 9. MISCELLANEOUS:

- (a) Age shall be proved by official birth certificate, issued by the proper public authority in the area in which the Employee or Former Employee claims to have been born. If an Employee does not produce a birth certificate, he must produce satisfactory other evidence of his age.
- (b) The records of the Company shall be presumed to be conclusive of the facts concerning employment or non-employment until shown to be incorrect by other evidence.

APPENDIX A

Life Income Benefit Rate

The Life Income Benefit rates for monthly benefits payable to Employees whose Last Day Actively At Work For The Company is on or after May 4, 2003, and who are entitled to benefits under Sections 1, 2 or 3 of Article V shall be as follows:

Life Income Benefit Rates for Months Commencing:

Last Day Actively At Work for the Company	6-1-03 and after
May 4, 2003 and after	\$40.00

The Life Income Benefit rates for monthly benefits payable to Employees whose Last Day Actively At Work For The Company is on or after May 4, 1999 but prior to May 4, 2003, and who are entitled to benefits under sections 1, 2 or 3 of Article V shall be as follows:

Life Income Benefit Rates for Months Commencing:

Last Day Actively At Work for the Company	6-1-99 through 5-31-03
May 4, 1999 through May 3, 2003	\$34.00

The Life Income Benefit rates for monthly benefits payable to Employees whose Last Day Actively At Work For The Company is on or after May 4, 1995 but prior to May 4, 1999, and who are entitled to benefits under section 1, 2 or 3 of Article V shall be as follows:

Life Income Benefit Rates for Months Commencing:

Last Day Actively At Work for the Company	6-1-95 through 5-31-99
May 4, 1995 through May 3, 1999	\$30.00

Life Income Benefit Rates

The Life Income Benefit rates for monthly benefits payable to Employees whose Last Day Actively At Work For The Company is on or after May 4, 1992 but prior to May 4, 1995, and who are entitled to benefits under section 1, 2 or 3 of Article V shall be as follows:

Life Income Benefit Rates for Months Commencing:

Last Day Actively At Work For The Company	6-1-92 through 1-1-93	2-1-93 through 1-1-94	2-1-94 through 1-1-95	2-1-95 through 5-31-95
May 4, 1992 through December 31, 1993	\$23.75	\$24.75	\$25.65	\$26.85
January 1, 1994 through December 31, 1994			\$25.75	\$26.15
January 1, 1995 through May 3, 1995				\$26.25

The Life Income Benefit rates for monthly benefits payable to Former Employees who shall incur a break in seniority on or after May 4, 1992, with eligibility for a Deferred Vested Pension benefit under section 4 of Article V shall be as follows:

Last Day Actively At Work For The Company	Life Income Benefit Rate
March 1, 1983 through December 31, 1986	\$18.45
January 1, 1987 through December 31, 1987	19.45
January 1, 1988 through December 31, 1988	19.90
January 1, 1989 through December 31, 1989	20.50
January 1, 1990 through December 31, 1990	21.50
January 1, 1991 through December 31, 1991	22.50
January 1, 1992 through December 31, 1992	23.75
January 1, 1993 through December 31, 1993	24.75
January 1, 1994 through December 31, 1994	25.75
January 1, 1995 through June 30, 1995	26.25
July 1, 1995 through May 3, 1995	26.25
May 4, 1995 through May 3, 1999	30.00
May 4, 1999 through May 3, 2003	34.00
May 4, 2003 and After	40.00

Temporary Benefit Rates

The Temporary Benefit rate for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1992, and who thereafter shall retire with benefits under section 2(b) or section 3 of Article V shall be as follows:

Last Day Actively At Work For The Company	Monthly Temporary Benefit Mount Per Year of Credited Service	Maximum
January 1, 1992 through December 31, 1992	\$21.40	\$642.00
January 1, 1993 through December 31, 1993	24.40	732.00
December 1, 1994 through December 31, 1994	26.75	802.50
January 1, 1995 through May 3, 1995	28.75	862.50
May 4, 1995 through May 3, 1999	35.00	1,050.00
May 4, 1999 through May 3, 2003	42.50	1,275.00
May 4, 2003 and after	53.30	1,599.00

APPENDIX B

EARLY RETIREMENT SUPPLEMENT

The amount of total monthly benefits for determining the Early Retirement Supplement through the month in which Age 62 and one month is attained for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 2003, and who shall thereafter retire with 30 or more years of Credited Service shall be as follows:

For Months Commencing	
Last Day Actively At Work For the Company	6-1-03 and After
May 4, 2003 and After	\$2,800

The Early Retirement Supplement described above will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003; or
- (ii) retire on or before May 3, 2007.

The amount of total monthly benefits for determining the Early Retirement Supplement through the month in which Age 62 and one month is attained for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1999 but prior to May 4, 2003, and who shall thereafter retire with 30 or more years of Credited Service shall be as follows:

For Months Commencing	
Last Day Actively At Work For the Company	6-1-99 through 5-31-03
May 4, 1999 through May 3, 2003	\$2,300

The Early Retirement Supplement described above will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

The amount of total monthly benefits for determining the Early Retirement Supplement through the month in which Age 62 and one month is attained for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1995 but prior to

May 4, 1999, and who shall thereafter retire with 30 or more years of Credited Service shall be as follows:

For Months Commencing	
Last Day Actively At Work For the Company	6-1-95 and After
May 4, 1995 and After	\$1,950

The amount of total monthly benefits for determining the Early Retirement Supplement through the month in which Age 62 and one month is attained for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1992 but prior to May 4, 1995, and who shall thereafter retire with 30 or more years of Credited Service shall be as follows:

For Months Commencing				
Last Month Actively At Work For The Company	6-1-92 thru 1-1-93	2-1-93 thru 1-1-94	2-1-94 thru 1-1-95	2-1-95 thru 5-31-95
May 4, 1992 through December 31, 1993	\$1,375	\$1,475	\$1,565	\$1,630
January 1, 1994 through December 31, 1994			\$1,575	\$1,640
January 1, 1995 and After				\$1,650

APPENDIX C

INTERIM SUPPLEMENT RATES

The amount of Interim Supplement* for each year of Credited Service for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1992, and who thereafter shall retire under Article IV, section 2(b) with less than 30 years of Credited Service and before age 62 and one month shall be as follows:

For Months Commencing				
Attained Age At	6-1-92 thru 1-1-93	2-1-93 thru 1-1-94	2-1-94 thru 1-1-95	2-1-95 thru 5-31-95
55	\$ 8.85	\$10.10	\$11.10	\$11.95
56	10.45	11.95	13.10	14.10
57	12.55	14.30	15.70	16.90
58	14.65	16.70	18.35	19.70
59	16.60	18.95	20.80	22.35
60	19.25	21.95	24.10	25.90
61	19.25	21.95	24.10	25.90

The amount of Interim Supplement* for each year of Credited Service for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1995, and who thereafter shall retire under Article IV, section 2(b) with less than 30 years of Credited Service and before age 62 and one month shall be as follows:

For Months Commencing	
Attained Age At	6-1-95 thru 5-31-99
55	\$14.55
56	17.15
57	20.55
58	23.95
59	27.20
60	31.50
61	31.50

* Prorated for intermediate ages computed on the basis of the number of complete calendar months by which the Employee is under the age he will attain at his next birthday.

The amount of Interim Supplement* for each year of Credited Service for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 1999 but prior to May 4, 2003, and who thereafter shall retire under Article IV, section 2(b) with less than 30 years of Credited Service and before age 62 and one month shall be as follows:

For Months Commencing	
Attained Age At	6-1-99 through 5-31-03
55	\$18.70
56	22.00
57	26.70
58	31.30
59	34.95
60	38.25
61	38.25

* Prorated for intermediate ages computed on the basis of the number of complete calendar months by which the Employee is under the age he will attain at his next birthday.

The Interim Supplement will be extended until the month following the month in which 80% of the Social Security benefit is payable for individuals born between 1938 and 1942 (inclusive) who either:

- (i) retired prior to May 3, 1999, or
- (ii) retire on or before May 3, 2003.

The amount of Interim Supplement for each year of Credited Service for an Employee whose Last Day Actively At Work For The Company is on or after May 4, 2003, and who thereafter shall retire under Article IV, section 2(b) with less than 30 years of Credited Service and before age 62 and one month shall be as follows:

For Months Commencing	
Attained Age At	6-1-03 and After
55	\$23.45
56	27.70
57	33.60
58	39.45
59	43.70
60	47.95
61	47.95

The Interim Supplement shall be prorated for intermediate ages computed on the basis of the number of complete calendar months by which the Employee is under the age he will attain at his next birthday.

The Interim Supplement will be extended until the date in which 80% of the Social Security benefit is payable for individuals born between 1942 and 1945 (inclusive) who either:

- (i) retired prior to May 3, 2003, or
- (ii) retire on or before May 3, 2007.

APPENDIX D

I. BENEFIT RATES* APPLICABLE TO CERTAIN EMPLOYEES WHOSE LAST DAY ACTIVELY AT WORK FOR THE COMPANY WAS PRIOR TO APRIL 16, 1974

Basic Benefit Rate Per Year of Credited Service for Months Commencing:

Life Income Benefit Rates

Date of Retirement Under the Prior Plan	June 1, 1992 and After
Prior to April 16, 1971	\$14.40
April 16, 1971 and Thereafter	\$14.65

*Including, if applicable, \$1.00 waived for election of a Special Survivorship Option.

Temporary Benefit Rates

Monthly Temporary Benefit Rates for Months Commencing June 1, 1992 and After:

Date of Retirement Under Prior Plan	Per Year of Credited Service	Maximum
Prior to October 1, 1958	\$7.80	\$218.75
October 1, 1958 through September 30, 1961	7.85 for service before 1958	
	7.88 for service in 1958 7.95 for service after 1958	218.75
October 1, 1961 through October 15, 1964	8.25	218.75
October 16, 1964 through April 15, 1968	8.75	218.75
April 16, 1968 through April 15, 1971	9.00	225.00
April 16, 1971 and thereafter	10.50	262.50

II. BENEFIT RATES APPLICABLE TO CERTAIN EMPLOYEES WHOSE LAST DAY ACTIVELY AT WORK FOR THE COMPANY WAS ON OR AFTER APRIL 16, 1974 AND PRIOR TO MAY 4, 1999.

Life Income Benefit Rates

Life Income Benefit Rates for Months Commencing:

Last Day Actively At Work for The Company	February 1, 1995 and After
April 16, 1974 through August 31, 1974	\$14.65
September 1, 1974 through March 31, 1977	14.95
April 1, 1977 through March 31, 1979	15.20
April 1, 1979 through April 30, 1980	15.45
May 1, 1980 through October 31, 1981	18.75
November 1, 1981 through October 31, 1982	18.85
November 1, 1982 through April 30, 1986	18.95
May 1, 1986 through December 31, 1987	20.30
January 1, 1988 through December 31, 1988	20.40
January 1, 1989 through May 2, 1989	20.50
May 3, 1989 through December 31, 1990	23.55
January 1, 1991 through December 31, 1991	23.65
January 1, 1992 through May 3, 1992	23.75
May 4, 1992 through December 31, 1993	26.05
January 1, 1994 through December 31, 1994	26.15
January 1, 1995 through May 3, 1995	26.25
May 4, 1995 through May 3, 1999	30.00

Temporary Benefit Rates

Monthly Temporary Benefit Rates for Months Commencing:

Last Day Actively At Work For The Company	June 1, 1999 and After	Maximum
April 16, 1974 through August 31, 1974	\$10.50	\$262.50
September 1, 1974 through March 31, 1977	11.50	287.50
April 1, 1977 through March 31, 1979	12.00	300.00
April 1, 1979 through April 30, 1980	13.00	325.00
May 1, 1980 through October 31, 1981	14.00	350.00
November 1, 1981 through October 31, 1982	15.00	375.00
November 1, 1982 through April 30, 1983	16.00	400.00
May 1, 1983 through December 31, 1987	16.00	480.00*
January 1, 1988 through December 31, 1988	17.00	510.00
January 1, 1989 through December 31, 1989	18.00	540.00
January 1, 1990 through December 31, 1990	19.20	576.00
January 1, 1991 through December 31, 1991	20.20	609.00
January 1, 1992 through December 31, 1992	21.40	642.00
January 1, 1993 through December 31, 1993	24.40	732.00
January 1, 1994 through December 31, 1994	26.75	802.50
January 1, 1995 through May 3, 1995	28.75	862.50
May 4, 1995 through May 3, 1999	35.00	1,050.00

* If retired on or after February 1, 1984

III. TOTAL MONTHLY BENEFIT APPLICABLE TO EMPLOYEES WHO RETIRED ON OR AFTER FEBRUARY 1, 1971 WITH 30 OR MORE YEARS OF CREDITED SERVICE AND ARE RECEIVING A SUPPLEMENTAL ALLOWANCE

Last Day Actively At Work for The Company	June 1, 1999 and After
Prior to August 31, 1974	*\$710.00 ** 547.50
September 1, 1974 through March 31, 1975	* 760.00 ** 492.50
April 1, 1975 through March 31, 1977	* 810.00 ** 492.50
April 1, 1977 through March 31, 1979	* 835.00 ** 497.50
April 1, 1979 through April 30, 1980	* 885.00 ** 527.50
May 1, 1980 through October 31, 1981	* 935.00
November 1, 1981 through October 31, 1982	* 945.00
November 1, 1982, through April 30, 1983	* 955.00
May 1, 1983 through April 30, 1986	*** 955.00
May 1, 1986 through December 31, 1987	*** 1,080.00
January 1, 1988 through December 31, 1988	***1,090.00
January 1, 1989 through December 31, 1990	***1,100.00
January 1, 1991 through December 31, 1991	***1,365.00
January 1, 1992 through May 3, 1992	***1,375.00
May 4, 1992 through December 31, 1993	***1,630.00
January 1, 1994 through December 31, 1994	***1,640.00
January 1, 1995 through May 3, 1995	***1,650.00
May 4, 1995 through May 3, 1999	****1,950.00

*While under age 62.

**Ages 62 through 64.

***While under age 62 and one month for retirements on or after February 1, 1984.

****For individuals born between 1938 and 1942, inclusive, who either: (i) retired prior to May 3, 1999, or (ii) retire on or before May 3, 2003, the Supplement shall not be payable the month following the month in which the retiree begins collecting 80% of his Social Security benefit.

III. BENEFIT RATES APPLICABLE TO CERTAIN EMPLOYEES WHOSE LAST DAY ACTIVELY AT WORK FOR THE COMPANY WAS ON OR AFTER MAY 4, 2003.

Temporary Benefit Rates

Monthly Temporary Benefit Rates for Months Commencing:

Last Day Actively At Work For The Company	June 1, 1999 and After	Maximum
May 4, 2003 and After	\$53.30	\$1,599.00

**APPENDIX E
FOUNDRY SERVICE**

For the sole purpose of section 2(h) of the Administrative Rules of this Supplement, only those job classifications specifically listed herein, which are set forth in the Local Wage Rate Structure in effect as of April 22, 1974, at the Energy Controls Division, South Bend, Indiana and the Hydraulics Division, St. Joseph, Michigan, may be designated as Foundry Jobs. Such designation as Foundry Jobs will apply to these classifications at the above specified plant locations under the conditions specifically set forth herein. No other job classifications shall be designated Foundry Jobs.

Energy Controls Division, South Bend, Indiana

The following job classifications are designated Foundry Jobs for Employees so classified:

Job Code	Job Classification
1468	Core Assembly
1483	Core Maker
1441	Furnace Operator
1446	Heat Treat
1453	Metal Pourer
1281	Molder, Foundry
3495	Sandmixer, Core
1498	Shake-out

Hydraulics Division, St. Joseph, Michigan

The following job classifications are designated Foundry Jobs for Employees so classified who are assigned to Departments: 14, 15, 16, 17, 18, 19, 24, 27.

Classification Code

Daywork	Incentive	Job Classification
1930	1941	Casting Sorter
	1914	Chipper
1726	1734	Clamperman Off
1727	1735	Clamperman On
	1802	Core Finisher
1807	1803	Core Finner
	1805	Core Maker Machine Core Blower
1806		Core Oven Unloader
1820		Core Room Oven Tender
	1701	Core Setter or Roll Over
1607		Crane Operator, Overhead
1631		Cupola or Electric Holding Furnace Starter
1612		Cupola Operator
1614		Cupola Operator Water Cooled
	1604	Cupola Repairman
1606		Cupola Repairman Helper
1611		Electric Holding Furnace Operator
3724		Front End Loader
3725		General Cleanup
1915		Grinder, Rough
1818	1823	Infra Red Furnace Tender
1906	1926	Inspector, Casting
1904		Inspector, Salvage Foundry
1907		Inspector, Checker-Castings'
	1711	Iron Pourer "A" Foundry
	1511	Iron Pourer "B" Foundry
3703		Janitor
1608		Ladle Repairman

Classification Code (Continued)

Daywork	Incentive	Job Classification
1715		Line Transfer Flask Man
2122		Loader, Heat Treat Oven
1942		Material Handler
1730		Muller & General Clean-Up
3706		Oiler
1728	1708	Osborn Line Operator
	1940	Relief Man
1819	1716	Sand Mixer
1909		Shake-Out Pit Cleaner
	1910	Shot Blast Operator
2128		Tender, Heat Treat Oven
1605		Trim Man
1905		Truck Driver, Inside Plant-City
1912		Truck Operator
1718		Ultra-Vac Operator
3702		Chief Electrician
3701		Electrician
3705		Machine Repair Group Leader, Foundry
3704		Machine Repairman, Foundry
3712		Millwright-Maintenance
3721		Pipefitter
3709		Welder, Maintenance
7160		Foundry Garage Mechanic
7170		Foundry Layout Inspector

Any job classification in effect at the Energy Controls Division or the Hydraulics Division, that was discontinued at such division prior to April 22, 1974, shall be designated a Foundry Job if the work that was performed by Employees on such discontinued job classification shall conform substantially to work performed at the same division by Employees on a job classification designated as a Foundry Job at such division. No job classification at the Hydraulics Division shall be designated as a Foundry Job for work performed prior to December 15, 1952.

Any Job classification put into effect after April 22, 1974, at the Energy Controls Division or the Hydraulics Division, shall be designated a Foundry Job at such division if the job classification supersedes or replaces a job classification designated as a Foundry Job and becomes applicable to Employees who perform substantially the same work as had been performed by Employees while on a job classification designated as a Foundry Job for such division.

APPENDIX F

SPECIAL LUMP SUM RETIREE PAYMENT

1. Each Employee who commences Retirement on or before May 1, 1995 (or the surviving spouse, if any, of such an Employee) shall receive a special lump sum payment from the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:
 - (a) In July 1995, each Employee described above shall receive an amount equal to \$8.33 for each of the Employee's years of Credited Service (up to a maximum of \$250 and a minimum of \$83.30).
 - (b) In July 1998, each Employee described above shall receive an amount equal to \$8.33 for each of the Employee's years of Credited Service (up to a maximum of \$250.00 and a minimum of \$83.30).
2. The surviving spouse of each Employee who commenced Retirement or died on or before May 1, 1995 shall receive a special lump sum payment from the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:
 - (a) In July 1995, each surviving spouse described above shall receive an amount equal to \$5.00 for each of the Employee's years of Credited Service (up to a maximum of \$150 and a minimum of \$50).
 - (b) In July 1998, each surviving spouse described above shall receive an amount equal to \$5.00 for each of the Employee's years of Credited Service (up to a maximum of \$150.00 and a minimum of \$50.00).
3. Each Employee who commences Retirement on or before May 1, 1999 (or the surviving spouse, if any, if such an Employee) shall receive a special lump sum payment from

the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:

- (a) In July 1999, each individual described in paragraph 1 above shall receive an amount equal to \$10.00 for each of the Employee's years of Credited Service (up to a maximum of \$300 and a minimum of \$100).
 - (b) In July 2000, July 2001 and July 2002, each individual described in this paragraph shall receive an amount equal to \$8.33 for each of the Employee's years of Credited Service (up to a maximum of \$250.00 and a minimum of \$83.30).
4. The surviving spouse of each Employee who commenced Retirement or died on or before May 1, 1999 shall receive a special lump sum payment from the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:
- (a) In July 1999, each individual described in paragraph 2 above shall receive an amount equal to \$6.00 for each of the Employee's years of Credited Service (up to a maximum of \$180 and a minimum of \$60).
 - (b) In July 2000, July 2001 and July 2002, each individual described in paragraph 2 above shall receive an amount equal to \$5.00 for each of the Employee's years of Credited Service (up to a maximum of \$150.00 and a minimum of \$50.00).

A Former Employee who is entitled to a Deferred Vested Pension and any spouse or surviving spouse of such Former Employee shall not be eligible for any of the increases described in this Appendix F.

5. Each Employee who commences Retirement on or before May 1, 2003 shall receive a special lump sum payment from the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:
- (a) In July 2003, each individual described above shall receive an amount equal to \$20.00 for each of the Employee's years of Credited Service (up to a maximum of \$600 and a minimum of \$200).
 - (b) In July 2004, 2005 and 2006, each individual described above shall receive an amount equal to \$10.00 for each of the Employee's years of Credited Service (up to a maximum of \$300 and a minimum of \$100).

6. The surviving spouse of each Employee who commenced Retirement or died on or before May 1, 2003 shall receive a special lump sum payment from the Prior Plan or this Supplement, as applicable, at the following times and in the following amounts:
- (a) In July 2003, each individual described above shall receive an amount equal to \$12.00 for each of the Employee's years of Credited Service (up to a maximum of \$360 and a minimum of \$120).
 - (b) In July 2004, 2005 and 2006, each individual described above shall receive an amount equal to \$6.00 for each of the Employee's years of Credited Service (up to a maximum of \$180 and a minimum of \$60).

APPENDIX G CLOSING SETTLEMENT AGREEMENTS

- (1) Any Employee who meets the terms for a "Severance Payment" under the Green Island, NY Drum Brake Operations Closing Settlement Agreement (the "Green Island Settlement Agreement") dated March 8, 2001, and has attained age 50 and completed 10 or more years of Eligibility Service as of his termination of employment shall be eligible for a retirement benefit under Section 2(b) of Article V, provided that said Employee executes and returns the general release of claims provided for under the Green Island Settlement Agreement. Similarly, any Employee who is a "Designated Employee" under the Mishawaka, Indiana Facility Closing Settlement Agreement (the "Mishawaka Settlement Agreement") dated December 10, 1999, and has attained age 50 and completed 10 or more years of Eligibility Service as of his termination of employment shall be eligible for a retirement benefit under Section 2(b) of Article V, provided that said Employee executes and returns the general release of claims provided for under the Mishawaka Settlement Agreement.
- (2) Any 'Designated Employee' under the Sun Valley, California Facility Closing Settlement Agreement dated January 30, 2003 (the "Sun Valley Agreement") who has attained at least age 50 and completed 10 or more years of Eligibility Service as of his termination shall be eligible for a Special Early Retirement Benefit under Article V, Section

2(b) of this Supplement, provided that said Designated Employee executes and returns the General Release of Claims provided for under the Sun Valley Agreement.

Any Designated Employee under the Sun Valley Agreement who has attained at least age 55 who did not qualify for Early Retirement shall be eligible for a two (2) year unpaid service leave of absence to bridge them to qualify for Early Retirement under Article IV, Section 2(b)(1) of this Supplement.

Designated Employees under the Sun Valley Agreement who are on a Disability leave of absence who do not qualify for a Disability pension but who qualify for a Special Early Retirement shall be eligible for a Special Early Retirement benefit provided that said employee executes and returns the General Release of Claims provided for under the Sun Valley Agreement. Such employee may apply for retirement benefits to be effective on the first day of the month following the month in which weekly sickness and accident benefits expire under the applicable group insurance program.

- (3) Any 'Designated Employee' under the Green Island, NY Metlok Operations Closing Settlement Agreement dated March 25, 2003 (the "Green Island Agreement") who has attained at least age 50 and completed 10 or more years of Eligibility Service as of his termination date shall be eligible for a Special Early Retirement Benefit under Article V, Section 2(b) of this Supplement, provided that said Designated Employee executes and returns the General Release of Claims provided for under the Green Island Agreement.

Any Designated Employee under the Green Island Agreement who has attained at least age 55 who did not qualify for Early Retirement shall be eligible for a two (2) year unpaid service leave of absence to bridge them to qualify for Early Retirement under Article IV, Section 2(b)(1) of this Supplement.

SUPPLEMENTAL AGREEMENT

REGARDING

EMPLOYEE SAVINGS PLAN

**EXHIBIT "D" TO AGREEMENT
BETWEEN
DIVISIONS OF**

**Honeywell International Inc.
AS ENUMERATED HEREIN**

AND

**INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)[®]**

EFFECTIVE: MAY 3, 2003



PRINTED IN U.S.A.

HONEYWELL SAVINGS AND OWNERSHIP PLAN II - EMPLOYEE SAVINGS PLAN

The Honeywell Savings and Ownership Plan II (HSOP II) will be continued for UAW Master hourly employees. The Plan is designed to provide employees with a vehicle to save for long-term retirement goals but yet have access to their money. Employees are also provided the opportunity to invest in company stock. Contributions are made through convenient payroll deductions and are matched by the Company. Employees can choose to make pre-tax or after-tax contributions. All full time employees are eligible to enroll in the plan when hired. Part-time employees must complete 1,000 hours of service to be eligible to enroll in the plan. Employees are able to track their savings plan activity online as well as utilizing the Passport voice response system to inquire and make changes to their account. The following summarizes the major features of the Plan:

- Effective August 1, 2003, the Company will match 50% of the first 6% of base pay contributed by employees with 1 or more years of service. Employees with less than one year of service may contribute, but would receive no match.
- Employees may contribute up to a total of 25% of base pay. Contributions over 6% are on an unmatched basis.
- Base pay is defined as the employee's straight-time hourly rate times 40 hours per week and does not include shift differential, overtime, or any lump sum payment (bonuses, COLA, other). Reference Master Letter of Understanding No. 55.
- Employees have the option of saving on a before-tax or after-tax basis.
- The Company shall provide the same range of investment choices under the HSOP II plan as all other employees who participate in the plan. Employees can invest their account (other than matching contributions) in one or more of the funds in increments of 1%. The Company's matching contributions are always invested in the Honeywell Common Stock Fund. However, when an employee reaches age 55 and has at least 10 years of plan participation, he may reallocate or transfer his company matching contribution account among the other funds as often as he would like.
- Dividends on the Honeywell Common Stock Fund are reinvested in the participant's Honeywell Common Stock Fund account on a quarterly basis unless the participant elects to have the dividend paid out. All other investment earnings are reinvested in the fund they came from.
- Employees are 100% vested in the value of company contribu-

tions after 3 years of service as well as at retirement, upon reaching age 65, death, disability, and in the case of termination due to a reduction-in-force (continuous layoff of at least 12 months).

- The Plan allows access to the funds while still employed:

Withdrawals of after-tax and vested company contributions are always available. Withdrawals of before-tax contributions are available only in cases of severe financial hardship or at age 59-1/2. Income and excise taxes may apply to all taxable amounts withdrawn.

Loans may be obtained for up to 1/2 of the vested account balance. The maximum term of the loan is 5 years or 25 years if used to purchase a principal residence. Repayment is through payroll deduction. Interest and principle payments go back into the employee's account.

A participant may have up to two loans outstanding.

- External expenses such as brokerage, trustee and recordkeeping fees will be paid from the Plan assets.
- The EGTRRA Act of 2001 allows increases in ceilings on contribution limits by \$1,000/year to a maximum of \$15,000 in 2006.
- As a result of the EGTRRA Act of 2001, employees age 50 and older have the right to make additional "catch-up" 401(k) contributions. The current regulations have a Universal Availability Requirement which requires all companies of the control group sponsoring a 401(k) program to allow catch up contributions at the same time. Honeywell is actively pursuing the ability to make available this catch up provision across all of Honeywell International's 401(k) programs. At such time that Honeywell offers this provision, it will be made available to UAW Master employees.

AGREEMENT

REGARDING

INSURANCE

EXHIBIT "B"
BETWEEN
DIVISIONS OF
Honeywell International Inc.
AND
INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)[®]

EFFECTIVE: May 3, 2003



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INDEX

	Page
Accidental Death and Dismemberment Insurance	25-26
Agreement—Insurance	1
Administration	2
Committee	3
Duration of Agreement	3
Employees Included	1
Establishment of Program	1
Financing	2
Grievance Procedure	2
Active Employee Basic Group Insurance Benefits	16, 20-28
Active Employee Optional Supplemental Benefits	17-18, 28-32
Active Employee Hospital-Surgical Medical-Drug Benefits	44
Beneficiary	20
Continuing Life Insurance for Retirees	16, 20, 32-33
Contributions:	
Company	6-13
Employee-Active-Basic Group Insurance Benefits	57
Employee-Active-Basic Group and Optional Supplemental Benefits	17, 57
Employee-Hospital-Medical-Surgical Drug-Dental-Vision Care- Hearing Aid Expense Benefits	5-15
Pensioners	11
Surviving Spouse	11, 59-60
Permanent and Total Disability	20-21, 41
Contributions by Inactive Employees	
After Age 60 or Early Retirees	58
Lay-off or Non-Disability Leaves of Absence	57, 60
Termination	37-39, 42
Conversion Privilege	37
Coordination of Benefits	54
Definitions	56

	Page
Dental Plan	
Active (Attachment "B")	63-73
Retired (Attachment "C")	73-81
Dependents.....	46, 50
Disability Laws—State	12-14, 42
Effective Date of:	
Changes in Amounts of Insurance	36-37
Plan	5-6
Eligibility:	
Employee	33-36
Dependents.....	15, 48-49
Enrollment:	
Active Employee Basic and Optional Group Insurance Benefits	34-36
Employee and Dependent Hospital- Surgical-Medical-Drug-Dental Vision-Hearing Benefits.....	47-49
Establishment of Program.....	1
Financing.....	2
General Provisions.....	36-43, 51-54
Grievance Procedure.....	2
Group Life Insurance:	
Basic Benefits	16
Optional Supplemental Life Benefits.....	17, 18-19
Dependent Life Benefit.....	28-32
Hearing Aid Plan (Attachment "E")	90-95
Hospitalization:	
Duration of Hospital Service	44
Hospital Benefits.....	44
Retired Employees	49-50
Insurability—Evidence of	34-35, 39
Insurance—Cancellation.....	36-43, 52-54
Insurance—After Retirement.....	32-33, 49-50
Lay-off—Non-Disability Leave of Absence— Termination	7-9, 37-43, 52-54

	Page
Life Insurance:	
Beneficiary	20
Bridge Benefit	24-25
Continued Insurance for Retirees	16,20, 32-33
Conversion Privilege	37
Eligibility	33-36
Schedule of Benefits	16-19
Survivor Income Benefits	21-25
Total and Permanent Disability	20-21
Transition Benefits	21-25
National Account Program	44-46
Administration and Implementation	50-54
Occupational Disability (See Sickness and Accident Insurance)	
Permanent and Total Disability Benefits	20-21
Pregnancy (See Sickness and Accident Insurance)	
Program Modification, Disability Laws, State	12-13
Retiree Health Care Costs and Union Right to Bargain for Post-Retirement Health Care Benefits	61
Sickness and Accident Insurance:	
Benefits	16, 19
Disability Laws, State	12-14, 43
Duration of Benefits	26-27
Eligibility	26-27
Occupational Disability	26-27
Pregnancy	26
Schedule of Benefits	16-19
Waiting Period	27
Sickness and Disability:	
Continuation of Insurance	10
Surgical and Medical Expense Benefits:	
Dependent Medical Expense	44-50
Dependent Surgical Expense	44-50
Employee Medical Expense	44-50
Employee Surgical Expense	44-50
Permanent and Total Disability	52
Retired Employees	49-50
Termination of Insurance	37-43
Vision Care Plan	
Active (Attachment "D")	81-90
Vision Care Plan	
Retiree (Attachment "F")	96-100

AGREEMENT

This Supplemental Agreement effective the 3rd day of May, 2003 between Honeywell International Inc. for its following divisions: Aircraft Landing Systems, South Bend, Indiana; Aerospace Electronic Systems, Teterboro, New Jersey and Sun Valley, California; and Friction Materials, Green Island, New York; hereinafter referred to as the COMPANY and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and its local Unions No. 9 UAW, South Bend, Indiana; No. 153 UAW, Teterboro, New Jersey; No. 179 UAW, Sun Valley, California; No. 1508 UAW, Green Island, New York, hereinafter referred to as the UNION, constitutes the entire agreement between the parties hereto with respect to insurance.

Section 1. Establishment of Program

Subject to the approval of its Board of Directors, the Company will establish an amended insurance plan, hereinafter referred to as the "Plan," a copy of which is attached hereto as Appendix "C" and made a part of this Agreement to the extent applicable to the employees represented by the Union and covered by this Agreement as if fully set out herein, modified and supplemented, however, by the provisions hereinafter. In the event of any conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of this Agreement will supersede the provisions of the Plan to the extent necessary to eliminate such conflict. In the event that the Plan is not approved by the Board of Directors of the Company, the Company within thirty (30) days after any such disapproval will give written notice thereof to the Union and this Agreement shall thereupon have no force and effect. In that event, the matter covered by this Agreement shall be the subject of further negotiations between the Company and the Union.

Section 2. Employees Included

This Agreement shall cover all hourly rated employees of the Aircraft Landing Systems, South Bend, Indiana; Aerospace Electronic Systems, Teterboro, New Jersey and Sun Valley, California; and Friction Materials, Green Island, New York; who come within the scope of the Master Collective Bargaining Agreement between the Company and the Union entered into the 3rd day of May, 2003.

Section 3. FINANCING

(a) The Company agrees to pay the contributions due from it for the Plan in accordance with the terms and provisions of Appendix "C."

(b) The Company, by payment of its contributions to (a) the premiums on any insurance policy or policies issued by an insurance company or companies selected by the Company in accordance with the Plan, and (b) the subscription rates of Blue Cross or other hospitalization and Blue Shield or other surgical and medical expense benefit plans, or (c) the premiums of any Health Maintenance Organizations or Preferred Provider Organizations shall be relieved of any further liability with respect to the benefits of the Plan provided under such policy, policies or plans.

(c) Unless otherwise specifically provided herein, the Company shall pay all expenses incurred by it in the administration of the Plan.

Section 4. Administration

The Company shall have the responsibility for administration of the Plan.

Section 5. Named Fiduciary and Allocation of Responsibilities

Pursuant to the Employee Retirement Income Security Act of 1974 (ERISA) the Company shall be the sole named fiduciary with respect to the Plan and, except as otherwise specifically provided in this Plan, shall have authority to control and manage the operation and administration of the Plan. Any Company director, officer or employee who shall have been expressly designated pursuant to the Plan to carry out specific Company responsibilities shall be acting on behalf of the Company. Any person or group of persons may serve in more than one capacity with respect to the Plan and may employ one or more persons to render advice with regard to any responsibility such director, officer or employee has under the Plan.

Section 6. Non-Applicability of Collective Bargaining Agreement Grievance Procedure

No matter respecting the Plan or any difference arising thereunder shall be subject to the Grievance Procedure established in the Collective Bargaining Agreement between the Company and the Union.

Section 7. UAW/Honeywell Health Insurance Committee

A Joint Committee of Union and Company representatives has been established to study and evaluate the effectiveness of the hospital, surgical, medical, drug, dental, vision care, and hearing aid benefit programs and make appropriate recommendations. The Joint Committee responsibilities shall also include the following:

- Receive and review carrier reports describing cost, utilization, and cost containment activities.
- Consult and advise with representatives of health care organizations to resolve problems which arise and increase efficiencies in, the operation of the programs.
- Investigate, evaluate, and approve additional Health Maintenance Organizations for both active and/or retired employees as outlined in Letter 48 on Alternative Healthcare Delivery Systems.
- Recommend programs, pilot or otherwise, that could potentially prevent illnesses, incorporate technological advances in medicine, detect and prevent abuse and provider fraud, identify and authorize appropriate centers of excellence, establish programs to review or eliminate inappropriate tests and surgeries, and other areas as may be necessary.
- Review and approve health and wellness programs developed by local teams for active employees as outlined in Letter 49 on the Health and Wellness Process.

Any action taken by the Committee shall be by mutual agreement of the parties.

Section 8. Duration of Agreement

This Agreement relating to insurance shall remain in full force and effect without change until 6:00 p.m., May 3, 2007

The parties mutually covenant to and with each other that until such date of 6:00 p.m., May 3, 2007, neither will resort to any strike, lock-out or exercise of economic force of whatever name or nature, or threat thereof, for the purpose of inducing the other party to agree to, or to negotiate or bargain concerning any proposed change, amendment or addition to this Agreement. Each party shall be at liberty, however, to request such changes, amendments or additions or to give notice of the desire for termination of the Agreement by written notice to the other party not earlier than ninety (90) days, nor later than sixty (60) days in advance of 6:00 p.m., May 3, 2007. Failing to reach agreement by 6:00 p.m., May 3, 2007 concerning any reasonable request for change, amendment or addition shall cause the Agreement to terminate.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written.

For:

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW

Cal Rapson	Bob Ambrosini
Richard Ruppert	Bruce Eaton
Mary K. Riordan	Glenn Gaines
Tom Bode	Brian DeMarco

For:

Honeywell International Inc.

Edward J. Bocik	Noc Gaytan
Mary S. Johnson	Allen Clarke
Eric J. Warren	Michael Oglensky

APPENDIX "C"

PART I

Section 1.

Honeywell International Inc., hereinafter referred to as the Company, will establish an Insurance Plan for Hourly Rated Employees, hereinafter referred to as the Plan, to be insured under a policy or policies issued by an insurance company or insurance companies selected by the Company as set forth in Part II attached and by arrangements with Blue Cross plans, or other carriers for hospitalization and Blue Shield plans or other carriers for surgical or medical expense benefits, or by arrangements with Health Maintenance Organizations or Preferred Provider Organizations, hereinafter referred to as Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefit Plan as set forth in Part III attached.

Section 2.

The Plan shall become effective as follows:

(a) Except as otherwise provided in Part II, Section E, Subsection 1, Paragraph a (4), and for those benefits or provisions with an indicated later effective date, the Group Insurance Benefits, as set forth in Part II hereof, shall become effective June 1, 2003 for all employees who were insured for Basic and/or Optional Benefits under the prior Plan that became effective on June 1, 1999, and who were actively at work on June 1, 2003. Employees who were not insured under the Plan that became effective June 1, 1999, and who were eligible prior to June 1, 2003, will be given an opportunity to enroll for the benefits set forth in Part II during the month of November, 2003. Insurance for such employees who enroll will become effective in January, 2004 provided they are actively at work on that date.

(b) The Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefits, with the exception of those benefits with an indicated later effective date, as set forth in Part III hereof, will become effective on May 3, 2003, or as soon thereafter as practicable for all employees actively at work on such date, except that as to any such coverage provided through an insurance carrier, at least 75% of the eligible employees must enroll before such coverage can become effective. Employees who were not insured under the Plan that became effective on June 1, 1999, and who were eligible prior

to June 1, 2003, will be given an opportunity of enrolling for Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefits for themselves or their eligible dependents during the month of November, 2003. Benefits for those who enroll will become effective on January 1, 2004, provided the employee is eligible for such benefits and is actively at work on that date.

Section 3.

An eligible employee electing to enroll in the Plan must complete census and enrollment forms for the coverages in which he elects to participate and for coverages under Part II and Part III, Section E, Sub-section 4, Paragraph f, authorizing payroll deductions for his contributions.

Section 4.

The Company will pay the balance of the cost of the Group Insurance Benefits, as set forth in Part II and Part III, over and above the employee contributions set forth in Part V including any increases in such costs but it shall receive and retain any dividends, credits or refunds or reimbursements under whatever name which are made under any insurance policy or policies purchased to provide the benefits included in the Plan.

Section 5.

The Company shall make monthly contributions toward the cost of the Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefit insurance, as set forth in Part III, on behalf of each subscribing employee, as follows:

A. Employees in Active Service

With respect to any month while such employee is at work (as defined below) the amounts of such Company contributions shall be as follows:

- (1) If such Company contributions are for Blue Cross and Blue Shield or other Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense programs in effect at each division, such contribution will be equal to the full monthly subscription rate established by such plan for the classification of coverage to which the employee shall have subscribed according to his marital status and number of his dependents, provided that such coverage is not in excess of the coverage described in paragraph (3) below.

(2) If such Company contributions are for Health Maintenance Organizations or Preferred Provider Organization programs, such contributions shall not exceed those which would have been required if such employees had enrolled in the Blue Cross-Blue Shield and Prescription Drug Plans.

(3) The coverage for which the Company will contribute under the foregoing may be, at the employee's option, protection for (i) self only, or (ii) self and family (including only spouse and eligible children as defined).

(4) For purposes of the foregoing, an employee shall be considered "at work" in any month if he receives pay from the Company for any time during such month.

B. Employees on Layoff

Effective with layoffs commencing on or after June 1, 2003, the Company contributions for Hospital-Surgical-Medical-Drug-Vision Care-Hearing Aid Expense Benefits, excluding Dental Expense Benefits, for employees on layoff shall be as follows:

(1) In any month during which the employee is continuously laid off for one of the reasons set forth in Article I, Section 3(a), (b)(1)(2) of the Supplemental Unemployment Benefit Plan attached as Exhibit "C" to the Agreement between the parties and with respect to such month receives no earnings from the Company, the Company shall contribute the full cost of continued coverages for a maximum period determined in accordance with one of the following tables, whichever is greater:

TABLE #1

Maximum Number of Full Weekly SubBenefits to Which Employee's Credit Units as of Last Day Worked Prior to Layoff Would Entitle Him	Maximum Number of Months For Which Hospital-Surgical-Medical- Drug, Vision Care-Hearing Aid (Not Including Dental) Expense Coverages Will Be Continued Without Cost to Employee
Less than 4	0
4-7	1
8-11	2
12-15	3
16-19	4
20-23	5
24-27	6

TABLE #1 (continued)

Maximum Number of Full Weekly SUBenefits to Which Employee's Credit Units as of Last Day Worked Prior to Layoff Would Entitle Him	Maximum Number of Months For Which Hospital-Surgical-Medical-Drug, Vision Care-Hearing Aid (Not Including Dental) Expense Coverages Will Be Continued Without Cost to Employee
Less than 28-31.....	7
32-35.....	8
36-39.....	9
40-43.....	10
44-47.....	11
48-52.....	12

TABLE #2

Years of Seniority As of Last Day Worked Immediately Prior to Date of Layoff	Maximum Number of Months For Which Hospital-Surgical-Medical-Drug, Vision Care-Hearing Aid (Not Including Dental) Expense Coverages Will Be Continued Without Cost to Employee
Less than 1.....	0
1 but less than 2.....	2
2 but less than 3.....	4
3 but less than 4.....	6
4 but less than 5.....	8
5 but less than 6.....	10
6 but less than 10.....	12
10 and over.....	24

(2) In applying the above Table #1, the "Maximum Number of Full Weekly SUBenefits to which Employee's Credit Units as of Last Day Worked Prior to Layoff Would Entitle Him" shall be determined by dividing the number of the employee's credit units under the Supplemental Unemployment Benefit Plan by the number of Credit Units to be cancelled for one SUBenefit in accordance with the Credit Unit Cancellation table contained in Article III, Section 4 of such SUB Plan, based on the employee's seniority and the Credit Unit Cancellation Base in effect as of the last day worked prior to layoff. The "Maximum Number of Months for Which Hospital-Surgical-Medical-Drug-Vision Care-Hearing Aid (not including Dental) Expense Coverage will be Continued Without Cost to Employee" shall commence with the first full calendar month of layoff for which contributions have not been made.

(3) With respect to any period of continuous layoff, changes in an employee's Credit Units, Seniority or the Credit Unit Cancellation Base subsequent to the date layoff begins shall not change the number of months of Company contributions for which such employee is eligible.

(4) In the event that the Supplemental Unemployment Benefit Plan, attached as Exhibit "C" to the Agreement between the parties dated May 3, 2003 shall be terminated in accordance with its terms prior to the expiration date of the Agreement regarding insurance, this Sub-Section B shall thereupon cease to have any force or effect except or otherwise provided in this Sub-Section B.

(5) Employees shall contribute the full premium or subscription rate for such continued coverages in any month of layoff in which they are not eligible for such Company contributions, up to a maximum of twelve (12) consecutive months following the last month for which the Company contributed for the employee, provided the employee's seniority is not broken and if permitted by the local plans.

(6) Employees will be permitted to continue Dental Expense Benefits coverage for the period of time other medical coverages are continued under this Subsection B by payment of the full premium or subscription rate.

(7) Employees temporarily recalled from layoff who have or have not yet exhausted the maximum number of months for continuation of Hospital-Surgical-Medical-Drug-Vision Care-Hearing Aid Expense Benefits, and who work:

(a) for fewer than 90 days, will accumulate company paid continuation of these benefits on a time-for-time worked basis. Any time-for-time worked earned continuation of medical benefits will be added to the prior number of unused accumulated months of earned continuation up to the maximum number of months allowed according to the employee's seniority as of last day worked immediately prior to date of current layoff;

or

(b) for more than 90 days, will be entitled to the company paid continuation of medical benefits in accordance with this Section 5.B. upon subsequent layoff.

C. Employees on Disability Leave

Effective with approved disability leaves of absence commencing on or after June 1, 2003, the Company shall contribute during such leave the full cost of the coverages continued in accordance with Part III, Section E, Sub-section 4, Paragraph a, Sub-paragraph (3), provided the employee is totally disabled as described for receipt of Weekly Benefit for Accident and Sickness Disability in Part II, Section C, Sub-section 4, for the duration of disability leave or a period equal to the employee's seniority, whichever is the lesser.

D. Employees on Other Leaves of Absence

Employees continuing their coverages in accordance with Part III, Section E, Sub-section 4, Paragraph a, Sub-paragraph (2), while on approved leave of absence other than for disability, excluding employees who are on approved leave of absence requested by the Union to permit conduct of Union business as referred to in Part II, Section E, Sub-section 2, Paragraph C, Sub-paragraph (13) and Part III, Section E, Sub-section 4, Paragraph A, Sub-paragraph (6), shall contribute the full premium or subscription charge in each full month such coverages are continued up to a maximum of eleven (11) consecutive months following the end of the month following the month in which the leave began, if permitted by local plans.

E. Employees Participating in Kaiser Foundation Health Plan

For employees subscribing to the Kaiser Foundation Health Plan or a plan similar in Type, as set forth in Part III, Section A, Sub-section 7, the Company shall contribute on the basis set forth above, but such contributions for employees in active service, on layoff, approved leave of absence, or disability leave of absence shall not exceed those which would be required if such employees were enrolled in the applicable Blue Cross-Blue Shield and Prescription Drug Plans. At its option, the Company from time to time in areas it may designate, waive this limitation in whole or in part.

F. Employees Electing Optional Dependent Coverage and Coverages Continued for Families of Deceased Employees and Retired Employees

The Company shall not contribute toward the cost of optional dependent coverages described in Part III, Section E., Sub-section 4, Paragraph f.

G. Retired Employees

(1) The Company shall contribute the full premium or subscription charge applicable to the coverages of a pensioner (not including a former employee entitled to or receiving a deferred vested pension) and an employee terminating at age 65 or older (except those whose discharge for cause has not been appealed, or if appealed has been finally upheld) with insufficient credited service to entitle him to a pension benefit under the Honeywell Retirement Earnings Plan, Supplement F, The AlliedSignal Inc. Pension Plan for Hourly Employees (provisions applicable to employees represented under the UAW Master Agreement) ("Pension Plan") or of a pensioner or retired employee and insured eligible dependents continued in accordance with Part III, Section E, Sub-section 2, provided such pensioner is eligible for benefits under the Pension Plan. Provisions will be made not later than December 1, 2003, for enrollment and re-enrollment of eligible present pensioners (not including a former employee entitled to or receiving a deferred vested pension) and their eligible dependents not previously insured.

(2) If the surviving spouse of a deceased employee or pensioner is receiving or is eligible to receive a survivor's benefit under the provisions of the Hourly Employees Pension Plan, or is the surviving spouse of a deceased retired employee who was receiving a pension under the provisions of the Hourly Employees Pension Plan prior to his death, or is the surviving spouse of a deceased employee whose employment ceased after age 65 (except if discharged for cause) with insufficient credited service to entitle him to a pension benefit under the Pension Plan, and was insured for Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefits set forth in Part III hereof, the Company will make suitable arrangements for continuation of coverages, referred to above as a part of the covered group (subject to the availability of such coverage). A surviving spouse electing this coverage will also have coverage for the dependents of such surviving spouses continued at no cost to such survivor. The Company will not provide this coverage for those survivors who are or attain age 65 unless they are enrolled for the voluntary coverage that is available under the Federal Social Security Act.

Section 6

The Company shall bear all the necessary administrative expenses and shall determine all administrative procedures required for the execution of the Plan. All matters concerning benefits provided under the Plan shall be governed by the terms and conditions of the insurance policy or policies and the contracts with Blue Cross-Blue Shield or other Hospital - Surgical - Medical - Drug - Dental - Vision Care -Hearing Aid Expense Benefits carriers.

Section 7.

The provisions of the Plan pertaining to disability benefits such as sickness and accident, hospitalization, surgical operation, medical expense, prescription drug, dental expense, vision care or hearing aid insurance applicable to employees, former employees (including retirees) and surviving spouses, shall be applicable subject to laws which now or hereafter may provide such benefits, or any such benefits, under whatever name, for employees who are disabled by non-occupational sickness and accident, or similar disability provided that the substitution of a private plan is authorized by the law of such government authority. The Company with consent of the Union may modify or separate the benefits under the Plan to the extent and in the respect necessary to secure the approval of the appropriate governing body to substitute such modified or separated benefits in lieu of any plan provided by law, and upon such modification or substitution and approval by the appropriate governmental authority, the Company may make such modified or separated benefits available to such employees, former employees (including retirees) and surviving spouses with such adjustment in contributions as may be appropriate with respect to any differences in benefits or costs.

Section 8.

The provisions of the Plan pertaining to disability benefits such as sickness and accident, hospitalization, surgical operation, medical expense, prescription drug, dental, vision care or hearing aid expense insurance shall not be applicable to employees or former employees (including retired employees) or surviving spouses in states having laws which now or hereafter may provide such benefits, or any of such benefits, under whatever name, for employees who are disabled by non-occupational sickness and accident, or similar disability and which may require the Company and its employees to participate in a state sponsored program affording such benefits and compliance by the Company with such laws shall be

deemed full compliance with the provisions of the Plan with respect to employees in such states. Employee contributions as set forth in Part V will be reduced accordingly by the Company. In any such state where the benefits under such State laws are on a lower level than the corresponding benefits under the Plan, the Company with consent of the Union will provide benefits supplementary to the State Plan benefits to the extent necessary to make the total benefits as nearly comparable as possible to the benefits of the Plan in states without such laws, with appropriate modification of employee contributions.

Section 9.

The provisions of this program pertaining to disability benefits such as sickness and accident, or Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefits shall not be applicable to employees or former employees, including pensioners or surviving spouses, who are or may become eligible for such benefits under any federal law by whatever name it may be called providing such benefits for the public at large. Compliance by the Company with such laws shall be deemed full compliance with the provisions of this Plan with respect to employees or former employees or surviving spouses eligible for benefits under such laws. If as a result of such laws, the level of benefits provided for any group of employees or former employees or surviving spouses is generally lower than the corresponding level of benefits under the Plan, the Company with consent of the Union, may provide a plan of benefits supplementary to the federal benefits to the extent necessary to make total benefits as nearly comparable as practicable to the benefits under the Plan.

Section 10.

The provisions of Section 9 above to the contrary notwithstanding, the Company, with the consent of the Union, may, if federal law permits, substitute a plan of benefits for the benefits provided by the federal laws referred to in Section 9 above, and modify the provisions of Parts I, II and III of the Plan to the extent and in the respects necessary to secure the approval of such substitution from the appropriate governmental authority. The Company may make such plan available to employees, former employees, retired employees and surviving spouses.

Section 11.

All insurance of employees insured under any existing Group Insurance Plan of the Company, except insurance in force under

policies which provide benefits to comply with state temporary disability laws and Group Life Insurance on employees retired under the provisions of the Pension Plan prior to the effective date of this Plan will be terminated on the effective date of this Plan unless otherwise provided as to employees working on such date and employees retired under the provisions of the Pension Plan prior to such date, and on the date of return to work for employees not at work on such date, and the benefits provided by the Plan, as set forth in Part II and Part III shall be in lieu of and substitute for any Group Insurance benefits other than as provided for in Part II and Part III hereof.

Section 12.

If it becomes necessary, because of conditions imposed by a Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefit carrier, to replace the benefits afforded under any prior Plan carried by an insured employee who is not at work on the effective date of this Plan, with those benefits provided under this Plan, the provisions of this Plan with respect to such benefits will apply to employees so affected.

Section 13.

Each year the Company will furnish or will request the insurance company to furnish the Union the following information:

A. With respect to coverage provided under Part II of the Program—

1. Number of employees insured and aggregate insurance in force by insurance bracket and by type of coverage during a representative month in the preceding policy year.
2. Average number of lives, by type of coverage, insured in the preceding policy year.
3. Unit premiums, total premiums paid, claims paid or incurred by type of coverage for the preceding policy year.
4. Increase in reserves, by type of reserve, during the preceding policy year.
5. Interest allowed on reserves, expense and taxes, net cost and refund of excess premiums for the preceding policy year.
6. Amount of reserves, by type of reserve, at the end of the preceding policy year.
7. Number of insured deaths by insurance brackets, age and sex of deceased for the preceding policy year.

8. Number of insured deaths for preceding policy year for which a survivor benefit, either Transition benefit only or Transition benefit and Bridge benefits becomes payable.

9. Frequency and average duration of Sickness and Accident Benefits claims paid during the preceding policy year.

B. With respect to coverage provided under Part III of the Program—

1. Number of employees and retired employees and premiums with Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense coverage and contributions by enrollment classification and local Plan area and during a representative month in the preceding policy year.

2. Total number and amount of pension deductions for Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense coverage during a representative month in the preceding policy year.

Section 14.

An eligible employee may elect to enroll for the benefits described in Part II, subject to the Eligibility requirements and General Provisions set forth in Part II, Section E, or he may elect to enroll for benefits described in Part III, subject to the Eligibility requirements and General Provisions set forth in Part III, Section E, or he may elect to enroll for benefits described in both Parts II and III.

Section 15.

The Company may, from time to time, request that the retirees covered under Part I, Section 5, Sub-section G, Paragraph (1) and surviving spouses covered under Part I, Section 5, Sub-section G, Paragraph (2), for which the Company is paying the full cost of Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense coverage, attest to their family status to determine their eligibility for "self only" or "self and family" coverage. If such individual fails to comply with such request within thirty (30) days, the Company shall have the right to reduce coverage to that of "self only" until it can be demonstrated that the individual had qualified dependents.

PART II
GROUP INSURANCE BENEFITS

Section A—Schedule of Basic Benefits

1. Effective June 1, 2003, the Basic Benefits are as follows:

	Life Insurance	Accidental Death and Dismemberment Insurance	Weekly Accident & Sickness Insurance	Permanent and Total Disability Benefit	Continuing Life Insurance For Those Who Retire With 10 or More Years of Credited Service
96 California Employees.....	\$15,000.00	\$7,500.00	\$130.00 Min.	\$15,000.00	\$2,500.00
New York Employees.....	15,000.00	7,500.00	120.00 Min.	15,000.00	2,500.00
New Jersey Employees.....	15,000.00	7,500.00	130.00	15,000.00	2,500.00
South Bend Employees.....	15,000.00	7,500.00	120.00	15,000.00	2,500.00

2. **Survivor Income Benefits**

"Transition" Benefits
"Bridge Benefit" }

As described in Part II, Section C, Sub-section 2.

Section B—Schedule of Optional Supplemental Benefits

In addition to the amounts of insurance shown in Section A, employees are eligible for amounts of Group Life Insurance, Accidental Death and Dismemberment Insurance, and Weekly Accident and Sickness Benefits which together with their Basic Benefits for which they are insured, equal the following amounts dependent upon Base Hourly Rate of Pay.

MONTHLY EMPLOYEE CONTRIBUTIONS

ALL EMPLOYEES Base Hourly Rate of Pay	Class	Employees	Employees	Employees	Employees
		In South Bend	In California	In New Jersey	In New York
10.94 but less than 11.19	18	10.27	9.12	9.72	9.83
11.19 but less than 11.44	19	10.37	9.22	9.82	9.93
11.44 but less than 11.69	20	10.47	9.32	9.92	10.03
11.69 but less than 11.94	21	10.57	9.42	10.02	10.13
11.94 but less than 12.19	22	10.67	9.52	10.12	10.23
12.19 but less than 12.44	23	10.77	9.62	10.22	10.33
12.44 but less than 12.69	24	10.87	9.72	10.32	10.43
12.69 but less than 12.94	25	10.97	9.82	10.42	10.53
12.94 but less than 13.19	26	11.23	10.08	10.68	10.79
13.19 but less than 13.44	27	11.49	10.34	10.94	11.05
13.44 but less than 13.69	28	11.75	10.60	11.20	11.31
13.69 but less than 13.94	29	12.01	10.86	11.46	11.57
13.94 but less than 14.19	30	12.27	11.12	11.72	11.83
14.19 but less than 14.44	31	12.53	11.38	11.98	12.09
14.44 but less than 14.69	32	12.79	11.64	12.24	12.35
14.69 but less than 14.94	33	13.05	11.90	12.50	12.61

Section B - Page 2
MONTHLY EMPLOYEE CONTRIBUTIONS

ALL EMPLOYEES Base Hourly Rate of Pay	Class	Employees In South Bend	Employees In California	Employees In New Jersey	Employees In New York
14.94 but less than 15.19	34	13.31	12.16	12.76	12.87
15.19 but less than 15.44	35	13.57	12.42	13.02	13.13
15.44 but less than 15.69	36	13.83	12.68	13.28	13.39
15.69 but less than 15.94	37	14.09	12.94	13.54	13.65
15.94 but less than 16.19	38	14.35	13.20	13.80	13.91
16.19 but less than 16.44	39	14.61	13.46	14.06	14.17
16.44 but less than 16.69	40	14.87	13.72	14.32	14.43
16.69 but less than 16.94	41	15.13	13.98	14.58	14.69
16.94 but less than 17.19	42	15.39	14.24	14.84	14.95
17.19 but less than 17.44	43	15.65	14.50	15.10	15.21

Section B – Page 2 (Cont'd.)
MONTHLY EMPLOYEE CONTRIBUTIONS

ALL EMPLOYEES Base Hourly Rate of Pay	Class	Employees In South Bend	Employees In California	Employees In New Jersey	Employees In New York
17.44 but less than 17.69	44	15.91	14.76	15.36	15.47
17.69 but less than 17.94	45	16.17	15.02	15.62	15.73
17.94 but less than 18.19	46	16.43	15.28	15.88	15.99
18.19 but less than 18.44	47	16.69	15.54	16.14	16.25
18.44 but less than 18.69	48	16.95	15.80	16.40	16.51
18.69 but less than 18.94	49	17.21	16.06	16.66	16.77
18.94 but less than 19.19	50	17.47	16.32	16.92	17.03
19.19 but less than 19.44	51	17.73	16.58	17.18	17.29
19.44 but less than 19.69	52	17.99	16.84	17.44	17.55
19.69 but less than 19.94	53	18.25	17.10	17.70	17.81

V-81

Section B - Page 2 (Cont'd.)
MONTHLY EMPLOYEE CONTRIBUTIONS

ALL EMPLOYEES Base Hourly Rate of Pay	Class	Employees In South Bend	Employees In California	Employees In New Jersey	Employees In New York
19.94 but less than 20.19	54	18.51	17.36	17.96	18.07
20.19 but less than 20.44	55	18.77	17.62	18.22	18.33
20.44 but less than 20.69	56	19.03	17.88	18.48	18.59
20.69 but less than 20.94	57	19.29	18.14	18.74	18.85
20.94 but less than 21.19	58	19.55	18.40	19.00	19.11
21.19 but less than 21.44	59	19.81	18.66	19.26	19.37
21.44 but less than 21.69	60	20.07	18.92	19.52	19.63
21.69 but less than 21.94	61	20.33	19.18	19.78	19.89
21.94 and after	62	20.59	19.44	20.04	20.15

198

The increase in the Basic Benefits provides the following total Basic and Supplemental benefits:

Class	Amount of Life Insurance	Amount of Accidental Death & Dismemberment Insurance	Amount of Weekly Accident & Sickness Benefit	Permanent and Total Disability Benefit
18	32,000	16,000	290	32,000
19	32,500	16,250	290	32,500
20	33,000	16,500	290	33,000
21	33,500	16,750	290	33,500
22	34,000	17,000	290	34,000
23	34,500	17,250	290	34,500
24	35,000	17,500	290	35,000
25	35,500	17,750	290	35,500
26	36,000	18,000	295	36,000
27	36,500	18,250	300	36,500
28	37,000	18,500	305	37,000
29	37,500	18,750	310	37,500
30	38,000	19,000	315	38,000
31	38,500	19,250	320	38,500
32	39,000	19,500	325	39,000
33	39,500	19,750	330	39,500
34	40,000	20,000	335	40,000
35	40,500	20,250	340	40,500
36	41,000	20,500	345	41,000
37	41,500	20,750	350	41,500
38	42,000	21,000	355	42,000
39	42,500	21,250	360	42,500
40	43,000	21,500	365	43,000
41	43,500	21,750	370	43,500
42	44,000	22,000	375	44,000
43	44,500	22,250	380	44,500
44	45,000	22,500	385	45,000
45	45,500	22,750	390	45,500
46	46,000	23,000	395	46,000
47	46,500	23,250	400	46,500
48	47,000	23,500	405	47,000
49	47,500	23,750	410	47,500
50	48,000	24,000	415	48,000
51	48,500	24,250	420	48,500
52	49,000	24,500	425	49,000
53	49,500	24,750	430	49,500
54	50,000	25,000	435	50,000
55	50,500	25,250	440	50,500
56	51,000	25,500	445	51,000
57	51,500	25,750	450	51,500
58	52,000	26,000	455	52,000
59	52,500	26,250	460	52,500
60	53,000	26,500	465	53,000
61	53,500	26,750	470	53,500
62	54,000	27,000	475	54,000

CONTINUING LIFE INSURANCE FOR RETIRED EMPLOYEES

From a minimum of \$2,500 for employees with 10 years of Credited Service to a maximum amount equal to 1-1/2% of the amount of Life Insurance the employee had on his date of retirement multiplied by the years of Credited Service as provided in Part II, Section D.

Section C. Insurance Prior to Retirement and Survivor Income Benefits

1. Group Life Insurance

a. Death Benefit

(1) If death shall occur while the employee is insured in accordance with the terms, conditions and provisions of the Plan, the amount of insurance will be paid to the beneficiary designated by the employee. The employee or beneficiary may elect to have the proceeds paid in installments.

(2) In the event of the death of the beneficiary after the death of the employee and before payment of the amount of the insurance or of all the installments to which the beneficiary may be entitled, the unpaid amount of the insurance shall be paid to the executors or administrators of the beneficiary unless the employee shall have made written request to the contrary in his beneficiary designation.

(3) The above provisions covering payment of Life Insurance proceeds are subject to the approval of the Insurance Commissioner of the State in which the Group Life Insurance Policy is issued.

b. Permanent Total Disability Benefit

(1) If an employee shall furnish the insurance company with due proof that while insured and before having attained age 60, or while actively employed (at any age), he has become totally disabled by bodily injury or disease so as to be prevented thereby from engaging in any regular occupation or employment with the Company at the plant or plants where he has seniority and that such disability will be permanent and continuous during the remainder of his life, he will make no further contribution toward the cost of the Group Life Insurance and the amount of such insurance including interest on the diminishing balance will be paid to him in a fixed number of installments.

(2) If an employee dies before receiving all of such installments, the remaining installments will be paid as they become due to the beneficiary designated by the employee. Such remaining installments may be commuted into one sum on the basis of interest at the current rate or 2-1/4% per annum, whichever is greater.

(3) After the total amount of Life Insurance in force at date of disability has been paid, a \$500 death benefit shall be provided during the remainder of the employee's total disability. No employee contributions are required for this coverage.

(4) If the employee recovers and returns to work, the full amount of insurance for his earnings bracket when the employee returns will be reinstated. If the employee again collects installments, they shall stop when their total, plus the total of installments paid for any previous disability equals the amount of his Life Insurance in force at the subsequent disability.

(5) Any payment under this provision shall be entirely independent of any payment to which the employee may be entitled on account of total and permanent disability under the Pension Plan for Hourly Employees.

(6) Payment to an employee of benefits under this provision are in full settlement of all obligations under the Group Life Insurance.

2. Survivor Income Benefits

a. Provisions shall be made under the Group Life Insurance benefit for making available in accordance with the terms and conditions of this paragraph, to the survivor or survivors, as defined herein, of an employee (which term for purposes of paragraphs A and B of this Sub-section 2 only, shall include an employee retired on a permanent and total disability pension under the Pension Plan who has not attained age 65) who dies while insured for Group Life Insurance under this Insurance Program, a Transition Benefit of \$650 for any month for which no eligible survivor of the deceased employee is eligible for an unreduced old-age benefit, survivors' benefit not reduced because of age or disability benefit under the Federal Social Security Act as now in effect or as hereafter amended, commencing on the first day of the month following the death of the employee, and continuing for not more than 24 months.

The benefit will be \$450 for those survivors who are eligible for an unreduced benefit under the *Federal Social Security Act*. For months in which two or more survivors share a benefit, each survivor's share is computed as a fraction of the benefit that would be paid to him as a sole survivor, according to his own eligibility for Federal Social Security benefits.

(1) For purposes of this paragraph

(a) a "Class A Survivor" means the widow of a deceased employee, but only if she was legally married to the deceased employee for at least one year immediately prior to his death;

(b) a "Class B Survivor" shall mean the widower of a deceased female employee, but only if he was legally married to the deceased employee for at least one year immediately prior to her death;

(c) the term "Class C Survivor" means the employee's child who, at the employee's death and at the time a survivor income benefit becomes payable to such child, is both unmarried and (i) under 21 years of age, or (ii) at least 21 but under age 25, or (iii) totally and permanently disabled at any age over 21; provided, however, that a child under clause (ii) or (iii) must have been legally residing with and dependent upon the employee at the time of his death. A child ceases to be a Class C Survivor upon marrying, or if not totally and permanently disabled, upon reaching his or her 25th birthday.

To qualify as the employee's child, the child must be one of the following

(i) The employee's own child born prior to the first of the month following the employee's death;

(ii) The employee's legally adopted child or a child with respect to whom he had initiated legal adoption proceedings which were terminated by his death;

(iii) The employee's stepchild who resided with him at the time of his death.

(d) a "Class D Survivor" means a parent of the deceased employee for whom the employee had, during the calendar year immediately preceding the employee's death, provided at least 50% of the parent's support.

(2) This Transition Survivor Income Benefit shall be provided without employee contributions and shall be paid as follows:

(a) if the employee is survived by a Class A Survivor or by a Class B Survivor, the monthly income shall be payable to such survivor. If the employee is not survived by a Class A Survivor or a Class B Survivor, the monthly income shall be payable in equal shares to the employee's Class C Survivors, but if the employee is not survived by a Class C Survivor, in equal shares to the employee's Class D Survivors;

(b) if a Class A or Class B Survivor dies while monthly income payments are still payable, any remaining payments will be made, in equal shares, to the employee's then surviving Class C Survivors; but if none are then surviving, in equal shares to the employee's then surviving Class D Survivors; but if none are then surviving, no further monthly income payments shall be made;

(c) if a Class C Survivor dies while monthly income payments are still payable, and if any other Class C Survivors are still alive, the monthly income which the deceased Class C Survivor had been receiving shall be paid in equal shares to the then surviving Class C Survivors;

(d) if a Class C Survivor dies while monthly income payments are still payable, and if he is not survived by another Class C Survivor, any remaining payments will be made, in equal shares, to any Class D Survivors then surviving, but if no Class D Survivor is then surviving, no further monthly income payments shall be made;

(e) if a Class D Survivor dies while monthly income payments are still payable, and if he is survived by another Class D Survivor, the monthly amount which the deceased Class D Survivor has been receiving shall be added to the amount being received by the surviving Class D Survivor; and

(f) if a Class D Survivor dies while monthly income payments are still payable, and he is not survived by another Class D Survivor, no further monthly income payments shall be made.

b. Provision shall be made under the Group Life Insurance Benefit for making available, in accordance with the terms and conditions of this paragraph, to the Class A Survivor or the Class B Survivor, both terms as defined in Paragraph A above, who was 48 years of age or more on the date of the employee's death, or whose age (to the nearest 1/12) when combined with the employee's years of seniority, both of which to be determined as of the date of the employee's death, totals 55 or more, and who has received 24 monthly payments of the Transition Survivor Income Benefit provided in Paragraph A above, a Bridge Benefit of \$650 per month payable as outlined below:

(1) The Bridge Benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the Transition Survivor Income Benefit is paid unless at that time or at some subsequent time the Class A Survivor is eligible to receive Mother's Insurance Benefits under the Federal Social Security Act, in which case, payment of the Bridge Benefit shall be deferred until the Class A Survivor ceases to be eligible to receive such Mother's Insurance Benefits.

(2) The Bridge Benefit will not be paid beyond the earlier to occur of the following: (a) the death or remarriage of the Class A Survivor or Class B Survivor or (b) attainment by the Class A Survivor or Class B Survivor of age 62 or such lower age at which full Widow's or Widower's Insurance Benefits become payable under the Federal Social Security Act as now in effect or hereafter amended. The Bridge Benefit will be paid for one additional month following the month in which the eligible Class A or Class B survivor will not receive any Widow's or Widower's insurance benefits under the Federal Social Security Act during such additional month, and will be eligible to receive and applies for a reduced old-age benefit under the Federal Social Security Act that will initially be paid during the 2nd month following the 62nd birthday.

c. No Survivor Income Benefit payable hereunder shall be subject in any manner to assignment, pledge, attachment or encumbrance of any kind, nor subject to the debts or liability of any eligible survivor except as required by applicable law.

d. A qualified Class A or Class B Survivor may execute a waiver with respect to any right to receive Survivor Income Benefits for any period by completing a waiver form furnished by the insurance carrier for that purpose, such waiver being effective on the first of the second month following the month in which such waiver is received by the Insurance Carrier. No Survivor Income Benefits shall be payable for any period covered by such waiver; provided, however, any month in which a Survivor Income Benefit is not paid because of such waiver shall be counted as if it is a month for which a benefit is paid under Paragraph A above for the purpose of determining the maximum number of monthly Transition Survivor Income Benefits. A qualified Class A or Class B Survivor may revoke such a waiver by completing the appropriate form furnished by the insurance carrier, such revocation being effective with respect to Survivor Income Benefits payable on and after the first of the second month following the month in which such revocation is received by the insurance carrier.

3. Accidental Death and Dismemberment Insurance

a. If bodily injury effected directly and independently of all other causes through external, violent and accidental means (suicide, sane or insane, is not covered) and sustained by the employee while insured shall result independently and exclusively of all other causes in death within one (1) year or any of the other losses indicated below within two (2) years of the date of accident, the employee or his beneficiary will be paid the sum set opposite such loss:

For the Loss of:

Life	Principal Sum
Both hands or Both Feet or Sight of Both Eyes.....	Principal Sum
One Hand and One Foot.....	Principal Sum
One Foot and Sight of One Eye	Principal Sum
One Hand and Sight of One Eye	Principal Sum
One Hand or One Foot	One-Half of Principal Sum
Sight of One Eye	One-Half of Principal Sum

b. Only one of the amounts, the largest, is payable for all losses resulting from one accident.

c. The benefit for loss of life is payable to the employee's beneficiary. The benefit for any other loss is payable to the employee.

d. Loss shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

e. All losses under this provision are payable in a lump sum.

f. In the event of loss of life resulting from accidental injuries caused solely by employment with the Company, the total amount payable as an accidental death and dismemberment benefit on account of such accident shall be equal to the amount of Life Insurance in force for the employee on the date of the accident.

4. Weekly Benefit for Accident and Sickness Disability

a. If the employee becomes totally disabled (as defined), while insured, as a result of bodily injury, disease, optional elective surgery, or pregnancy, the Weekly Accident and Sickness Benefit shall be payable, but benefits shall not be payable for more than 52 weeks during any one period of disability. If the disability is due to bodily injury, benefits are payable from the first day of such disability. If the disability is due to bodily disease or optional elective surgery, or pregnancy, the benefits are payable from the eighth day of such disability, from the first day of hospital confinement, including, the day pre-admission testing is performed in the outpatient department of hospital or from the first day in which the employee undergoes an outpatient surgical procedure for which a benefit of at least \$25 is payable under the Hospital, Surgical, Medical, Drug Expense Benefits described in Part III whichever first occurs.

b. The attendance of a physician is required in the event of sickness or pregnancy.

c. Benefits shall be payable for occupational injury or disease, however, benefits payable for any period shall be reduced by any payment for time lost from work in that period to which the employee is entitled under any Workers' Compensation Law or Act or any Occupational Disease Law or Act. No deductions, however, shall be made for any payments under such laws specifically for hospitalization or medical expense, or specific allowances for loss of members or disfigurements. Benefits will not be reduced by Workers' Compensation benefits for a disability arising

from a cause unrelated to the disability for which Weekly Accident and Sickness Benefits are payable.

d. Successive periods of disability separated by less than one week of active work on full time shall be considered one period of disability, unless the later disability is due to an injury or disease entirely unrelated to the cause of the earlier disability and commences after return to active work on full time.

e. Successive periods of disability separated by one week or more of active work on full time shall be considered a separate period of disability.

f. Weekly Accident and Sickness benefits will not be payable for any day in which the employee is eligible to receive Holiday Pay or receives pay from the Company for at least eight hours of work. For an employee who shall have received pay for any day for less than eight hours of work, any Weekly Accident & Sickness Benefits for which he may otherwise be eligible for that day shall not exceed the difference between eight hours and the number of hours for which the employee shall have received pay, multiplied by his base hourly rate of pay.

g. The benefit amounts for any period that the employee is otherwise eligible during any continuous period of disability commencing prior to the day one year of seniority is attained shall be 75% of the benefit amount set forth in Section A or Section B of Part II. The full benefit amount will be payable for an employee on disability on the day he attains one year of seniority.

h. Total Disability with respect to the Weekly Accident & Sickness Benefit shall mean the employee's complete inability to perform any and every duty pertaining to his occupation or employment.

i. Employees required to travel in excess of 40 miles (one way) to be examined by an impartial doctor to certify total disability for receipt of Weekly Accident and Sickness Benefits will be reimbursed at the rate of 20c per mile.

5. Reinstatement of Weekly Benefit For Accident and Sickness Disability During Layoff

a. Subject to the modifications set forth herein, an employee insured for Group Life Insurance who becomes wholly and continuously disabled while on a qualified lay-

off as defined in the Supplemental Unemployment Benefit Plan, and who was eligible for a regular Supplemental Unemployment Benefit immediately prior to his becoming disabled will be eligible to have his weekly benefit for Accident & Sickness reinstated.

b. The provisions of Paragraph 4 above to the contrary notwithstanding, Weekly Accident and Sickness Benefits provided hereunder shall be payable only if the employee has at least one credit unit under the Supplemental Unemployment Benefit Plan with respect to each week (as defined in the SUB Plan) for which Weekly Accident and Sickness Benefits are claimed (credit units shall be cancelled for each Weekly Accident & Sickness Benefit payable in accordance with Article III, Section 4 of the SUB Plan). Such benefits shall be payable effective the later of the day following the last day for which a regular Supplemental Unemployment Benefit was payable to the employee or the first day of disability.

c. No Weekly Accident and Sickness Benefit provided hereunder shall be payable for any week for which the Credit Unit Cancellation Base under the SUB Plan is below \$18.00 or for any period in which SUB is payable.

d. Except as specifically modified herein, the payment of reinstated Weekly Accident and Sickness Benefits shall be governed by the applicable provisions of Paragraph 4 above.

6. Dependent Group Life Insurance

The Company will arrange to make available the Dependent Group Life Insurance as set forth in this paragraph 6. In the event of any conflict between the provisions of this paragraph 6 and any other provisions of this Insurance Program, the provisions of paragraph 6 will supersede such other provisions to the extent they apply to paragraph 6.

I. Eligibility Date

An employee shall become eligible for Dependent Group Life Insurance on the first day of the calendar month next following the month in which the employee acquires one year of seniority; provided that, in either case, the employee is then insured for Life Insurance described in Section C, sub-section 1 and has at least one eligible dependent as defined in Section III, below. If the employee is not then in-

sured for such Life Insurance or does not have such a Dependent, he shall become eligible for Dependent Group Life Insurance on the first day of the calendar month following the date both these conditions are first met.

The date that the employee becomes eligible for Dependent Group Life Insurance shall be hereinafter referred to as the employee's eligibility date.

II. Enrollment and Effective Dates

The employee's Dependent Group Life Insurance shall become effective as set forth below:

A. If the employee enrolls on or before his eligibility date, insurance becomes effective on the eligibility date.

B. If the employee enrolls during the 31-day period following his eligibility date, insurance becomes effective on the first day of the calendar month following the date of enrollment.

C. If the employee enrolls subsequent to the 31st day following his eligibility date, the employee must furnish evidence satisfactory to the insurance company of each Dependent's good health. In such case, insurance will become effective on the first day of the calendar month following the date the insurance company approves the evidence, with respect to those persons whose evidence has been approved and who are still eligible Dependents, as defined in Section III, below.

D. Employees will be provided an opportunity to enroll for a different level of coverage on an annual basis.

In any event, for insurance to become effective, the employee must be actively at work on the date insurance would otherwise become effective. If the employee is not actively at work on such date, insurance becomes effective on the date the employee returns to active work provided he is then still eligible as set forth in Section I, above.

III. Definition of Dependent

"Dependent" means (a) the employee's spouse and (b) any unmarried child over 14 days of age (i) of the employee by birth, legal adoption, or legal guardianship, while such child legally resides with and is dependent upon the employee, (ii) of the employee's spouse while such child is in the custody of and dependent upon the employee's spouse and is residing in and a member of the employee's house-

hold, (iii) as defined in (i) and (ii) who does not reside with the employee but is the employee's legal responsibility for the provision of health care, and (iv) who resides with and is related by blood or marriage to the employee, for whom the employee provides principal support as defined by the Internal Revenue Code of the United States, and who was reported as a dependent on the employee's most recent income tax return or who qualifies in the current year for dependency tax status. A child as defined in (i), (ii), (iii), or (iv) is included until the end of the calendar year in which the child attains age 25, or regardless of age if totally and permanently disabled as defined hereinafter, provided that any such child after the end of the calendar year in which the child attains age 19 must be dependent upon the employee within the meaning of the Internal Revenue Code of the United States and must legally reside with, and be a member of the household of, the employee. "Totally and permanently disabled" means having any medically determinable physical or mental condition which prevents the child from engaging in substantial gainful activity and which can be expected to result in death or to be of long-continued or indefinite duration.

No person may be considered a Dependent of more than one employee.

The definition of Dependent used in this paragraph 6 shall apply only to the Dependent Group Life Insurance set forth herein and shall be entirely independent of any such definition used for benefits as set forth in the H-S-M-D-D-V Program.

IV. Amount of Insurance

The amount of Dependent Group Life Insurance applicable to each Dependent, effective July 1, 1989, is as follows:

Dependent	Amount of Insurance		
	Option I	Option II	Option III
Spouse	\$5,000	\$10,000	\$15,000
Child	2,000	4,000	6,000

V. Contributions

The employee shall contribute the full cost each month for the Dependent Group Life Insurance applicable to Option I, Option II or Option III. Contributions shall be payable monthly in advance. The required monthly contribution will be the same regardless of the number of Dependents

on whose account the employee is insured. The program will be fully supported by employee contributions. Consequently, the employee contributions are subject to change.

VI. Payment of Benefits

If a Dependent dies from any cause while the employee is insured for Dependent Group Life Insurance, the amount of such insurance in force on account of the Dependent shall be paid in a lump sum to the employee (the employee is the beneficiary for Dependent Group Life Insurance). The employee's insurance certificate shall set forth the procedure for payment of insurance in case a Dependent dies subsequent to the death of the employee.

The insurance is term insurance without cash, loan or paid-up values.

VII. Cessation of Insurance

Dependent Group Life Insurance shall automatically cease on the earliest of the following:

A. The date the employee ceases to have a Dependent as defined in Section III, above.

B. The date the employee ceases to be insured for Life Insurance provided in accordance with Section C. Sub-Section 1.

C. If the employee fails to make a required contribution for Dependent Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.

D. The last day of the calendar month in which the employee attains age 70, or terminates employment, whichever is later.

E. The date of discontinuance of Dependent Group Life Insurance under the Insurance Program.

The Dependent Group Life Insurance on account of any Dependent shall automatically cease on the day immediately preceding the date such person ceases to be a Dependent as defined in Section III, above.

VIII. Conversion Privilege

Upon written application made by a person to the insurance company within 31 days after the date of cessation of the Dependent Group Life Insurance on account of such person because of:

A. cessation of the employee's Life Insurance provided in accordance with Section C Subsection 1, unless such cessation was due to discontinuance of Dependent Group Life Insurance under the Insurance Program, or

B. such person's ceasing to be a Dependent as defined in Section III, above.

Such person shall be entitled to have an individual policy of Life Insurance only, without Disability or Accidental Means Death Benefits, issued by the insurance company, without evidence of insurability. Such individual policy shall be upon one of the forms then customarily issued by the insurance company, except term insurance, and the premium for such individual policy shall be the premium applicable to the class of risk to which such person belongs and to the form and amount of the individual policy at such person's attained age at the date of issue of such individual policy. The amount of such individual policy shall be equal to (or at the option of such person less than) the amount of Dependent Group Life Insurance in force on account of such person on the date of cessation of such insurance.

Any individual policy of Life Insurance so issued shall become effective at the end of the 31-day period during which application for such individual policy may be made. If, however, the person who is entitled to the privilege of obtaining an individual policy of Life Insurance dies during such 31-day period, the insurance company shall pay to the employee, whether or not application for such individual policy shall have been made, the maximum amount of Life Insurance for which an individual policy could have been issued. The employee's insurance certificate shall set forth the procedure for payment of insurance in case such person dies subsequent to the death of the employee.

Section D. Insurance After Date of Retirement

I. As of the date indicated in Section A, Sub-Section I, of Part II, the employee's Life Insurance will be reduced subject to the rights reserved to the Company to modify or discontinue this Plan as follows:

a. On the first day of the calendar month following the date of retirement of an employee insured for Group Life Insurance under this Plan, the amount of Group Life Insurance which he had under this Plan immediately prior thereto shall be reduced by 2% thereof, retroactive to age 65, and shall be further re-

duced by an equal amount on the first day of each succeeding month as follows:

(1) if the retired employee has 10 or more years of credited service at his date of retirement, such reductions shall be made until the amount of his Group Life Insurance under this Plan is reduced to 1-1/2% of the amount he had on his date of retirement, multiplied by the number of years of credited service that he had at his date of retirement, but in no event to less than \$2,500, and such remaining amount of Group Life Insurance, called Continuing Group Life Insurance, will be continued thereafter for the remainder of his lifetime;

(2) if the employee has less than 10 years of credited service at his date of retirement, all Group Life Insurance which he had under the plan immediately prior thereto will be discontinued.

(Credited Service shall be that which the employee has under the Pension Plan. Years of participation as a result of early retirement between ages 60 and 65 are added to credited service for the purpose of determining eligibility for and amounts of Continuing Group Life Insurance.)

b. No contributions by a retired employee for Group Life Insurance coverage will be required for any month after the month in which date of retirement occurs.

2. The reduction referred to in Paragraph 1 above shall not forfeit any residual rights of the employee under the Permanent Total Disability provisions of the Group Life Insurance policy.

3. If an employee who otherwise would be eligible for this reduced amount of Group Life Insurance benefit receives the full amount of his Life Insurance in installments under the Permanent Total Disability provisions of the policy, a reduced amount of Life Insurance in the amount of \$500 will be payable provided he continues to be permanently and totally disabled to date of death.

4. The reduced amounts of Group Life Insurance set forth in this Section D shall apply to eligible employees who retire on or after June 1, 2003 unless otherwise specified.

Section E. Eligibility and Effective Date of Insurance and General Provisions

1. Eligibility and Effective Date of Insurance

a. Active Employee Basic Benefits

(1) Employees who are insured under the previous Plan

that became effective June 1, 1999 shall be eligible for insurance on the effective date of this Plan.

(2) Employees hired on and after the effective date of this Plan shall become eligible for insurance (except Weekly Accident and Sickness Benefits) on the first day of the third calendar month next following the date of employment. Employees hired on and after the effective date of this Plan shall become eligible for Weekly Accident and Sickness Benefits on the first day of the fourth month next following the date of employment.

(3) Employees and former employees whose insurance under the previous Plan, which became effective June 1, 1999, was terminated by reason of termination of employment, layoff or leave of absence shall become eligible for insurance under this Plan upon the date of return to active employment provided they return within one (1) year or provided they return without loss of seniority, whichever is the longer period from the date of such termination of insurance, otherwise they will be treated as new employees upon return to work.

(4) Employees insured under the previous Plan that became effective June 1, 1999, and who are not actively at work on the effective date of this Plan may continue to be insured under such previous Plan, subject to the limitations, conditions and cancellation provisions thereof, until they return to active employment, upon which date they will become eligible for insurance under this Plan.

(5) Employees shall become insured on the date they first become eligible if actively at work on that date and provided they have enrolled for the insurance on or before that date.

(6) Employees who enroll for insurance during the one month period immediately following their date of eligibility shall become insured on the date of enrollment if actively at work.

(7) Employees who (1) enroll for insurance more than one month after their eligibility date or (2) discontinue their insurance while actively employed and subsequently re-enroll for insurance, must submit evidence of insurability satisfactory to the insurance company and they shall become insured on the date the insurance company approves such evidence provided they are actively at work on such date. The insurance company may require the employee to pass

a medical examination before he can become insured but such examination shall be at no cost to the employee.

(8) If the employee is not actively at work on the date his insurance would otherwise become effective, the employee will become insured on the date he returns to work provided he returns without loss of seniority; otherwise he will be treated as a new employee upon return to work.

b. Active Employee Optional Supplemental Benefits

(1) Employees shall be eligible for these benefits when they are eligible for Basic Benefits, as outlined in Paragraph a, above. The amounts of insurance for which such employees are eligible and the employee contributions will be determined as follows:

(a) For an employee who is not working on an Incentive method of pay, on the basis of his base hourly rate of pay on the last day he is actively at work in the calendar month that precedes his eligibility date by one full calendar month, and

(b) for an employee who is working on an incentive method of pay, on the basis of his average earned hourly rate of pay for the last four pay periods paid during the calendar month that precedes his eligibility date by one full calendar month.

(2) Employees shall become insured on the date they first become eligible if actively at work on such date and provided they have enrolled for the Optional Supplemental Benefits on or before that date. To be insured for the Optional Supplemental Benefits, the employee must also be insured for the Basic Benefits.

(3) Employees who **(1)** enroll for Optional Supplemental Benefits more than one month after their eligibility date or **(2)** discontinue their Optional Supplemental Benefits while actively employed and subsequently re-enroll for such benefits, must submit evidence of insurability satisfactory to the insurance company and they shall become insured on the date the insurance company approves such evidence provided they are actively at work on such date and then insured for Basic Benefits.

The insurance company may require the employee to pass a medical examination before he can become insured but such examination shall be at no cost to the employee.

(4) Employees who do not enroll for the Optional Supple-

mental Benefits in accordance with the provisions of the preceding paragraphs will be given the opportunity to enroll at dates to be selected by the Company, which dates shall not be less frequently than annually during the continuation of this Plan. Employees who are not insured for the Optional Supplemental Benefits shall be eligible to enroll for these benefits as of such selected dates provided they are then insured for the Basic Benefits. The amounts of insurance and employee contributions will be determined as follows:

(a) for an employee who is not working on an incentive method of pay, on the basis of his base hourly rate of pay, on the last day he is actively at work in the months of September, December, March and June immediately preceding such date, and

(b) for an employee who is working on an incentive method of pay, on the basis of his average earned hourly rate of pay for the last four pay periods paid in the months of September, December, March, and June, immediately preceding such date;

(c) if the employee is not actively at work on the date which his insurance would become effective, as provided above, he will be insured when he returns to active employment.

(5) Neither base hourly rate nor average earned hourly rate of pay, as used herein, shall include overtime or night shift premium or that part of any Cost-of-Living Allowance that is subject to change.

2. General Provisions

a. The amounts of insurance and employee contributions under the Optional Supplemental Benefits shall be redetermined as of each November 1, February 1, May 1, and August 1, as follows:

(1) for an employee who is not working on an incentive method of pay, on the basis of his base hourly rate of pay on the last day he is actively at work in the months of September, December, March and June, immediately preceding such date, and

(2) for an employee who is working on an incentive method of pay, on the basis of his average earned hourly rate of pay for the last four pay periods paid in the months of September, December, March and June, immediately

preceding such dates:

(3) if the employee is not actively at work on the date which his insurance would be redetermined, as provided above, the redetermination shall be made in accordance with Sub-Paragraphs (1) and (2) above when he returns to active employment.

b. Neither base hourly rate nor average earned hourly rate of pay, as used herein, shall include overtime or night shift premium or that part of any Cost-of-Living Allowance that is subject to change.

c. The following provisions apply to employees covered for Group Insurance under this Agreement who are not actively at work on or after the effective date of this contract.

(1) All insurance, under the Plan except as provided in Section D of Part II, of any employee who is granted a non-disability leave of absence may be continued in force, during the continuance of this Plan, by payment in advance of the employee's contribution toward the premium, but not beyond one month after the calendar month during which he shall have last been actively employed; from which date the Group Life Insurance may be continued for an additional period not to exceed eleven (11) months, subject to payment of the contribution required by Paragraph b, Sub-Section 1, Section A of Part V hereof.

(2) If an employee who is insured is entitled to receive weekly benefits for accident and sickness disability, all of his insurance will be continued in force while he is continuously totally disabled and until he has received the maximum 52 weekly payments or for the period of his seniority, whichever is greater, except as to the duration provision of Section D, Part II, provided he continues to make the contribution required by Paragraph c, Sub-Section 1, Section A of Part V hereof.

(3) Upon termination of an employee's group insurance on account of termination of employment with the exception of termination of Group Insurance as a result of retirement, the employee may convert all or any part of the Life Insurance, without physical examination, to an individual life insurance policy in any one of the forms customarily issued by the insurance company, except term insurance, at the rate applicable to his then attained age and class of risk, provided written application is made to the insurance company within 31 days after termination of insurance.

(4) An employee who is approved for Permanent Total Disability Benefits under the Life Insurance may elect to continue the Accidental Death and Dismemberment Insurance and the Weekly Benefit for Accident and Sickness Disability for which he was insured as of the date of such approval subject to payment of the required contribution and to submission by him of satisfactory evidence of continued total disability at times requested by the Company, except as to the duration provision of Section D of Part II.

(5) The insurance company shall have the right to require an employee to be examined by its physician when and as often as it may reasonably require during the pendency of any claim for benefits provided under Part II.

(6) An employee who on or after June 1, 2003, (a) loses his seniority through discharge, absence from work without notifying the plant as required by the Collective Bargaining Agreement, or failure to return to work when called and (b) is seeking to have his seniority reinstated through the Grievance Procedure or protesting a disciplinary layoff, will be allowed to continue his insurance during the period his grievance is pending but not beyond twelve (12) months following the end of the month in which the loss of seniority or disciplinary action occurs and the employee contribution required for such continuing coverages shall be in accordance with Paragraph d, Sub-Section 1, Section A, Part V hereof, provided that if the employee is reinstated, the Company will reimburse him for all the contributions in respect to coverage under this provision which the Company would have made if the employee remained on the active payroll, less any penalties imposed under the Grievance Procedure.

(7) An employee insured for Group Life Insurance under this Insurance Plan

(a) who ceases to be actively at work for reasons other than retirement on or after attainment of age 60 and who has been insured from date of attainment of age 60 to the date he ceases to be actively at work or who ceases to be actively at work for reasons other than retirement before attainment of age 60, but is so insured as of date of attainment of age 60, and who in either case has five (5) or more years of credited service under the provisions of the Hourly Pension Plan at the end of the month in which the employee attains age 60.

may continue his Group Life Insurance to his 65th birthday by payment of a required contribution as outlined in Paragraph e, Sub-Section 1, Section A of Part V hereof, and thereafter the Group Life Insurance thus continued will be reduced as provided in Section D, Part II, or

(b) who on or after June 1, 2003, retires on early retirement under the provisions of the Hourly Pension Plan or is approved for a permanent total disability pension under the provisions of the Hourly Pension Plan and is not eligible to have his Group Life Insurance continued without premium contribution as provided in SubParagraph (16) following, may continue his Group Life Insurance to his 65th birthday by payment of a required contribution as outlined in Paragraph g, Sub-Section 1, Section A of Part V hereof, and thereafter the Group Life Insurance thus continued will be reduced as provided in Section D, Part II.

(8) Employees whose insurance has been cancelled because of termination of employment, layoff or leave of absence shall have their insurance reinstated as of the date of return to active employment provided they return within one (1) year or provided they return without loss of seniority, whichever is the longer period from date of such cancellation of insurance, otherwise, they will be treated as new employees upon return to work for the Company.

(9) Employees who have elected not to participate or who, while actively employed, have discontinued their insurance under this Plan or the prior Plan that became effective June 1, 1999, and whose active employment with the Company has ended because of layoff, leave of absence or termination of employment but who are later returned to active employment within one (1) year or without loss of seniority from the date of termination of such prior active employment must furnish evidence of insurability, in behalf of themselves satisfactory to the insurance company in order to be insured under this Plan and they shall become insured on the date of approval of such evidence, provided they are actively at work on such date. The insurance company may require such employees to pass a medical examination before they can become insured but such examination shall be at no cost to the employees.

(10) Employees referred to in Paragraph (9) above who are

returned to active employment after one (1) year or after the date of loss of seniority, whichever is the longer period from the date of termination of their prior employment will be treated as new employees under this Plan.

(11) If an employee's base hourly rate of pay on the last day worked (or in the case of an employee working on an incentive method of pay, the employee's average earned hourly rate for the four (4) pay periods which include and immediately precede the last day worked) preceding his death or becoming totally disabled would entitle the employee to larger amounts of insurance than those in effect at that time, payments of benefits shall be on the basis of such larger amounts.

(12) Employees who elect to be insured for basic benefits under Part II, Section A, must enroll for all coverages for which they are eligible.

(13) All the insurance of an employee who is on an approved leave of absence, requested by the local Union to permit him to work for the local Union, may be continued until the date such leave or any extension thereof ceases to be operative, providing the employee pays the contribution required under Paragraph f, Sub-Section 1, Section A, Part V hereof.

(14) An employee who returns to work from an occupational disability absence and because of a continuing physical limitation connected with such occupational disability qualifies for a class of insurance providing lower amounts of Life, Accidental Death & Dismemberment, and Weekly Accident and Sickness Insurance than the class of insurance he held immediately prior to his disability absence, will have amounts of insurance determined in accordance with the higher class of insurance as outlined in Schedule of Benefits, Sections A and B of Part II herein, for as long as the employee receives payments under any applicable Worker's Compensation Law in reimbursement for the loss in pay occasioned by such physical limitation.

(15) Effective June 1, 2003, the Life Insurance only of an employee who is on an approved leave of absence requested by the International Union, may be continued until the date such leave or any extension thereof ceases to be operative, providing the employee pays the contribution required under Paragraph h, Sub-Section 1, Section A, Part V hereof.

(16) Effective June 1, 2003, for those employees actively at work on or after such date, the Company will waive the employee contribution toward Life Insurance for any employee approved for Permanent and Total Disability as described in Part II, Section C, Sub-Section 1, Paragraph b, Sub-Paragraph (1) after attainment of age 60 who elects not to receive such insurance in installments.

(17) An employee returning from Military Service, who is placed on layoff status because of insufficient seniority required to return to work, shall have the day he reports for work deemed to be his last day worked prior to layoff but only for purposes of determining the period of continuation and eligibility for coverages under the provisions of the Plan applicable to laid-off employees.

(18) The Life Insurance and Accidental Death & Dismemberment Insurance under the Plan, except as provided under Section D of Part II, of any employee actively at work on or after June 1, 2003 who is placed on layoff status on or after June 1, 2003 may be continued for up to twenty-four (24) months following the month in which the layoff occurs during the continuance of this Plan by payment in advance of the regular employee contribution, if any, each month based on years of seniority in accordance with the following table:

Years of Seniority on Last Day Worked Immediately Prior to Layoff	Maximum Number of Months for Which Life and Accidental Death & Dismemberment Insurance Will Be Continued at Employee's Regular Contribution
Less than 1	0
1 year but less than 2	2
2 years but less than 3	4
3 years but less than 4	6
4 years but less than 5	8
5 years but less than 6	10
6 years but less than 10	12
10 years and over	24

Once an employee has exhausted the continuation of coverage as outlined above while on a layoff status, he may continue the Life Insurance only for an additional twelve (12) months during the continuance of this Plan by payment of the proper contribution as required in Paragraph b, Sub-Section 1, Section A of Part V.

(19) An employee who retires directly from either a layoff status or a non-disability leave of absence on or after June 1, 2003, who has continued his Life Insurance for the maximum period of time provided in Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (1) or (18), shall be provided Life Insurance on the first day of the month following date of retirement, based upon the amount of Life Insurance in force on the last day the employee was actively at work immediately prior to the date he was placed on layoff status or a non-disability leave of absence, subject to the provisions of Part II, Section D, Sub-Section 1 and provided the employee's date of retirement is within ten (10) years of the last day he was actively at work for the Company. Employees retiring prior to age 65 will be subject to payment of the contributions outlined in Part V, Section A, Sub-Section 1, Paragraph g.

(20) An employee placed on a non-disability leave of absence who becomes disabled while on such non-disability leave of absence, will have the Weekly Accident and Sickness Benefits and the Group Life Insurance reinstated on the date disability occurs, by payment of the regular monthly contribution.

(21) Employees temporarily recalled from layoff who have or have not yet exhausted the maximum number of months for continuation of Life and Accidental Death and Dismemberment Insurance, and who work:

(a) for fewer than 90 days, will accumulate company paid continuation of these benefits on a time for time worked basis. Any time for time worked earned continuation of these benefits will be added to the prior number of accumulated months of earned continuation up to the maximum number of months allowed according to the employee's seniority as of last day worked immediately prior to date of current layoff;

or

(b) for more than 90 days, will be entitled to company paid continuation of these benefits in accordance with Paragraph (18) of this Section E. upon subsequent lay-off.

d. All insurance under the Plan except as to the provisions of Section D of Part II and except as provided under Paragraph c above on any employee covered hereunder terminates on the last day of the calendar month in which he shall leave the ser-

vice of the Company, be dismissed therefrom, be pensioned or retired or ceases to pay to the Company the required amount of his contribution for the premium for the insurance.

e. Weekly Accident and Sickness benefits afforded employees in the State of New Jersey will be provided under the New Jersey State Temporary Disability Benefits Law. In the State of California such benefits will be provided under the California State Unemployment Compensation Disability Law. In all other states such benefits will be provided by an insurance carrier.

f. If it is determined that any benefits paid to an employee under this Part II should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such employee and he shall repay the amount of the overpayment to the insurance carrier. If the employee fails to repay such amount of overpayment promptly, the insurance carrier shall arrange to recover the amount of the overpayment by making an appropriate deduction or deductions from any future benefit payment or payments payable to the employee under this Part II or may request the Company to make an appropriate deduction or deductions from future wages payable by the Company to the employee. This provision will apply to advance payments which become subject to repayment to the insurance carrier in accordance with Letter Agreement No. 28 dated May 3, 2003.

g. If an employee dies as a result of bodily injuries prior to becoming insured for Life Insurance, Accidental Death & Dismemberment and Survivor Income Benefits, such insurance coverages shall be provided for such death but only if:

- (1) a benefit would be payable for such death under Part II if such employee were insured at the time of such injuries.
- (2) the bodily injuries are caused solely by employment with the Company, and
- (3) the bodily injuries result solely from an accident in which both the cause and the result are unexpected and definite as to time and place.

**PART III
HOSPITAL, SURGICAL, MEDICAL,
DRUG, DENTAL, VISION CARE,
HEARING AID EXPENSE BENEFIT
INSURANCE**

Section A — Hospital, Surgical, Medical, Benefits

1. The scope and level of benefits shall be those outlined in The Honeywell International Inc. Hourly Segment Benefit Manual under the National Account Program as of May 3, 2003, for all employees as developed by Blue Cross-Blue Shield. The scope and level of benefits will include the following revisions in coverage:

(1) For all employees, retirees and surviving spouses of active and retired employees, effective May 3, 2003, the current health insurance coverages will be modified as follows:

a. Include both physical and occupational therapy coverage on an outpatient basis for up to 60 treatments per condition. The 60-treatment limit is combined for both physical and occupational therapy.

b. Physical and occupational therapy benefits will be covered under the plan regardless of where the therapy is provided. This means that therapy is covered in an outpatient facility of a hospital, clinic or a therapists office.

2. The Hospital, Surgical, Medical benefits will be provided through a National Account arrangement with a Blue Cross-Blue Shield Plan to be selected by the Company as Control Plan. There shall be a signed agreement between the Company and the Control Plan. The Control Plan shall accept responsibility for the implementation and overall administration of the National Account Program in those areas designated in 3 below.

3. Hospital, Surgical, Medical Benefits shall be provided under the National Account Program for all employees subscribing for the coverage under the Collective Bargaining Agreement except in those areas in which such coverages are to be provided by mutual agreement between the Company and the Union through another insurance carrier.

4. The Control Plan shall have the responsibility for assuring that uniform coverages will be provided for all employees subscribing for the coverage under the Collective Bargaining Agreement.

5. Administration

a. It is the intent and expectation that all local Blue Cross and Blue Shield Plans serving the areas described in 3 above will continue to underwrite and service the specified National Account Program benefits in their respective geographical areas. Such Blue Cross and Blue Shield Plans will be eligible to participate in the National Account Program, if such plans enter a formal participation agreement with the Control Plan.

b. If a plan is restricted by local regulatory agencies or is otherwise unable or unwilling to underwrite any or all of the specified benefits of the National Account Program, the fact shall be formally reported by the Control Plan to the Company.

c. If a local plan does not underwrite and service the specified benefits, the Control Plan shall, unless the Company and the Union mutually agree otherwise.

1) Underwrite the specified benefits with the servicing being handled by the local plan, or

2) Underwrite those portions of the specified benefits not underwritten by the local plan with the servicing being handled by the local plan, or

3) Underwrite and service the benefits in a plan area if the local plan does not participate in any capacity, or

4) Arrange for another local plan in the region to underwrite and service the specified benefits, or

5) Underwrite the specified benefits with the servicing being handled by another local plan in the region.

6) During the period a daily hospital benefit is provided under the Jesse Mayo Disability Insurance Hospital Benefits Law (Section 2800 through 2804 of the California Unemployment Insurance Code as such Sections are now in effect or are hereafter amended), the hospital benefit provided for under the Kaiser Foundation Health Plan or Blue Cross Plans in California shall be reduced by the amount of such daily Jesse Mayo Benefit.

7) The Company will make arrangements for each employee or retiree in the State of California to be afforded annually the option to subscribe to the Comprehensive Kaiser Foundation Health Plan or the Blue Cross and the Surgical-Medical Expense Benefit hereinafter described. Such arrangements will be continued subject to the continued availability and the enrollment requirements of the Kaiser Plan. These same arrangements can be extended by mutual agreement between

the Company and the Union in other areas where similar plans are or may become available. The Company contribution toward such optional benefits is limited as set forth in Part I, Section 5, Sub-Section E.

8) The Company will also make arrangements for each retiree residing in the State of Florida to be afforded the option to enroll in the Florida Blue Cross-Blue Shield Plan for their Hospital, Surgical, Medical, Vision and Hearing Care coverages. Such arrangements will be limited to *retirees residing in Florida on a year-round basis.*

9) Under age 65 retirees will be provided an annual opportunity to enroll in either the traditional Blue Cross Blue Shield Group Health Plan or in any HMO that is offered to active UAW employees and underwrites an appropriate retiree benefit certificate.

Section B — Prescription Drug Benefits

The current Prescription Drug Benefit Plan will be modified for employees actively at work and not actively at work as follows:

- 1) Effective July 1, 2003 the retail and mail order copayment will be increased.
- 2) The UAW/Honeywell Health Insurance Committee described in Section 7 of this Insurance Agreement, will review and resolve system-wide issues surrounding the administration of the Managed Rx and Prior Authorization programs through Medco Health.
- 3) During 2003, the UAW/Honeywell Health Insurance Committee will meet to discuss and develop education materials for employees and retirees to create awareness of the increasingly high cost of drugs and more cost effective ways to utilize drugs.

Details are outlined in Attachment A.

Section C — Dental Expense Benefits

A Dental Expense Benefit Plan as outlined in Attachment B will be provided Active employees with one (1) year or more of service with the Company, and their eligible dependents.

On May 3, 2003, the UAW and Honeywell agreed to the following changes: for all active employees and their dependents, as well as employees not actively at work (i.e., on layoff or LOA) who continue dental coverage under the provisions of the Insurance Agreement:

- 1) Increase the annual benefit year maximum from \$1,000 to \$1,500.
- 2) Add coverage under the Type B Service (80% of usual & customary) for dental implants under the dental program with mandatory pre-determination of benefits. Coverage will not be provided if pre-determination is not obtained.
- 3) Add coverage under the Type A Service (100% of usual and customary) for two (2) additional cleanings per year for members who have been diagnosed with periodontal disease.

Section D — Vision Care Expense Benefits

A Vision Care Expense Benefit Plan as outlined in Attachment D will be provided Active employees with one (1) year or more of service with the Company, and their eligible dependents. Retirees and their eligible dependents and eligible surviving spouses and their eligible dependents will be provided a Vision Care Expense Benefit as outlined in Attachment F.

Effective July 1, 2003 increase the maximum BCBS payment under the vision care benefit for frames obtained from a participating provider to \$40.

Section E — Hearing Aid Expense Benefits

A Hearing Aid Expense Benefit as outlined in Attachment E will be provided Active employees with one (1) year or more of service with the Company, retired employees, surviving spouses, and their eligible dependents.

Section F — Eligibility and Effective Date of Insurance and General Provisions Applicable to Hospital-Surgical-Medical-Drug-Dental-Vision Care-Hearing Aid Expense Benefits Insurance

I. Active Employee Benefits

- a. Employees who were hired prior to the effective date of this Plan and who were insured under the previous Plan that became effective on June 1, 1999, shall be eligible on the effective date of this Plan for insurance hereunder in behalf of themselves and their eligible dependents, as defined.
- b. Employees hired on and after the effective date of this Plan shall become eligible for insurance, except for Dental, Vision Care and Hearing Aid Expense Benefits, in behalf of themselves and their eligible dependents, as defined, on the first

day of the third calendar month next following the date of employment. Employees and their eligible dependents shall become eligible for Dental, Vision Care and Hearing Aid Expense Benefits on the first day of the month next following the month in which the employee is actively at work after he acquires one (1) year of seniority.

c. Employees and former employees whose insurance under the previous Plan, which became effective June 1, 1999, was terminated by reason of termination of employment, layoff or leave of absence shall become eligible for insurance for themselves and their eligible dependents under this Plan upon the date of return to active employment provided they return within one (1) year or provided they return without loss of seniority, whichever is the longer period from the date of such termination of insurance, otherwise, they will be treated as new employees upon return to work.

d. Except as noted in Part III, employees insured under the previous Plan that became effective June 1, 1999, and who are not actively at work on the effective date of this Plan may continue to be insured under such previous Plan, subject to the limitations, conditions and cancellation provisions thereon, until they return to active employment, upon which date they and their eligible dependents will become eligible for insurance under this Plan. In addition, the prescription drug program will be amended as outlined in Part III Section B and Attachment A.

e. Employees and their eligible dependents shall become insured on the date they first become eligible if actively at work on that date and provided they have enrolled for the insurance on or before that date.

f. If the employee is not actively at work on the date his insurance would otherwise become effective, the employee and his eligible dependents will become insured on the date he returns to work provided he returns within one (1) year or provided he returns without loss of seniority, whichever is the longer period.

g. Employees who do not have an eligible dependent, as hereinafter defined, but who acquire a dependent after they become insured, are eligible to include such acquired dependent under the insurance as of the date such dependent is acquired. Benefits for such acquired dependents will become effective on the date of enrollment if the employee is insured under the Plan on such date, provided the employee enrolls such acquired dependent within ninety (90) days after the date a dependent is acquired.

b. Benefits for employees and their eligible dependents will apply only to hospital admissions, physicians' claims which occur, and prescriptions dispensed, on or after the date upon which the insurance becomes effective for the employee or his eligible dependents.

i. Dental, Vision Care and Hearing Aid Expense Benefits for employees outlined in Paragraphs a, b, c, and d above will not become effective until the first day of the month following the date the employee attains one (1) year of credited service with the Company.

2. Hospitalization, Surgical, Medical, Drug, Dental, Vision Care and Hearing Aid Expense benefits For Retired Employees

a. Pensioners (not including a former employee entitled to or receiving a deferred vested pension), who retired prior to the effective date of this Plan under the provisions of the Pension Plan for Hourly Employees and were insured under the previous Plan that became effective on June 1, 1999, shall be insured for the benefits outlined in Part III on the effective date of this Plan.

b. Pensioners (not including a former employee entitled to or receiving a deferred vested pension), who retired prior to the effective date of this Plan and who were not insured on that date, will be given an opportunity to enroll for benefits for themselves and their eligible dependents, as hereinafter defined, during the month of December, 2003, and the insurance of those who enroll will become effective on January 1, 2004.

c. Pensioners, (not including a former employee entitled to or receiving a deferred vested pension) and employees terminating after age 65 (except those whose discharge for cause has not been appealed or if appealed has been finally upheld) with insufficient credited service to entitle them to a pension benefit under the Pension Plan, who retire on and after the effective date of the Plan shall be eligible to enroll for benefits under Part III, provided that they enroll for such benefits on or prior to the date of retirement and they will become insured on the first day of the calendar month following date of retirement.

d. If the surviving spouse of a pensioner or retired employee was insured for Hospital-Surgical-Medical-Drug-Dental-Hearing Aid-Vision Care Expense Benefits, such surviving spouse will be eligible to continue such insurance in accordance with the provisions of Part I, Section 5, Sub-Section G, Paragraph (2) of this Appendix "C".

e. In order to enroll for such benefits, all pensioners or retired employees, must complete the form or forms provided by the Board of Administration under the provisions of the Hourly Employees Pension Agreement for such enrollment.

f. Employees terminated on and after June 1, 2003, after age 65 (except those whose discharge for cause has not been appealed or if appealed, has been finally upheld) with insufficient credited service to entitle them to a pension under the Hourly Employees Pension Plan shall be insured for benefits outlined in Part III on the first day of the month following date of termination of employment.

3. The Honeywell Hourly Segment Benefit manual.

a. Contents:

Administrative Manuals shall be maintained by the Control Plan for the National Account Program for use by all participating local plans. The Control Plan shall have the sole responsibility for maintaining the Manuals which they are underwriting so as to describe the benefits specified in the Collective Bargaining Agreement. Among other items, the Manuals should:

- (1) Explain the benefits and the regulations governing their payment.
- (2) Include the standardized administrative practices and interpretations which affect benefits.
- (3) List the limitations and exclusions of the coverage.
- (4) Define all those terms related to the programs provided (such as facility, physician, etc.).
- (5) Define eligibility for coverage as a dependent.
- (6) Describe procedures for status changes and termination.

b. Within ninety (90) days following the effective date of changes in benefits under the Hospital, Surgical, Medical Benefits, the Control Plan shall forward copies of the amended Allied-Signal Inc. Hourly Segment Benefit Manual.

c. The Control Plan may amend its administrative practices interpretations as established in their Administrative Manuals in order to better facilitate the implementation of the benefits provided through the National Accounts Program. If such changes in administrative practices and interpretations materially affect the benefits in the program, the mutual consent of the Company and the Union is required.

d. Distribution:

The Control Plan shall forward at least three copies of the Administrative Manuals, and any amendments or supplements thereto, to the Company and the Union.

e. Interpretation:

At the request of the Union or the Company or a participating Blue Cross or Blue Shield Plan, the Control Plan shall provide to the Company and the Union written replies to all questions regarding the interpretation of the Administrative Manuals.

f. Forms and Descriptive Materials:

To the extent practicable, the Control Plan shall develop standard enrollment and change in status forms and descriptive materials (employee information booklets) to be used in participating plan areas. The Control Plan may consult with the Company and the Union regarding the development of such materials and copies of such materials shall be forwarded to the parties prior to distributing the materials to plans participating in the program.

g. Performance:

The Control Plan shall be responsible to ensure that plans participating in the National Account Program provide the scope and level of benefits as specified in the program and in the Administrative Manuals. The Control Plan, with such assistance from the National Blue Cross and Blue Shield organizations as may be appropriate may, in exercising their responsibilities audit local plans to determine if they are providing the specified level of benefits.

4. General Provisions

a. The following provisions apply to employees covered under Part III above who are not actively at work on or after the effective date of the Agreement.

(1) An employee who is laid off may continue his insurance, except Dental Expense Benefits, in force during the continuance of this Plan, to the extent permitted by the local Plans, for a period of twelve (12) consecutive months following the last month of coverage for which the Company contributed for the employee, provided the employee's seniority is not broken. Continuation of such coverage will be subject to contribution referred to in Paragraph a, SubSection 2, Section A, Part V hereof.

(2) The insurance, except Dental Expense Benefits, of an

employee on an approved non-disability leave of absence referred to in Part I, Section 5, Sub-section D will be continued for a period of one (1) month from the last day of the month in which the leave of absence is granted. Thereafter the employee may continue his insurance, except Dental Expense Benefits, during continuance of such leave for a period not to exceed eleven (11) months following the last day of the month of coverage for which the Company contributed by payment of the contribution required under Paragraph b, Sub-Section 2, Section A, Part V hereof.

(3) An employee who is totally disabled will be insured for all benefits except Dental Expense Benefits during continuance of such disability for the duration of disability leave or a period equal to his seniority, whichever is lesser. Such continuance will be subject to periodic proof of the continuance of such disability as the Company may reasonably require.

(4) An employee who on or after June 1, 2003, (a) loses his seniority through discharge, absence from work without notifying the plant as required by the Collective Bargaining Agreement, or failure to return to work when called and (b) is seeking to have his seniority reinstated through the Grievance Procedure or protesting a disciplinary layoff will be allowed to continue his insurance, except Dental Expense Benefits, during the period his grievance is pending but not beyond twelve (12) months following the end of the month in which the loss of seniority or disciplinary layoff occurs and the employee contribution required for such continuing coverages shall be in accordance with Paragraph c, Sub-Section 2, Section A, Part V hereof, provided that if the employee is reinstated, the Company will reimburse him for all the contributions in respect to coverages under this provision which the Company would have made if the employee remained on the active payroll, less any penalties imposed under the Grievance Procedure.

(5)(a) The Company will make suitable arrangements for the surviving spouse of any deceased employee to participate in the coverage provided under Part III as a part of the group covered thereby as long as monthly Survivors Income Benefits provided in Part II, Section C, Sub-Section 2, are payable except that coverage will be continued for as long as the Bridge Benefit is not payable only because such survivor is eligible for a

Mother's Benefit under the Federal Social Security Act, subject to the availability of coverage. The surviving spouse electing such coverage will be required to pay the contribution referred to in Paragraph d, Sub-Section 2, Section A, Part V hereof.

(5)(b) The Company will make monthly contributions for the Hospital-Surgical-Medical-Drug-Dental Vision-Hearing Aid Expense Benefits provided under Part III herein for a surviving spouse of an employee whose loss of life results from accidental bodily injuries caused solely by employment with the Company, and results solely from an accident in which the cause and result are unexpected and definite as to time and place; provided, however, such coverages shall not include dental, vision or hearing aid expense coverages if the employee has less than one year of seniority at date of death, and shall terminate upon the remarriage or death of the surviving spouse.

(6) An employee on leave to conduct local Union business may continue coverages during such leave provided under Part III for which he is insured, subject to availability of coverage. Continuation of such coverage will be subject to the contribution referred to in Part V, Section A, Sub-Section 2, Paragraph e, hereof.

(7) The Company will continue coverages afforded under Part III for retired employees in accordance with the terms of Part I, Section 5, Sub-Section G, Paragraph 1 of appendix "C".

b. All insurance under the Plan except as provided under Paragraph a, above, on any employee covered hereunder shall terminate on the last day of the calendar month in which he shall leave the service of the Company, be dismissed therefrom, be pensioned or retired or ceases to pay to the Company the required amount of his contribution toward the cost of coverages provided in Part III.

c. Each Blue Cross and Blue Shield Plan will accept transfers of members from other such Plans.

d. Each Blue Cross and Blue Shield Plan's Standard Direct Payment Contract is to be available to all members who become ineligible for continuation under this program by reason of divorce, attainment of the maximum age limit applicable to dependents, or prior marriage in the instance of children, or other like reasons, or discontinuance of employment of the employee. If the employee elects membership, certificates which will include maternity and obstetrical benefits for nine

(9) months after the effective date of such membership certificates, maternity and obstetrical benefits at least as liberal as those provided for in this Plan will be provided despite any limitations which might otherwise exist.

e. Each eligible employee shall be given the option of electing coverage for himself only, or for himself and eligible dependents, as defined.

f. Where local plans provide under the employee's contract, optional coverages for dependents other than those specified under Part IV, Section 2, the Company may make such options available to the employee, retired employee or surviving spouse of a retired employee with the understanding that the employee, retired employee, or surviving spouse of a retired employee shall pay the full additional cost thereof.

Section G — Coordination of Benefits

A Coordination of Benefits provision will apply to the Hospital, Surgical, Medical, Drug, Dental, Vision Care, Hearing Aid Expense Benefits described in Part III above through either the local Blue Cross-Blue Shield Plans or a National Account Program or an insurance carrier providing such benefits.

Section H — Utilization Review and Cost Containment

I. HOSPITAL UTILIZATION REVIEW

The Control Plan and all local plans participating in the Honeywell National Account Program* should implement and maintain hospital utilization review programs consistent with Blue Cross Association criteria for utilization review. These programs would be applicable to all inpatient admissions to hospitals participating with local plans under the National Account Program.

The Control Plan shall have responsibility for assuring that local plans have such utilization review programs. In some local plan areas, it may be necessary to secure legislative or administrative changes in order to implement utilization review programs with providers. The Control Plan, together with the local plans and with the assistance of the Blue Cross Association, shall actively seek to secure such changes where necessary. Where hospital/local plan contracts are a barrier to implementation of utilization review programs, the Control Plan and the local plan shall develop and institute reasonable alternative programs.

* Defined for these purposes as those local plans which account for 95% of the total enrollment of Company hourly employees.

It is intended that each local plan have operative hospital utilization review programs at the most effective level attainable, with all local plans having at a minimum, an operative program of retrospective review. Local plans are encouraged to continually upgrade their utilization review programs and to experiment with new programs and approaches where this is desirable.

In at least three local plan locations, concurrent review (or focused concurrent review) utilization programs should be implemented and the results assessed.

The Control Plan shall monitor and evaluate each local plan's utilization review system. The Control Plan shall encourage the local plans to develop and implement more effective and efficient review systems where appropriate. Each year, the Control Plan shall review with the Company the Control Plan's evaluation of (a) the review system of each local plan, (b) local plan progress in improving their review systems, and (c) the results of local plan utilization review. Such review shall also include the Control Plan's program for achieving future improvements and recommendations to the Company.

II. ANNUAL COST CONTAINMENT REPORTS

Each H-S-M-D-D-V carrier shall be required to report annually on its cost containment efforts for the preceding year, including but not limited to (a) a description of its cost containment activities, (b) the results/savings, (c) problems, and (d) plans for the next year.

The Control Plan for the National Account Program shall prepare an evaluation of local Blue Cross-Blue Shield cost containment efforts and shall highlight particularly successful approaches and areas of less than desirable performance (in the latter instance, including the reasons therefor).

The report shall cover the preceding calendar year and shall be submitted to the Company by May 15 each year. The Company may specify the content or format for such reports.

PART IV — DEFINITIONS

Section 1. Employee

As used herein the term "employee" shall include part-time hourly rated employees who, on a regular continuing basis, perform jobs having definitely established working hours, but the complete performance of which required fewer hours of work than the regular work week, provided the services of such employees are normally available, for at least half of the employing unit's regular work week.

Section 2. Eligible Dependents

An employee's wife or husband and the employee's dependent and unmarried children from birth to attainment of 19 years of age residing in the United States or Canada are considered dependents for the purpose of the insurance set forth in Part III. The dependent definition shall include children under 25 years of age, or at any age if permanently and totally disabled, who are unmarried, legally residing with and dependent on the employee for more than one-half of their support as defined by the Internal Revenue Code of the United States and must either qualify in the current year for dependency tax status or have been reported as a dependent on the employee's most recent tax return. A "principally supported" child as defined by the National Account Program will be included as of the first day of the month following receipt by the Company of a signed application meeting the conditions specified by the National Account Program without regard to a nine-month waiting period.

Section 3. Date of Employment

Date of employment, as used herein, means the first day on which an employee is actively at work following his date of hire.

PART V — EMPLOYEE CONTRIBUTIONS

Section A. Contributions Required of Employees for Insurance Prior to Date of Retirement

1. Group Insurance Benefits as set forth in Part II.

a. Each employee shall be required to contribute monthly in advance an amount as set forth below based on the amounts of insurance and benefits in effect for such employees:

(1) Active Employees—The contribution for Basic Benefits only is Nil.

(2) Active Employees—Basic and Optional Supplemental Benefit contributions are outlined in Section B of Part II of this Agreement.

(3) Active Employees—The contribution for the dependent Life Insurance shall be the full premium cost of such benefit.

b. Group Life Insurance During Layoff or Leave of Absence

The employee whose Group Life Insurance is continued beyond the period of time provided while an employee is on layoff as specified in Part II, Section E Sub-Section 2, Paragraph c, Sub-Paragraph (18) or the end of the month following the month in which a leave of absence is granted as provided in Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (1) shall be required to contribute monthly in advance, \$.50 for each \$1,000 of Group Life Insurance for which he was insured at the time of layoff or leave of absence.

c. Continuance of Group Insurance During Disability

An employee who is totally disabled in accordance with the provisions of Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (2) will be required to contribute monthly in advance the contribution, if any, applicable to the class of insurance for which he was insured as of date of disability.

d. Discharged Employee Seeking Reinstatement Through Grievance Procedure

The employee whose Group Life Insurance is continued beyond the end of the month in which loss of seniority occurs or who is protesting a disciplinary layoff in accordance with Part

II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (6) shall be required to contribute monthly in advance \$.50 for each \$1,000 of Group Life Insurance for which the employee was insured at the time of loss of seniority.

e. Continuation of Group Life Insurance for Inactive Employees after Age 60

An employee whose Group Life Insurance is continued in accordance with the provisions of Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (7)(a), shall be required to contribute monthly in advance, \$.50 for each \$1,000 of Group Life Insurance for which the employee was insured as of date he ceased to be actively at work.

f. Employee on Leave to Conduct Local Union Business

An employee who is continuing his coverage while on approved leave of absence requested by the local Union to permit him to work for the local Union, in accordance with the provisions of Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (13) shall be required to contribute monthly in advance the contribution (if any) applicable to the class of insurance for which he was insured as of date of leave.

g. Continuation of Group Life Insurance for Early Retirees

A pensioner who retired after June 1, 2003, whose Group Life Insurance is continued in accordance with the provisions of Part II, Section E, Sub-Section 2, Paragraph c, Sub-Paragraph (7)(b) shall be required to contribute monthly in advance, \$.50 for each \$1,000 of Group Life Insurance in force over and above the basic \$15,000. Pensioners who retired prior to June 1, 2003 but on or after June 1, 1995, shall be required to contribute \$.50 for each \$1,000 of Group Life Insurance in force over and above the basic \$10,000. Pensioners who retired prior to June 1, 1995 but on or after October 1, 1968, shall be required to contribute \$.50 for each \$1,000 of Group Life Insurance in force over and above the basic \$5,000. Pensioners who retired prior to October 1, 1968 shall be required to contribute \$.50 for each \$1,000 of Group Life Insurance in force over and above the basic \$3,000.

h. Employee on Leave to Conduct International Union Business

An employee who is continuing his Group Life Insurance while on approved leave of absence requested by the International Union to permit him to work for the International

Union, in accordance with the provisions of Part II, Section E, Sub-Section 2, Paragraph c, SubParagraph (15), shall be required to contribute monthly in advance, \$.50 for each \$1,000 of Group Life Insurance in force.

2. Hospital - Surgical - Medical - Drug - Vision Care - Hearing Aid Benefits set forth in Part III

a. Continuance of Coverage During Layoff

Employees placed on layoff whose Hospital, Surgical, Medical, Drug, Vision Care, Hearing Aid Expense Benefits are continued in accordance with the provisions of Part III, Section F, Sub-Section 4, Paragraph a, Sub-Paragraph (1) shall be required to contribute monthly in advance the full premium or subscription rate applicable to his class of coverage.

b. Continuance of Coverage During an Approved Leave of Absence

Employees granted an approved non-disability leave of absence whose Hospital, Surgical, Medical, Drug, Vision Care, Hearing Aid Expense Benefits are continued in accordance with the provisions of Part III, Section F, Sub-Section 4, Paragraph a, Sub-Paragraph (2) shall be required to contribute monthly in advance the full premium or subscription rate applicable to his class of insurance.

c. Discharged Employees Seeking Reinstatement Through the Grievance Procedure

The employee whose Hospital, Surgical, Medical, Drug, Vision Care, Hearing Aid Expense Benefits are continued beyond the end of the month in which loss of seniority occurs or who is protesting a disciplinary layoff, in accordance with Part III, Section F, Sub-Section 4, Paragraph (a), Sub-Paragraph (4) shall be required to contribute monthly in advance the full premium or subscription rate applicable to his class of coverage.

d. Continuance of Coverage During Period that "Transition" or "Bridge" Benefits are Payable

The Company will make monthly contributions for the Hospital, Surgical, Medical, Drug Expense Benefits of the surviving spouse and/or their eligible dependents of any deceased employee to whom benefits described under Part II, Section C, Sub-Section 2, Paragraph A are payable, for the first six months such benefits are payable provided the surviving spouse is eligible for the benefits described under Part II, Sec-

tion C, Sub-Section 2, Paragraph B. The surviving spouse shall be required to contribute monthly in advance the full premium or subscription rate for the Dental, Vision and Hearing Aid Expense Benefits continued for the six month period provided in accordance with the above. Thereafter, the surviving spouse shall be required to contribute monthly in advance the full premium or subscription rate applicable to the coverages continued under the provisions of Part III, Section F, Sub-Section 4, Paragraph a, Sub-Paragraph (5).

e. Employees on Leave to Conduct Local Union Business

An employee who is continuing his coverage while on approved leave of absence requested by the local Union to permit him to work for the local Union in accordance with the provisions of Part III, Section F, Sub-Section 4, Paragraph a, Sub-Paragraph (6), shall be required to contribute monthly in advance the full premium or subscription rate applicable to the Dental Expense Benefit.

f. Employees Enrolling in Health Maintenance Organizations or Preferred Provider Organizations

An employee who enrolls in a Health Maintenance Organization or Preferred Provider Organization will be required to make a monthly contribution equal to the difference, if any, in the premium cost between the Health Maintenance Organization or the Preferred Provider Organization and the traditional Blue Cross-Blue Shield and Prescription Drug Plan.

3. Dental Expense Benefits

Continuation of Coverage During Layoff

Employees placed on layoff whose Dental Expense Benefits are continued in accordance with the provisions of Part I, Section 5, Subsection B shall be required to contribute monthly in advance the full premium or subscription rate applicable to his class of coverage.

PART VI — UAW-Honeywell Master Agreement on Retiree Health Care Costs and Union Right to Bargain for Post-Retirement Health Care Benefits

During the 2003 UAW Honeywell Master Negotiations, the Company and the Union shared a strong concern regarding the protection of retiree health care benefits. In 2003 UAW Honeywell Master Negotiations the Company and Union agree as follows:

- The subject of health care benefits for present and future retirees, their dependents, and surviving spouses, including the limit described below on Company retiree health care contributions, will be a mandatory subject of bargaining for 2007 UAW Honeywell Master Negotiations and for all future UAW Honeywell Master Negotiations.
- The Company will pay the cost of retiree health care coverage during the term of the 2003 UAW Honeywell Master Agreement as described in its Insurance Section. The Company's contribution for health care coverage after 2007 for present and future retirees, their dependents, and surviving spouses covered under the UAW Honeywell Master Agreement shall not be less than (A) the actual amount of the Company's retiree health care contribution in 2007 or (B) the Company actuary's 2003 estimate of the Company's retiree health care contribution in 2007, whichever is greater. As stated above, this limit will be a mandatory subject of bargaining for 2007 UAW Honeywell Master Negotiations and for all future UAW Honeywell Master Negotiations. Notwithstanding such negotiations, the Company's contributions shall not be less than the greater of: (A) the actual amount of the Company's retiree health care contribution in 2007 or (B) the Company actuary's 2003 estimate of the Company's retiree health care contribution in 2007.
- The above limit on Company retiree health care contributions will not apply to any year prior to calendar year 2008.
- Health care coverage includes hospital, surgical, medical, drug, vision and hearing benefits under the Blue Cross/Blue Shield Program or any program that the parties may negotiate in the future to replace the Blue Cross/Blue Shield Program, as well as the benefits in any present or future HMOs provided under the UAW Honeywell Master Agreement.
- The provisions of this Agreement concerning Retiree Health Care Costs and the Company's obligation to bargain regarding

retiree health care benefits shall be binding upon the successors and assignees of the Company, unless Honeywell chooses to retain such obligations. This includes any successor to Honeywell, as well as any acquirer of all or a part of any plant covered under the UAW Honeywell Master Agreement, who shall be required, in connection with such sale, to assume in writing this agreement and any other existing contractual obligations of Honeywell to its retirees as defined in the Insurance section of this agreement.

- Provided however this Agreement concerning Retiree Health Care Costs and the Company's obligation to bargain regarding retiree health care cost benefits shall not impair any existing legal rights that current retirees may have with respect to their post employment health care benefits.
- The Company and the Union agree to work together to develop possible ways to contain health care costs, including drug costs, that will benefit plan participants and the locations covered under the UAW Honeywell Master Agreement.

ATTACHMENT A PRESCRIPTION DRUG BENEFITS

The following highlights the Merck-Medco Prescription Drug Benefit Plan changes for all active employees and employees not actively at work, retired employees, and surviving spouses.

1. Effective July 1, 2003, implement the following changes to the Prescription Drug Program for all active employees, employees not actively at work, their dependents, retired employees, their dependents and surviving spouses:

Change the retail copayment per prescription (up to a 30-day supply):

from:

	<u>Retirees</u>	<u>Actives</u>
Generic Drugs	\$ 6.00	\$ 8.00
Brand Name Drugs	\$10.00	\$12.00

to the following:

Generic Drugs	\$ 9.00	\$11.00
Brand Name Drugs	\$14.00	\$16.00

Change the mail copayment per prescription (up to a 90-day supply):

from:

	<u>Retirees</u>	<u>Actives</u>
Generic Drugs	\$ 8.00	\$10.00
Brand Name Drugs	\$11.00	\$13.00

to the following:

Generic Drugs	\$11.00	\$13.00
Brand Name Drugs	\$18.00	\$20.00

ATTACHMENT B DENTAL EXPENSE BENEFITS

I. ELIGIBILITY

Employees (exclusive of retired employees, surviving spouses of retired employees and employees who terminate their employment after age 65, including those whose discharge for cause has not been appealed, or if appealed, have been finally upheld with insufficient credited service to entitle them to a pension under the Hourly Employees Pension Plan) shall be eligible for Dental Expense Benefits on the first day of the month following attainment of one (1) year of seniority providing they are actively at work on such eligibility date.

II. ENROLLMENT CLASSIFICATIONS

An eligible employee's coverage for Dental Expense Benefits shall include coverage for the employee's spouse and eligible children as defined in the National Account Program for Hospital, Surgical, Medical Benefits.

III. DESCRIPTION OF BENEFITS

Dental Expense Benefits will be payable, subject to the conditions herein, if an employee or eligible dependent, while Dental Expense Coverage is in effect with respect to such employee or dependent, incurs covered Dental Expenses.

IV. COVERED DENTAL EXPENSES

Covered Dental Expenses are the usual charges of a Dentist which an employee is required to pay for services and supplies which are necessary for treatment of a Dental condition, but only to the extent that such charges are reasonable and customary charges, as herein defined, for services and supplies customarily employed for treatment of that condition, and only if rendered in accordance with accepted standards of Dental practice. Such expenses shall be only those incurred in connection with the following Dental services which are performed, except as otherwise pro-

vided in Section VIII B, by a licensed Dentist and which are received while insurance is in force.

A. The following Covered Dental Expenses shall be paid at 100 percent of the usual, reasonable and customary charge.

1. Routine oral examinations and prophylaxis (scaling and cleaning teeth), but not more than twice in any period of twelve (12) consecutive months.
2. Topical application of fluoride.
3. Space maintainers that replace prematurely lost teeth for children under 19 years of age.
4. Emergency palliative treatment.
5. Two (2) additional cleanings per year for members diagnosed with periodontal disease.

B. The following Covered Dental Expenses shall be paid at 80 percent of the usual, reasonable and customary charge.

1. Dental X-rays, including full mouth X-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing X-rays (but not more than once in any period of six (6) consecutive months) and such other Dental X-rays as are required in connection with the diagnosis of a specific condition requiring treatment.
2. Extractions, except those described in Section IV, C. 4.
3. Oral Surgery, except as described in Section IV, C. 4.
4. Amalgam, Silicate, Acrylic, Synthetic Porcelain, and composite filling restorations to restore diseased or accidentally injured teeth.
5. General Anesthetics and intravenous sedation when medically necessary and administered in connection with Oral and Dental Surgery. The term "medically necessary" will include (but not limited to) the following conditions:
 - Toxicity to local anesthetics
 - Acute infection at site of injection
 - Patient three years and under with extensive dental problems with documentation
 - More than one impaction on the same day
 - The routine extraction of more than six teeth involving more than one quadrant
 - Full arch alveoloplasty or alveolectomy
 - Surgical root recovery from maxillary antrum

- Tooth transplantation —Full arch stomatoplasty
- Radical excision of lesions in excess of one-half inch
- Radical resection or osteotomy with or without bone graft
- Existence of serious mental or emotional disturbances
- Mental retardation —Hyperactivity (when under treatment)

6. Treatment of Periodontal and other diseases of the gums and tissues of the mouth.

7. Endodontic treatment, including root canal therapy.

8. Injection of antibiotic drugs by the attending Dentist.

9. Repair or recementing of crowns, inlays, onlays, bridge-work, or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months.

10. Inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture, cannot be restored with an amalgam, silicate, acrylic, synthetic porcelain, or composite filling restoration.

11. Dental implants, provided pre-determination of benefits is obtained to determine clinical necessity. Coverage will not be provided if pre-determination is not obtained.

C. The following Covered Dental Expenses shall be paid at 50 percent of the usual, reasonable and customary charge.

1. Initial installation of fixed bridgework (including inlays and crowns as abutments and double-abutted retainers).

2. Initial installation of partial or fully removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).

3. Replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:

(a) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed;

(b) the existing denture or bridgework cannot be made serviceable and, if it was installed under this Dental Expense Benefits Program, at least five (5) years have elapsed prior to its replacement or,

(c) the existing denture is an immediate temporary denture which can not be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures but if a professionally adequate result can be achieved only with bridgework, such bridgework will be a Covered Dental Expense.

4. Orthodontic diagnostic procedures and treatment consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (including related Oral examinations, surgery and extractions) for employees, employee's spouse and children, all of whom must be under 19 years of age.

V. MAXIMUM BENEFIT

The Maximum Benefit payable for all Covered Dental Expenses incurred during any twelve (12) month period commencing May 1 and ending the following April 30 (except for services described in Section IV, C. 4, above) shall be \$1,500 effective July 1, 2003 for each individual.

For Covered Dental Expenses in connection with Orthodontics including related Oral examinations, surgery and extractions described in Section IV, C. 4. above, the Maximum Benefit payable shall be \$1,000 during the lifetime of each individual effective May 3, 1999.

VI. PRE-DETERMINATION OF BENEFITS

If a course of treatment can reasonably be expected to involve Covered Dental Expenses of \$125 or more, a description of the procedures to be performed and an estimate of the Dentist's charges must be filed with the prepayment agency(ies) or insurance company prior to the commencement of the course of treatment.

The prepayment agency(ies) or insurance company will notify the employee and the Dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consideration will be given to alternate procedures, services, or courses of treatment that may be performed for the dental condition concerned in order to accomplish the desired result. The amount included as certified Dental Expenses will be the appropriate amount as provided in Sections IV and V, determined in accordance with the limitations set forth in Section VII.

If a description of the procedures to be performed and an esti-

mate of the Dentist's charges are not submitted in advance, the prepayment agency(ies) or insurance company reserves the right to make a determination of benefits payable taking into account alternate procedures, services, or courses of treatment, based on accepted standards of Dental practice. To the extent verification of Covered Dental Expenses cannot reasonably be made by the prepayment agency(ies) or insurance company, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This pre-determination requirement will not apply to courses of treatment under \$125 or to emergency treatment, routine oral examinations, x-rays, prophylaxis, and fluoride treatments.

VII. LIMITATIONS

A. Restorative

1. Gold, Baked Porcelain Restorations, Crowns and Jackets

If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the Dentist. The balance of the treatment charge remains the responsibility of the patient.

2. Reconstruction

Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.

B. Prosthodontics

1. Partial Dentures

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such procedure will be made toward a more elaborate or precision appliance that patient and Dentist may choose to use, and the balance of the cost remains the responsibility of the patient.

2. Complete Dentures

If, in the provision of complete denture services, the patient and Dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the

standard denture services will be made toward such treatment and the balance of the cost remains the responsibility of the patient.

3. Replacement of Existing Dentures

Replacement of an existing denture will be a Covered Dental Expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable. Replacement of prosthodontic appliances will be a Covered Dental Expense only if the initial installation of that appliance took place under this Dental Expense Benefits Program, except as provided in Section IV, C. 3. above.

C. Orthodontics

1. If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefits for the services, to the extent remaining, shall be resumed.

2. The benefit payment for orthodontic services shall be only for months that coverage is in force.

VIII. EXCLUSIONS

Covered Dental Expenses do not include and no benefits are payable for:

A. charges for services for which benefits are otherwise provided under Hospital, Surgical, Medical, and Prescription Drug Expense Coverage;

B. charges for treatment by other than a Dentist, except that scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed Dental Hygienist if the treatment is rendered under the supervision and guidance of the Dentist;

C. charges for veneers or similar properties of crowns and pontics placed on, or replacing teeth, other than the ten upper and lower anterior teeth;

D. charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures;

E. charges for prosthetic devices (including bridges), crowns, inlays, and onlays, and the fitting thereof which were ordered while the individual was not insured for Dental Expense Bene-

fits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage;

F. charges for the replacement of a lost, missing or stolen prosthetic device;

G. charges for failure to keep a scheduled visit with the Dentist;

H. charges for replacement or repair of an orthodontic appliance;

I. charges for services or supplies which are compensable under a Worker's Compensation or Employer's Liability Law;

J. charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer;

K. charges for services or supplies for which no charge is made that the employee is legally obligated to pay or for which no charge would be made in the absence of Dental Expense Coverage;

L. charges for services or supplies which are not necessary, according to accepted standards of Dental practice, or which are not recommended or approved by the attending Dentist;

M. charges for services or supplies which do not meet accepted standards of Dental practice, including charges for services or supplies which are experimental in nature;

N. charges for services or supplies received as a result of Dental disease, defect or injury due to an act of war, declared or undeclared;

O. charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws or regulations enacted by any federal, state, municipal, or other governmental body;

P. charges for any duplicate prosthetic device or any other duplicate appliance;

Q. charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;

R. charges for the completion of any insurance forms;

S. charges for sealants and for oral hygiene and dietary in-

struction;

T. charges for a plague control program; or,

U. charges for implantology.

IX. COORDINATION OF BENEFITS

The prepayment agency(ies) or insurance company shall follow the same procedures with respect to coordination of Dental Expense Benefits as are followed for coordination of Hospital, Surgical, Medical, and Prescription Drug Expense Benefits except that other Dental Expense Benefits will be coordinated only if provided by either a group dental benefits plan or by a comprehensive medical plan providing Dental benefits, to which, in either case, an employer contributes at least 50 percent of the cost.

X. SUBROGATION

In the event of any payment for Dental Expense Benefits, the prepayment agency(ies) or insurance company shall be subrogated to all the employee's or dependent's rights of recovery therefore against any person or organization except against insurers on policies of insurance issued to and in the name of the employee, and the employee or dependent shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights.

XI. PROOF OF LOSS

The prepayment agency(ies) or insurance company reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim for Dental Expense Benefits. As part of the basis for determining Benefits payable, the prepayment agency(ies) or insurance company may require x-rays and other appropriate diagnostic and evaluative materials.

XII. PREPAID GROUP PRACTICE OPTION

The Company will make arrangements for employees to be afforded the option to subscribe for Dental Expense Coverage under approved and qualified prepaid group practice plans, instead of Dental Expense Coverage hereunder; provided, however, that the Company's contributions toward coverage under such group practice plans shall not be greater than the amount the Company would have contributed for Dental Expense Coverage hereunder.

XIII. MANAGED DENTAL PROGRAM

On May 3, 1995, the UAW and Honeywell agreed to install an optional CIGNA managed Dental Program for all active employees. This program will include an in-network benefit with neither copayments nor deductibles. The new optional Managed Dental

Program would include:

- Increasing the \$750 maximum benefit per calendar year to "unlimited"
- Increasing the Orthodontia Lifetime Maximum from \$650 per individual younger than age 19 to "unlimited"
- Adding unlimited Orthodontia for individuals over age 19
- Increase the Class B Benefits from the current 80th percentile of reasonable & customary to the CIGNA B-1-01 Plan.

In addition, the current dental indemnity program will be modified to include an annual individual deductible of \$50, \$100 maximum per contract for those active employees who elect to remain in the current dental indemnity program. The annual deductible will be waived in each location until the Joint Study Committee on Health Insurance approves the dental network as adequate in that area.

Except for the initial enrollment period of CIGNA Dental Health, employees shall annually be given the opportunity to enroll in either CIGNA Dental Health or the CIGNA indemnity dental program for the following May 1 through April 30 benefit period.

Retired employees, surviving spouses and their eligible dependents will continue to be provided Dental Expense Benefits as outlined in Attachment C.

XIV. DEFINITIONS

The term "Dentist" means a legally licensed dentist practicing within the scope of his license. As used herein, the term "Dentist" also includes a legally licensed physician authorized by his license to perform the particular dental services he has rendered.

The term "Reasonable and Customary Charge" means the actual fee charged by a Dentist for a service rendered or supply furnished but only to the extent that the fee is reasonable taking into consideration the following:

- (a) the usual fee which the individual Dentist most frequently charges the majority of his patients for a service rendered or a supply furnished;
- (b) the prevailing range of fees charged in the same area by dentists of similar training and experience for the service rendered or supply furnished; and,
- (c) unusual circumstances or complications requiring additional time, skill, and experience in connection with the particular dental service or procedure.

The term "Area" means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross-section of dentists rendering such services or furnishing such supplies.

The term "course of treatment" means a planned program of one or more services or supplies whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term "orthodontic treatment" means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term "ordered" means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crowns, inlays, or onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays, or onlays.

XV. TERMINATION OF INSURANCE

A. The Dental Expense Benefits will terminate on the date an employee is terminated or on the last day of the month the employee is discharged from the Company. Discharged employees who are appealing such discharge will be permitted to continue the dental insurance while the appeal is pending by paying in advance the full premium cost of such dental insurance. If the appeal is upheld, the discharged employee will be reimbursed the amount of the premiums paid during the period of time the discharge was pending.

B. The Dental Expense Benefits will terminate on the last day of the month in which an employee is placed on layoff or granted a personal leave of absence other than a leave of absence to conduct local Union business, except as provided in Part I, Section 5, Subsection B.

C. The Dental Expense Benefits will terminate on the last day of the month in which the employee is placed on disability leave of absence.

ATTACHMENT C DENTAL EXPENSE BENEFITS RETIRED EMPLOYEES

I. ELIGIBILITY

Retired Employees, surviving spouses of retired employees and employees who terminate their employment after age 65, except those whose discharge for cause has not been appealed, or if appealed, have been finally upheld, with insufficient credited service to entitle them to a pension under the Hourly Employees Pension Plan shall be eligible for Dental Expense Benefits.

II. ENROLLMENT CLASSIFICATIONS

An eligible employee's coverage for Dental Expense Benefits shall include coverage for the employee's spouse and eligible children as defined in the National Account Program for Hospital, Surgical, Medical Benefits.

III. DESCRIPTION OF BENEFITS

Dental Expense Benefits will be payable, subject to the conditions herein, if an employee or eligible dependent, while Dental Expense Coverage is in effect with respect to such employee or dependent, incurs covered Dental Expenses.

IV. COVERED DENTAL EXPENSES

Covered Dental Expenses are the usual charges of a Dentist which an employee is required to pay for services and supplies which are necessary for treatment of a Dental condition, but only to the extent that such charges are reasonable and customary charges, as herein defined, for services and supplies customarily employed for treatment of that condition, and only if rendered in accordance with accepted standards of Dental practice. Such expenses shall be only those incurred in connection with the following Dental services which are performed, except as otherwise provided in Section VIII B, by a licensed Dentist and which are received while insurance is in force. Those Dental Expense Benefits outlined under B and C below shall be subject to a \$25 cash deductible per person applying each twelve (12) months beginning August 1 and ending July 31st.

A. The following covered Dental Expenses shall be paid at 50 percent of the usual, reasonable and customary charge:

1. Routine oral examinations and prophylactic (scaling and cleaning of teeth), but not more than twice in any period of twelve (12) consecutive months.
2. Topical application of fluoride.
3. Space maintainers that replace prematurely lost teeth for

children under 19 years of age.

4. Emergency palliative treatment.

B. The following Covered Dental Expenses shall be paid at 50 percent of the usual, reasonable and customary charge:

1. Dental x-rays, including full mouth x-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing x-rays (but not more than once in any period of six (6) consecutive months) and such other Dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.

2. Extractions, except those described in Section IV, C. 4.

3. Oral Surgery, except as described in Section IV, C. 4.

4. Amalgam, Silicate, Acrylic, Synthetic Porcelain, and composite filling restorations to restore diseased or accidentally injured teeth.

5. General Anesthetics and intravenous sedation when medically necessary and administered in connection with Oral or Dental Surgery. The term "medically necessary" will include (but not limited to) the following conditions:

-Toxicity to local anesthetics

-Acute infection at site of injection

-Patient three years and under with extensive dental problems with documentation

-More than one impaction on the same day

-The routine extraction of more than six teeth involving more than one quadrant

-Full arch alveoloplasty or alveolectomy

-Surgical root recovery from maxillary antrum

-Tooth transplantation

-Full arch stomatoplasty

-Radical excision of lesions in excess of one-half inch

-Radical resection or ostectomy with or without bone graft

-Existence of serious mental or emotional disturbances

-Mental retardation

-Hyperactivity (when under treatment)

6. Treatment of Periodontal and other diseases of the gums and tissues of the mouth.

7. Endodontic treatment, including root canal therapy.

8. Injection of antibiotic drugs by attending Dentist.

9. Repair or recementing of crowns, inlays, onlays, bridge-work, or dentures; or relining or rebasing of dentures more

than six (6) months after the installation of an initial or replacement denture, but not more than one relining or re-basing in any period of thirty-six (36) consecutive months.

10. Inlays, onlays, gold fillings, or crown restorations to restore diseased or accidentally injured teeth, but only when the tooth, as a result of extensive caries or fracture, cannot be restored with an amalgam, silicate, acrylic, synthetic porcelain, or composite filling restoration.

C. The following Covered Dental Expenses shall be paid at 50 percent of the usual, reasonable and customary charge:

1. Initial installation of fixed bridgework (including inlays and crowns as abutments and double-abutted retainers).

2. Initial installation of partial or full removable dentures (including precision attachments and any adjustments during the six (6) month period following installation).

3. Replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:

(a) the replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed;

(b) the existing denture or bridgework cannot be made serviceable and, if it was installed under this Dental Expense Benefits Program, at least five (5) years have elapsed prior to its replacement or,

(c) the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures but if a professionally adequate result can be achieved only with bridgework, such bridgework will be a Covered Dental Expense.

4. Orthodontic diagnostic procedures and treatment consisting of surgical therapy, appliance therapy, and functional/myofunctional therapy (including related Oral examinations, surgery and extractions) for the employee's spouse and children, both of whom must be under 19 years of age.

V. MAXIMUM BENEFIT

The Maximum Benefit payable for all Covered Dental Expenses incurred during any twelve (12) month period commencing August 1 and ending the following July 31st (except for services described in Section IV, C. 4. above) shall be \$500 for each individual.

For Covered Dental Expenses in connection with Orthodontics including related Oral examinations, surgery and extractions described in Section IV, C. 4. above, the Maximum Benefit payable shall be \$500 during the lifetime of each individual.

VI. PREDETERMINATION OF BENEFITS

If a course of treatment can reasonably be expected to involve Covered Dental Expenses of \$125 or more, a description of the procedures to be performed and an estimate of the Dentist's charges must be filed with the prepayment agency(ies) or insurance company prior to the commencement of the course of treatment.

The prepayment agency(ies) or insurance company will notify the employee and the Dentist of the benefits certified as payable based upon such course of treatment. In determining the amount of benefits payable, consideration will be given to alternate procedures, services, or courses of treatment that may be performed for the dental condition concerned in order to accomplish the desired result. The amount included as certified Dental Expenses will be the appropriate amount as provided in Sections IV and V, determined in accordance with the limitations set forth in Section VII.

If a description of the procedures to be performed and an estimate of the Dentist's Charges are not submitted in advance, the prepayment agency(ies) or insurance company reserves the right to make a determination of benefits payable taking into account alternate procedures, services, or courses of treatment, based on accepted standards of Dental practice. To the extent verification of Covered Dental Expenses can not reasonably be made by the prepayment agency(ies) or insurance company, the benefits for the course of treatment may be for a lesser amount than would otherwise have been payable.

This predetermination requirement will not apply to courses of treatment under \$125 or to emergency treatment, routine oral examinations, x-rays, prophylaxis, and fluoride treatments.

VII. LIMITATIONS

A. Restorative

1. Gold, Baked Porcelain Restorations, Crowns and Jackets

If a tooth can be restored with a material such as amalgam, payment of the applicable percentage of the charge for that procedure will be made toward the charge for another type of restoration selected by the patient and the Dentist. The balance of the treatment charge remains the responsibility of the patient.

2. Reconstruction

Payment based on the applicable percentage will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion are considered optional and their cost remains the responsibility of the patient.

B. Prosthodontics

1. Partial Dentures

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, payment of the applicable percentage of the cost of such procedure will be made toward a more elaborate or precision appliance that patient and Dentist may choose to use, and the balance of the cost remains the responsibility of the patient.

2. Complete Dentures

If, in the provision of complete denture services, the patient and Dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, payment of the applicable percentage of the cost of the standard denture services will be made toward such treatment and the balance of the cost remains the responsibility of the patient.

3. Replacement of Existing Dentures

Replacement of an existing denture will be a Covered Dental Expense only if the existing denture is unserviceable and cannot be made serviceable. Payment based on the applicable percentage will be made toward the cost of services which are necessary to render such appliances serviceable. Replacement of prosthodontic appliances will be a Covered Dental Expense only if the initial installation of that appliance took place under this Dental Expense Bene-

fits Program, except as provided in Section IV, C. 3. above;

C. Orthodontics

1. If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination. If such services are resumed, benefits for the services, to the extent remaining, shall be resumed.

2. The benefit payment for orthodontic services shall be only for months that coverage is in force .

VIII. EXCLUSIONS

Covered Dental Expenses do not include and no benefits are payable for:

A. charges for services for which benefits are otherwise provided under Hospital, Surgical, Medical, and Prescription Drug Expense Coverage;

B. charges for treatment by other than a Dentist, except that scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed Dental Hygienist if the treatment is rendered under the supervision and guidance of the Dentist;

C. charges for veneers or similar properties of crowns and pontics placed on, or replacing teeth, other than the ten upper and lower anterior teeth;

D. charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures;

E. charges for prosthetic devices (including bridges), crowns, inlays, and onlays, and the fitting thereof which were ordered while the individual was not insured for Dental Expense Benefits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of coverage;

F. charges for the replacement of a lost, missing or stolen prosthetic device;

G. charges for failure to keep a scheduled visit with the Dentist;

H. charges for replacement or repair of an orthodontic appliance;

I. charges for services or supplies which are compensable under a Worker's Compensation or Employer's Liability Law;

J. charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer;

K. charges for services or supplies for which no charge is made that the employee is legally obligated to pay or for which no charge would be made in the absence of Dental Expense Coverage;

L. charges for services or supplies which are not necessary, according to accepted standards of Dental practice, or which are not recommended or approved by the attending Dentist;

M. charges for services or supplies which do not meet accepted standards of Dental practice, including charges for services or supplies which are experimental in nature;

N. charges for services or supplies received as a result of Dental disease, defect or injury due to an act of war, declared or undeclared;

O. charges for services or supplies from any governmental agency which are obtained by the individual without cost by compliance with laws, or regulations enacted by any federal, state, municipal, or other governmental body;

P. charges for any duplicate prosthetic device or any other duplicate appliance;

Q. charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;

R. charges for the completion of any insurance forms; .

S. charges for sealants and for oral hygiene and dietary instruction;

T. charges for a plague control program; or,

U. charges for implantology.

IX. COORDINATION OF BENEFITS

The prepayment agency(ies) or insurance company shall follow the same procedures with respect to coordination of Dental Expense Benefits as are followed for coordination of Hospital, Surgical, Medical, and Prescription Drug Expense Benefits except that

other Dental Expense Benefits will be coordinated only if provided by either a group dental benefits plan or by a comprehensive medical plan providing Dental benefits, to which, in either case, an employer contributes at least 50 percent of the cost.

X. SUBROGATION

In the event of any payment for Dental Expense Benefits, the prepayment agency(ies) or insurance company shall be subrogated to all the employee's or dependent's rights of recovery therefore against any person or organization except against insurers on policies of insurance issued to and in the name of the employee, and the employee or dependent shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights.

XI. PROOF OF LOSS

The prepayment agency(ies) or insurance company reserves the right at its discretion to accept, or to require verification of, any alleged fact or assertion pertaining to any claim for Dental Expense Benefits. As part of the basis for determining Benefits payable, the prepayment agency(ies) or insurance company may require x-rays and other appropriate diagnostic and evaluative materials.

XII. PREPAID GROUP PRACTICE OPTION

The Company will make arrangements for employees to be afforded the option to subscribe for Dental Expense Coverage under approved and qualified prepaid group practice plans, instead of Dental Expense Coverage hereunder; provided, however, that the Company's contributions toward coverage under such group practice plans shall not be greater than the amount the Company would have contributed for Dental Expense Coverage hereunder.

XIII. DEFINITIONS

The term "Dentist" means a legally licensed dentist practicing within the scope of his license. As used herein, the term "Dentist" also includes a legally licensed physician authorized by his license to perform the particular dental services he has rendered.

The term "Reasonable and Customary Charge" means the actual fee charged by a Dentist for a service rendered or supply furnished but only to the extent that the fee is reasonable taking into consideration the following:

- (a) the usual fee which the individual Dentist most frequently charges the majority of his patients for a service rendered or a supply furnished;
- (b) the prevailing range of fees charged in the same area by

dentists of similar training and experience for the service rendered or supply furnished; and,

(c) unusual circumstances or complications requiring additional time, skill, and experience in connection with the particular dental service or procedure.

The term "Area" means a metropolitan area, a county or such greater area as is necessary to obtain a representative cross-section of dentists rendering such services or furnishing such supplies.

The term "course of treatment" means a planned program of one or more services or supplies whether rendered by one or more dentists, for the treatment of a dental condition diagnosed by the attending dentist as a result of an oral examination. The course of treatment commences on the date a dentist first renders a service to correct or treat such diagnosed dental condition.

The term "orthodontic treatment" means preventive and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning (except for preventive treatment) of teeth to establish normal occlusion.

The term "ordered" means, in the case of dentures, that impressions have been taken from which the denture will be prepared; and, in the case of fixed bridgework, restorative crowns, inlays, or onlays, that the teeth which will serve as abutments or support or which are being restored have been fully prepared to receive, and impressions have been taken from which will be prepared the bridgework, crowns, inlays, or onlays.

ATTACHMENT D

VISION EXPENSE BENEFITS PROGRAM

I. ENROLLMENT CLASSIFICATIONS

An eligible employee's coverage for Vision Expense Benefits shall include coverage for the employee's spouse and eligible children as they are defined in the Honeywell-UAW National Account Program Hospital Surgical-Medical Expense coverage.

II. DESCRIPTION OF BENEFITS

Vision Expense Benefits will be payable, subject to the conditions herein, if any covered person, while vision expense coverage is in effect with respect to such covered person, incur Covered Vision Expense.

III. DEFINITIONS

As used herein:

(A) "physician" means any licensed doctor of medicine or osteopathy legally qualified to practice medicine and who within the scope of his license performs vision testing examinations and prescribes lenses to improve visual acuity;

(B) "optometrist" means any person licensed to practice optometry in the state in which the service is rendered;

(C) "optician" means any person licensed in the state in which the service is rendered to supply eyeglasses prescribed by a physician or optometrist to improve visual acuity, to grind or mold the lenses or have them ground or molded according to prescription, to fit them into frames and to adjust the frames to fit the face;

(D) "provider" means any of the foregoing;

(E) "participating provider" means a provider that has a written agreement with the prepayment agency or administrator of the Program to provide vision testing examinations, lenses or frames under the Program in accordance with the terms and conditions stated in Section IV(A) hereof and to accept as payment therefor the amounts determined in accordance with Section IV(A);

(F) "reasonable and customary" means the actual amount charged by a provider for a vision testing examination, lenses or frames, but only to the extent that the amount is reasonable and takes into consideration:

(1) the usual amount that the provider most frequently charges the majority of his patients or customers for the vision testing examination, lenses or frames provided;

(2) the prevailing range of charges made in the same area by providers of similar training and experience for the vision testing examination rendered or lenses or frames furnished; and

(3) unusual circumstances or complications requiring additional time, skill and experience in connection with the particular vision testing examination rendered or lenses or frames furnished;

(G) "lenses" means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a physician or optometrist to be fitted into frames;

(H) "contact lenses" means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a

physician or optometrist to be fitted directly to the patient's eyes; these are subject to limitations and exclusions applicable to lenses generally;

(I) "frames" means standard eyeglass frames into which two lenses are fitted;

(J) "covered person" means the eligible employee, the employee's spouse and eligible children;

(K) "covered Vision Expense" means the charges incurred for vision testing examinations, lenses and frames for such lenses as described below, and are either for vision testing examinations, lenses or frames obtained from a participating provider, payable in accordance with Section IV(A), or for vision testing examinations, lenses or frames obtained from a non-participating provider payable in accordance with Section IV(B):

(1) vision testing examination, performed by a physician or optometrist, including a determination as to the need for correction of visual acuity, prescribing lenses, if needed, and confirming the appropriateness of eyeglasses obtained under the prescription. It shall include: history; testing visual acuity; external examination of the eye; binocular measure; ophthalmoscopic examination; tonometry when indicated; medication for dilating the pupils and desensitizing the eyes for tonometry, if applicable; and summary and findings. If an optometrist as a result of his examination recommends that the covered person be examined by an ophthalmologist with respect to a vision problem, and the ophthalmologist's examination occurs within 60 days of the optometrist's examination, both vision examinations are a Covered Vision Expense;

(2) lenses of a quality equal to the first quality lens series manufactured by American Optical, Bausch and Lomb or Univis, such as Tillyer, Orthogon or Univis respectively, which meet Z80.1 or Z80.2 standards of the American National Standards Institute, including equivalent plastic lenses or, when prescribed, tints equal to Rose Tints #1 and #2. Lenses not more than 65 millimeters in diameter will be a Covered Vision Expense under the Program. If lenses are of a quality or size that results in an additional charge, only charges in accordance with Section IV shall be payable;

(3) frames adequate to hold lenses which are a Covered Vision Expense; and

(4) contact lenses when the covered person's visual acuity

cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism, irregular corneal curvature. If selected for other reasons, only the benefit within the limits described in Section IV(A)(4) shall be payable.

(L) "acquisition cost" means the actual cost of the lenses and or frames to the provider;

(M) "dispensing fee" means the actual cost of the lenses and or frames as provided for in this Program.

IV. BENEFITS

(A) From a participating provider, the covered person by paying the balance of the provider's charge may obtain vision testing examinations and lenses and frames which the participating provider shall have agreed to furnish covered persons in accordance with the following arrangements for reimbursement by the prepayment agency or administrator:

(1) for a vision testing examination, the reasonable and customary charge less any co-payment as described in (C) below;

(2) for regular lenses, the acquisition cost of lenses that are described in the first two sentences of Section III(K)(2) less any copayment;

(3) for contact lenses, the acquisition cost of the contact lenses suitable for the covered person, when the covered person's visual acuity cannot otherwise be corrected to at least 20/70 in the better eye, or when medically necessary due to keratoconus, irregular astigmatism or irregular corneal curvature, less any co-payment as described in (C) below;

(4) for contact lenses, except when provided in accordance with (3), above, the acquisition cost of the contact lenses suitable for the covered person, which when combined with the dispensing fees for lenses and frames in (6) below, shall not exceed \$35;

(5) for frames, the acquisition cost up to a maximum acquisition cost of \$40; less any co-payment as described in (C) below; and

(6) for lenses, contact lenses and frames, the dispensing fees for usual services in dispensing such lenses or frames, less any copayment as described in (C) below.

For a vision testing examination, the participating provider shall charge the covered person a \$7 co-payment as described

in (C) below. For lenses and frames provided pursuant to (2), (3) and (5) above, the participating provider may charge the covered person a \$10.00 co-payment as described in (C) below. If a covered person chooses lenses or frames costing more than those provided pursuant to (2), (3), (4), or (5), above, or if he requests unusual services from the provider, the covered person shall pay in addition the full additional charge of the provider.

(B) For Covered Vision Expense incurred from a nonparticipating provider, the Program shall pay (i) 75% of the provider's reasonable and customary charge for covered vision testing examinations after such charge has been reduced by a covered person co-payment of \$7.00 and (ii) for covered lenses and frames the lesser of Covered Vision Expense Benefits as shown in the table below or the provider's charge for such lenses and frames:

	Covered Vision Expense Benefit
• Frames	\$40
• Regular Lenses—Pair ¹	
Single Vision	\$13
Bifocal	\$20
Trifocal	\$24
• Contact Lenses ¹ —In accordance with the first sentence of Section III(K)(4)	\$96
• Contact Lenses other than those covered above ¹	\$35
• Other covered special lenses (e.g., Aphakic, Lenticular and Aspheric) ²	
• Plastic lenses	\$3 plus Covered Vision Expense Benefit provided above for covered lenses.
• Tints equal to Rose Tints #1 and #2	\$ 3
• Prism	\$ 2

¹ The Covered Vision Expense Benefit for single lense shall be equal to one half the applicable amount shown on the table above.

² The lesser of 50% of the provider's charge for the lenses or 75% of the average Covered Vision Expense Benefit paid to participating providers for comparable lenses.

(C) For each covered person incurring Covered Vision Expense under (A) above, there is a \$7.00 co-payment applicable to the Covered Vision Expense for each vision testing examination and a \$10.00 co-payment for the combined Covered Vision Expenses for lenses, contact lenses, and frames. The total co-payment for each such covered person, during any period of 24 consecutive months, will not exceed \$17.00.

V. LIMITATIONS

Frequency: If a covered person has received a vision testing examination, lenses or frames for which benefits were payable under the Program, benefits will be payable for each subsequent vision testing examination, lenses or frames only if received more than 24 months after receipt of the most recent previous vision testing examination, lenses or frames, respectively, for which benefits were payable under the Program. Lenses and frames received under the Company's prescription safety glasses program for which no benefits were received under this Program shall not be considered lenses and frames received under this Program. An employee may utilize duplicate copies of the prescription for which a benefit is paid under this Program to obtain lenses and frames under both the Program and the Company's prescription safety glasses program if he is otherwise eligible under both and complies with the procedures of each.

VI. EXCLUSIONS

Covered Vision Expense does not include and no benefits are payable for:

(A) Sunglasses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV (tinted lenses with a tint other than the equivalent of Rose Tints #1 and #2 are considered to be sunglasses for the purpose of this exclusion);

(B) Photosensitive or anti-reflective lenses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV;

(C) Medical or Surgical treatment;

(D) Drugs or any other medication not administered for the purpose of a vision testing examination;

(E) Procedures determined by the Program prepayment agency or administrator to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids, aniseikonic lenses and tonography;

(F) Vision testing examinations, lenses or frames furnished for

any condition, disease, ailment or injury arising out of and in the course of employment;

(G) Vision testing examinations and lenses or frames ordered;

(1) before the covered person became eligible for coverage; or

(2) after termination of coverage;

(H) Lenses or frames ordered while insured but delivered more than 60 days after coverage terminated;

(I) Charges for vision testing examinations, lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Vision Expense Benefits coverage;

(J) Charges for vision testing examinations, lenses or frames which are not necessary according to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;

(K) Charges for vision testing examinations, lenses or frames which do not meet accepted standards of ophthalmic practice, including charges for any such services or supplies which are experimental in nature;

(L) Charges for vision testing examinations, lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared;

(M) Charges for vision testing examinations, lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body;

(N) Charges for any vision testing examinations, lenses or frames to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;

(O) Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitation set forth in Section V; and

(P) Charges for the completion of any insurance forms.

VII. COORDINATION OF BENEFITS

Coordination of benefits will be administered under the same provisions applicable to Hospital-Surgical-Medical Expense coverage.

VIII. SUBROGATION

In the event of any payment for vision testing examinations, lenses or frames under this Program, the Program prepayment agency or administrator shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

IX. ADMINISTRATIVE MANUAL

Policies, procedures and interpretations to be used in administering the Vision Expense Benefits Program shall be incorporated in an Administrative Manual prepared by the Program prepayment agency and administrator upon review and approval by the Company and the Union.

X. DATA

The Program prepayment agency and administrator annually shall furnish the Company and the Union such information and data as may be mutually agreed upon by the parties with respect to vision expense coverage.

XI. COST AND QUALITY CONTROLS

The Program prepayment agency and administrator will each undertake the following review procedures and mechanisms:

(A) Utilization Review

Analysis of various reports displaying such data as provider/patient profiles, procedure profiles, utilization profiles and Covered Vision Expense Benefits payments summaries to:

- (1) evaluate the patterns of utilization, cost trends and quality of care;
- (2) establish guidelines and norms with respect to profiles

of practice in order to identify providers with either a high or low percentage of prescriptions issued in relation to the number of covered persons examined or other departures from the guidelines; and

(3) establish the percentage of Covered Vision Expense Benefits payments that are paid to participating providers.

(B) Price Reviews

Where possible, price reviews or other audit techniques shall be conducted to examine records, invoices and laboratory facilities and materials and to verify that charges for covered persons are the same as for other patients. These examinations may include patient interviews and clinical evaluations of services received.

(C) Evaluation of Services Received

On a random or selective basis, covered persons who have received services under the program will be selected for subsequent evaluation and examination by consulting providers to ensure that the services reported were actually provided and were performed in accordance with accepted professional standards. Such evaluations may include (1) re-examinations to determine the accuracy of the prescription, (2) the quality of lenses and frames, (3) whether the vision testing examination administered by providers are as comprehensive as contemplated by Section III(K)(1) and (4) other aspects of the services provided.

(D) Survey of Services Received

On a random or selective basis, covered persons who have received services under the Program may be sent a questionnaire to:

- (1) determine the level of satisfaction with respect to these services;
- (2) determine whether services for which Vision Expense Benefits were paid were actually received; and
- (3) determine whether providers recommend unnecessary optional services or supplies; and
- (4) identify other problem areas.

(E) Claims Processing

The Program repayment agency and administrator may conduct audits of claims being processed such as an analysis of patient histories and screening for duplicate payments in addition to the normal eligibility, benefit and charge verifications.

(F) Peer Review

When the Program prepayment agency or administrator or a covered person does not agree with the appropriateness of a charge or service provided under the Program, an appeal procedure involving peer review may be utilized. Peer review may also be used to resolve situations involving providers with aberrant utilization patterns. The Program prepayment agency and administrator will seek to establish peer review where it does not exist.

ATTACHMENT E HEARING AID EXPENSE BENEFITS PROGRAM

I. ENROLLMENT CLASSIFICATIONS

Hearing Aid Expense Benefits coverage for an eligible employee, retiree, or surviving spouse shall include coverage for eligible dependents as they are defined in the Honeywell-UAW National Account Program Hospital-Surgical-Medical Expense coverage.

II. DESCRIPTION OF BENEFITS

Hearing Aid Expense Benefits will be payable, subject to the conditions herein, if any covered person, as defined in Section III (K), while hearing aid expense coverage is in effect with respect to such covered person, incurs covered hearing aid expense.

III. DEFINITIONS

As used herein:

(A) "physician" means a participating otologist or otolaryngologist who is board certified or eligible for certification in his specialty in compliance with standards established by his respective professional sanctioning body, who is a licensed doctor of medicine or osteopathy legally qualified to practice medicine and who, within the scope of his license, performs a medical examination of the ear and determines whether the patient has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid;

(B) "audiologist" means any participating person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association and (3) is qualified in the state in which the service is provided to conduct an audiometric examination and hearing aid evaluation test for the purposes of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. Where a physician performs the foregoing services he shall be deemed an audiologist for purposes of this Program:

(C) "dealer" means any participating person or organization that sells hearing aids prescribed by a physician or audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the state in which the hearing aids are sold;

(D) "provider" means a physician, audiologist or dealer;

(E) "participating" means having a written agreement with the Program carrier pursuant to which services or supplies are provided under this Program;

(F) "reasonable and customary" means the actual amount charged by a physician or audiologist for an audiometric examination and a hearing aid evaluation test, but only to the extent that the amount is reasonable and takes into consideration:

(1) the usual amount that the physician or audiologist most frequently charges the majority of his patients for the audiometric examination and hearing aid evaluation test provided;

(2) the prevailing range of charges made in the same geographic area by physicians or audiologists of similar training and experience for the audiometric examination and hearing aid evaluation test provided; and

(3) unusual circumstances or complications requiring additional time, skill or experience in connection with the particular audiometric examination and hearing aid evaluation test provided.

(G) "hearing aid" means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an earmold, if necessary;

(H) "ear mold" means a device of soft rubber, plastic or a non-allergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient;

(I) "audiometric examination" means a procedure for measuring hearing acuity that includes test relating to air conduction, bone conduction speech reception threshold and speech discrimination;

(J) "hearing aid evaluation test" means a series of subjective and objective tests by which a physician or audiologist determines which make and model of hearing aid will best compensate for the covered person's loss of hearing acuity and which make and model will therefore be prescribed, and shall include one visit by this covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription;

(K) "covered person" means the eligible employee, retiree, surviving spouse, and their eligible dependents;

(L) "dispensing fee" means a fee predetermined by the Program carrier to be paid to a dealer for dispensing hearing aids, including the cost of providing ear molds, under this Program;

(M) "covered hearing aid expense" means the charges incurred for (1) audiometric examinations and hearing aid evaluation tests, to the extent that these charges are reasonable and customary and, in the case of hearing aid evaluation tests, do not exceed \$68 per test, and (2) hearing aid as set forth below:

(a) audiometric examination performed by a physician or audiologist, but only when performed following or in conjunction with the most recent medical examination of the ear by a physician (but not including the medical examination of the ear);

(b) hearing aid evaluation test performed by a physician or audiologist, which may include the trial and testing of various makes and models of hearing aids to determine which make and model will best compensate for the loss of hearing acuity but only when indicated by the most recent audiometric examination; and

(c) hearing aid of the following functional design: in-the-ear, behind-the-ear (including air conduction and bone conduction types) and on-the-body, but only if (i) the hearing aid is prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation ex-

amination and (ii) the hearing aid provided by the dealer is the make and model prescribed by the physician or audiologist and is certified as such by the physician or audiologist;

In order for the charges for services and supplies described in Section III(M)(b) and (c) to be payable as Hearing Aid Expense Benefits under this Program, upon each occasion that a covered person receives such services and supplies the covered person must first obtain a medical examination of the ear by a physician, and such examination or such examination in conjunction with the audiometric examination must result in a determination that a hearing aid would compensate for the loss of hearing acuity.

(N) "acquisition cost" means the actual cost to the dealer of the hearing aid.

IV. BENEFITS

The covered person may obtain audiometric examinations, hearing aid evaluation tests and hearing aids that the provider shall have agreed to furnish covered persons in accordance with the following reimbursement arrangements:

- (A) for an audiometric examination, the reasonable and customary charge;
- (B) for hearing aid evaluation tests, the reasonable and customary charge, but not to exceed \$68;
- (C) for covered hearing aids, the acquisition cost; and
- (D) for hearing aids, the dispensing fees.

If the covered person requests unusual services from the provider, the covered person shall pay the full additional charge therefor.

V. LIMITATIONS

Frequency: If a covered person has received an audiometric examination, a hearing aid evaluation test or a hearing aid for which benefits were payable under the Program, benefits will be payable for each subsequent audiometric examination, hearing aid evaluation test or hearing aid only if received more than 36 months after receipt of the most recent previous audiometric examination, hearing aid evaluation test and hearing aid, respectively, for which benefits were payable under the Program.

VI. EXCLUSIONS

Covered hearing aid expense does not include and no benefits are payable for:

- (A)** Audiometric examinations by an audiologist that are not ordered by a physician;
- (B)** Medical or surgical treatment;
- (C)** Drugs or other medication;
- (D)** Audiometric examinations, hearing aid evaluation tests and hearing aids provided under any applicable Worker's Compensation law;
- (E)** Audiometric examinations and hearing aid evaluation tests performed, and hearing aids ordered:
 - (1)** before the covered person became eligible for coverage; or
 - (2)** after termination of coverage;
- (F)** Hearing aids ordered while covered but delivered more than 60 days after termination of coverage;
- (G)** Charges for audiometric examinations, hearing aid evaluation tests and hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of Hearing Aid Expense Benefits coverage;
- (H)** Charges for audiometric examinations, hearing aid evaluation tests and hearing aids which are not necessary, according to professionally accepted standards of practice, or which are not recommended or approved by the physician;
- (I)** Charges for audiometric examinations, hearing aid evaluation tests and hearing aids that do not meet professionally accepted standards of practice, including charges for any such services or supplies that are experimental in nature;
- (J)** Charges for audiometric examinations, hearing aid evaluation tests and hearing aids received as a result of ear disease, defect or injury due to an act of war, declared or undeclared;
- (K)** Charges for audiometric examinations, hearing aid evaluation tests and hearing aids provided by any governmental agency that are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body;
- (L)** Charges for any audiometric examinations, hearing aid evaluation tests and hearing aids to the extent benefits therefor are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;
- (M)** Replacement of hearing aids that are lost or broken unless

at the time of such replacement the covered person is otherwise eligible under the frequency limitations set forth herein;

(N) Charges for the completion of any insurance forms;

(O) Replacement parts for and repairs of hearing aids;

(P) Persons enrolled in alternative plans; and

(Q) Eyeglass-type hearing aids, to the extent the charge for such hearing aid exceeds the covered hearing aid expense for one hearing aid under Section III(M).

VII. COORDINATION OF BENEFITS

Coordination of benefits will be administered under the same provisions applicable to the Honeywell National Account Program Hospital-Surgical-Medical Expense coverage.

VIII. SUBROGATION

In the event of any payment for audiometric examinations, hearing aid evaluation tests and hearing aids under this Program, the Program carrier shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

IX. ADMINISTRATIVE MANUAL

Hearing Aid Expense Benefits Program policies, procedures and interpretations to be used in administering the Program shall be developed by the Program carrier after review and approval by the Company and the Union.

X. DATA

The Program carrier annually shall furnish the Company and the Union such information and data as mutually may be agreed upon by the parties with respect to hearing aid expense coverage.

XI. COST AND QUALITY CONTROLS

The Program carrier shall undertake appropriate review procedures to assure a high degree of cost and quality control. Where appropriate, such actions may include utilization review, price review, evaluation of services received and peer review.

ATTACHMENT F VISION EXPENSE BENEFITS PROGRAM RETIRED EMPLOYEES

I. ENROLLMENT CLASSIFICATIONS

Vision Expense Benefits coverage for an eligible retiree or surviving spouse shall include coverage for eligible dependents as they are defined in the Honeywell-UAW National Account Program Hospital-Surgical-Medical Expense coverage.

II. DESCRIPTION OF BENEFITS

Vision Expense Benefits will be payable, subject to the conditions herein, if any covered person, while vision expense coverage is in effect with respect to such covered person, incurs Covered Vision Expense.

III. DEFINITIONS

As used herein:

- (A) "physician" means any licensed doctor of medicine or osteopathy legally qualified to practice medicine and who within the scope of his license performs vision testing examinations and prescribes lenses to improve visual acuity;
- (B) "optometrist" means any person licensed to practice optometry in the state in which the service is rendered;
- (C) "provider" means any of the foregoing;
- (D) "lenses" means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a physician or optometrist to be fitted into frames;
- (E) "contact lenses" means ophthalmic corrective lenses, either glass or plastic, ground or molded as prescribed by a physician or optometrist to be fitted directly to the patient's eyes; these are subject to limitations and exclusions applicable to lenses generally;
- (F) "frames" means standard eyeglass frames into which two lenses are fitted;
- (G) "covered person" means the eligible retiree, the retiree's spouse and eligible children;
- (H) "Covered Vision Expense" means the charges incurred for vision testing examinations, lenses and frames for such lenses as described below:
 - (I) vision testing examination, performed by a physician or optometrist, including a determination as to the need for

correction of visual acuity, prescribing lenses, if needed, and confirming the appropriateness of eyeglasses obtained under the prescription. It shall include: history; testing visual acuity; external examination of the eye; binocular measure; ophthalmoscopic examination; tonometry when indicated; medication for dilating the pupils and desensitizing the eyes for tonometry, if applicable; and summary and findings.

(2) lenses of a quality equal to the first quality lens series manufactured by American Optical, Bausch and Lomb or Univis, such as Tillyer, Orthogon or Univis respectively, which meet Z80.1 or Z80.2 standards of the American National Standards Institute, including equivalent plastic lenses or, when prescribed, tints equal to Rose Tints #1 and #2. Lenses not more than 65 millimeters in diameter will be a Covered Vision Expense under the Program. If lenses are of a quality or size that results in an additional charge, only charges in accordance with Section IV shall be payable;

(3) frames adequate to hold lenses which are a Covered Vision Expense; and

(4) contact lenses when the covered person's visual acuity cannot otherwise be corrected to at least 20/40 in the better eye, or when selected for other reasons, within the limits described in Section IV.

IV. BENEFITS

Schedule of Vision Expense Benefits

Service and Supplies	Maximum Benefit During Any Period of 24 Consecutive Months*
1. Vision Testing.....	\$20.00
2. Lenses	
Single Vision (two lenses).....	\$20.00
Bifocal (two lenses).....	30.00
Trifocal (two lenses).....	40.00
Contacts (two lenses).....	30.00
3. Frames.....	14.00

* Benefits will be provided for no more than one vision testing examination, two lenses and one set of frames during any consecutive 24 month period.

4. Coverage is also provided for:

- (1) Aphakic lenses following cataract surgery, and
- (2) Contact lenses if visual acuity is not correctable to 20/40 or better with conventional lenses but can be corrected to 20/40 or better in the better eye by the use of contact lenses, and
- (3) The maximum benefit during the lifetime of an insured family member for aphakic and contact lenses combined will be \$200.

V. LIMITATIONS

(A) **Frequency:** If a covered person has received a vision testing examination, lenses or frames for which benefits were payable under the Program, benefits will be payable for each subsequent vision testing examination, lenses or frames only if received more than 24 months after receipt of the most recent previous vision testing examination, lenses or frames, respectively, for which benefits were payable under the Program.

(B) **Prescription Change Required:** If a covered person has received lenses for which benefits were payable under the Program, no subsequently received lenses may be a Covered Vision Expense unless such lenses differ, by reason of a prescription change, from the most recently received lenses for which benefits were payable under the Program. If a vision testing examination occurs at least 24 months after the most recent previous examination which was covered by the Program, it may qualify as a Covered Vision Expense even though the prescription is not different from the most recent previous prescription. Vision Expenses for the purchase of frames are covered only if lenses are purchased at the same time and are payable under the Plan.

VI. EXCLUSIONS

Covered Vision Expense does not include and no benefits are payable for:

- (A) Sunglasses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV;
- (B) Photosensitive or anti-reflective lenses to the extent the charge for such lenses exceeds the benefit amount for regular lenses as provided in Section IV;
- (C) Medical or Surgical treatment;
- (D) Drugs or any other medication not administered for the purpose of a vision testing examination;

(E) Procedures determined by the Program prepayment agency or administrator to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids, aniseikonic lenses and tonography;

(F) Vision testing examinations, lenses or frames furnished for any condition, disease, ailment or injury arising out of and in the course of employment;

(G) Vision testing examinations and lenses or frames ordered;

(1) before the covered person became eligible for coverage; or

(2) after termination of coverage;

(H) Lenses or frames ordered while insured but delivered more than 60 days after coverage terminated;

(I) Charges for vision testing examinations, lenses or frames for which no charge is made that the covered person is legally obligated to pay or for which no charge would be made in the absence of Vision Expense Benefits coverage;

(J) Charges for vision testing examinations, lenses or frames which are not necessary according to accepted standards of ophthalmic practice, or which are not ordered or prescribed by the attending physician or optometrist;

(K) Charges for vision testing examinations, lenses or frames which do not meet accepted standard of ophthalmic practice, including charges for any such services or supplies which are experimental in nature;

(L) Charges for vision testing examinations, lenses or frames received as a result of eye disease, defect or injury due to an act of war, declared or undeclared;

(M) Charges for vision testing examinations, lenses or frames from any governmental agency which are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body;

(N) Charges for any vision testing examinations, lenses or frames to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof;

(O) Replacement of lenses or frames which are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the frequency limitation set forth in Section V; and

(P) Charges for the completion of any insurance forms .

VII. COORDINATION OF BENEFITS

Coordination of benefits will be administered under the same provisions applicable to Hospital-Surgical-Medical-Drug Expense coverage.

VIII. SUBROGATION

In the event of any payment for vision testing examinations, lenses or frames under this Program, the Program prepayment agency or administrator shall be subrogated to all the covered person's rights of recovery against any person or organization, except against insurers on policies of insurance issued to and in the name of the covered person, and the covered person shall execute and deliver such instruments and papers as may be required and do whatever else is necessary to secure such rights.

**AGREEMENT
REGARDING
SUPPLEMENTAL
UNEMPLOYMENT
BENEFIT PLAN**

**EXHIBIT "C" To Agreement
BETWEEN
DIVISIONS OF
Honeywell International Inc.**

**As Enumerated Herein
and**

**INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)[®]**

EFFECTIVE: May 3, 2003



Printed in U.S.A.

INDEX

	Page
Act of God	9, 39, 41
Accumulated Contingent Liability	42
Administration, Board of (See Board of Administration)	
Administration, Cost of	46
Administration of Plan:	
Appeals on Eligibility Rulings	28
Application for Benefits	26-27
Determination of Eligibility.....	27
Grievance Procedure, Limitation on.....	28
Powers and Authority of Company	30-31
Procedures after Exhaustion of U.C	27
Reports.....	44-46
Administrator and Named Fiduciaries.....	31
Alternate Benefits	48
Amendment of Plan:	
By Company After Termination of Agreement	48
In Order to Obtain Favorable Government Rulings.....	3, 4
Notice to Amend or Modify	2-3
Appeals:	
Of Benefit Rulings Under the Plan.....	28-30
Of State System Unemployment Benefit Rulings.....	10-11
Armed Services, Persons Entering:	
Benefits.....	19
Separation Payments.....	25
Short Term Military Duty Pay	10
Automatic Short Week Benefit:	
Computation of.....	11
Eligibility for	8
Average Benefit Rate.....	37

	Page
Average Full Benefit Rate	37
Benefits:	
Amount of	11
Computation of	11-15
Deduction of Withholding Tax	15
Effect of Insufficient Credit	
Units for Full Benefit on	13
Effect of Low Credit Unit Cancellation	
Base	13-14
"Other Compensation" Deduction for	11-13
Application for	8, 26-27
Duration of	15-16
Effect of Seniority on	17-18
Eligibility for	6-8
Determination of (Initial)	27
Nonalienation of	35
Overpayments, Collection of	14-15
Payment of, in Case of Death or Incapacity	35
Status of Recipient	47
Bereavement Pay; Effect on Eligibility	8
Board of Administration:	
Appeals to	28-30
Composition and Procedure of	32-33
Expenses of	46-47
Liability of	43-44
Power and Authority of	33-34
Company Authority	3-5, 30-32
Conditions to Effectiveness and Continuation of Plan	3-4, 47-49
Continuation and Amendment of Plan	1, 48-49
Contributions, Company	1-2, 39-42
Credit Unit Cancellation Base	38
Effect on Benefit Amount	13-14

	Page
Effect on Benefit Duration.....	15-19
Effect on Company Contributions.....	39-42
Credit Units.....	15-19
Definitions	49-55
Dependents, Determination of.....	34
Eligibility (See Benefits, Eligibility for)	
Funding, Maximum, Maximum Cash (See Maximum Funding)	
Fund Trust (See Trust Fund)	
Guaranteed Annual Income:	
Credit Units.....	19-20
Crediting of.....	19-20
Definition of	20-21
Guarantee Date	20
Jury Duty Pay, Effect on Eligibility.....	8
Liability, Limitations	43-44
Local Committees:	
Appeals to	29
Composition of	34
Maximum Contingent Liability	37-38
Maximum Cash Funding	37
Maximum Funding	36-37
Notice to Modify or Terminate Agreement and Plan	2-3
Obligations During Term of Agreement.....	2
Other Income:	
Causing Ineligibility for Benefits	10
Partial State Unemployment Benefit:	
Effect on Supplemental Benefit.....	13
Penalty for Misrepresentation of Fact	17
Protest of State Unemployment Benefit	
Denial or Payment	10-11
Qualifying Layoff	9-10

	Page
Regular Benefit:	
Amount of.....	11
Eligibility	6-8
Reports.....	44-46
Separation Payment:	
Eligibility for	21-22
Payment of.....	22-25
Reduction of	23-24
Repayment of.....	25
Short Week Benefit (See Automatic Short Week Benefit)	
Short Week Benefit	
Scheduled.....	40-41
Unscheduled	40-41
State System Benefits.....	10-11, 53
Taxes:	
Rulings Required Concerning (Federal Income Tax).....	48
Withholding of, from Benefits.....	15, 24
Withholding of, from Company Contributions....	42
Termination of Agreement.....	2-3
Termination of Plan:	
Because of Unsatisfactory Rulings.....	48-49
Prior to Expiration Date.....	1-2
Use of Assets Upon	48-49
Trustee:	
Expenses of.....	46
Limitations of Liability of	37, 43-44
Notification to.....	28
Selection of.....	36
Trust Fund.....	36, 43
Waiting Week:	
If Second Required by State	6

AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Effective as of the 3rd day of May, 2003, Honeywell International Inc. hereinafter designated as the Company, and the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, UAW, an unincorporated voluntary association, hereinafter designated as the Union, agree as follows:

EXHIBIT "C"

AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 1. Continuation and Amendment of Plan

(a) The Company shall continue to maintain the Supplemental Unemployment Benefit Plan which was attached as Exhibit "C" to the Agreement concerning Supplemental Unemployment Benefit Plan between the parties dated May 3, 2003. In addition, the Plan shall be amended May 3, 2003 or the first Monday following the receipt by the Company of the rulings referred to below in Subsection (a) of Section 5, so that it shall read thereafter as set forth in Exhibit "C", "Supplemental Unemployment Benefit Plan," attached hereto. Thereupon, the provisions of the Plan, as amended, shall be effective with respect to Weeks commencing on or after May 3, 2003, except as otherwise specified in the Plan, as amended.

(b) The Company shall maintain the Plan for the duration of this Agreement, except as otherwise provided in, and subject to the terms of, the Plan.

Section 2. Termination of Plan Prior to Expiration Date

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company's obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of sixty

(60) days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan; if no agreement with respect thereto shall be reached at the end of such period, there shall be a general wage increase in the amount of the basic contribution rate then in effect, but not less than twenty-four cents (24¢) per hour to all hourly-rated employees then in the Contract Unit, applied in the manner provided in the Collective Bargaining Agreement for the application of improvement factor increases, and effective as of the date of such termination.

Section 3. Obligations During Term of Agreement

During the term of this Agreement, neither the company nor the Union shall request any change in, deletion from, or addition to the Plan, or this Agreement; or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement and during such period no change in, deletion from, or addition of any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 4. Term of Agreement; Notice to Modify or Terminate

This Agreement and the Plan shall continue in effect until 6:00 p.m., May 3, 2007. They shall be renewed automatically for successive one-year periods thereafter unless either party shall give written notice to the other at least sixty (60) days prior to May 3, 2007 (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one-year renewal periods shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plan shall be open to modification or amendment on 6:00 p.m., May 3, 2007, or the subsequent anniversary date, as the case may be. If either party shall desire to terminate this Agreement, it may do so on 6:00 p.m., May 3, 2007, or any subsequent anniversary date by giving written notice to the other party at least 60 days prior to the date involved. Anything herein which might be construed to the contrary notwithstanding.

however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to International Union, United Automobile Workers of America, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, Honeywell International Inc., 101 Columbia Road, Morristown, New Jersey 07962, or to such other address as the Company shall furnish to the Union in writing.

Section 5. Governmental Rulings

(a) The amendments to the Plan which are provided for in Section 1 of this Agreement and incorporated in Exhibit "C" hereof shall not be effective prior to receipt by the Company from the United States Internal Revenue Service and United States Department of labor of rulings satisfactory to the Company, holding that such amendments will not have any adverse effect upon the favorable rulings previously received by the Company that; (i) contributions to the Fund established pursuant to the Plan constitute a currently deductible expense under the Internal Revenue Code; (ii) the Fund qualifies for exemption from Federal income tax under Section 501(c) of the Internal Revenue Code; (iii) contributions by the Company to, and Benefits and Separation Payments paid out of, the Fund are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax or Collection of Income Tax at Source of Wages, under Subtitle "C" of the Internal Revenue Code (except as benefits or Separation Payments paid from the Fund are treated as if they were "wages" solely for purposes of Federal income tax withholding as provided in the 1969 Tax Reform Act); and (iv) no part of any such contributions or of any benefits paid are included for purposes of the Fair Labor Standards Act in the regular rate of any Employee provided, however, that if the rulings referred to in this Subsection (a) are unfavorable and are unfavorable because of provisions of the Plan, as amended, regarding Automatic Short Week Benefits, this fact shall not delay the effective date of the other amendments to the Plan.

(b) In the event that any ruling described in Subsection (a) of this Section as to the provisions of the Plan, as amended, regarding Automatic Short Week Benefits is not obtained, or having been obtained shall be revoked or modified so as to be no longer satisfactory to the Company; or in the event that any state, by legislation or by administrative ruling or court decision, in the opinion of

the Company: (i) does not permit Supplementation solely because of the provisions of the Plan, as amended, regarding Automatic Short Week Benefits; or (ii) in determining State System "waiting week" credit or benefits for a Week, fails to treat as wages or remuneration, as defined in the law of the applicable State System the amount of any Automatic Short Week Benefit paid for a Week which has one or more days in common with such State System Week; or (iii) permits an Employee to start a "waiting week" or a benefit week under the law of the State System within a Week for which his Compensated or Available Hours, plus the hours for which an Automatic Short Week Benefit was paid to him, total at least 40; then, but in the latter cases only with respect to Employees in such state:

(1) the Supplemental Unemployment Benefit Plan shall be amended to delete such provisions of the Plan which are the subject of such ruling, legislation, or court decision;

(2) Automatic Short Week Benefits which would have been payable in accordance with such deleted provisions of the Plan shall be provided under a separate plan or plans incorporating as closely as possible the same terms as the deleted provisions;

(3) Automatic Short Week Benefits which may become payable under such separate plan or plans shall be paid by the Company;

(4) the Supplemental Unemployment Benefit Plan shall be further amended to provide that:

(i) the Company contributions required under Section 5 of Article VII shall be reduced by any Automatic Short Week Benefits paid by the Company under such separate plan or plans (other than Benefits for Scheduled Short Workweeks in Pay periods with respect to which the Credit Unit Cancellation Base is less than \$495). If contributions are not required for any period because the total of the market value of the assets in the Fund is equal to or in excess of the Maximum Funding of such Fund, or if the contributions required are less than the Automatic Short Week Benefits to be offset, then any subsequently required contributions shall be reduced by the amounts of Automatic Short Week Benefits not previously offset against contributions, and (ii) the amount of any Automatic Short Week Benefits paid by the Company which could not be offset against contributions in accordance with (i) above shall be deducted from the market value of the assets in the Fund in determining the Credit Unit Cancellation Base as provided

in Section 3 of Article VII of the Plan and the relationship of the Fund to Maximum Funding.

(c) The Company shall apply promptly to the appropriate agencies for the rulings and determination letters described in Subsection (a) of this Section.

(d) Notwithstanding any other provision of this Agreement or of the Plan, the Company, with the consent of the Vice President and Director, UAW-Honeywell Department of the Union, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Subsection (a) of this Section 5 or in Section 2 of Article VIII of the Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Exhibit "C".

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written.

For:

**International Union, United
Automobile, Aerospace and
Agricultural Implement
Workers of America, UAW**

Cal Rapson	Bob Ambrosini
Richard Ruppert	Bruce Eaton
Mary K. Riordan	Glenn Gaines
Tom Bode	Brian DeMarco

For:

Honeywell International Inc.

Edward J. Bocik	Noe Gaytan
Mary S. Johnson	Allen Clarke
Eric J. Warren	Michael Oglensky

ARTICLE I ELIGIBILITY FOR BENEFITS

Section 1. Eligibility for a Regular Benefit

An Employee shall be eligible for a Regular Benefit for any Week beginning on or after May 4, 2003 if, with respect to such Week, he:

(a) was on a qualifying layoff, as described in Section 3 of this Article, for all or part of the Week;

(b) received a State System Benefit not currently under protest by the Company or was ineligible for a State System Benefit only for one or more of the following reasons:

(i) the Week was a second "waiting week" within his benefit year under the State System or was a State System "waiting week" immediately following a Week for which he received a State System Benefit or occurring within less than 52 weeks since his last State System "waiting week,"

(ii) he did not have prior to layoff a sufficient period of employment, or sufficient earnings covered by the State System,

(iii) exhaustion of his State System Benefit Rights,

(iv) the period he worked or because his pay (from the Company or otherwise) for the week equaled or exceeded the amount which disqualifies him for a State System Benefit or "waiting week" credit,

(v) he was serving a "waiting week" of layoff under the State System during a period while he had sufficient Seniority to work in the Plant but was laid off out of line of Seniority in accordance with the terms of the respective Collective Bargaining Agreements, provided that the provision of this Item (v) shall not be applicable to inventory layoff or those temporary layoffs out of line of Seniority attributable to plant rearrangement, machine or line breakdown, shortage or lack of material, excessive scrap or rework, or if the temporary layoff out of line of Seniority was for lack of work due to unanticipated schedule adjustments because of sudden and unexpected cancellation or reduction of a customer order and when the notice of such cancellation or reduction is received in the week preceding the out-of-line-of-Seniority temporary layoff.

(vi) he refused an offer of work by the Company which he had an option to refuse under an applicable Collective Bargaining Agreement or which he could refuse without disqualification

under Section 3(b)(3) of this Article,

(vii) he was receiving pay for military service with respect to a period following his release from active duty therein; or was on active duty, including required military training, in a National Guard, Reserve or similar unit, for a period of not more than two weeks in a calendar year,

(viii) he was entitled to statutory benefits for retirement or disability which he received or could have received while working full time,

(ix) he was on layoff because he was unable to do work offered by the Company while able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority,

(x) he failed to claim a State system benefit if by reason of his pay received or receivable from the Company of the Week such State System Benefit would have amounted to less than Two Dollars (\$2),

(xi) she was denied a State System Benefit solely because of a fixed statutory period relating to unavailability of the employee for work due to pregnancy, or

(xii) he was denied a State System Benefit and it is determined that, under the circumstances, it would be contrary to the intent of the Plan to deny him a Benefit, or

(xiii) because of the circumstances set forth under Section 3(b)(4) of this Article which existed during only part of a week of unemployment under the applicable State System.

(c) has met any registration and reporting requirements of an employment office of the applicable State System, except that this subparagraph shall not apply to an Employee who was ineligible for a State System Benefit or "waiting week" credit for the week only because of the reason specified in Item (iv) of Subsection (b) of this Section (period of work or amount of pay) or the reason specified in Item (x) of Subsection (b) of this Section (failure to claim a State System Benefit which would have amounted to less than Two Dollars) or the reason specified in the second clause of item (vii) of Subsection (b) of this Section (active duty in a National Guard, Reserve or similar unit); and except that this subparagraph shall not apply to an employee otherwise eligible for a Benefit whose failure to report was solely attributable to his death occurring before his reporting date under the State System;

(d) had to his credit a Credit Unit or fraction thereof;

(e) did not receive an unemployment benefit under any contract or program of another employer or under any other "S.U.B." plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he had greater seniority than with the Company in which he had Credit Units which were credited earlier than his oldest Credit Units under the Plan);

(f) was not eligible for an Automatic Short Week Benefit;

(g) qualified for a Benefit of at least Two Dollars (\$2);

(h) failure to exercise the right to bump after a layoff shall not constitute a refusal to accept work as outlined in Item (vi) of Sub-section (b) of Section 1;

(i) has made a benefit application in accordance with procedures established by the Company hereunder.

Section 2. Eligibility for an Automatic Short Week Benefit

(a) An Employee shall be eligible for an Automatic Short Week Benefit for any Workweek beginning on or after May 4, 2003, only if:

(1) during such Workweek he had less than 40 Compensated or Available Hours and;

(i) he performed some work for the Company or,

(ii) for such Workweek he received some jury duty pay or bereavement pay from the Company or,

(iii) for such Workweek, he received only holiday pay from the Company and for the immediately preceding Week, he either received an Automatic Short Week Benefit or had 40 or more Compensated or Available Hours.

(2) he had at least one year seniority as of the last day of such Workweek, and

(3) he was on a qualifying layoff as described in Section 3 of this Article, for some part of such Workweek.

(b) No application for an Automatic Short Week Benefit will be required of an Employee. However, if an Employee believes himself entitled to an Automatic Short Week Benefit for a Week which he does not receive on the date when such Benefits for such Workweek are paid, he may file written application therefor within 60 days in accordance with procedures established by the Company.

(c) An Automatic Short Week Benefit payable for a Week shall be in lieu of any Benefit under the Plan for that Week.

Section 3. Conditions with Respect to Layoff

(a) A layoff for purposes of the Plan includes any layoff resulting from a reduction in force or temporary layoff, including a layoff resulting from the discontinuance of a Plant or an operation and any layoff occurring or continuing because the Employee was unable to do the work offered by the Company although able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority.

(b) An Employee's layoff for all or part of any week shall be deemed qualifying for Plan purposes only if:

(1) such layoff was from the Contract Unit;

(2) such layoff was not for disciplinary reasons and was not a consequence of

(i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action at a Company Plant or Plants, or elsewhere,

(ii) any fault attributable to the Employee,

(iii) any war or hostile act of a foreign power (but not government regulations or controls connected therewith),

(iv) sabotage or insurrection, or

(v) any act of God provided, however, that this subparagraph (v) shall not apply to any Automatic Short Week Benefit or to the first 2 consecutive full weeks of layoff for which a regular benefit is payable in any period of layoff resulting from such cause.

(3) with respect to such Week the Employee has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the Company of other suitable available work at the same Plant or another Plant in the same labor market area (as defined by the State Employment Security Commission of the state in which the Plant from which he was laid off is located). Standards to be used in determining the suitability of available work offered by the Company will be developed by Agreement between the Company and the Union, giving recognition to practices adopted by other companies in the automotive and aviation components industries having substantially similar seniority provisions. In the event the Company and the Union fail to establish the standards called for above, the Board of Administration shall, upon appeal, determine the matter of suitability in individual cases;

(4) with respect to such Week, the Employee was not eligible for and was not claiming:

(i) any statutory or Company accident or sickness or any other disability benefit (except a benefit which he received or could have received while working full time); or

(ii) any Company pension or retirement benefit except those employees who are eligible to receive a minimum distribution pension benefit after age 70-1/2 according to the provisions of the Tax Reform Act of 1986, providing the employee has seniority, is employed in a plant covered by the Master Agreement, and otherwise meets the eligibility requirements of this Plan;

(5) with respect to such Week the Employee was not in military service (other than active duty, including required military training, in a National Guard, Reserve or similar unit for a period of not more than two weeks in a calendar year) or on a military leave.

(c) If an Employee is on active duty, including required military training, in a National Guard, Reserve or similar unit for a period of not more than two weeks in a calendar year and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period and would be on a qualifying layoff but for such active duty, he will be deemed to be on a qualifying layoff period.

(d) If an Employee is ineligible for a Benefit by reason of Subsection (b)(2) or Subsection (b)(4) of this Section with respect to some but not all of his regular work days in a Week, and he is otherwise eligible for a Benefit, he shall be entitled to a reduced Benefit payment, as provided in Section 1(b) of Article II.

Section 4. Disputed Claims for State System Benefits

(a) With respect to any Week for which an Employee has applied for a Benefit and for which he:

(1) has been denied a State System Benefit, and the denial is being protested by the Employee through the procedure provided therefor under the State System, or

(2) has received a State System Benefit, payment of which is being protested by the Company through the procedure provided therefor under the State System and such protest has not, upon appeal, been held by the Board to be frivolous and the Employee is eligible to receive a Benefit under the Plan except

for such denial or protest, the payment of such Benefit shall be suspended until such dispute shall have been determined;

(b) If the dispute shall be finally determined in favor of the Employee, the Benefit shall be paid to him if he had not exhausted Credit Units subsequent to the week to which the State System Benefit in dispute is applicable.

ARTICLE II AMOUNT OF BENEFITS

Section 1. Regular Benefits

(a) The Regular Benefit payable to an eligible Employee for any Week shall be an amount which, when added to his State Benefit and Other Compensation, will equal 95% of his Weekly After-Tax Pay, minus \$12.50 to take into account work-related expenses not incurred; provided, however that such Benefit shall not exceed \$90 plus \$1.50 for each of not more than 4 Dependents for any Week (i) with respect to which the Employee is not receiving State System Benefits, or (ii) which follows receipt by the Employee of 26 weeks of Regular Benefits in any one benefit year under the State System.

(b) An otherwise eligible Employee entitled to a Benefit reduced because of ineligibility with respect to part of the Week, as provided in Section 3(d) or Article I (reason for layoff or eligibility for a disability, pension or retirement benefit), will receive one-fifth of a Regular Benefit compute under Subsection (a) of this Section for each work day of the Week in which he is otherwise eligible.

Section 2. Automatic Short Week Benefit

(a) The Automatic Short Week Benefit payable to an eligible Employee for any Week beginning on or after May 4, 2003, shall be an amount equal to the product of the number by which 40 exceeds his Compensated or Available Hours, computed to the nearest tenth of an hour, multiplied by: 80% of his Base Hourly Rate, but excluding all other premiums and bonuses of any kind.

Section 3. State Benefit and Other Compensation

(a) An Employee's State Benefit and Other Compensation for a Week means:

(1) The amount of State System Benefit received or receivable by the Employee for the Week, plus

(2) All pay received or receivable by the Employee from the Company (including holiday pay and payments in lieu of vacation) and the amount of any pay which could have been earned, computed as if payable, for hours made available by the Company but not worked, after reasonable notice has been given to the Employee, for such Week; provided, however, that if the hours made available but not worked are hours which the Employee had an option to refuse under the Collective Bargaining Agreement, or which he could refuse without disqualification under Section 3(b)(3) of Article I, such hours shall not be considered as hours made available by the Company; and provided further, that if wages or remuneration or any military pay are received or receivable by the Employee from employers other than the Company and are applicable to the same period as hours made available by the Company but not worked, only the greater of (a) such wages or remuneration or military pay in excess of \$10 from other employers or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided, further, that all of the pay received or receivable by the Employee for a shift which extends through midnight, shall be allocated,

(i) to the day on which the shift started if he was on layoff with respect to the corresponding shift on the following day,

(ii) to the day on which the shift ended if he was on layoff with respect to the corresponding shift on the preceding day, and

(iii) according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and in any event, the maximum regular benefit shall be modified, to any extent necessary so that the Employee's Benefit will be increased to offset any reduction in his State System Benefit which may have resulted solely from the State Systems' allocation of his earnings for such shift otherwise than as specified in this subparagraph; plus

(3) All wages or remuneration, as defined under the law of the applicable State System, in excess of \$10 received or receivable from other employers for such Week, excluding such wages or remuneration which were considered in the calculation under Subsection (a)(2) of this Section, plus

(4) The amount of all other benefits in the nature of compensa-

tion or benefits for unemployment received or receivable under any State or Federal System (such as, for example, the so-called re-adjustment allowances which were payable under federal law to veterans of World War II) for such week; plus

(5) the amount of all military pay in excess of \$10 received or receivable for such Week, excluding such military pay which was considered in the calculation under Subsection (a)(2) of this Section.

(b) If the State System Benefit actually received by an Employee for a State Week shall be for less, or more, than a full State Week (for reasons other than the Employee's receipt of wages or remuneration for such State Week):

(1) because he has been disqualified or otherwise determined ineligible for a portion of his State System Benefit for reasons other than those set forth in Section 1(b) of Article I,

(2) because the applicable State Week includes 1 or more "waiting period effective days", or

(3) because of an underpayment or overpayment of a previous State System Benefit,

The amount of the State System Benefit to which he otherwise would have been entitled for such State Week shall be used in the calculation of "State Benefit and Other Compensation" for such State Week.

(c) If the State System Benefit applies to a period of less than 7 days due to commencement or termination of unemployment other than on the first or last day of the normally applicable State Week, the period of the normally applicable State Week will be used in calculating State Benefit and Other Compensation for such State Week.

Section 4. Insufficient Credit Units for a Full Benefit

If an Employee has to his credit less than the full number of Credit Units required to be cancelled for the payment of a Benefit for which he is otherwise eligible he shall be paid the full amount of such Benefit and all remaining Credit Units or fractions thereof to his credit shall be cancelled.

Section 5. Effect of Low Credit Unit Cancellation Base

Notwithstanding any other provisions of the Plan: (a) If the CUCB for any Week shall be \$18.00 or more but less than \$58.50,

any Benefit for such Week (other than Automatic Short Week Benefit for a Scheduled Short Work Week) shall be reduced by 20%, but in no event less than \$5.00 by reason of such reduction. During any Week in which the CUCB is \$18.00 or more but less than \$58.50, the 20% reduction in Benefits will apply to an Employee with less than 20 years of Seniority as of the last day of the Week for which such Benefit is paid.

(b) No Benefit (other than an Automatic Short Week Benefit for a Scheduled Short Work Week) shall be paid if:

The CUCB Applicable To The Week Is Less Than:	And As Of The Last Day Of Such Week His Seniority Is:
\$139.50	1 to 10 years
58.50	10 to 15 years
18.00	15 years and over

Section 6. Benefit Overpayments

(a) If the Company or the Board determines that any Benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, (as the result of a subsequent disqualification for State System Benefits or otherwise) written notice thereof shall be mailed to the Employees receiving such Benefit(s), and shall return the amount of overpayment to the Trustee or Company which ever is applicable; provided, however, that no repayment shall be required if the cumulative overpayment is \$3.00 or less or if notice has not been given within 120 days from the date the overpayment was established or created, or within 120 days from the date the check is issued if the overpayment resulted from a Corporation error, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.

(b) If the Employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of overpayment by making a deduction from any future Benefits (not to exceed \$20 from any one Benefit, except in cases of fraud or willful misrepresentation) or Separation Payment otherwise payable to the Employee, or by requesting the Company to make a deduction from compensation payable by the Company to the Employee (not to exceed \$30 from any one paycheck except in cases of fraud or willful misrepresentation) or both. The Company is authorized to make such deduction from the Employee's compensation and to pay the amount deducted to the Trustee.

(c) If the Company determines that an Employee has received an

Automatic Short Week Benefit for any Week for which he has received a State System Benefit, the amount of such Automatic Short Week Benefit, or a portion of such Benefit, whichever is less, shall be treated as an overpayment and deducted in accordance with this Section from future Benefits or Compensation payable by the Company.

Section 7. Withholding Tax

The Trustee or the Company shall deduct from the amount of any Benefit (or Separation Payment) any amount required to be withheld by the Trustee or the Company by reason of any law or regulation for payment of taxes or otherwise to any federal, state or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Trustee or the Company shall be entitled to rely on the official form filed by the Employee with the Company for purposes of income tax withholding on regular wages.

Section 8. Deduction of Union Dues

The Trustee, upon authorization from an Employee, and during any period while there is in effect an agreement between the Company and the Union concerning the maintaining of the Plan, shall deduct monthly Union dues from Regular Benefits paid under the Plan and pay such sums directly to the Union in his behalf

ARTICLE III CREDIT UNITS AND DURATION OF BENEFITS

Section 1. General

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of Benefits.

Section 2. Accrual of Credit Units

(a) Credit Units shall be credited at the rate of one-half (.50) of a Credit Unit for each Workweek for which (i) the Employee receives any pay from the Company and, (ii) does not receive pay from the Company but for which he receives a Leveling Week Benefit.

(b) For the purpose of accruing Credit Units under this Section:

- (1) All hours represented by pay in lieu of vacation shall be

counted as hours in the Workweek covered by the pay day as of which payment in lieu of which vacation was made, and;

(2) Back pay shall be considered as pay for any Workweek or Workweeks to which it may be allocable.

(c) No Employee may have to his credit in the aggregate at any one time more than 52 Credit Units, except that an Employee who is at work on or after April 30, 1983 and has 10 or more years of seniority may have to his credit in the aggregate at any one time no more than 104 Credit Units.

(d) No Employee shall be credited with any Credit Unit prior to the first day as of which he (i) has at least one year of Seniority and (ii) is on the Active Employment Rolls in the Contract Unit (or was on such rolls within 30 days prior to such first day), is absent from work on (or was absent from work within 30 days prior to) such first day solely because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence is receiving Workers' Compensation while on Company-approved leave of absence. As of such day he shall be credited with Credit Units based upon his Workweeks occurring while he is an Employee.

(e) An Employee who has Credit Units as of the last day of a Week shall be deemed to have had them during all of such Week.

(f) At such time as the amount of any Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore cancelled with respect to such overpayment of Benefits shall be restored to the Employee, except to the extent of the number of Guaranteed Annual Income Credit Units which have been credited to such Employee between the date of such overpayment and the date of such repayment and which would not have been credited had the Credit Units been restored at the time such Guaranteed Annual Income Credit Units were credited to him, and except to the extent that such restoration would raise the number of his Credit Units at the time thereof above the applicable number under Subsection (c) of this Section 2, and except as otherwise provided with respect to Credit Unit forfeiture under Section 3 of this Article.

Section 3. Forfeiture of Credit Units

(a) An Employee shall forfeit permanently all Credit Units with which he shall have been credited and with respect to subsections (1) and (3) only of this Section 3(a) shall be ineligible to be credited with Guaranteed Annual Income Credit Units on the next succeeding Guarantee Date or other date of eligibility, if he:

(1) shall incur a break in Seniority, provided, however, that if an Employee has incurred a break in Seniority by reason of his retirement under the Total and Permanent Disability Provision of the Retirement Plan established by agreement between the Company and the Union and shall subsequently have his Seniority reinstated, his Credit Units previously forfeited shall again be credited to him as of the date his Seniority is reinstated and as of such date he shall again become eligible to have Guaranteed Annual Income Credit Units credited to him;

(2) is on layoff from the Company for a continuous period of 24 months, (36 months in the case of an Employee who is at work on or after April 30, 1983 and has 10 or more years of Seniority as of his last day worked prior to layoff) except that if at the expiration of such applicable month period he is receiving Benefits his Credit Units shall not be forfeited until he ceases to receive Benefits, or

(3) willfully misrepresents any material fact in connection with an application by him for Benefits under the Plan.

Section 4. Credit Unit Cancellation on Payment of Benefits

(a) The number of Credit Units to be cancelled for any Benefit shall be determined in accordance with the following Table:

TABLE A

And as of the Last Day of the Week for which such Benefit is paid to the Employee, his Seniority is:

If the CUCB applicable to the week for which a Benefit is paid is:	The Credit Units cancelled for such benefit shall be:				
	1 to 5 Years	5 to 10 Years	10 to 15 Years	15 to 20 Years	20 to 25 Years and Over
\$504.00 or over.....	1.00	1.00	1.00	1.00	1.00
463.50 — 503.99.....	1.11	1.00	1.00	1.00	1.00
423.00 — 463.49.....	1.25	1.11	1.00	1.00	1.00
382.50 — 422.99.....	1.43	1.25	1.11	1.00	1.00
342.00 — 382.49.....	1.67	1.43	1.25	1.11	1.00
301.50 — 341.99.....	2.00	1.67	1.43	1.25	1.11
261.00 — 301.49.....	2.50	2.00	1.67	1.43	1.25
220.50 — 260.99.....	3.33	2.50	2.00	1.67	1.43
180.00 — 220.49.....	5.00	3.33	2.50	2.00	1.67
139.50 — 179.99.....	10.00	5.00	3.33	2.50	2.00
99.00 — 139.49.....	No Benefit	No Benefit	3.33	2.50	2.00
58.50 — 98.99.....	Payable	Payable	3.33	2.50	2.00
18.00 — 58.40.....	No Benefit Payable	No Benefit Payable	No Benefit Payable	2.50	2.00
Under 18.00.....	No Benefit Payable	No Benefit Payable	No Benefit Payable	No Benefit Payable	No Benefit Payable

(b) Provided, however, that no Credit Units shall be cancelled when an Employee receives a Leveling Week Benefit, or an Automatic Short Week Benefit.

(c) If an Employee receives a reinstated Weekly Benefit for Accident and Sickness Disability during layoff under Part II, Section C-5 of the Insurance Program with respect to any Week, there shall be cancelled the number of Credit Units which would have been cancelled if he had received a Regular Benefit for such Week. If an Employee receives such reinstated Weekly Benefit for Accident and Sickness Disability for a portion of a Week, and

does not receive a Regular Benefit with respect to any part of such Week, only one-half the number of such Credit Units shall be cancelled for the reinstated Weekly Benefit for Accident and Sickness Disability. If an Employee receives a reinstated Weekly Benefit for Accident and Sickness Disability for a portion of a Week and also receives a Regular Benefit under Article I, Section 3(d) for such Week, no Credit Units will be cancelled for the reinstated Weekly Benefit For Accident and Sickness Disability.

Section 5. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall while in such service be deemed, for the purposes of this Plan, to be on leave of absence and shall not be entitled to any benefit, and all Credit Units credited to the Employee at the time of his entry to such service shall be credited to him upon his reinstatement as an Employee. This Section shall not affect the payment of Benefits to, or the cancellation of Credit Units of any Employee deemed to be on qualifying layoff because of the provisions of Section 3(c) of Article I.

ARTICLE III-A GUARANTEED ANNUAL INCOME CREDIT UNITS

Section 1. Crediting of Guaranteed Annual Income Credit Units

(a) An Employee who is on the Active Employment Rolls in the Contract Unit and has at least one year of seniority on a Guarantee Date (as defined in Section 2 of this Article) shall be credited as of the day following such Guarantee Date with the number of Guaranteed Annual Income Credit Units (as defined in Section 3 of this Article), if any, determined by:

- (1) subtracting from 52 (104 in the case of an Employee who is at work on or after April 30, 1983 and has 10 or more years of seniority) the number of Credit Units to his credit on the Guarantee Date; and
- (2) multiplying the resulting number by the applicable percentage set forth in the following table:

Years of Seniority on the Guarantee Date	Applicable Percentage
1 but less than 2	25%
2 but less than 4	50%
4 but less than 7	75%
7 and over	100%

(b) If Guaranteed Annual Income Credit Units were not credited to an Employee on a Guarantee Date solely because he did not then have at least one year of Seniority or was not then on the Active Employment Rolls in the Contract Unit, but on any day within the 52 Pay Periods following such Employee has at least one year of Seniority and is then on the Active Employment in the Contract Unit, he shall be entitled to be credited with Guaranteed Annual Income Credit Units as of the day following the end of the first Pay Period in which he meets such requirements. The number of *Guaranteed Annual Income Credits*, if any, to be credited to such Employee shall be the number determined by:

(1) subtracting from 52 (104 in the case of an Employee who is at work on or after April 30, 1983 and has 10 or more years of seniority) the number of Pay Periods between the preceding Guarantee Date and the last day of such Pay Period; and

(2) subtracting from the resulting number the number of Credit Units to the Employee's credit on such last day; and

(3) multiplying that resulting number by the percentage in the table in Subsection (a) (2) of this Section, applicable to the Employee's Seniority on the preceding Guarantee Date (or the date subsequent thereto on which he acquired one year of Seniority).

(c) With respect to Paragraphs (a) and (b) of this Section 1, an Employee who reports for work at the expiration of a medical leave of absence and for whom there is no work available in line with his seniority and who is then placed on layoff status shall be deemed to be on the Active Employment Rolls.

Section 2. Guarantee Date

The term Guarantee Date shall mean the third Sunday in January of each year.

Section 3. Guaranteed Annual Income Credit Unit

A Guaranteed Annual Income Credit Unit shall be deemed in all respects for all purposes the same as a Credit Unit credited pur-

suant to Article III, except that Guaranteed Annual Income Credits shall be credited only pursuant to the provisions of this Article.

ARTICLE IV SEPARATION PAYMENT

Section 1. Eligibility

An Employee shall be eligible for a Separation Payment if:

(a) on or after October 1, 1958, he:

(1) has been on layoff from the Company for a continuous period of at least 12 months (or any shorter period determined by the Company) and such layoff if not the result of any circumstances or conditions set forth in Section 3(b) (2) of Article I; provided, however, that an Employee shall be deemed to have been on layoff, he accepts an offer of work by the Company and subsequently is laid off again within five (5) work days from the date he was reinstated;

(2) was actively at work on or after October 1, 1958, and having become totally and permanently disabled on or after such date and has been found eligible in all respects by the Board of Administration under the Retirement Plan (established by Agreement between the Company and the Union) for a "disability retirement benefit" under Section 2 of Article IV of said Retirement Plan except that he does not have the requisite years of credited service;

(3) has had a combination of such layoff period and disability period which combined period is continuous through the date on which application for a Separation Payment is received by the Company.

(b) with respect to a Separation Payment made on or after January 1, 1965, he had one or more years Seniority on the last day on which he was on the Active Employment Rolls, and such Seniority has not been broken on or prior to the earliest date on which he can make application;

(c) he has not refused an offer of work pursuant to any of the conditions set forth in Subsection 3(b)(3) of Article I on or after the last day he worked in the Contract Unit and prior to the earliest date on which he can make application;

(d) he has made application for a Separation Payment within 24

months from the commencement date of his Separation Period provided that in the case of layoff no application may be made prior to 12 continuous months of layoff from the Company (or any shorter period determined by the Company); and provided further that no application for a Separation Payment may be made after April 21, 1974;

(e) his application is received by the Company during a pay Period for which the CUCB is equal to or in excess of \$58.50: provided, however, that applications of otherwise eligible Employees received during a Pay Period for which the CUCB is less than \$58.50 shall become payable in order of dates of receipt by the Company but only during the period of time when the CUCB is equal to or in excess of \$58.50. When the CUCB becomes equal to or in excess of \$58.50, such Separation Payments shall have priority of payment over any other applications for Separation Payments; and if in the opinion of the Board the assets in the Trust Fund are or may become insufficient to pay Benefits and Separation Payments with respect to all applications then on file, the Company may take such action as it deems appropriate, including deferral of payment of Benefits otherwise payable to facilitate the priority of payment of Separation Payments over Benefits. The amount of any Separation Payment or Benefits, or both, deferred in payment shall be deducted, for the purpose of calculating the CUCB, from the assets in the Fund. Nothing in this Subsection (e) shall be construed to alter in any respect the provisions of Section 6 of Article VII with respect to liabilities under the Plan.

Section 2. Payment

(a) A Separation Payment shall be payable in a lump sum.

(b) Determination of Amount:

(1) Except as provided in Paragraphs (2), (3), (4) and (5) of this Subsection (b) the Separation Payment shall be an amount determined by multiplying:

(i) the Employee's Base Hourly Rate (plus any applicable Cost-of-Living Allowance in effect on the last day he worked in the Contract Unit but excluding all other premiums and bonuses of any kind) by

(ii) the applicable Number of Hour's Pay as shown in the following table:

SEPARATION PAYMENT TABLE

Years of Seniority on Last Day on the Active Employment Rolls	Number of Hours' Pay
1 but less than 2	50
2 but less than 3	70
3 but less than 4	100
4 but less than 5	135
5 but less than 6	170
6 but less than 7	210
7 but less than 8	255
8 but less than 9	300
9 but less than 10.....	350
10 but less than 11.....	400
11 but less than 12.....	455
12 but less than 13.....	510
13 but less than 14.....	570
14 but less than 15.....	630
15 but less than 16.....	700
16 but less than 17.....	770
17 but less than 18.....	840
18 but less than 19.....	920
19 but less than 20.....	1000
20 but less than 21.....	1085
21 but less than 22.....	1170
22 but less than 23.....	1260
23 but less than 24.....	1355
24 but less than 25.....	1455
25 but less than 26.....	1560
26 but less than 27.....	1665
27 but less than 28.....	1770
28 but less than 29.....	1875
29 but less than 30.....	1980
30 and over	2080

(2) if the Credit Union Cancellation Base as of the date application is received by the Company is below \$225.00, the amount of such Separation Payment shall be reduced by 1% for each full \$2.25 by which the Credit Unit Cancellation base is less than \$225.00 as of such date; provided, however, that respect to Separation Payments deferred under Section 1(e) of this Article because the CUCB is less than \$58.50, the Credit

Unit Cancellation Base in effect as of the date the draft in payment of the Separation Payment is issued shall be used in the above computation in lieu of such Credit Unit Cancellation Base on the date the application was received.

(3) The amount of a Separation Payment as initially computed shall be reduced by:

(i) the amount of any benefits paid or payable to an Employee with respect to a Week occurrence after the last day he worked in the Contract Unit;

(ii) the amount of any payment, financed in whole or in part by the Company, received or receivable on or after the last day, the Employee worked in the Contract Unit, with respect to any layoff for Separation from the Company (other than a State System Benefit or a benefit payable under the Federal Social Security Act);

(iii) any amount required to be withheld by the Trustee or the Company by reason of any law regulation for payment of taxes or otherwise, to any federal, state or municipal government.;

(iv) if the Employee is eligible to receive a monthly pension benefit other than a deferred vested pension under any Company plan or program then in effect, the amount of the cumulative pension benefits that would be payable, and fifty percent (50%) of any Social Security old age or disability benefit that would be payable, assuming the maximum Social Security benefit level currently in effect, for the life expectancy of the Employee as determined actuarially.

(4) If an applicant has been paid a prior Separation Payment and thereafter was reemployed by the Company within 3 years from the last day he worked in the Contract Unit, (i) years of Seniority for purposes of determining the amount of his current Separation Payment shall mean the sum of the Years of Seniority used to determine the amount of his prior Separation Payment and the number of Years of Seniority acquired by him after he was rehired, and (ii) there shall be subtracted, from the Number of Hours' Pay based on his years of Seniority determined as provided in clause (i) above, the Number of Hours' Pay used to calculate his prior Separation Payment.

(5) Any contrary provision of the Plan notwithstanding, in the case of an Employee whose last day on the Active Employment Rolls is on or after April 22, 1974, or in case of any other

Employee who shall not have applied for a Separation Payment prior to April 22, 1974, the amount of Separation Payment shall be zero.

Section 3. Effect of Separation Payment on Seniority

An Employee who is issued and accepts a Separation Payment shall cease to be an Employee and his Seniority shall be deemed to have been broken as of the date his application for the Separation Payment was received by the Company.

Section 4. Overpayments

If the Company or the Board determines after the issuance of a Separation Payment that the Separation Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee and he shall return the amount of the overpayment to the Trustee.

Section 5. Repayment

If an Employee is again employed by the Company after he has received a Separation Payment, no repayment (except as provided in Section 4 of this Article) by him of such Separation Payment shall be required or allowed and no Seniority cancelled in connection with such Separation Payment shall be reinstated.

Section 6. Notice of Application Time Limits

The Company shall provide written notice of the time limit for filing a Separation Payment application to all who may be eligible for such Payment. Such notice shall be mailed to the person's last known address according to the Company's records not later than 30 days prior to both the earliest and latest dates as of which he may apply pursuant to the provisions of Section 1(d) of this Article.

Section 7. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall, while in such service, be deemed for the purposes of the Plan to be on leave of absence and shall not be entitled to any Separation Payment.

**ARTICLE V
APPLICATION, DETERMINATION OF
ELIGIBILITY, AND APPEAL
PROCEDURES FOR BENEFITS
AND SEPARATION
PAYMENTS**

Section 1. Applications

(a) Filing of Applications

An application for a Benefit or Separation Payment may be filed either in person or by mail in accordance with procedures established by the Company. Under such procedures an Employee applying for a Benefit shall be required to appear personally at the Company location from which he was last laid-off to register as an applicant and to supply needed information at the time of, or prior to making his first application following layoff. Under such procedures, an Employee may also be required to appear personally at the Company location from which he was last laid-off at the time of, or prior to, the filing of his application for the first week following the exhaustion of his State System Benefit rights and at reasonable intervals thereafter; and at any such appearance, the Company may require the Employee to discuss his employment status. No application for a Weekly Supplemental Benefit shall be accepted unless it was submitted to the Company within 60 calendar days after the end of the week with respect to which it is made; provided, however, that if the amount of the Employee's State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Benefit or a Benefit in a greater amount than that previously paid, he may apply within 60 calendar days after the date on which such basis for eligibility is established.

(b) Application Information

Applications filed for Benefit or Separation Payment under the Plan will include:

- (1) in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, dependents and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Benefit or Separation Payment and the amount thereof;

(2) with respect to a Regular Benefit, the exhibition of the Employee's State System Benefit check or other evidence satisfactory to the Company of either

(i) his receipt of or entitlement to a State System Benefit, or

(ii) his ineligibility for a State System Benefit only for one or more of the reasons specified in Section 1(b) of Article I; provided however, that in the case of State System Benefit ineligibility by reason of the period worked in the Week or pay received from the Company or otherwise (Item (iv) of Section 1(b) of Article I), State System evidence for such reason of ineligibility shall not be required.

State System Benefits shall be presumed to have been received by the Employee on the date of the check as set forth on the check or on the satisfactory evidence referred to in the preceding paragraph.

(c) When an Employee files an application for a Benefit for a Week following the exhaustion of his State System Benefit rights, he shall be required to provide:

(1) a statement in writing as to whether he has refused any available work or a referral to any available work and, if so, the reasons for such refusal.

(2) if the Company has referred the Employee to available work, for the Company or for another employer, which he is able to do, a statement that he has applied for such work but has not been employed or the reason why he did not apply; and

(3) at the request of the Company, his Social Security record statement or other evidence satisfactory to the Company with respect to his receipt of wages or other remuneration.

Section 2. Determination of Eligibility

(a) Application Processing by Company

When an application is filed for a Benefit or Separation Payment under the Plan and the Company is furnished with the evidence and information required, the Company shall determine the Employee's entitlement to a Benefit or Separation Payment. The Company shall advise the Employee of the number of Credit Units cancelled for each Benefit Payment and the number of Credit Units remaining to his credit after such payment.

(b) Notification to Trustee to Pay

If the Company determines that a Benefit or a Separation Payment is payable, it shall deliver prompt written notice to the Trustee to pay such Benefit or Separation Payment.

(c) Notice of Denial of Benefits or Separation Payment

If the Company determines that an Employee is not entitled to a Benefit or to a Separation Payment, it shall notify him promptly, in writing of such determination including the reason therefor.

(d) Union Copies of Company Determinations

The Company shall furnish promptly to the Union member of the Local Committee copies of all applications for Separation Payments and all Company determinations of Benefit or Separation Payment ineligibility or overpayment.

Section 3. Appeals

(a) Applicability of Appeals Procedure

- (1) The appeals procedure set forth in this Section may be employed only for the purposes specified in this Section
- (2) No question involving the interpretation or application of the Plan shall be subject to the Grievance Procedure provided for in the Collective Bargaining Agreement.
- (3) This appeal procedure shall not be used to protest a denial of a State System Unemployment Benefit or to determine whether or not a benefit should have been paid under a State System.

(b) Procedure for Appeals

(1) First Stage Appeals

(i) An Employee may appeal from the Company's written determination (other than determinations made in connection with Section 1(b)(xii) of Article I) with respect to the payment or denial of a Benefit or a Separation Payment by filing a written appeal with the Local Committee on a form provided for that purpose.

If there is no Local Committee at any Plant because of a discontinuance of such Plant, the appeal may be filed directly with the Board. Appeals concerning determinations made in connection with Section 1(b)(xii) of Article I shall be made directly to the Board.

(ii) The appeal shall be filed with the designated Company representative within 30 days following the date of mailing

of the determination appealed. If the appeal is mailed, the date of the filing shall be the postmarked date of appeal. No appeal will be valid after the 30-day period.

(iii) The Local Committee shall advise the Employee, in writing, of its resolution of, or failure to resolve his appeal. If the appeal is not resolved within 10 days after the date thereof (or such extended time as may be agreed upon by the Local Committee), the Employee, or any 2 members of the Local Committee, at the request of the Employee, may refer the matter to the Board for Disposition.

(2) Appeals to the Board

(i) An appeal to the Board shall be considered filed with the designated Company representative for the Plant at which the first stage appeal was considered by the Local Committee.

(ii) Appeals shall be in writing, shall specify the respect in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from.

(iii) Appeals by the Local Committee to the Board with respect to Benefits or Separation Payments shall be made within 20 days following the date the appeal is first considered at a meeting of the Local Committee, plus such extension of time as the Local Committee shall have agreed upon. Appeals by the Employee to the Board with respect to Benefits or Separation Payments shall be made within 30 days following the date the notice of the Local Committee's decision is given or mailed to the Employee. If the appeal is mailed, the date of the filing shall be the post-marked date of the appeal.

(iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. Such regulations and procedures shall provide that in situations where a number of Employees have filed applications for Benefits or Separation Benefits under substantially identical conditions, an appeal may be made from the Local Committee to the Board with respect to one of such Employees, and the decision of the Board thereof shall apply to all such Employees.

(v) The Employee, the Local Committee or the Union Members of the Board may withdraw any appeal to the

Board at any time before it is decided by the Board.

(vi) There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the Employee, the Trustee, and the Company. The Union will discourage any attempt of its members to appeal and will not encourage or cooperate with any of its members in any appeal, to any Court or Labor Board from a decision of the Board, nor will the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.

(vii) The Local Committee shall be advised, in writing, by the Board of the disposition of any appeal previously considered by the Local Committee, and referred to the Board. A copy of such disposition shall be forwarded to the Employee by the Local Committee.

(c) Benefits Payable After Appeal

In the event that an appeal with respect to entitlement to a Benefit is decided in favor of the Employee, the Benefit shall be paid to him, provided, however, that if such Benefit requires Credit Unit Cancellation, the Benefit shall be paid only if he did not exhaust Credit Units after the Week of the Benefit in dispute.

(d) With respect to the appeal provisions set forth under this Section 3 only if he did not exhaust Credit Units after the Week of the Benefit in dispute.

ARTICLE VI ADMINISTRATION OF THE PLAN

Section 1. Powers and Authority of the Company

(a) Company Powers

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including without limitation, the following:

- (1) to obtain such information as the Company shall deem necessary in order to carry out its duties under the Plan;
- (2) to investigate the correctness and validity of information furnished with respect to an application for a Benefit or Separation Payment,
- (3) to make initial determinations with respect to Benefits or Separation Payments;

(4) to establish reasonable rules, regulations and procedures regarding:

(i) the manner in which and the times and places at which applications shall be filed for Benefits or Separation Payments, and

(ii) the form, content and substantiation of applications for Benefits or Separation Payments.

In establishing such rules, regulations and procedures, the Company shall give due consideration to any recommendations from the Board;

(5) to designate an office or department at each Plant, or in the alternative location in the general area of the Plant, where Employees laid off from the Plant may appear for the purpose of complying with the Plan requirements; it being understood that a single location may be established to serve a group of Plants within a single area;

(6) to determine the Maximum Funding of the Fund and the CUCB;

(7) to establish appropriate procedures for giving notice required to be given under the Plan;

(8) to establish and maintain necessary records; and

(9) to prepare and distribute information explaining the Plan.

(b) Company Authority

Nothing contained in this Plan shall be deemed to qualify, limit or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if this Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

(c) Administrator and Named Fiduciaries

The administrator of the Plan for purposes of ERISA shall be the Company. The Trustee, the Board of Administration and the Company shall be named fiduciaries and their respective duties and responsibilities shall be allocated among them as set forth in the Plan and Trust Agreement. The Company may designate other

persons to carry out fiduciary responsibilities on behalf of the Company and may employ one or more persons to render advice with regard to any responsibility it has under the Plan. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

Section 2. Board of Administration of the Plan

(a) Composition and Procedure

(1) There shall be established a *Board of Administration of the Plan* consisting of 6 members, 3 of whom shall be appointed by the Company (hereinafter referred to as the Company members) and 3 of whom shall be appointed by the Union (hereinafter referred to as Union members). Each member of the Board shall have an alternate. In the event a member is absent from a meeting of the Board, his alternate may attend, and when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill a vacancy among the members appointed by it. The Company and the Union shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.

(2) At least 2 Union members and 2 Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of 3 votes and the Union member shall have a total of 3 votes, the vote of any absent member being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.

(3) In case of a deadlock on matters involving the processing of individual cases, an Arbitrator shall be selected by the Board to cast the deciding vote. The Arbitrator will not be counted for the purpose of a quorum, and will vote only in case of a failure of the Board to agree upon a matter which is properly before the Board and within the Board's authority to determine. The Arbitrator may vote only on matters involving the processing of individual cases and not on the development of procedures. The fees and expenses of the Arbitrator when required will be paid one-half by the Company and one-half by the Union.

(4) Neither the Board nor any Local Committee, established pursuant to Subsection (b) of this Section, shall maintain any

separate office or staff, but the Company and the Union shall be responsible for furnishing the clerical and other assistance as its respective members of the Board and any Local Committee shall require. Copies of all appeals, reports and other documents filed in duplicate, with 1 copy to be sent to Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

(b) Powers and Authority of the Board

(1) It shall be the function of the Board to exercise ultimate responsibility for determining whether an Employee is eligible for a Benefit or Separation Payment under the terms of the Plan, and if so, the amount of the Benefit or Separation Payment.

The Board shall be presumed conclusively to have approved any initial determination by the Company unless the determination is appealed as set forth in Section 3(b) of Article V.

(2) The Board shall be empowered and authorized and shall have jurisdiction:

- (i) to hear and determine appeals by Employees;
- (ii) to obtain such information as the Board shall deem necessary in order to determine such appeals;
- (iii) to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;
- (iv) to direct the Company to notify the Trustee to pay benefits or Separation Payments pursuant to the determinations made by the Local Committee or the Board;
- (v) to perform such other duties as are expressly conferred upon it by the Plan; and
- (vi) to rule upon disputes as to whether any Short Workweek resulted from an act of God as defined in Article VII, Section 5(b)(1).

(3) In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying the Benefits or Separation Payments as provided therein, or any other provision of the Plan; and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plan.

- (i) Whether the first stage appeal and the appeal to the

Board were made within the time and the manner specified in Section 3(b) of Article V,

(ii) whether the Employee is eligible with respect to the Benefit or Separation Payment claimed and if so,

(iii) the amount of any Benefit or Separation Payment payable; and

(iv) whether a protest of an Employee's State System Benefit by the Company is frivolous.

(4) The Board shall have no jurisdiction to act upon any appeal filed after the applicable time limit or upon any appeal that does not comply with the Board-established procedures.

(5) The Board shall have no power to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issue before the Board. All such questions shall be determined through the regular procedures provided therefor by the Collective Bargaining Agreement, and all determinations made pursuant to the Agreement shall be accepted by the Board.

(6) Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Company or the Union.

(7) The Board shall provide for a Local Committee at each Plant of the Company to handle appeals from determinations as provided in Section 3(b)(1) of Article V, except determinations made in connection with Section 1(b)(xii) of Article I. The Local Committee shall be composed of two members or their alternates designated by Company members of the Board and two members or their alternates designated by Union members of the Board. Either the Company or the Union members of the Board may remove a Local Committee member appointed by them and fill any vacancy among the Local Committee appointed by them.

Section 3. Determination of Dependents

In determining an Employee's Dependents for purposes of Regular Benefit determinations, the Company (and the Board) shall be entitled to rely upon the official form filed by the Employee with the Company for income tax withholding purposes, and the Employee shall have the burden of establishing separately with respect to each of his benefit years under the State System that he is entitled to a greater number of withholding exemptions than he shall have claimed on such form.

Section 4. To Whom Benefits and Separation Payments are Payable in Certain Conditions

Benefits and Separation Payments shall be payable hereunder only to the eligible Employee, except that if the Board shall find that the Employee is deceased or is unable to manage his affairs for any reason, any Benefit or Separation Payment payable to him shall be paid to his duly appointed legal representative, if there be one, and if not, to the spouse, parents, children, or other relatives or dependents of the Employee as the Board in its discretion may determine. Any benefit or Separation Payment so paid shall be a complete discharge of any liability with respect to such Benefit or Separation Payment so paid shall be a complete liability with respect to such Benefit or Separation Payment. In the case of death, no Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

Section 5. Nonalienation of Benefits and Separation Payments

No Benefit or Separation Payment shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind and any attempt to accomplish the same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Benefit or Separation Payment due or to become due to any Employee, the Board in its sole discretion may terminate the interest of such Employee in such Benefit or Separation Payment to or for benefit of such Employee, his spouse, parents, children or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit or Separation Payment.

Section 6. Applicable Law

Except as it may be superseded by the Employee Retirement Income Security Act of 1974, the Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the State of Michigan, except that the eligibility of a person for, and the amount and duration of, State Systems Benefits shall be determined in accordance with the state laws of the applicable State System.

ARTICLE VII FINANCIAL PROVISIONS AND REPORTS

Section 1. Establishment of Fund

The Company shall establish, in accordance with the Plan, a Fund with a qualified bank or banks or a qualified trust company or companies selected by the Company as Trustee. The Company's contributions shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Benefits and Separation Payments shall be payable only from the Fund. The Company shall provide in the Trust Agreement that the assets of the Fund shall be held in cash or invested only in general obligations of any agency or instrumentality of the United States Government or of any United States Government-sponsored private corporation, or obligations of any other organization which are backed by the full faith and credit of or are a contractual obligation of the United States, irrespective of the rate of return, or the absence of any return thereon; and without any absolute or relative limit upon the amount that may be invested in one or more types of investment. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.

Section 2. Maximum Funding, Maximum Cash Funding, and Maximum Contingent Liability

The Company shall determine a Maximum Cash Funding and a Maximum Contingent Liability, the sum of which shall equal Maximum Funding.

A. Maximum Funding

The Maximum Funding of the Fund shall be determined for each calendar month by multiplying the Average Full Benefit Rate by 12 and this result by the sum of:

1. The number of Covered Employees on the Active Employment Rolls, and
2. The number of persons laid off from work as Covered Employees who are not on the Active Employment Rolls but who have Credit Units,

both numbers being determined by the Company as of the latest date for which the figures are available prior to the first Monday in the month for which the Maximum Funding is being determined.

3. The Average Full Benefit Rate for the purpose of determining Maximum Funding shall be computed monthly and shall be:

the amount determined by dividing the sum of all Full Benefits paid during the 12 months immediately prior to the month next preceding the month for which Maximum Funding is being determined by the number of such Benefits. If no Benefits were paid during the 12-month period, the Average Full Benefit Rate schedule shall be \$70.00 (\$90.00 during the 12-month period beginning September, 1983).

4. A Full Benefit shall mean a Regular Benefit which has not been reduced because of Other Compensation as defined in Section 4(a) of Article II, and a Leveling Week Benefit.

B. Maximum Cash Funding

The Maximum Cash Funding of the Fund shall be determined for each calendar month by multiplying the Average Benefit Rate by 12 and this result by the sum of:

1. The number of Covered Employees on the Active Employment Rolls with at least one but less than 15 years' seniority, and

2. The number of persons laid off from work as Covered Employees who are not on the Active Employment Rolls but who have Credit Units, both numbers being determined by the Company as of the latest date for which the figures are available prior to the first Monday in the month for which the Maximum Cash Funding is being determined.

3. The Average Benefit Rate for the purpose of determining Maximum Cash Funding shall be computed monthly and shall be:

the amount determined by dividing the sum of all Benefits paid during the 12 months immediately prior to the month next preceding the month for which Maximum Cash Funding is being determined by the number of such Benefits, but in no event shall it be less than 80% of the Average Full Benefit Rate.

C. Maximum Contingent Liability

For any calendar month in which the total assets in the Fund are less than Maximum Funding, the Company shall have a Maximum Contingent Liability which shall be the lesser of (1) the difference between Maximum Funding and the total assets in the Fund, and

(2) the difference between Maximum Funding and the Maximum Cash Funding requirement as determined under this Plan.

Section 3. Credit Unit Cancellation Base

A. A CUCB shall be determined for each calendar month in the following manner: The current market value of the total assets in the Fund as of the last business day of the preceding month as certified by the Trustee plus the accumulated Contingent Liability at that time (plus, as provided in Section 5~b)(2) of this Article, additional contribution amounts, if any, to be added to the market value for Automatic Short Week or for Scheduled Short Work Weeks paid during the previous month), shall be divided by the number of Covered Employees and persons used in determining Maximum Funding for such month.

B. The CUCB for any particular month shall be applied to each of the Pay Periods beginning within such month; provided, however, that whenever the CUCB for any particular month is less than \$139.50 the CUCB shall be applied only to the first Pay Period beginning within such month, and there after there shall be determined a CUCB for each Pay Period until the CUCB for a particular Pay Period equals or exceeds \$139.50. When the CUCB for a particular Pay Period equals or exceeds such amount, such CUCB shall be applied to each Pay Period until a CUCB for the following calendar month shall be applicable. The CUCB for a particular Pay Period shall be determined on the basis of the current market value of the total assets in the Fund as of the close of business on the Friday preceding such Pay Period as certified by the Trustee plus the accumulated Contingent Liability at that time (plus as provided in Section 5(b)(2) of this Article, additional contribution amounts, if any, to be added to the market value for Automatic Short Week Benefits for Scheduled Short Work Weeks paid during the previous month).

Section 4. Finality of Determinations

No adjustment in the Maximum Cash Funding, Maximum Contingent Liability or the CUCB shall be made on account of any subsequently discovered error in the computations, or the figures used in making the computations, unless such adjustment is practicable. Any adjustment made shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

Section 5. Company Contributions

(a) General

With respect to Pay Periods on or after May 4, 2003, the Company contributions will be an amount determined by multiplying:

(i) the number of straight time hours, time and one half hours and double time hours, respectively, for which Employees shall have received pay from the Company for such Pay Period, by

(ii) the applicable number of cents-per-hour, depending upon the percentage relationship of the value of the assets of the Fund to the Maximum Cash Funding of the Fund, as determined in accordance with the following table:

If at the beginning of the month the percentage relationship of the value of the assets of the Fund to the Maximum Funding is:	(A) Applicable number of cents per straight time hour	(B) Applicable number of cents per time and one half hour	(C) Applicable number of cents per double time hour
81.25%	\$.26	\$.32	\$.38
50.0 but less than 81.25%	.30	.36	.42
Less than 50.0%	.33	.39	.45

(b) Short Work Week Contributions

(1) After calendar year 1982 and after each subsequent calendar year, if the market value of the assets of the Fund as of the latest date for which the figures are available prior to the first Monday in January, 1983 and each January thereafter is less than 100% of Maximum Funding, the Company shall make a contribution to the Fund, if required by the following computation, in an amount equal to the amount, if any, by which (a) the total dollar amount of Short Week Benefits paid for layoffs that occurred during Pay Periods beginning in the preceding calendar year (excluding any such Benefit paid for a layoff resulting exclusively from an act of God, as defined below, or part of such Benefit attributable to the period during which the act of God continues to necessitate the layoff) exceeds (b) the amount determined by multiplying five cents (\$.05) by the total number of hours for which Employees received pay from the Company for Pay Periods beginning in such calendar year, but not in excess of the amount necessary to increase the market value of the assets of the Fund to 100% of Maximum Funding. The term "act of God" as used in this Subsection means an occurrence or circumstances directly affecting a Company Plant or Plants which results from natural causes ex-

clusively and is in no sense attributable to human negligence, influence, intervention or control; the result solely of natural causes and not of human acts.

(2) In addition to the contributions otherwise required by this Article, the Company shall contribute to the Fund the amount of any Automatic Short Week Benefits paid from the Fund for Scheduled Short Work Weeks for any Pay Periods for which the CUCB is less than \$300. The amount of any contribution under this Subsection shall be added to the market value of the assets of the Fund for purposes of determining the CUCB to be used for all purposes under the Plan for the month with respect to which any such contribution is made.

(c) Reduction in Contributions

(1) The Company's contributions to the Fund, as determined under Subsections (a) and (b) of this Section shall be reduced by:

(i) the amounts of Short Week Benefits paid directly by the Company; and

(ii) the amount of any Benefits and lump sum payments paid by the Company during the period to Separated Employees under other Agreements between the Company and the Union which specifically provide that the amount of such Benefits and lump sum payments as are to be paid thereunder will be deducted from contributions required under the Plan.

(2) If contributions to the Fund are not required for any period, or if the contributions required are less than the amounts to be offset under Paragraph (1) above, then any subsequently required contributions shall be reduced by the amount not previously offset against contributions. Any such amount not previously offset against contributions shall be deducted from the market value of the assets in the Fund in determining the CUCB and whether the Fund equals or exceeds Maximum Cash Funding.

(d) Definition of Schedule and Unscheduled Short Workweeks

(1) For purposes of the Plan, a Scheduled Short Workweek with respect to an Employee is a Short Workweek which management schedules in order to reduce the production of the Plant, department, or other unit in which the Employee works, to a level below the level at which the production of such Plant, department or unit would be for the Week were it not a Short Workweek, but only where such reduction of production

is for the purpose of adjusting production to customer demand.

(2) For purposes of the Plan, an **Unscheduled Short Workweek** with respect to an Employee is any **Short Workweek**:

(i) which is not a scheduled **Short Workweek** as defined in subsection (1) above;

(ii) in which an Employee returns to work from layoff to replace a separated or absent Employee (including an Employee failing to respond or tardy in responding to recall); or returns to work after a full Week of layoff in connection with an increase in production, but only to the extent that the **Short Workweek** is attributable to such cause; or

(iii) in which an Employee works a **Short Workweek** due to cancellation of orders by customers in the middle of such Week or a **Short Workweek** because of material shortage, machine breakdown, scrap, and/or rework; or

(iv) in which Management schedules a **Short Workweek** because of an unexpected instruction by a customer received in such Week to reduce or halt or to increase or resume production.

The Company will advise the Union members of the Local Committee at the time of layoff of the reason or reasons for any **Short Workweek** involving a substantial number of Employees. In addition, with respect to any **Short Workweek** layoff that results from an act of God, the Company will give written notice to the Union members of the Local Committee and to the Union no later than the end of the Week following the **Short Workweek** showing the reason or reasons for such **Short Workweek**, and an explanation of the incident which caused the Company to determine that the layoff was the result of an act of God, as defined in Section 5(b) of this Article.

(3) For any **Short Workweek** which includes both **Scheduled** and **Unscheduled Short Workweek** circumstances with respect to an Employee:

(i) the number of hours by which 40 exceeds his **Compensated** or **Available** hours shall be deemed to be hours for which a benefit for a **Scheduled Short Workweek** will be paid to the extent that such hours do not exceed the hours not worked for reasons set forth in Subsection 1 above, and

(ii) any remaining hours shall be deemed to be hours for which a benefit for an **Unscheduled Short Workweek** will be paid.

(e) When Contributions are Payable

(1) Each contribution by the Company shall be made on or before the close of business or the first regularly scheduled work day in the second calendar week following the pay day for the pay period with respect to which the contribution is being made.

(2) Contributions with respect to covered employees at any additional Plant at which the Collective Bargaining Agreement becomes applicable shall commence with respect to the first pay period beginning after:

(i) the date of certification by the National Labor Relations Board of the Union as the collective bargaining representative of Employees at such Plant, or,

(ii) if recognition is by agreement, the effective date of the agreement by which the Company recognized the Union as the collective bargaining representative of employees at such Plant.

(f) Effect of Withholding

If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any federal, state, or municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and pay only the balance to the Fund.

(g) No Contribution Obligation

Notwithstanding any other provision of this Plan, the Company shall not be obligated to make any contribution to the Fund with respect to any Pay Period which begins within a month for which the current market value of the assets in the Fund (determined as of the last business day of the preceding month) is equal to or in excess of the Maximum Cash Funding and no contribution to the Fund for any Pay Period shall be in excess of the amount necessary to bring the total market value of the assets in the Fund up to the Maximum Cash Funding.

Section 6. Accumulated Contingent Liability

If, for any Pay Period for which a funding determination is made pursuant to Section 2(A) of this Article (a) the Maximum Contingent Liability exceeds the Accumulated Contingent Liability and (b) the Company is not obligated to make contributions to the Fund for all hours that employees shall have received pay from the Company, for such pay period, the Company shall accumulate a Contingent Liability determined by multiplying the Contribution

Rate by the total number of hours for which Covered Employees shall have received pay from the Company (excluding any hours for which Benefits hereunder were payable and any hours for which the Company is obligated to make contributions to the Fund) for such Pay Period (or such lesser amount as will bring the total Accumulated Contingent Liability up to the Maximum Contingent Liability).

The Company shall not be obligated to contribute any of the Accumulated Contingent Liability to the Fund unless and until the total assets in the Fund shall be less than 10% of the Maximum Funding of the Fund as determined under the 1965 SUB Plan. In such event, the Company shall be obligated to contribute to the Fund for such Pay Period only that amount of the Accumulated Contingent Liability (and only to the extent of such Accumulated Contingent Liability), as may be necessary to pay benefits due and to raise the level of the total assets in the Fund to 10% of the Maximum Funding.

Section 7. Maximum Liability

The Company's obligations under this Plan shall in no event require the Company to contribute to the Fund or to accumulate any Contingent Liability, when and as required by the terms of this Plan, a sum greater than the Contribution Rate multiplied by the total number of hours for which Covered Employees shall have received pay from the Company (excluding any hours for which Benefits hereunder were payable).

Section 8. Liability

(a) The provisions of these Articles I through IX, together with the provisions of any Alternate Benefit plans established and maintained pursuant to the Plan, constitute the entire Plan. The provisions of this Article with respect to contributions express and shall be deemed to express completely, each and every obligation of the Company with respect to the financing of the Plan and providing for Benefits and Separation Payments.

The Company shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in the Fund (other than as contributions by the Company may be required under the provisions of this Article when the market value of the assets of the Fund is less than the Maximum Cash Funding); and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.

(b) The Board, the Company, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

(c) Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willful misconduct or fraud.

Section 9. No Vested Interest

No Employee shall have any right, title, or interest in or to any of the assets of the Fund, or in or to any Company contribution thereto.

Section 10. Reports

A. Reports by the Company

(1) The Company shall notify the Board and the Union with *reasonable promptness of the amount of Maximum Funding, Maximum Cash Funding, Maximum Contingent Liability, and Accumulated Contingent Liability* as determined under this Plan and the CUCB as determined by it from time to time under the Plan and shall furnish a statement showing the *Average Full Benefit Rate and the number of covered Employees on the Active Employment Rolls and the number of laid off persons not on the Active Employment Rolls but having Credit Units, upon the basis of which such determination was made.*

(2) Within 10 working days after the commencement of each month the Company shall furnish a statement to the Union showing for the preceding month:

(i) the number of hours for which covered employees shall have received pay from the Company and the number of such hours with respect to which the Company shall not have made contributions to the Fund as provided in Section 5(g) of this Article during each period for which contributions were made to the Fund or would have been made to the Fund except for the provision of Section 5(g) of this Article,

(ii) the number of hours and the amount of the Company contributions at each applicable number of cents per hour which the Company shall have made to the Fund,

(iii) the amount of the Company contribution, with respect to Automatic Short Week Benefits paid from the Fund for

Scheduled Short Workweeks, which shall have been made to the Fund as required by Section 5(b) of this Article, and
(iv) the total amount of the Company contribution which was made to the Fund.

(3) The Company shall furnish the Board and the Union quarterly, a listing by Plant showing the names of the persons who, during the preceding calendar quarter, accepted a Separation Payment, together with both the individual gross and net amounts of such Separation Payments.

(4) On or before January 31, of each year, the Company shall furnish to the Union a statement showing the number of benefits paid from the Fund during the preceding year which were limited by the maximum under the provisions of Section 1(a) or Section 1(b) of Article 11.

(5) On or before April 30, of each year, the Company shall furnish to the Union a statement, certified by a qualified independent firm of certified public accountants selected by the Company, verifying the accuracy of the information furnished by the Company during the preceding year pursuant to Subsection (a)(1) and (a)(2) of this Section.

(6) The Company shall furnish annually to each Employee who received Benefits or a Separation Payment, or both during the year a statement showing the total amount received.

(7) The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company may have compiled.

(8) On or before January 31, of each year, the Company shall furnish to the Union a statement showing the number of Employees receiving Regular Benefits during the preceding year, distributed according to the number of such Benefits received.

(9) On or before January 31, of each year, the Company shall furnish to the Union a statement showing the average State System Benefit received by Employees for weeks with respect to which they received Regular Benefits paid without reduction for Other Compensation as defined in Section 3(a) of Article 11 during the preceding year.

(10) On or before March 1 of each year, the Company shall furnish to the Union a statement showing the number of Guaranteed Annual Income Credit Units credited to Employees on the preceding Guarantee Date, distributed according to the Seniority brackets set forth in the table in Section 1(a) of Article III-A and according to the number of Credit Units which were

credited (numbers above 13 being Grouped in intervals of 5).

(11) The Company will prepare a tabulated listing of employee credit unit balances as of the GAIC Guarantee Date. The Industrial Relations Department will make this listing available for employee information purposes. A copy will be given to the appropriate local union representative.

(B) Reports by the Trustee

(1) Within 10 days after the commencement of each month the Trustee shall be required to furnish to the Board, the Union, and the Company, a statement showing the amounts received from the Company for the Fund during the preceding month.

(2) Not later than the second Tuesday following the first Monday of each month, the Trustee shall furnish to the Board, the Union, and the Company, a statement showing the total market value of the Fund as of the last business day of the preceding month, and a statement showing by type of benefit the number and amounts, if any, paid from the Fund during each Week of the preceding month as:

(i) Regular Benefits paid without reduction for Other Compensation as defined in Section 3(a) of Article II,

(ii) Other Regular Benefits,

(iii) Benefits paid to Employees who were ineligible for State System Benefits for one or more of the reasons specified in Section 1(b) of Article I,

(iv) Benefits paid to Employees who were eligible with respect to some but not all of the regular work days in a Week, as provided in Section 3(c) of Article I,

(v) Automatic Short Week Benefit payments,

(vi) Separation Payments.

Section 11. Cost of Administering the Plan

(a) Expense of Trustee

The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee shall be charged to the Fund.

(b) Expenses of the Board of Administration

The Compensation of the Chairperson of the Board, which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Company and the Union. The Company members and the Union members of the Board and of Local Committees shall serve without compensation from the Fund. Reasonable and necessary expenses

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In accordance with agreements reached during the bargaining sessions, we are enclosing "The Informal Procedure for Review of Denied Hospital, Surgical, Medical, Drug, Vision Care and Hearing Aid Claims" which has been adopted in the administration of the Health Insurance Program.

**INFORMAL PROCEDURE FOR REVIEW OF DENIED
HOSPITAL, SURGICAL, MEDICAL, DRUG, VISION
CARE AND HEARING AID CLAIMS**

To afford employees a means by which they can seek review and possible reconsideration of a denied claim, internal procedures of Allied-Signal Inc. and the insurance carrier will provide a procedure along the following lines:

Step 1: Following receipt of notification from the local plan, Control Plan or carrier with regard to denial of a claim in full or in part, an employee may request the local union representative to review the disputed claim with the designated local management representative.

If requested to do so, the designated local management representative will endeavor to obtain additional information from the local plan, Control Plan or carrier regarding the disputed claim. The local plan, Control Plan or carrier will advise the management representative what, if anything, can be done to support the employee's claim for payment of benefits.

Step 2: If the local union representative contests the position of the local plan, Control Plan or carrier as reported by the local management representative, he may refer the case to the International Union for review with the Corporation. At such time, he shall notify the local management representative in writing of his intention to do so.

Step 3: The International Union may review the disputed claim with the Corporation, local plan, Control Plan or carrier. At the request of the International Union, the Corporation will request either the Control Plan or carrier, as appropriate, to review such claim.

Section 2. Effect of Revocation of Federal Rulings

In the event that any rulings or determination letters which have been or may be obtained by the Company holding:

(a) That contributions to the Fund shall constitute currently deductible expenses and that the Fund shall be exempt from income taxes under the Internal Revenue Code of 1954, as now in effect or as it may be hereafter amended or under any other applicable federal income tax law, or

(b) That no part of any such contributions or of any benefits paid shall be included for purposes of the Fair Labor Standards Act in the Regular rate of any Employee, shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Bargaining Agreement) except for the purposes of disposing of the assets of the Fund as set forth in Section 4(b) of this Article:

Section 3. Alternate Benefits

With respect to any state in which Supplementation is not permitted, the parties shall endeavor to negotiate an agreement establishing a plan for Alternate Benefits not inconsistent with the purposes of the Plan. Any agreement so reached shall not apply to Employees in such states who are ineligible to receive State System Benefits for any of the reasons stated in Section 1(b) of Article I of the Plan. Such Employees if otherwise eligible, may apply for and receive a Regular Benefit under the Plan. Automatic Short Week Benefits will be payable to eligible Employees in such state.

Section 4. Amendment and Termination of the Plan

(a) So long as the Agreement concerning Supplemental Unemployment Benefit Plan shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or such Agreement.

Upon the termination of such Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent Agreement between the Company and the Union.

(b) Upon any termination of the Plan, the Plan shall terminate in

all respects except that the assets then remaining in the Fund shall be used to pay expenses of administration and to pay Benefits to eligible Employees for a period or one year following termination, if not sooner exhausted. The Plan provisions with respect to the effect of a low CUCB on the payment of Benefits shall not be applicable. At the expiration of such one year period, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for Employee Benefits not inconsistent with the purposes of the Plan.

ARTICLE IX DEFINITIONS

As Used Herein:

(1) "Active Employment Roll": An Employee shall be deemed to be on the Active Employment Roll:

(a) while he is on an authorized vacation,

(b) while he is on an authorized leave of absence (other than a medical leave) which is limited, when issued, to 90 days or less,

(c) during the first 90 days he is on medical leave of absence,

(d) while he is on a temporary layoff which does not exceed 30 days,

(e) while he is on a disciplinary layoff, or

(f) while he is absent without leave up to 10 calendar days from his last day worked;

(2) "Base Hourly Rate" (exclusive of cost-of-living allowance) means:

(a) with respect to a Regular Benefit or Separation Payment, the Employee's straight-time hourly rate on his last day of work in the Bargaining Unit; except that if the Employee claims and it is established that he was paid at a higher straight-time hourly rate by the Company for work performed while in the Contract Unit and within 90 calendar days immediately preceding his last day worked, Base Hourly Rate shall be such higher rate;

(b) with respect to an Automatic Short Week Benefit, the highest straight-time hourly rate paid the Employee while in the Contract Unit for work during the Pay Period in which the

Short Work Week occurs; or in the case of an Employee who worked under an incentive plan at any time during the Pay Period in which the Short Work Week occurs, the average earned hourly rate for his last Pay Period worked in the Contract Unit immediately preceding the week in which the Short Work Week occurs;

(c) with respect to a Regular Benefit or Automatic Short Week Benefit, the Base Hourly Rate as determined in Subsection (a) or (b) above, shall be adjusted to reflect the amount of the improvement factor increase which became effective (pursuant to the Collective Bargaining Agreement) after the day or period used to establish his Base Hourly Rate. In such event the amount of improvement factor increase shall be the amount applicable to the job classification in which the Employee worked either on the day, or the last day of the period for which his Base Hourly Rate was determined under (a) or (b) above. The Base Hourly Rate adjustment due to the improvement factor increase shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective;

(3) "Benefit" means a Regular Benefit, an Automatic Short Week Benefit, an Alternate Benefit, a Leveling Week Benefit, or any two or more as indicated by the context:

(a) "Alternate Benefit" means the Benefit payable to an eligible Employee, in certain circumstances, in a State which does not permit Supplementation;

(b) "Automatic Short Week Benefit" means the Benefit payable:

(i) to an eligible Employee for a Short Work Week.

(c) "Leveling Week Benefit" means the Regular Benefit payable to an eligible Employee because, with respect to the Week, he was serving a State System "waiting week" during a period while he had sufficient Seniority to work in the Plant but was laid off out of line of Seniority in accordance with the terms of the Collective Bargaining Agreement provided he is otherwise eligible under the provisions of Section 1(b)(v) of Article I of the Supplemental Unemployment Benefit Plan

(d) "Regular Benefit" means the Benefit payable to an eligible Employee for a Week of layoff in which he performed no work for the Company, and received no jury duty pay, military pay or bereavement pay from the Company, or for which he

received holiday pay from the Company if he was not eligible for an Automatic Short Week Benefit for such week.

(4) "Board" means the joint Board of Administration under the Plan;

(5) "Break in Seniority" means break in or loss of Seniority pursuant to the Collective Bargaining Agreement;

(6) "Collective Bargaining Agreement" means the currently effective collective bargaining agreement between the Company and the Union which is in effect at the particular time;

(7) "Company" means Honeywell International Inc.;

(8) "Compensated or Available Hours" for a Work Week shall include:

(a) all hours for which an Employee receives pay from the Company (including call-in pay, holiday pay, and pay for scheduled vacations, but excluding pay in lieu of vacation) with each hour paid at premium rates to be counted as 1 hour;

(b) all hours scheduled or made available by the Company but not worked by the Employee after reasonable notice has been given to the Employee (including any period of leave of absence); provided, however, if the hours made available but not worked were: overtime hours which the Employee was prohibited from working due to written restrictions concerning the number of hours that the Employee could work on a given day or in a given Week, imposed by the Employee's personal physician and concurred in by the Plant Physician; such hours are not to be considered as hours made available by the Company;

(c) all hours not worked by the Employee because of any of the reasons disqualifying an Employee from receiving a Benefit under Section 3(b)(2) of Article I;

(d) all hours not worked by the Employee which are in accordance with a written agreement between the local Management and the local Union or which are attributable to absenteeism of other Employees; plus

(e) with respect to a Part Time Employee, or an Employee on a three-shift operation on which 8-hour shifts of work are not scheduled or an Employee on any shift of work on which less than 40 hours of work per Week are regularly scheduled, the number of hours for which such Employee is regularly compensated during a Work Week are less than 40;

(9) "Contract Unit" means the unit of employees covered at the particular time by the Collective Bargaining Agreement;

(10) **"Covered Employee"** means an employee in a state in which the provisions of the Plan relating to Benefits are in effect;

(11) **"Credit Unit"** means a Credit Unit, or fraction thereof, credited to an Employee under the Plan generally for a Workweek for which he receives pay, and cancelled at specified rates for the payment of certain Benefits and includes a Guaranteed Annual Income Credit Unit credited pursuant to Article III-A;

(12) **"CUCB"** (Credit Unit Cancellation Base) means an amount determined periodically (pursuant to Section 3 of Article VII) by dividing the market value of the assets in the Fund (as adjusted for certain amounts) by the sum of the number of covered Employees on the Active Employment Rolls plus those laid off with Credit Units;

(13) **"Dependent"** means a person recognized as a dependent under the Internal Revenue Code for establishing the Employee's withholding tax exemptions;

(14) **"Employee"** means an hourly-rated employee in a Bargaining Unit covered by the Plan;

(15) **"Fund"** means a trust fund established under the Plan to receive and invest Company contributions and to pay Benefits and Separation Payments;

(16) **"Local Committee"** means the Committee established by the Board with respect to each Plant to handle Employee appeals from Company determinations;

(17) **"Plan"** means the amended Supplemental Unemployment Benefit Plan as set forth in this Exhibit C;

(18) **"Part Time Employee"** means an hourly-rated Employee in the Contract Unit, excluding Employees on three-shift operations on which 8 hour shifts of work are not scheduled; who, on a regular and continuing basis, performs jobs having definitely established working hours, but the complete performance of which requires fewer hours of work than the regular Workweek, provided that the services of such Employee are normally available for at least half of the employing unit's regular Workweek;

(19) **"Plant"** shall be deemed to include any manufacturing assembly plant, works, parts, depot, or other Company activity at which there are Employees;

(20) **"Regular Benefit"** means a weekly Benefit payable under Section (1) of Article II (see definition of "Benefit");

(21) **"Schedule Short Workweek"** means a Short Workweek as described in Section 5(d)(1) of Article VII;

(22) **"Seniority"** means seniority status under the Collective Bargaining Agreement;

(23) **"Separation Payment"** means a lump sum amount payable to an eligible Employee by reason of qualified layoff and certain separations from the Company because of termination of disability;

(24) **"Short Workweek"** means a Workweek during which an Employee performs some work for the Company or receives some jury duty pay or bereavement pay from the Company but for which his Compensated or Available Hours for such Week are less than 40;

(25) **"State Benefit and Other Compensation"** means a State System Benefit and other compensation or benefits for unemployment as defined in Section 3 of Article II;

(26) **"State System"** means any system or program established pursuant to any state or federal law for paying benefits to persons on account of their unemployment under which a person's eligibility for benefit payments is not determined by application of a "means" or "disability" test; including any such system or program established for the primary purpose of education or vocational training which may provide for subsistence allowances or benefits to individuals not employed while undergoing such training;

(27) **"State System Benefit"** means a benefit payable under a State System, including any dependency allowances and training allowances but (excluding any allowances for transportation or subsistence, equipment or other cost of training) and excluding any "back-to-work" payment for a week made, in addition to the regular State System Benefit otherwise payable for such week, to an applicant who has been on layoff for a prescribed number of weeks and returns to full-time work within a prescribed period. If an Employee receives a Worker's Compensation Benefit while on layoff from the Company, only the amount by which the Worker's Compensation Benefit is increased shall be included;

(28) **"Supplementation"** means recognition of the right of a person to receive both a State System Benefit and a Regular Benefit under the Plan for the same Week of layoff at approximately the same time and without reduction of the State System Benefit because of the payment of the Regular Benefit under the Plan;

(29) **"Trustee"** means the trustee or trustees of the Fund established under the Plan;

(30) "Union" means International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW;

(31) "Unscheduled Short Workweek" means a Short Workweek as described in Section 5(d)(2) of Article VII;

(32) "Week" when used in connection with eligibility for a computation of Benefits with respect to an Employee means:

(a) a period of layoff equivalent to a Workweek; or

(b) a Workweek for which the total pay received or receivable by a Covered Employee from the Company (including holiday pay and vacation pay but excluding payments in lieu of vacation) and any amount of pay which could have been earned, computed as if payable for hours made available by the Company but not worked, (excluding, however, hours not worked which the Employee had an option to refuse under the Collective Bargaining Agreement or could refuse without disqualification under Section 3(b)(3) of Article I) is less than 95% of his Weekly After-Tax Pay minus \$12.50 to take into account work related expenses not incurred; or

(c) a Short Workweek:

"Week of Layoff" shall include any such Week; provided, however, that if there is a difference between the starting time of a Workweek and of a Week under an applicable State System, the Workweek shall be paired with the week under the State System which corresponds most closely thereto in time; except that if an Employee is ineligible for a State System Benefit because of any of the reasons set forth in Section 1 (b) of Article I (excluding the reasons under items (iv) and (v) thereof) for the entire continuous period of layoff, the week under the State System shall be deemed to be the same as the Workweek. If an Employee becomes ineligible for a State System Benefit because of any of the aforementioned reasons during a continuous period of layoff, the week under the State System shall continue to mean for the duration of the layoff period during which he so remains ineligible for a State System Benefit, the 7-day period for which a State System Benefit was last paid to the Employee during such continuous period of layoff. Each Week within a continuous period of layoff does not constitute a new or separate layoff. Notwithstanding the foregoing provisions of this definition, if an Employee is ineligible for a State System Benefit because of the reason set forth in item (iv) of Section 1(b) of Article I, the week under the State System shall mean the 7-day period which would have

been used by the State System if the Employee had applied for a State System Benefit on the first day of partial or full layoff in the Workweek and had been eligible otherwise for such State System Benefit;

(d) **“Weekly Straight-Time Pay”** means an amount equal to an Employee's Base Hourly Rate (plus any applicable hourly cost-of-living allowance in effect at the time of Computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) multiplied by 40; except, however, that for a Part Time Employee such Base Hourly Rate (plus any applicable hourly cost-of-living allowance in effect at the time of computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) shall be multiplied by the number of hours such Employee is regularly scheduled to work during a Workweek.

(33) **“Workweek”** or **“Pay Period”** means a period commencing with the No. 1 Shift Monday and ending 168 hours thereafter.

(34) **“Plan Year”** is the twelve-month period beginning on October 1 of each year. Effective January 1, 1984, the Plan Year shall be the twelve-month period beginning on January 1 of each year.

(35) **“ERISA”** means the Employee Retirement Income Security Act of 1974.

NOTES

**LETTERS
OF
UNDERSTANDING**

BETWEEN

Honeywell International Inc.

AND

**INTERNATIONAL UNION,
UNITED AUTOMOBILE,
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)[®]**

**(COVERING MASTER AGREEMENT
EFFECTIVE MAY 3, 2003)**



PRINTED IN U.S.A.

TABLE OF CONTENTS

Letter No.		Page No.
1	Employee's prompt notification of absence on first days of absence	1
2	Time limits under the Grievance Procedure.....	2
3	Written tests in determining relative qualifications of candidates.....	3
4	Paid holidays falling within the negotiated vacation period.....	4
5	Call-back pay provision not applicable to South Bend-Mishawaka Divisions	5
6	Clearing of employee discipline records.....	6
7	Copy of restudy standards available to proper union representatives.....	7
8	Credit unions	8
9	Union security	9
10	Sub-contracting—Maintenance work	10
11	Sub-contracting—Make or buy tools, dies and models	11
12	Educational leave	13
13	Union representatives abusing privileges and rights.....	14
14	Proper proof for disability leaves.....	15
15	Memorandum regarding problem of absenteeism.....	16
16	Seven Day Operations—Holiday premium pay	18
17	Starting and quitting times—Changes	19
18	Unjustified grievances regarding non-bargaining unit employees performing bargaining unit work	20
19	Letter to non-bargaining unit employees regarding non-bargaining unit employees performing bargaining unit work	21
20	Letter to union representatives regarding Letter No. 18	22
21	Optional letter to local unions regarding sub-contracting discussions.....	23
22	Pensions—Standards for application of Special Early Retirement provisions.....	25
23	SUB—Converting vacation percentages of earnings to equivalents in hours to determine SUB credit units and funding.....	28
24	SUB—Regarding seniority in computing separation payment.....	31

Letter No.		Page No.
25	SUB—Explanation of qualifying layoff conditions during severe weather constituting an Act of God.....	32
26	SUB Separation payments to certain employees who are automatically retired or terminated at or after age 60.....	34
27	Insurance—Informal procedure for review of denied claims.....	36
28	Reimbursement Agreement Insurance—Weekly accident and sickness benefits at the Teterboro Divisions.....	38
29	Pensions—Credited Service for employees managing credit unions.....	41
30	Memorandum regarding Productivity.....	42
31	Physical vacation—Extra optional week to employees with 10 or more years of seniority.....	43
32	Rest periods.....	44
33	Insurance—Notice to laid-off employees regarding payment of insurance premiums.....	45
34	Moving allowance for single widowed, divorced, or legally separated employees.....	46
35	UAW International's grievance review procedure.....	47
36	Computation of supplemental unemployment benefit as it relates to pregnancy.....	49
37	Effect of any Federal Health Security Act on H-S-M-D-D-V Program.....	50
38	Procedure for handling complaints of sexual harassment.....	52
39	Understanding regarding unbroken Christmas holiday period holidays.....	53
40	Educational assistance program.....	54
41	Reaffirmation of company commitment to safety and healthful working environment.....	56
42	Non-bargaining unit employees performing bargaining unit work.....	57
43	Procedure for review of denied hospital, surgical, medical, drug, vision care, and hearing aid claims.....	58
44	Impact of competitive factors on job security.....	60
45	Arbitrator Panels.....	61
46	Employee Assistance Plan.....	62
47	Compliance with Government Standards.....	65

Letter No.		Page No.
48	Alternative Health Care Delivery System.....	66
49	Health and Wellness Process.....	69
50	Delays when grievances are appealed to arbitration.....	71
51	Sub-Contracting	72
52	U.S. Family and Medical Leave Act	73
53	Employee Involvement	78
54	Jury Duty.....	79
55	Honeywell Thrift Plan.....	80
56	Payroll Issues	81
57	Honeywell Mortgage Program.....	82
58	Letter on Growth.....	83
59	Memorandum of Understanding on New Wage Structure at Aircraft Landing Systems, South Bend.....	84

Letter No. 1

May 3, 2003

Attention: Mr. Edward J. Bocik
Vice President, Labor Relations,
Honeywell International Inc.

Dear Mr. Bocik:

As the result of our discussions on Paragraph (73) during the 1992 negotiations, it was agreed that the Union would take positive action to urge its members to notify the Employment Office of their Division or Plant prior to the beginning of their respective shifts on the first day of absence, whenever possible.

Very truly yours,

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

Cal Rapson
UAW Vice President and
Director, National Aerospace
Department

Agreed to:

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

Letter No. 2

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Notwithstanding the provisions of Paragraph (39), any grievance shall be accepted for consideration if the incident which gave rise to the grievance occurred within ninety (90) days of the date of filing of the grievance in writing. A laid-off employee, however, shall have the right to file a grievance within a six (6) month period from the date of the occurrence of the alleged violation. In all cases, retroactive claims shall be limited to a period of thirty (30) days prior to the date the claim was first filed in writing and only then under the provisions of Paragraph (39).

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 3

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

With respect to Paragraph (45), "Promotions," of the Master Agreement, the parties agree that when written tests are used by the Division, the results of the tests shall not be the sole criteria in determining the relative qualifications of the candidates.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This will confirm the understanding reached in Detroit, Michigan on December 8, 1964, relative to the provisions on the Vacation Section of the Master Agreement.

Under the provisions of Paragraph (98) of the Vacation Section, the physical vacation period will be negotiated locally each year. In the event that such negotiations at any given Division result in any holiday enumerated in Paragraph (135) falling within the negotiated vacation period, such holiday shall be observed as the holiday and all pertinent clauses of the Agreement shall apply. Such clauses shall include the method of payment to employees who may work on such holiday or those employees who do not work on such holiday in accordance with the applicable provisions of the Agreement.

However, under these conditions when such negotiated vacation period includes any paid holiday, the parties, by local agreement, may negotiate for a substitute day to be observed, insofar, as the day off is concerned, without pay. When such substitute day, if any, is agreed upon, however, it is clearly understood that the substitute day is not to be considered as a holiday for any pay purposes. In addition, the Divisions reserve the right under such circumstances to request an employee to remain off the job on such negotiated substitute day without penalty to the Division by reason of any other provisions of the Master or Supplemental Agreements.

This latter provision will include those employees who may not have been on vacation at the time of the original holiday and, therefore, have already had their holiday on the original date.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 5

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This will confirm the understanding reached between the parties to the effect that the call-back pay provision of the Master Agreement will not apply to the Bendix Wheels and Brakes Division and the Mishawaka Plant. Instead, the provisions of the local Supplemental Agreements at those Divisions will apply.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Letter No. 6

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

With regard to the periodic clearing of employees' discipline records, it is agreed by and between the parties that, in imposing discipline on a current charge, Management will not take into account any prior infraction which occurred more than two (2) years previously. It is further agreed that if a Division has maintained a practice less frequent than the policy set forth herein, such practice shall continue.

It is still further agreed that the Company will not impose penalties for the falsification of employment application for a period beyond one (1) year from the date of employment.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 7

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This will confirm the understanding reached in Detroit, Michigan on November 12, 1964, relative to the interpretation of the Rates of Production Section of the Master Agreement between the parties. With respect to the sentence which refers to restudies as requested under the provisions outlined therein, the Company agrees that regardless of the method used in establishing the original rates of production, the restudy will be a stop-watch time study.

In addition, the reference to making a copy of the restudy available to the Steward or Committee member according to local practice means that the restudy will be made available to the proper Union Representative. If, after it has been made available, the Union Representative requests a copy of the restudy, such copy will be provided for him.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 8

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

The Company, as it has indicated in the past, maintains the position that the matter of credit unions is not a proper subject for collective bargaining. However, the Divisions under the Master Agreement have adopted procedures for the deduction of credit union savings and such procedures shall continue as long as they remain in accordance with Company policy and the practical accounting capabilities of the Division.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In those states where agreements requiring membership of good standing in the Union as a condition of employment are illegal, but where the agency shop is legal, it is hereby mutually agreed and understood between the parties that:

(a) Employees now in the bargaining unit shall, as a condition of employment, pay to the Union such amounts that are equivalent to the periodic membership dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union on or before the tenth (10th) day after the thirtieth (30th) day following the beginning of such employment or the effective date of this Agreement, whichever is the latter.

(b) Employees hired, rehired, or transferred into the bargaining unit after the effective date of this Agreement shall, as a condition of employment, pay to the Union such amounts that are equivalent to the periodic membership dues and initiation fees on or before the tenth (10th) day after the thirtieth (30th) day of their employment in the bargaining unit.

(c) The Union shall indemnify and hold harmless the Division against any and all liability which may arise by reason of the execution, interpretation, or application of this Agreement.

(d) If any section or part of this Agreement is held invalid or illegal under any State or Federal law, this Agreement shall be considered null and void.

(e) This Agreement shall be considered a part of the Collective Bargaining Agreement between the parties dated "entered into the 3rd day of May, 1992."

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

By letter dated December 17, 1958, Honeywell International Inc. informed the Union that it is the policy of Honeywell International Inc. to perform maintenance work with its own employees, provided it has the manpower, skills, equipment, and facilities to do so and can do the work competitively in quality, cost, and performance and within the projected time limits. At times, the Corporation does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

The Corporation hereby assures the Union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business practice, as in the past.

The Corporation is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with the needs of the Corporation. Therefore, in making these determinations, the Corporation intends always to keep the interests of Honeywell personnel in mind.

When a subcontract is to be let out, the Corporation will follow the practice of informing Union representatives on a timely basis of its reasons for letting out such contracts.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 11

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

You have discussed with us at great length the possible effect on our skilled tool and die and model employees of decisions of the Corporation to buy some of its tools, dies and models rather than make them.

As we have pointed out to you in current negotiations, there are many and varied factors that may influence any particular decision to make or buy. We do not believe it is feasible to list general criteria. However, the Union has stated in our discussions that it recognizes a number of them, such as the need, among other things, to contract work that requires specialized tools and equipment and special skills and the necessity of meeting production schedules, model changes, and rearrangement deadlines.

In view of the foregoing, we have advised you that the Corporation cannot agree to any limitation or restriction on its right and responsibility to decide whether to make tools, dies and models, or to buy them. However, we wish to make it clear to you that it is our policy, in making such decisions, to give proper consideration to the operating needs of the business, the efficiencies and economies involved, and all other relevant considerations, including the effect of the decision on work opportunities to tool, die and model employees.

Letter No. 11

Page Two

Where the Corporation considers that work practices or provisions of local agreements in its Tool, Die and Model Departments may be having an adverse effect on the Corporation's ability to compete in this field effectively, it will discuss such matters on a timely basis with the local Union and explore with it fully the possibilities of taking practical steps with respect to such matters to the end of improving the employment opportunities of such employees.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Educational leaves of absence will be granted to employees with one (1) year or more of seniority, upon timely application for full-time attendance at an educational or training institution. Effective on the date of commencement of such leave, employees will be treated for all purposes as voluntary quits except as they may fulfill conditions outlined below for return to employment. If such a leave extends beyond one (1) year, it must be renewed annually. An employee granted an educational leave who returns to active employment will not be granted another such leave for at least one (1) year.

If, within thirty (30) days of an employee's cessation of such educational pursuit he applies for reemployment at the Division or Plant granting such leave, he will be reemployed in accordance with his seniority and subject to any other applicable provisions and practices of the local supplemental agreements, and in keeping with the normal employment standards of the Division involved. Upon application for reemployment the employee will furnish proof from the school attended of his full-time attendance and the period of such attendance.

If reemployed, the employee will be credited with the total amount of seniority held at the time of the commencement of such leave.

It is understood that such leave shall be granted only where the requirements of the Plant permit and replacement employees are available.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

Cal Rapson

May 3, 2003

Attention: Mr. Edward J. Bocik
Vice President, Labor Relations,
Honeywell International Inc.

Dear Mr. Bocik:

During our negotiations on Paragraph (21) in the 1977 negotiations, representatives of Honeywell International Inc. alleged that Union representatives have in many instances abused the privileges and rights afforded under the Collective Bargaining Agreement.

The Union does not concede that such abuses have occurred. The Union has in the past and states again that it will not condone any abuses of the rights and privileges granted its representatives; and, further, should adequate proof of any such violations or abuses be furnished the Union, proper steps to discourage such violations or abuses will be taken.

Very truly yours,

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

Cal Rapson
UAW Vice President and
Director, National Aerospace
Department

Agreed to:

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

Letter No. 14

May 3, 2003

Attention: Mr. Edward J. Bocik
Vice President, Labor Relations,
AlliedSignal Inc.

Dear Mr. Bocik:

This letter is in accordance with the discussions held during the course of the 1992 National Negotiations on the subject of Paragraph (77), "Leaves of Absence."

Pursuant to our discussions, the Union agrees that it will inform and urge its members to cooperate in notifying their respective Plant or Division by providing proper proof of disability, as required under this Paragraph (77), within one (1) week in the interest of efficient operation of the plants, and as a matter of courtesy.

In the event that the employee cannot provide proper proof within this one (1) week period, the Union will stress the importance of notifying the Plant or Division as promptly as possible.

Very truly yours,

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

Cal Rapson
UAW Vice President and
Director, National Aerospace
Department

Agreed to:

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

**MEMORANDUM OF UNDERSTANDING
REGARDING PROBLEM OF ABSENTEEISM
DATED MAY 3, 1992**

During the 1974 Master Contract Negotiations, there was extensive discussion concerning the widely recognized problem of absenteeism. Because the impact of this problem adversely affects the interest of the Union and Management alike, the development of an appropriate procedure to cope with the problem of necessity became a mutual endeavor.

While the procedure agreed upon does not purport to represent a final and complete solution to a problem of such scope and magnitude, it does express a recognition of the serious consequence generated by the problem and a willingness to act jointly with common purpose in alleviating the harmful effects on all concerned.

The foundation of the procedure is based upon adherence to the principle that, by working in concert, the Union and Management can best serve their own respective interests as well as those of the individual employee.

Therefore, when it is recognized that an employee who has attained seniority is experiencing a pattern of absenteeism which is judged on a reasonable and prudent basis to be beyond generally acceptable standards, the following procedure will be implemented:

A. Management will inform the Union and make a copy of employee's absence pattern available to them.

B. A meeting will be scheduled between appropriate Union and Management representatives and the employee for the purpose of jointly reviewing the employee's attendance record with him and counsel him as to the potential consequences of his failure to report regularly to work. This meeting will also provide an opportunity for the parties to render assistance and make suggestions to the employee regarding ways and means of eliminating deterrents to his regular and punctual attendance.

Letter No. 15

Page Two

C. Implementation of this program shall be negotiated locally.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 16

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In regards to Paragraph (61) of the Master Agreement and premium pay for continuous 7-Day operations employees, 2.50 times straight-time applies to the hours worked during the regular working hours of any shifts that start on any of the holidays as provided in Paragraph (135) when such holiday falls during the employee's regularly scheduled work week.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Letter No. 17

May 3, 2003

Attention: Mr. Edward J. Bocik
Vice President, Labor Relations,
Honeywell International Inc.

Dear Mr. Bocik:

During our discussions on the subject Paragraph (65), "Starting and Quitting Times," in the 1974 negotiations, Representatives of AlliedSignal Inc. alleged the Union was not always cooperative regarding the matter of changes in Starting and Quitting Times where the Division demonstrated bona fide need for such change.

Pursuant to our discussion, the Allied Department, UAW, agrees to stress its commitment to encourage the leadership and membership of its local unions to cooperate with the Division, where the Division has a bona fide need for such change in the Starting and Quitting Times of the shifts.

Very truly yours,

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

Cal Rapson

Agreed to:

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In the course of current negotiations on the Master Agreement between Honeywell and the UAW, the parties have discussed the Union's charge that at some Honeywell plants, certain nonbargaining unit employees have repeatedly worked in violation of Paragraph (126) of the Master Agreement. These discussions have also dealt with Honeywell's charge that at some plants certain UAW representatives have repeatedly filed unjustifiable grievances charging violation of Paragraph (126).

The parties are in agreement that the situations complained of have created problems for both parties to the Master Agreement and must not be permitted to continue.

In further effort to implement our mutual determination to correct abuses in this area, the parties have agreed to take the following steps:

Each Division will issue appropriate instructions to all excluded employees involved that they are not to work on included work and that violations of Paragraph (126) cause serious disruptions in the parties' relationship.

It is understood that the Union will notify its representatives of their obligation to keep the grievance procedure free of unmeritorious grievances and that unjustifiable grievances charging violation of Paragraph (126) are not in keeping with the Union's obligation.

This letter is not intended to prejudice any contractual position either Honeywell or the UAW may take in any case arising under the Master Agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 19

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Ms. Forrest:

By letter dated June 17, 1968, Honeywell International Inc. informed the UAW that each of the Master Divisions will issue instructions to all appropriate excluded employees that they are not to perform bargaining unit work as stated in Paragraph (126) of the Master Agreement.

Will you please see to it that these commitments are promptly implemented; and the subject matter of the instructions to these employees contains an explanation of Paragraph (126), their obligations therein, and that it is a management requirement that they must adhere to these provisions.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 20

May 3, 2003

Attention: Mr. Edward J. Bocik
Vice President, Labor Relations,
Honeywell International Inc.

Dear Mr. Bocik:

In accord with the understanding arrived at by the parties as outlined by Letter No. 18 of the Letters of Understanding (copy attached), please be advised as follows:

The Union agreed to notify its representatives of their obligation to keep the grievance procedure free of unmeritorious grievances and that unjustifiable grievances charging violation of Paragraph (126) are not in keeping with the Union obligation. Therefore, consider this as notification to that effect.

Very truly yours,

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

**Cal Rapson
UAW Vice President and
Director, National Aerospace
Department**

Agreed to:

HONEYWELL INTERNATIONAL INC.

By: Edward J. Bocik

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

It has been agreed between the parties in recent Collective Bargaining Meetings that if a Local Union coming under the Master Agreement requests the supplemental letter stated below, said letter will be distributed and placed into effect promptly.

"Director, Human Resources
_____ Division

During the course of the recent Master Contract negotiations many subjects came up for discussion, all of which were resolved through the orderly process of Collective Bargaining, either through incorporation of understandings in the Collective Bargaining Agreement or through withdrawal by the party instituting such proposal.

In addition, there were other matters discussed in which both parties registered concern over certain incidents and conditions in the past and sought ways and means of airing such matters in the future to the mutual benefit of both parties.

Accordingly, we have agreed with the Union that, commencing in the month of _____, and periodically thereafter, the appropriate representatives of the management of the Division (always including the Director of Employee Relations or his designated representative) will meet with a subcommittee of the Bargaining Committee of Local # _____, U.A.W., not to exceed one-half of the members of such committee, for the purpose of discussing specific problems raised by either party, including those which may pertain to the intent of Letters No. 10 and 11 as well as alleged abuses relating to subcontracting practices. The meeting will be held at the request of the Union or the Management upon ten (10) days advanced notice to the other party. During this 10-day period, the parties will make known to the other the subjects they expect to discuss. It is expressly understood that no subject can be included for discussion which is subject to the grievance procedure or arbitration procedures of the Collective Bargaining Agreement.

In no event will either party be obligated to meet for such purpose more frequently than every forty-five (45) days. At

Letter No. 21

Page Two

such meetings, the Management will upon request discuss reasons for managerial determinations and decisions that have taken place involving subcontracting of work regularly and customarily performed by employees in the Bargaining Unit; where such subcontracting has resulted in layoffs of employees in the Bargaining Unit.

It was clearly understood between the Company and the Union that such discussion while intended to create and improve harmonious relations between the parties will in no way impair nor infringe upon management's clear right to make such subcontracting determinations. It is further expressly understood that the matters taken up or discussed at such meetings shall not be subject to the grievance procedure nor the arbitration provisions of the Collective Bargaining Agreement. It is further clearly understood that the Union waived none of its rights to process issues or problems under the terms of the existing supplemental letters to the Master Agreement. In addition, the Union was reassured that existing practices of processing and resolving such complaints with Divisional Representatives now in existence will not be altered."

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 22

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Attached for your information, are copies of the standards adopted by the Company to implement the special early retirement provision of the Supplement Agreement entitled Retirement and Pensions part of the Collective Bargaining Agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

**STANDARDS FOR APPLICATIONS OF
SPECIAL EARLY RETIREMENT PROVISION
HONEYWELL INTERNATIONAL INC.
PENSION PLAN FOR HOURLY EMPLOYEES**

Article IV, Section 2(d) of the Pension Plan provides that an employee may be retired early at the option of the Company or under mutually satisfactory conditions providing he is otherwise eligible. The following standards have been adopted by the Company as a guide in the application of this provision.

Standards

A. An employee who is inefficient by reasons of permanent disability.

The retirement must be in the best interest of the Company. It is intended to benefit employees unable to work efficiently through no fault of their own. This contemplates that the efficiency of operation will be improved by reason of the retirement which may be the case in any of the following situations:

- The employee is no longer physically or mentally capable of performing his work in an efficient and satisfactory manner.
- The employee, though still capable of performing his work satisfactorily, is prevented by chronic physical illness or physical disability (less than total) from working regularly to the extent that efficiency of operation is interfered with.
- The employee's condition based on medical evidence satisfactory to the Company, is such that, although able to perform the duties of his job satisfactorily, he would thereby be jeopardizing his health or that of fellow employees, and it is expected that this condition will be continuous until his normal retirement age.
- The employee is on medical leave (medical leave expired) or medical layoff and his condition, based on medical evidence satisfactory to the Company, is expected to be continuous until his normal retirement age, and the probability of his being reinstated prior to his normal retirement age is remote because of his physical condition.

Letter No. 22

Page Two

The determination of Company interest is not necessarily to be made in reference to the particular job held by the employee; consideration should be given to the possibility of placing the employee on other work in line with his physical capacity and seniority.

It is in the Company's interest to see that this provision of the Plan is not abused or misused.

A discharge for cause shall not constitute retirement at the option of the Company or under mutually satisfactory conditions. It is not in the Company's best interest to reward misconduct, including deliberate poor job performance or absenteeism, with higher retirement benefits.

B. An employee who is laid off.

- Consideration for special early retirement may be given to an employee who is laid off as a result of a plant closing or discontinuance of operations; however, the fact that an employee faces layoff as a direct result of a plant closing or discontinuance of operation may or may not be grounds for granting a special early retirement benefit.

- Consideration for special early retirement may also be given to an employee whose layoff appears to be permanent and who appears to have no further opportunity for employment with the Company.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
 UAW Vice President and Director,
 National Aerospace Department, UAW

Dear Mr Rapson:

The following is the procedure and method of making SUB contributions under the Supplemental Agreement, Exhibit C entitled Supplemental Unemployment Benefit Plan, a part of the Collective Bargaining Agreement for vacation payments.

The parties have agreed to the method of converting the percentages of earnings set out in the Collective Bargaining Agreement between the parties as the method of determining an employee's vacation allowance, to their respective equivalents in "Hours", this conversion being for the purpose of making it possible to determine the credit units or fractions thereof to which the employee shall become entitled, if any as a result of such vacation allowance and the amount attributable to such vacation allowance to be contributed to the appropriate Supplemental Unemployment Benefit Fund. It is agreed that the conversion from percentages of earnings to hours is for the purpose stated above, and for no other purpose. This Letter of Understanding shall in no way modify or alter the Collective Bargaining Agreement or the Supplemental Unemployment Benefit Plan. In the event there is any conflict between this Letter of Understanding and said Collective Bargaining Agreement or Supplemental Unemployment Benefit Plan, the provisions of the Collective Bargaining Agreement or the Supplemental Unemployment Benefit Plan shall govern.

1. The parties agree that, with respect to employees who worked 1,800 hours or more during the year for which the vacation allowance is being computed, the percent of earnings set out in Article XVIII of the Master Collective Bargaining Agreement shall be converted to hours, and the amount to be contributed into the Fund shall be determined in accordance with the following schedule:

Seniority	Percent of Earnings	Vacation Hours in Relations to Percent
1 year but less than 3 years	2½%	40 hours
3 years but less than 5 years	3½%	60 hours
5 years but less than 10 years	4½%	80 hours
10 years but less than 15 years	6%	120 hours
15 years but less than 20 years	6½%	140 hours
20 years or more	8%	200 hours

Letter No. 23

Page Two

2. The hourly equivalent of the vacation allowance percentage for employees who worked less than 1,800 hours in the calendar year for which the vacation allowance is being computed will be determined by multiplying the number of hours the employee worked by the appropriate percentage of earnings for the employee's particular seniority group. The resulting figure will represent the hourly vacation allowance, which shall then be multiplied by the appropriate SUB contribution in effect on June 30, to determine the amount of the contribution into the appropriate Fund, except that, in the event the number of hours resulting from this computation is greater than the number of hours indicated in Paragraph 1 of this Letter of Understanding for employees in the particular seniority group, the number of hours indicated in Paragraph 1 shall be used.

3. The contribution into the Fund for any additional vacation allowance received by an employee who, on the focal date of December 31, of each year, becomes eligible for an increase vacation allowance as a result of a change in his seniority status, will be determined by multiplying the appropriate SUB contribution in effect on December 31 by the difference between the number of hours for which a contribution was paid into the Fund as a result of the regular vacation allowance to the employee and the number of hours which represents the equivalent of the percentage on which the revised vacation allowance was computed, using the schedule set out in Paragraph 1, above, and the method set out in Paragraph 2, above, to determine the hourly equivalent of the percentage on which the revised vacation allowance was computed.

4. With respect to employees who have worked a total of 1,800 hours in the calendar year, the number of hours shown in the column headed "Vacation Hours in Relation to Percent" in the schedule set out in Paragraph 1, above, shall be used to determine the effect of the vacation allowance upon the credit units or fractions thereof to which the employee may be entitled. For this purpose, the hourly equivalent of the additional

Letter No. 23

Page Three

vacation allowance received on December 31 focal date, computed in the manner set out in Paragraph 3, above, will be added to the hours which the employee worked during the last week in December.

5. The method of determining the number of hours attributable to the vacation allowance of an employee who has not worked 1,800 hours in the calendar year shall, for purposes of determining the number of credit units to which such employee shall become entitled, be the same as that set out in Paragraph 2, above, for determining the number of hours to be used in establishing the contribution to be made into the appropriate Fund.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

**MEMORANDUM OF UNDERSTANDING TO
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN
DATED MAY 3, 1999**

This Memorandum of Understanding is made this 3rd day of May, 1999 between Honeywell International Inc., hereinafter referred to as the Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), hereinafter referred to as the Union.

The parties hereto agree to establish the conditions regarding the applicant's seniority for computation of separation payment under the provisions of Article IV of the Supplemental Unemployment Benefit Plan.

It is agreed that this Memorandum of Understanding is for the purpose stated above and for no other purpose. This Memorandum of Understanding shall in no way modify, alter or prejudice the Collective Bargaining Agreement.

For the purpose of separation pay only under the Supplemental Unemployment Benefit Plan, employees who have been on layoff for twenty-four (24) continuous months, or who have been on layoff for a period of time equal to or in excess of their seniority at time of their most recent layoff, shall, in the event of future recall, be considered eligible under all the provisions of the separation payment portion of the Plan only on the basis of their total period of active employment.

The parties have agreed to a moratorium on separation payments under the 1999 Agreement (See Article IV, Section 1 (e) and Section 2 (b)(5) of the Supplemental Unemployment Benefit Plan). This letter is, therefore, inoperative for the duration of the 1999 Agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the present negotiations, we agreed to provide an explanation as to how Company determinations are made that employees are or are not on a qualifying layoff, within the meaning of Article 1, Section 3 of the Supplemental Unemployment Benefit Plan, in the event of severe weather constituting an Act of God.

In making these decisions, the Company considers the following factors:

- Weather conditions in relation to normally expected weather for the area and the experience of local governmental agencies and the population in dealing with such weather.
- Existence of legally enforceable government directive affecting a substantial number of employees, that any motorist will receive a substantial fine for any driving in the affected area.
- Disaster area declarations.
- Weather related experience of other area employers (especially any other automotive manufacturers in the area).
- Road closings in the vicinity of the facility which prevent reasonable access to the facility.
- Effect of severe weather on the facility, e.g., collapsed walls, power outages, inability to move stock, etc.
- School closings.
- Airport closings.
- Government office closing.
- Postponement or cancellation of public or private events.
- Shutdown or serious weather-related impairment of rail and truck transportation.
- Attendance and tardiness patterns in the plant and other Company facilities.

No single factor in and of itself may be determinative. These factors are considered as a whole based on a reasonable assessment. The critical determination is the impact of the severe weather, based on the pertinent factors listed above, on employees and facilities.

It was also agreed by the parties during the negotiations that in the case of an employee who reports for work on a day for which a Company determination is made that a qualifying layoff, by re-

Letter No. 25

Page Two

sons of severe weather, exists with respect to employees in such plant who did not report for work, all hours worked by such reporting employee will be disregarded in calculating Compensated or Available Hours for the week and such employee shall be deemed to be on qualified layoff for the shift.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

The 1999 Supplemental Unemployment Benefit Plan does not provide for the payment of Supplemental Unemployment Benefits or Separation Payments to employees who are automatically retired or are terminated at or after age 60 for specified reasons and who are not eligible for retirement benefits under the Retirement Plan established by agreement between the Company and the Union. The arrangement described below, therefore, is hereby adopted with respect to such employees. Any term which is defined in the Plan and which is used in this letter shall have the same meaning in this letter as it has in the Plan.

An employee who is automatically retired from the Company, and who is not eligible for a retirement benefit under said Retirement Plan, will receive a Benefit, if otherwise eligible, in the amount and on the same basis that would have applied under the Plan, if he were on a qualifying layoff. Notwithstanding Section 3 of Article III of the Plan, Credit Units to the credit of the employee at the time of retirement will not be forfeited because of the retirement. The Benefit will be paid for any Week for which the retired employee receives a State System Benefit or was ineligible to receive such a benefit because of any of the reasons specified in Section 1(b) of Article 1 of the Plan or because he is automatically retired from the Company. The duration of Benefits provided hereunder will be determined by the employee's Years of Seniority and the number of Credit Units which are credited to him, as of the date of his retirement, and by the CUCB table contained in Section 4 of Article III of the Plan. The rate of cancellation as set forth in said table will be based upon the applicable CUCB, as determined under the Plan, with respect to the week for which the Benefit is claimed.

An employee who is terminated at or after age 60, who is not eligible for a Separation Payment under Section 1(a) of Article IV of the Plan, and who does not have the requisite years of credited service for eligibility under said Retirement Plan, will receive a lump sum payment in the same amount and on the same basis that would apply if Section 1(a) of Article IV of the Plan were applicable, except that Section 1(d) thereof and the requirement that Seniority be unbroken on the date application is made shall not

Letter No. 26

Page Two

apply. Notwithstanding any possible implication to the contrary, *the employee shall make application within 24 months from the date of his termination.*

Benefits and lump sum payments which may become payable under this letter agreement will be paid by the Company. Company contributions required under Section 5 of Article VII of the Plan shall be reduced by any Benefits and lump sum payments paid hereunder. If contributions are not required under the Plan for any period, or if the contributions required are less than the amounts to be offset, then any subsequently required contributions shall be reduced by the amount of Benefits and lump sum payments not previously offset against contributions. The amount of Benefits and lump sum payments which could not be offset against contributions will be deducted from the market value of assets in the Fund in determining the CUCB under Section 3 of Article VII of the Plan and in determining whether the Fund equals or exceeds Maximum Funding under Section 2 of Article VII.

The parties have agreed to a moratorium on separation payments under the 1999 Agreement (See Article IV, Section 1(e) and Section 2(b)(5) of the Supplemental Unemployment Benefit Plan). This letter is, therefore, inoperative for the duration of the 1999 Agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In accordance with agreements reached during the bargaining sessions, we are enclosing a form entitled "Informal Procedure for Review of Denied Claims" which has been adopted in the administration of the Group Insurance Program.

INFORMAL PROCEDURE FOR REVIEW OF DENIED CLAIMS

To afford employees a means by which they can seek review and possible reconsideration of a denied claim, internal procedures of Honeywell International Inc. and the Connecticut General Insurance Company will provide a procedure somewhat along the following lines:

- (1) The formal notification letter from Connecticut General by which the employee is advised that his claim is denied will inform the employee that if he has any questions regarding Connecticut General's denial they may be referred to the plant insurance office.
- (2) Upon request, the plant insurance office will obtain more details with respect to the reasons for Connecticut General's denial and if appropriate advise what if anything the employee can do to support his claim for payment of benefits.
- (3) The employee may request the representative which his local union has designated to discuss insurance matters with local management to obtain this information.
- (4) Upon request, a representative of local management will review the employee's case with the Union representative. At this meeting, there will be furnished to the Union representative all the material pertinent to the claim which Connecticut General has made available for examination including Connecticut General's detailed explanation of the reasons for the denial of the claim.
- (5) If, after discussion with the representative of local management, the local union representative contests the position of Connecticut General as reflected by management, he can refer the case to the International Union UAW National Department for review with the Company:

Honeywell International Inc.
P.O. Box 2245, 101 Columbia Road
Morristown, NJ 07962-2245

Letter No. 27

Page Two

At such time, he should advise local management of his intention.
(6) The Company and the International Union UAW National Department will review the case as at present, and if they are unable to resolve their differences, the Company at the request of the Union will request a review by Connecticut General and will incorporate in such request the Union's position. Such review will be conducted by a committee of three employees of Connecticut General, at least one of whom shall be an officer of Connecticut General.

(7) Connecticut General will report to the International Union UAW National Department and to the Company its action as the result of such review.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This will confirm the understanding reached in Detroit, Michigan on December 29, 1964, relative to the delay in payment of weekly indemnity benefits to temporarily disabled hourly employees of our Bendix Guidance & Control Systems who become eligible for such benefits under the terms and conditions of the New Jersey Temporary Disability Benefit Law.

The Company recognizes that delays in payment of such benefits can cause unnecessary inconvenience and hardship to eligible temporarily disabled employees. We will, therefore, establish, under the provisions of the Supplemental Weekly Accident and Sickness Program provided by the Connecticut General Insurance Company, a method of advancing promptly, weekly benefits equal to the benefit available to the employee under the New Jersey Temporary Disability Benefit Law. The monies advanced will be subject to repayment by the employee to the Connecticut General upon receipt of payment of such benefits for a similar period by the employee from the New Jersey Temporary Disability Benefit Fund.

Each eligible employee to whom advance payments are made by Connecticut General will be requested to sign a "reimbursement agreement" copy attached. A procedure will be established by the Divisions for the purpose of assisting the employee in arranging for refunding of benefits advanced by The Connecticut General Insurance Company.

Letter No. 28

Page Two

The Company further agrees that the maximum period for which an employee may be eligible for Unemployment Compensation Benefits will not be reduced as a result of his receiving Weekly Accident and Sickness benefits during the same benefit period. The Company also agrees that the maximum period for which an employee may be eligible for Weekly Accident and Sickness Benefits under the New Jersey Temporary Disability Benefits Law will not be reduced by virtue of his having collected Unemployment Compensation Benefits during the same benefit period.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

REIMBURSEMENT AGREEMENT

I, _____, residing at _____, _____, an insured employee under Group Policy # _____, Certificate # _____ issued by Connecticut General Insurance Company (hereinafter called "the Company") to my employer, Honeywell International Inc. acknowledge that I am receiving payments for non-occupational disability benefits under said group policy which have not been reduced on account of benefits to which I may be entitled under the New Jersey Temporary Disability Benefits Law.

I also acknowledge that I have made claim for Temporary Disability Benefits on account of the disability for which I am receiving benefits from the Company, to Division of Employment Security, Department of Labor and Industry, State of New Jersey, and that upon payment of such benefits, I will have received payments under the group insurance policy to which I am not entitled under the terms and conditions of the policy.

I hereby agree to reimburse the Company in the amount of any payments made under the group policy to which I am not entitled, as determined by the Company.

Letter No. 29

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the 1992 negotiations, the parties agreed to accumulate Credited Service for periods of time during which an employee is on the approved leave of absence from a Master Division for the purpose of managing a Credit Union associated with such Division.

Such Credited Service shall be accumulated in the same manner as provided in Article XVI, Section 2(c), Administrative Rules of the Supplemental Agreement regarding Retirement and Pensions, Exhibit A, as if the employee were on an approved leave of absence while holding a position on the staff of the International Union.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

**MEMORANDUM OF UNDERSTANDING
REGARDING PRODUCTIVITY
DATED MAY 3, 1992**

The 1974 Master Contract Negotiations provided a forum for discussion of the ongoing problems associated with productivity. This subject, because of the urgent need to be competitive, with its corresponding effect on jobs, is considered to be of top priority between the parties.

The need for increased productivity encompasses multiple subject areas. However, the objective of both parties is to establish a better means of communicating at the Divisions that will not only identify the particular problems of each Division, but also establish a means of correction.

Recognizing that urgent productivity problems exist at each Division, the parties mutually agreed that they will apply their diligent efforts toward the implementation of the objective of increased productivity, realizing that their failure to do so can only have a further detrimental effect on the Master Divisions.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This will confirm the understanding reached between the parties in the course of the 1968 Master Contract negotiations with respect to the extra optional week of vacation to employees with ten or more years of seniority as of June 30 of any particular vacation year.

It is the intent of the Company, in agreeing to this provision, to attempt to accommodate all such requests to the extent practicable for the particular week desired by each individual employee, when his absence will not have a significant effect on the continued efficiency of operations. It must be recognized, however, that there may be instances where the specific request may not be approved for valid reasons as contained herein. In these instances, an alternate week may be requested by the employee if he so desires.

Also, it must be recognized that the composite effect of multiple requests for the same week may necessitate the denial with respect to some requests. In such instances, alternate weeks will be arranged by mutual agreement with the individual employees, taking into account the seniority of the employees involved.

The Company assures the Union that it is its intent to implement this provision on a practicable basis and permission will not be unreasonably withheld.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 32

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Paragraphs (83) and (84) of the 1965 Master Agreement have not been redocumented in the new agreement, but the rest periods referred to therein will be continued. If these rest periods should be adjudged inconsistent with any Federal or State Laws or regulations, the Company and the Union will discuss and agree upon appropriate adjustments as required to be in conformity with the law—said adjustments to be accomplished at no increased cost to the Company, nor monetary loss to the bargaining unit employees in regard to the parties' past or future obligations.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 33

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In accordance with the agreement reached during the bargaining sessions, instructions will be provided each Division to the effect that they should make arrangements to advise an employee who is on layoff status and eligible to continue such coverage under the terms of the agreement when he will be required to start paying \$.50 per \$1,000 of Group Life Insurance and the full cost of the Hospital, Surgical, Medical, Drug, Vision and Hearing-aid Plans directly to the Division each month in advance. Such advice will be provided in the month prior to the date the payment is due.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 34

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the current negotiations, the parties discussed inequities which can arise when the Moving Allowance provisions of Paragraph (112) are applied to single, widowed, divorced, or legally separated employees who, because they have their children residing and relocating with them, incur substantially the same moving costs as married employees. The Corporation agreed that in such cases the applicable Married Employee Moving Allowance amount will be applied.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the course of the 1977 negotiations, the parties acknowledged the necessity of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which both parties subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as being contrary to the purposes for which the grievance procedure was established.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union Representative involved, the Honeywell Department of the International Union may inform the Corporation's Labor Relations Staff in writing that such grievance is to be reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Corporation will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the provisions of the Collective Bargaining Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against the Corporation in the grievance procedure, or in any court or before any federal, state or municipal agency.

Notwithstanding the foregoing, a decision of the impartial umpire or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the employee or employees involved and the Corporation and such grievance shall not be subject to reinstatement.

Letter No. 35

Page Two

This is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the Collective Bargaining Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the impartial umpire or other grievance resolutions.

It is understood that this letter and the parties' obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

Further, it is agreed that none of the above provisions will be applicable to any case settled prior to the effective date of this letter.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: **Mr. Cal Rapson**
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Notwithstanding any provisions of the Supplemental Unemployment Benefit Plan to the contrary, an Employee on a qualifying lay-off who is ineligible for a State System Benefit for any week solely because of the pregnancy provisions of the law of the applicable State System will, if otherwise eligible, be entitled to a Regular Benefit for such week, subject to the following conditions:

Prior to the payment of a Regular Benefit for such week, such employee must:

- (a) Submit written evidence satisfactory to the Company of her ineligibility for a State System Benefit because of the pregnancy provisions of the law of the State System, and
- (b) With respect to such week, file a written application in person and establish to the satisfaction of the Company that she is able and available for and seeking full-time work to the same extent as though she was receiving a State System Benefit.

Any term defined in the Plan and used in this letter has the same meaning in this letter as in the Plan.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This confirms our understanding that, notwithstanding Section 9 of the H-S-M-D-D-V Program if during the term of the collective bargaining agreement between the Company and the Union effective today, any Federal health security act (other than a Worker's Compensation or occupational disease law) is enacted or amended to provide hospital, surgical, medical, prescription drug benefits, dental benefits or vision benefits for employees, retired employees, or surviving spouses, which in whole or in part, duplicate or may be integrated with the benefits under the H-S-M-D-D-V Program, the benefits under the H-S-M-D-D-V Program shall be modified in whole or in any part, so as to integrate or so as to eliminate any duplication of such benefits with the benefits provided by such Federal law.

If any such Federal law is enacted or amended, as provided in the paragraph above, the Company will pay through the term of the contract, any premiums, taxes or contributions employees may be required to pay under the law, when they become effective, that are specifically earmarked or designated for the purpose of financing the program of benefits provided by law, in addition to any premiums, taxes or contributions required of the Company by law. If such tax on employees is based on wages, the Company will pay only the tax applicable to wages received from the Company.

Any savings realized by the Company from integrating or eliminating any duplication of benefits provided under the Insurance Program with the benefits provided by law, shall be retained by the Company.

Letter No. 37

Page Two

This understanding is conditioned on the Company obtaining and maintaining such governmental approvals as may be required to permit the integration of the benefits provided under the Insurance Program with the benefits provided by any such law and, provided further, that neither this letter nor the enactment of such Federal legislation shall work to the detriment of any employee.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 38

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the 1992 National negotiations, the parties discussed the procedure for handling complaints of sexual harassment.

This will confirm our understanding that such complaints are a proper subject for the grievance procedure.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This is to confirm our understanding concerning the unbroken Christmas holiday period holidays provided under our 1999 Master Collective Bargaining Agreement.

The new agreement is intended to continue the concept of an unbroken Christmas holiday period which includes the days between the day before Christmas and New Year's (inclusive), two weekends, and a minimum of six holidays.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Please be advised that as a result of the current negotiations, the Company plans to continue an Educational Assistance Program as outlined in the following paragraphs:

Under the Program, the Company refunds tuition (including related fees, books, etc.) up to four thousand dollars (\$4,000) per calendar year, four thousand five-hundred dollars (\$4,500) per calendar year for approved courses taken at accredited colleges or universities) to seniority employees on the active employment rolls who satisfactorily complete after-hours courses approved by the Company at accredited business schools, high schools and trade or vocational schools. The training must be either job-related or for the Employee's advancement within the Company. Employee participation in the Program is voluntary. The Program will be established and administered by the Company under terms and conditions established by it from time to time.

The following programs are considered job-related and will be approved when the needs cannot be met within the Company:

- a. Courses which will improve the Employee's skill on his present job. This includes courses designed to update employees in the technology of their trade or occupation and courses directed toward qualifying an Employee as an apprentice in the skilled trades. In this latter connection, the Company will cooperate and work with approved educational and training institutions in the development of courses directed toward qualifying an employee as an apprentice in the skilled trades.
- b. Courses which relate to the next job in the logical development of an employee's career.
- c. Courses which will prepare an employee for openings that are expected to occur in the future and for which a sufficient number of qualified employees are not available.
- d. Courses taken to complete the requirements for a grammar school certificate or high school diploma.
- e. Any literacy courses or courses in fundamental reading and mathematics. These include courses usually designed to teach sixth grade competency in reading, writing and numerical skills.

Letter No. 40

Page Two

f. Any required or pertinent elective courses taken in a degree seeking program in a field related to the employee's job or appropriate to his career in the Company.

g. Employees who, within two years of the commencement of their layoff, enroll and satisfactorily complete Educational Assistance courses will be eligible for Tuition Refund.

h. Employees who, within two years of the commencement of an approved educational leave of absence, enroll and satisfactorily complete Educational Assistance courses will be eligible for Educational Assistance Program benefits.

The grievance procedure set forth in the Collective Bargaining Agreement between the Company and the Union shall have no application to, or jurisdiction over, any matter relating to this program.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

As a result of 1995 negotiations, the Company reaffirmed to the Union its policy and commitment to provide a safe and healthful working environment for all its employees.

In support of this policy, the Company has designated a fully qualified Company Safety and Health Administrator for each Master location. The Company Safety and Health Administrator will be available to the Union for assistance in the identification and/or resolution of legitimate safety and health problems. Further, the Company will continue to provide its safety and health administrators with the requisite information and training to keep them fully apprised of the latest safety and health state of the art.

In addition, the Company will continue to give safety and health issues high priority and, finally, each Master Contract location will be periodically audited to assure adherence to our policy and commitments in the area of safety and health.

The local union and local management of each plant covered under the UAW Master Agreement, with the support and participation of the UAW Aerospace Department and Honeywell, will discuss the possible participation of union committee members and local managers in health and safety training programs offered by the UAW Training Center and Honeywell.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Nonbargaining unit employees who flagrantly defy provisions of Paragraph (126) of the Collective Bargaining Agreement regarding the performance of bargaining unit work will be identified to the Director of Employee Relations who shall, in the presence of appropriate Divisional Management, impress upon such person the necessity of his or her compliance. In the event the desired results are not achieved, the situation shall be brought to my personal attention for further action as may be appropriate.

The above procedure is intended to apply only in instances of willful disregard for undisputed bargaining unit work and not in circumstances arising from a legitimate dispute or inadvertency.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

In accordance with agreements reached during the bargaining sessions, we are enclosing "The Informal Procedure for Review of Denied Hospital, Surgical, Medical, Drug, Vision Care and Hearing Aid Claims" which has been adopted in the administration of the Health Insurance Program.

**INFORMAL PROCEDURE FOR REVIEW OF DENIED
HOSPITAL, SURGICAL, MEDICAL, DRUG, VISION
CARE AND HEARING AID CLAIMS**

To afford employees a means by which they can seek review and possible reconsideration of a denied claim, internal procedures of Allied-Signal Inc. and the insurance carrier will provide a procedure along the following lines:

Step 1: Following receipt of notification from the local plan, Control Plan or carrier with regard to denial of a claim in full or in part, an employee may request the local union representative to review the disputed claim with the designated local management representative.

If requested to do so, the designated local management representative will endeavor to obtain additional information from the local plan, Control Plan or carrier regarding the disputed claim. The local plan, Control Plan or carrier will advise the management representative what, if anything, can be done to support the employee's claim for payment of benefits.

Step 2: If the local union representative contests the position of the local plan, Control Plan or carrier as reported by the local management representative, he may refer the case to the International Union for review with the Corporation. At such time, he shall notify the local management representative in writing of his intention to do so.

Step 3: The International Union may review the disputed claim with the Corporation, local plan, Control Plan or carrier. At the request of the International Union, the Corporation will request either the Control Plan or carrier, as appropriate, to review such claim.

Letter No. 43

Page Two

Step 4: The Control Plan or carrier will be requested to report in writing to the Corporation and International Union its action as a result of such review. If payment of the claim is denied in full or in part, the Control Plan or carrier will be requested to include in its report the pertinent reasons for the denial.

Disputes related to questions of coverages shall be reviewed and appealed in the same manner as outlined in the preceding four steps, as applicable.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

The Company recognizes the importance of job security for the employees who look to the Company for long term employment. It is important that such employees be made aware of the competitive factors that could undermine their job security and that they have an opportunity to participate in the solution of competitive problems.

While we cannot guarantee that work will remain in a given location because non-competitive cost or quality may be a threat to retaining the work, we can improve the process for reviewing noncompetitive situations at the earliest recognizable stage of a problem. To that end, the Company will promptly initiate meaningful discussions with the Union, informing them of the problem in sufficient detail to accurately portray both the problem and the apparent solutions. The Union, on its part, will review the problem and undertake to help achieve solutions so as to reach an early correction.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

To satisfy the requirements of Section 29 of the Honeywell-UAW Master Agreement, the Company and the UAW will mutually select permanent arbitrators for panels for the following regions:

- East - Teterboro, NJ; Green Island, NY
- Midwest - South Bend, IN
- West - Sun Valley, CA

The Company and the Union will jointly select two alternate permanent arbitrators for each of the above three panels. Thereafter, if an arbitrator on the above panels becomes permanently inactive, the Company and Union will jointly select a replacement arbitrator within three months of the existence of such vacancy.

If the permanent arbitrators on the above regional panels are not readily available for the arbitration of a grievance pertaining to employee discipline, including discharge, an arbitrator will be selected ad hoc by the Company and Union in a mutually acceptable manner.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the 1992 Master Contract Negotiations, the Company and the UAW discussed the Employee Assistance Programs currently in existence at each location.

The Company and the UAW recognize that the medical problems of substance abuse, chemical dependency and mental or nervous disorders can have a negative effect on an employee's health and Job performance. These negative effects are also possible if the problems exist within the family.

Misuse of substances, chemicals, and mental or nervous disorders can impair an employee's ability to function and contribute to increased tardiness, absenteeism, as well as increased health care costs. These factors are recognized as having a potentially damaging effect on work efficiency and possibly endangering job security of the employee. Delaying action in these cases can result in severe mental and physical deterioration or even death.

Experience shows that the majority of substance abuse and chemical dependency problems are treatable, and with appropriate intervention and counseling, the situation can be improved and resolved.

In some instances, normal supervisory intervention serves either as motivation or guidance by which such problems can be resolved and the employee's job performance will return to an acceptable level. In still other instances, however, the efforts of neither the employee nor the supervisor have the desired effect of resolving the employee's problems, and a pattern of unsatisfactory performance persists.

It is the Company and UAW's mutual agreement that a framework should exist within which employees and their immediate family members can voluntarily and confidentially seek professional counseling, treatment or other assistance to address their problems. In this regard, the parties accordingly have agreed that each location covered by this agreement should have an EAP which is consistent with good therapeutic and business functions. This program should address not only the problems of substance abuse but other personal problems which affect the well being of the employees and their immediate family members.

Each location's program should take into account the following:

- Early recognition and treatment of substance abuse, chemical dependency, and mental or nervous disorders.

Letter No. 46

Page Two

- The responsibilities of the Company and the Union in the referral process when job performance is unsatisfactory.
- The responsibility of the employee to comply with referral and treatment recommendations.
- The Employee Assistance Program as it relates to the disciplinary system and job security.
- Education, experience, and personal qualifications of EAP Representatives.
- Development of a Company-wide climate that minimizes the social stigma associated with:
 1. substance abuse, chemical dependency, and mental and nervous disorders;
and,
 2. employees seeking treatment for such problems.

While local applications will vary, the general responsibilities of the Employee Assistance Program will consist of:

- Acting at all times in a manner consistent with policies and objectives agreed to by the parties.
- Maintaining confidentiality in all recording and reporting as required by federal and state laws.
- Participating in assessment and evaluation of employees.
- Referring employees to professional health providers when necessary.
- Providing feedback to Health Coordinator and contract EAP provider on treatment sources.
- Providing formal training and education on an ongoing basis.
- Monitoring job performance of employees and encouraging follow-up of treatment goals.
- Maintaining ongoing open communications and cooperation with the Company and Union.
- Assisting in the orientation and training process.
- Providing feedback for quality assurance monitors.
- Promoting and encouraging use of the EAP.
- Maintaining follow-up with employees in continuing care programs.

Letter No. 46

Page Three

- Assisting in evaluating and monitoring community resources.
- Serving as liaison to management and personnel.
- Assisting employees in returning to work after treatment or rehabilitation.
- Assessing the feasibility of an on-site support group.

The contract Employee Assistance Program provider should be responsible for the following EAP services:

- Toll-free telephone number available 24 hours a day
- Assessment/preliminary diagnosis
- Action Plan (appropriate referrals)
- Follow-up
- Utilization reports
- Promotional materials
- Program orientations
- Training for supervisors and UAW officials
- Quality assurance monitors
- Informal program promotion workshops
- Consultation on an "as needed" basis
- Others as mutually agreed by the parties
- Identify or develop as appropriate treatment providers

The local union and local management of each plant covered under the UAW Master Agreement, with the support and participation of the UAW Aerospace Department and Honeywell, will discuss the possible participation of union committee members and local managers in EAP training programs offered by the UAW Training Center and Honeywell.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Throughout the period of the 1989 Master Contract several discussions occurred with International and Local UAW representatives about various standards imposed by agencies of the United States government with which Honeywell contracts either directly or indirectly. During the 1995 negotiations it has been mutually agreed that in order to continue to contract with the U.S. Government and thereby provide continued employment opportunities as a result of those contracts that we would abide by the government imposed specifications, that may require employees to be certified to perform various aspects of their duties such as soldering and other requirements as determined by such contract.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

ALTERNATIVE HEALTH CARE DELIVERY SYSTEM

This Letter of Understanding reaffirms the concern that both Honeywell and the UAW have regarding rising health care cost and the impact it has on Honeywell and the UAW members at the UAW Master facilities. In 1991 the parties established the Joint Study Committee on Medical Insurance to explore alternative ways to improve both the quality of employee's health and the quality of health care delivery, and better manage the cost of health care. In order to continue the accomplishments we have made in understanding and managing the factors that impact on the cost of health care, we need to enhance our ongoing efforts.

This Committee meets periodically with BlueCross BlueShield, and other companies who provide benefits to the Honeywell National Account Program to review historical utilization and cost, health care delivery and cost trends, disease and medical practice patterns, provider discounts, administrative cost, and any other factors that impact on health care.

This Committee, by mutual agreement, will have the added responsibility to recommend programs, pilot or otherwise, that could potentially prevent illnesses, incorporate technological advances in medicine, detect and prevent abuse and provider fraud, identify and authorize appropriate centers of excellence, establish programs to review or eliminate inappropriate tests and surgeries, and other areas as may be necessary. All programs recommended by the Committee must be agreed upon by the UAW/Honeywell Department and Honeywell prior to implementation.

While these programs will enhance the quality of the Honeywell National Account Program, active employees and retirees also have the option to enroll in alternative health care delivery systems where health care is often better managed and delivered. Consistent with Appendix C, Part III, Section A, Paragraph 5, c. 7, local Union and Company management is encouraged to jointly review and recommend optional health benefit programs with appropriate managed care companies. Local Union and Company representatives should forward their recommendations to AlliedSignal Department. No Alternative Health Care Delivery System will be implemented until both Parties agree.

Letter No. 48

Page Two

As a minimum we expect managed care organizations to meet the following standards:

- High quality (Approval by a nationally recognized accreditation organization preferred).
- Accessible (as a guideline 25% of employees must be within 15 miles of a network primary care physician).
- If over 100 enrollees it would be reviewed for possible experience rating.
- Minimum enrollment size (25 employees); less than the minimum results in adverse selection, and disproportionate administrative workload.
- If the program is to be offered to retirees, the managed care company must offer Medicare eligible retirees a program that supplements or carves out Medicare Part A & B benefits, or a HCFA Medicare Risk Program. The combination of Medicare and non-Medicare benefits should be comparable to the traditional program.
- Preventive Services must be included (routine physicals, office visits, mammograms, routine gynecological exams [without referral], well baby and well child care; PSA, eye refractions, hearing tests).
- Provider should offer full range of coverages including hospital, medical, skilled nursing, home health, prescription drugs, vision, hearing, etc), although certain services may be "carved out" and delivered by other providers where appropriate.
- Ideally, Health Education Programs such as prenatal, smoking cessation, weight management, stress reduction, etc. should be included.
- Primary Care Physician must serve as care coordinator (Pediatricians shall be available as PCPs for children).
- May be closed panel or point of service (POS) program.

Letter No. 48

Page Three

- The prescription drug program and its copayment should be consistent with the Honeywell National Account Program. If the HMO's drug program is deemed to be clinically or financially less effective, it may be substituted with the National Account Prescription drug program.
- A reasonable office visit copayment may be established for both primary care and specialty visits. It is important that the office visit copayment not be so high as to become a barrier to receiving care.
- The program should be designed to incorporate the members and providers into a partnership in improving and maintaining the employees' health. It is critical for employees to fully understand the importance of their responsibilities in this role.

After review and acceptance by the Union and Company, a Special Enrollment period will be established with the managed care organization to allow employees the opportunity to enroll into the alternative health care program. The Company contribution would be as defined in Appendix C, Part V (Employee Contributions), Section A, Sub-Section 2, f, and Part I, Section 5, Sub-Section E. Enrollment periods will be conducted annually thereafter, thereby allowing employees to enroll or disenroll in either the traditional or alternative health care plan.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

HEALTH AND WELLNESS PROCESS

Implement a joint Honeywell-UAW International health and wellness process for active employees, and encourage maximum employee participation in it.

The process would include the establishment of local teams comprised of representatives from the UAW local union, and the Human Resource and Health, Safety, and Environmental staffs. The teams would be responsible for the identification of high risk/exposure problems, health risks and status of their respective populations, and issues important to their constituencies. Once identified the team would establish programs to assist, educate, and motivate their target populations in healthier lifestyles. This process would include the following kinds of activities:

- Health education and awareness programs.
- Health screenings and detection programs (generally between shifts, during breaks or lunch).
- Contests or incentives to kindle employees interest and participation.
- Health risk self appraisal programs.
- Self Care Programs.
- Diet & Nutrition Education.

They should incorporate the use of community resources wherever appropriate in designing and implementing programs. Such resources would include American Cancer Society, American Heart Association, American Lung Association, local medical schools, HMOs, hospitals, insurance companies, and other organizations committed to the improvement of health status and prevention of disease.

Letter No. 49

Page Two

Most importantly, the team would be responsible for establishing appropriate benchmarks and conducting early and continuous evaluation and feedback loops to determine the efficacy and employee acceptance of the programs. Before a program is implemented the local team's recommendation must be forwarded to Honeywell and the UAW/Honeywell Department for review and approval.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During negotiations the Company and Union discussed a number of examples of delays when grievances are appealed to arbitration. After a Step 4 Meeting has been conducted and the Union has appealed a grievance to arbitration, the Company will process such Union appeals to arbitration. Failure to follow this process in a timely manner will be discussed by the UAW National Department International Representative and the Vice President, Labor Relations of Honeywell International Inc. for immediate resolution.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During this Negotiation, the Union brought to the Company's attention instances where certain plants did not follow Letter 10 of the Master Collective Bargaining Agreement during the last contract term. Currently, each plant has a process in place for implementing Letter 10. It is the intent of this letter to ensure that an ongoing process including a written form of notification at each plant stays in place and consistently provides accurate and timely information to the Local Union.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

This Memorandum of Agreement effective May 3, 1995, between Honeywell International Inc. (Company) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (Union), describes the joint understandings of the parties regarding implementation of the U.S. Family and Medical Leave Act (FMLA) for employees covered by the UAW/Honeywell Master Agreement. This Memorandum of Agreement shall be considered part of the Master Agreement.

Eligibility

As provided by the FMLA, employees covered under the Master Agreement shall be eligible for leave entitlements under the FMLA after being employed for 12 months and if actively at work at least 1250 hours in the 12 months prior to requesting a leave.

Qualifying Events for a Leave

As provided by the FMLA, an employee covered under the Master Agreement may request a leave under the following situations:

- Upon the birth of a child of the employee and to care for the child.
- Upon the placement of a child with the employee for adoption or foster care and to care for the child.
- In order for the employee to care for the employee's spouse, biological, adopted or foster child who is under age 18, or over age 18 if disabled; or parent, any of whom having a serious health condition (parents-in-law are not included).
- A serious health condition that makes the employee unable to perform essential job functions. (A serious health condition includes the need for prenatal care, a physical or mental incapacity requiring inpatient, outpatient, hospice or residential medical care, an incapacity requiring absence from work for three or more days and continuing treatment by a health care provider, or continuing medical treatment for a chronic or incurable health condition.)
- As used above, "serious health condition" shall have the same meaning as under the FMLA.

Letter No. 52

Page Two

Twelve Week Maximum Leave Period

Under the FMLA, an employee is entitled to a maximum of 12 weeks of leave in any 12 month period. This means that an employee is entitled to no more than 12 weeks of leave in any rolling 12 month period of time. This 12 week leave period can be applied to one or more qualifying events.

In the case where both spouses work for the employer, they are entitled to a total 12 weeks between them following the birth of a child, for the placement of an adoptive or foster child, or for leave to care for a seriously ill parent. Each spouse remains entitled to a full 12 weeks of leave for his/her own serious health condition, or that of a child, or the other spouse.

For leaves resulting from the birth, adoption or foster placement of a child, the leave must be taken within 12 months of such event and must be taken all at once, unless management approves an intermittent or reduced leave schedule (reduced workday or workweek). For all other qualifying events, including a serious health condition of the employee or family member, leave can be taken intermittently and even for less than a day, if necessary as in the case of an employee requiring medical treatment, or on a reduced leave schedule (reduced workday or reduced workweek).

Requesting a Leave and Returning to Work

Employees seeking a leave under the FMLA must provide the plant Human Resources Department with notice of at least 30 calendar days before the leave if the leave is foreseeable. If the need for such leave is not foreseeable, the employee must provide notice as soon as possible. Such notice must state the reason for the leave, the period for which the leave is requested, and when the leave will begin. Failure to provide the notice in advance can result in a postponement of the leave.

Letter No. 52

Page Three

The Company has the right to verify the reason for the leave by requesting medical certification within 15 calendar days, as well as medical opinions. With respect to the employer's right to verify the need for the leave, if the employer requires a second opinion, it must be at the employer's expense and the health care provider may not be employed by or in a regular contractual relationship with the employer. If the first and second opinions differ, the employer may require a third opinion, also at the employer's expense from a health care provider agreed upon by the employer and employee/union. The third opinion is final and binding on the parties.

In scheduling leaves under the FMLA, employees must make a reasonable effort to schedule medical treatment for themselves and their family members to minimize work disruption. The Company may require that employees furnish periodic reports regarding return-to-work status.

An employee returning from a leave under the FMLA will be reinstated to the same job or an equivalent job with the equivalent pay rate and other terms and conditions of employment, subject to existing procedures on return-to-work medical examinations. However, if an employee's job is eliminated because of a layoff or reduction-in-force while the employee is on leave or when the employee returns, the employee will be placed on layoff pursuant to the applicable Local Agreement.

An employee who fails to return to work at the expiration of a leave under the FMLA will be considered to have resigned employment.

Wages and Benefits While on Leave

The wages of employees will not continue during the leave period. However, employees on leave remain eligible for group health, Life and AD&D insurance benefits pursuant to the provisions of the UAW Honeywell Master Insurance Agreement.

Letter No. 52

Page Four

Upon an employee's return to work, time spent on leave will be credited towards seniority, up to a maximum of 12 weeks in any 12 month period. Pension accruals for leaves under the FMLA will be determined by the language of the UAW Honeywell Master Pension Agreement.

An employee may elect to use vacation and PAA benefits provided under the UAW Honeywell Master Agreement, as part of the leave under the FMLA.

If an employee suffers a disability covered by the Short-Term Disability program, all such time spent away from work will be counted against the employee's 12 week leave maximum under the FMLA.

Local Agreement Issues

The Local Union committee and management at each plant with employees covered by the UAW Master Agreement will discuss all Local Agreement issues impacted by the implementation of the FMLA.

Other

Certain requests for leave under the FMLA may also be covered by state laws. In such cases, leave taken under the FMLA reduces the length of leave available under applicable federal and state laws.

Employees will be advised of their entitlements under FMLA. No employee will be subjected to discipline, retaliation or discrimination, as a result of requesting or taking a leave under the FMLA.

Letter No. 52

Page Five

Nothing contained in this Memorandum of Agreement on the U.S. Family and Medical Leave Act is intended to reduce existing contractual benefits. FMLA disputes are subject to the grievance procedure contained in the collective bargaining agreement and complaint resolution procedures contained in the benefit agreements.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

During the 1995 UAW Honeywell Master Negotiations, the Company and the Union discussed the critical importance of having Employee Involvement processes at the Master plants that are jointly established and jointly supported on an ongoing basis. Both the Company and Union recognize that a joint Employee Involvement process can contribute greatly to business competitiveness in both the Automobile and Aerospace industries as well as to quality of employee work-life.

An Employee Involvement process that is unilaterally imposed instead of jointly evolved will not maximize business and employee opportunities and is not acceptable to either the Company or the Union. It is understood that much is yet to be learned about how to jointly implement a successful Employee Involvement process at the Master plants. This learning process is most beneficial when done together by the parties, both at the local level as well as at UAW Honeywell Department and Honeywell International Inc. level.

Employee Involvement processes at the Master plants must be jointly agreed upon by the Local and International Union and the Company prior to implementation.

The UAW Honeywell Department and Honeywell International Inc. will work together to improve the likelihood of success of Employee Involvement processes at the Master plants.

Within one year of the effective date of this new contract, May 3, 2003, Honeywell and a representative in the Honeywell UAW Aerospace Department will review the effectiveness of the employee involvement process at the plants covered by this agreement and discuss ways to improve the processes. They will meet jointly with management and the local union representatives from each of the plants covered under this agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)**

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

As stated in Paragraph 132 of the Master Collective Bargaining Agreement, an employee who is called to and reports for jury duty for either a partial or whole day shall be paid pursuant to this section. No employee who is called to and reports for jury duty for any partial day shall be required by the Company to return to work on that same day.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 55

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Letter of Understanding regarding the Honeywell Thrift Plan

It is the intent of the parties that 40 hours of straight time pay will be credited for each week in which the employee works 40 or more hours. At certain sites, there may be times when a portion of an employee's 40 hours is paid at a premium rate. In the event this occurs, those premium hours will be credited at the employee's straight time rate to enable the employee to receive 40 hours of Thrift Plan credit. It is also understood by the parties that all Thrift Plan credits will be at the straight time rate and that under no circumstances will rate premiums be credited.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 56

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Letter of Understanding regarding Payroll Issues

I. Taxation of Vacation Pay

This paragraph is to clarify the Company's intent regarding tax withholding for vacation pay. It is the Company's understanding that vacation pay is considered to be ordinary income and should be taxed at the employee's normal tax withholding rate. It is the Company's intent to withhold tax from vacation pay the the employee's normal withholding rate as long as this practice remains consistent with applicable tax law. Should there be a need in the future to change withholding rates, the Company will notify and discuss the reasons for this with the Union.

II. Credit Union Deductions

The Company acknowledges that the parties have agreed to allow employees to take payroll deductions for deposit into Credit Unions and that employees should be able to adjust the amounts of these deductions. An employee may adjust the amount of their payroll deduction (a maximum of one change per quarter) regardless of whether the employee utilizes the direct deposit option.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Letter No. 57

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

Effective June 1, 2003, UAW Master bargaining unit employees will be eligible to participate in the Honeywell Mortgage Program. The Company reserves the right to amend or terminate the program, on a company-wide basis, at any time at its discretion.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

May 3, 2003

Attention: Mr. Cal Rapson
UAW Vice President and Director,
National Aerospace Department, UAW

Dear Mr. Rapson:

The UAW and Honeywell recognize that events outside their relationship sometimes impact the business covered by the UAW-Honeywell Master Agreement and local supplements and the work opportunities available to bargaining unit employees. For that reason, the parties agree that local union and management representatives, with the involvement of the UAW Aerospace Department and Honeywell, will meet periodically to explore ways that they may work together to support business opportunities for the business units and work opportunities for bargaining unit employees. These efforts will include, among other things, opportunities to anticipate and meet customer expectations, meet world class operating standards, participate in community activities and support mutually beneficial legislative initiatives. In this way, the UAW and Honeywell will seek to grow business and work from existing customers, as well as to seek new business and work from new customers, for the sites covered under the UAW-Honeywell Master Agreement.

Very truly yours,

HONEYWELL INTERNATIONAL INC.

Edward J. Bocik

Agreed to:

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

By: Cal Rapson

Memorandum of Understanding

In order to make the company more competitive, and in turn to help grow the business and job opportunities, Honeywell and UAW Local 9 have agreed to a New Wage Structure at Honeywell Aircraft Landing Systems, South Bend, Indiana, as follows:

Group 1

Persons hired into Seniority Group 1 after May 3, 2003, who have journeyman or equivalent status in a skilled trade recognized under this contract, will be paid under the A rate under the New Wage Structure. Provided, however, that employees who are active in Group 2 as of May 3, 2003 and who later transfer into Group 1, will be paid under the same wage structure that last applied to them in Group 2. These employees will be eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance as provided under the Master Agreement.

If there is a need to hire employees into Seniority Group 1 who do not have journeyman status in a skilled trade recognized under this contract, the Company and the Union will meet to determine the wage rate and apprenticeship program for those employees per recognized standards.

Group 2

Employees hired or transferred into Seniority Group 2 after May 3, 2003, will be paid under the New Wage Structure. Provided, however, that employees who are active in Group 3 as of May 3, 2003 and who later transfer into Group 2, will be paid under the same wage structure that last applied to them in Group 3. These employees will be eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance as provided under the Master Agreement.

Group 3

Employees hired or transferred into Seniority Group 3 (including employees who bump into Seniority Group 3) after May 3, 2003, will be paid under the New Wage Structure.

- a) These employees will be eligible for Cost-of-Living Allowances as provided under the Master Agreement effective on/after April 4, 2004 (but not before) and through the remainder of the current contract term (May 3, 2003 to May 3, 2007), subject to a cumulative cap of \$1.00 for this contract term.

b) These employees will be eligible for Annual Improvement Factor and Annual Bonus Payment as provided under the Master Agreement beginning May 3, 2004 (but not before). Provided, however, that any Annual Improvement Factor applicable to them will be payable as a lump sum (not an increase to rate of pay), on the same terms as Annual Bonus Payments.

Recall

Employees with seniority as of May 3, 2003 who are recalled into Seniority Group 1 or 2 after May 3, 2003, will be paid at the higher of: a) the last rate of pay in effect at the time of their lay-off for the job to which they are recalled; or b) the New Wage Rate applicable to that position. These employees will be eligible for any Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance applicable under the New Wage Rate effective after (but not before) their date of recall.

Employees recalled into Seniority Group 3 After May 3, 2003 will be paid under the New Wage Rate. These employees will be eligible for any Cost-of-Living Allowance applicable under the New Wage Rate effective after (but not before) their date of recall.

Notwithstanding the above, any employee who is recalled within 24 months of layoff will be paid the rate applicable to that employee for the classification and skill level to which the employee is recalled, including any rate adjustments that became effective for that rate while the employee was on layoff.

Exception for Bumping to Avoid Layoff

Notwithstanding the above:

a) Employees who are active as of May 3 and who bump into Group 2 to avoid layoff, will be paid under the rate structure in effect prior to May 3, 2003.

b) Employees who are active as of May 3, 2003 and who bump into Group 3 on or before May 3, 2004 to avoid layoff, will be paid under the rate structure in effect prior to May 3, 2003, and will remain eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance.

Letter No. 59

Page Three

c) Employees who are active as of May 3, 2003 and who bump into Group 3 after May 3, 2004 but on or before May 3, 2007 to avoid layoff will be paid the highest Group 3 rate under the New Wage Structure.

Interpretation

In the event that any part of this Memorandum cannot be implemented under the Master Agreement, the Company and the Union agree to give effect to the remainder of this Memorandum, and to meet and seek agreement on any changes needed to provide the same overall economics to the Company and the employees as would have been provided under this Memorandum.

In the event that application of this Memorandum causes a reduction in pay for any employee who was active as of May 3, 2003, other than as stated in this Memorandum, the Company and the Union will meet to review whether and how the New Wage Rate should be applied.

Date:

May 3, 2003

Union:

Bruce Eaton
Local 9

Thomas R. Bode
UAW Aerospace Department

Company:

Allen Clarke
Aircraft Landing Systems

Edward J. Bocik
Honeywell International Inc.

NOTES

NOTES

NOTES

2003

JANUARY							FEBRUARY							MARCH						
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2004

JANUARY							FEBRUARY							MARCH						
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JANUARY							FEBRUARY							MARCH						
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SUPPLEMENTAL AGREEMENT

BETWEEN

**HONEYWELL
AIRCRAFT LANDING SYSTEMS
SOUTH BEND, IN**

AND

**LOCAL UNION NO. 9
UAW®**



PRINTED IN U.S.A.

INDEX

	Paragraph	Page
Address, Record.....	39	14
Bids, Specifying Preference.....	31	12
Bulletin Boards	54	17
Change of Address.....	39	14
Committee, Bargaining	3	2
Committeeman, Seniority of.....	40	14
Continuous Employment	17	7
Departmental Seniority	12	5
Departmental Seniority, Rehires	35	13
Departmental Seniority, Transfers	35	13
Duration	61	18
Employee	2	2
Employment Continuous	17	7
Grievances, Time Required.....	10	4
Group Seniority.....	13-14	5-7
Holidays.....	46	16
International Representatives.....	4	4
Job Posting and Bidding	24-36	10-13
Layoffs	19-23	8-10
Loss of Seniority	18	7-8
Lunch Period.....	45	15
Meetings, Bargaining Committee	11	4-5
Minimum Rates.....	44	15
Movement of Work	49	16
Overtime Records	53	16
Pay, Bargaining Committee	11	5
Pay, Call Back After Shift.....	51	16
Pay Checks Unclaimed	55	17
Pay Day.....	43	15
Pay for Waiting Time	47	16
Pay, Injured Employee	52	16
Preference of Shift	38	13-14

	Paragraph	Page
Plant Wide Seniority	12-23	5-10
Probationary Employees	15-16	7
Probationary Period	15	7
Promotions	24-42	10-15
Rates, Minimum.....	44	15
Recognition	1-2	1-2
Rehiring.....	21-23	9-10
(Automatic bid while on layoff)	32	12-13
Representation.....	3-11	2-5
Return to Department.....	23-42	9-15
Seniority	12-18	5-8
Seniority Date	17	7
Seniority, Departmental	12	5-6
Seniority, Establishment of	14-17	7
Seniority, Group.....	13	5-6
Seniority, Layoff	22-23	9-10
Seniority, Lists	42	15
Seniority Loss of,.....	18	7-8
Seniority, Plant Wide	12-23	5-10
Seniority, Salary Transfers	41	14-15
Separation, Notice of	20	8
Shift Preference.....	38	15
Smoking Privileges	50	16
Stewards, Designated.....	3	2-3
Stewards, Leaving Work.....	3	2-3
Stewards, Seniority	40	14
Stewards, Temporary Appointment	3	2-3
Stewards, Work by	3	2-3
Temporary Jobs.....	28	11
Transfers.....	21-23	9-10
Transfer Restrictions.....	29-35	11-13
Transfer of Seniority	35	13
Transfer with Work	49	16

	Paragraph	Page
Vacation Period	57	17
Wages	44	16
Witnesses	11	4-5
Working out of Seniority Group	37	13

INTRODUCTION

The organization of the Aircraft Landing Systems of the Honeywell Aerospace Company, Honeywell International, Inc., consists of two inseparable groups, Management and Labor, whose responsibilities are closely related.

The continued success of the business depends upon the production of quality products at attractive costs. This success, so vital to all, depends upon the cooperation of Management and Labor because their basic interests are the same.

From time to time, differences of opinion between Management and Labor may arise, and this Management and this Union are convinced that such differences can be satisfactorily adjusted by sincere and patient effort.

AGREEMENT

This Agreement is effective as of the 3rd day of May, 2003, by and between Aircraft Landing Systems, of the Honeywell Aerospace Company, Honeywell International, Inc., South Bend, Indiana, hereinafter called "The Company," and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and its Local Union No. 9 UAW, South Bend, Indiana, hereinafter called "The Union," as a supplement to the Master Agreement of May 3, 2003, between the Honeywell Aerospace Company, Honeywell International Inc., and certain of its Divisions enumerated therein and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and certain of its Local Unions enumerated therein.

RECOGNITION

(1) The Aircraft Landing Systems of the Honeywell Aerospace Company, Honeywell International, Inc., South Bend, Indiana, agrees to recognize the Unit of Local No. 9, of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), which is composed of employees of the Division, as the sole bargaining agency for all employees (as certified under the decision of the National Labor Relations Board) except those mentioned in Paragraph (3), for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment within the scope of the National Labor Relations Act, as amended by the Labor Management Relations Act of 1947, and the terms of this Agreement.

(2) It is mutually agreed that for the purpose of this Agreement the term "employee" shall not include direct representatives of Management, such as Superintendents, Supervisors, Assistant Supervisors, Tool Design — Group Leaders, Tool Design Chief Designers — Group Leaders, and all other persons working in a supervisory capacity, including those having the right to hire or discharge and those whose duties include recommendations as to hiring or discharging, Time Study, Administrative Office, Clerical, Technical and Salaried Employees.

REPRESENTATION

(3) The employees shall be represented by a Bargaining Committee of not more than ten (10) members, including the President and Vice President of the Union. As of 5/3/03, Local 9 UAW Bargaining Committee shall consist of the following:

- | | |
|-----------------------------|-----------|
| 1 - President | Full-time |
| 1 - Vice President | Full-time |
| 2 - Bargaining Committeemen | Full-time |

(A) At such time as the number of employees falls below 250, the number of committee shall be reduced to three (3), including President and Vice President.

(B) At such time as the number of bargaining unit employees is between 251 and 550, the number of such full-time committee members shall be four (4), including the President and Vice President.

(C) At such time as the number of bargaining unit employees is between 551 and 850, the number of such full-time committee members shall be five (5), including the President and Vice President.

(D) At such time as the number of bargaining unit employees is between 851 and 1100, the number of such full-time committee members shall be six (6) including the President and Vice President.

(E) At such time as the number of bargaining unit employees exceeds 1100, the number of such full-time committee members shall be increased at a ratio of 1 additional committeeman for every 250 additional employees.

(F) Temporary replacement of Bargaining committee members absent for vacations, PA days, bereavement and other normal circumstances will occur at the discretion of the Union if the

vacancy exceeds three (3) or more days. When a member of the bargaining committee is absent three (3) or less days, the remaining members of the bargaining committee shall replace the absent member of the bargaining committee. When there are two (2) or more members of the bargaining committee absent one shall be temporarily replaced from the first day. There shall not be any Temporary replacement of the Bargaining Committee for Saturdays, Sundays, or Holidays.

(G) In addition to the handling of normal tasks associated with the representation of their members and role as Committeemen of UAW Local 9, the Bargaining Committee will broaden their role to include appropriate leadership and involvement in a joint Health and Safety Committee and in other efforts targeted to growing and increasing the competitiveness of ALS, as determined jointly by the Company and Union.

(H) In order for Honeywell to manage its' use of resources, the Company will pay all Committee members for time worked, with such time recorded through the use of timecards to be approved by Director of Human Resources and the President of the Union.

(I) If work requirements during a workweek dictate a need for Bargaining Committee members to work extended hours, prior approval must be obtained from Human Resources. If work requirements over a weekend or holiday require the Bargaining Committee, in order to carry out their Company/Union duties as representatives of the members of UAW Local #9, staffing levels will be determined by the following ratio:

<u>Number of Employees in Bargaining Unit Working</u>	<u>Number of Committeemen</u>
15-40.....	1
41-75.....	2
76-120.....	3
121-225.....	4
226 and above.....	5

All weekend or holiday work by Bargaining Committee members will be done during an eight (8) hour shift assignment unless prior approval is received from Human Resources. The bargaining committee may share shifts on weekends and holidays in order to equalize work. It is understood and agreed that premium payments as herein referred to are to be computed on the basis as set forth in the provisions of Section X Paragraph 56, 58, 59, 60 of the Master Agreement.

(4) The Company shall negotiate with the Bargaining Committee as representatives of the employees for the purpose of adjusting all grievances now pending or any that may arise in the future. Either party shall have the right to call International Representatives to assist.

(5) The Company agrees to recognize Designated Stewards, the number of which shall be determined by the Company and the Union.

(6) Should it become necessary on any shift to appoint a departmental steward for a temporary period because of the absence of the regular steward, the Bargaining Committee will provide notification to the respective Supervisor.

(7) The names of the Officers of the Union, the members of the Bargaining Committee and Designated Stewards shall be given in writing by the President, Vice President, Financial Secretary, or Recording Secretary of Local Union No. 9 to the Director of Human Resources at the time of their taking office. The Union reserves the right to replace the President, Vice President, Bargaining Committee and/or Designated Stewards when they deem it necessary. The Director of Human Resources shall also be notified promptly in writing by the President, Vice President, Financial Secretary, or Recording Secretary of Local Union No. 9 of any changes in the Officers of the Union, Bargaining Committee, and Designated Stewards.

(8) Designated Stewards will be permitted to leave their work after reporting to their respective supervisor for the purpose of carrying out their official union duties.

(9) Designated Stewards must work on their assigned job and meet the same production requirements as any other regular employee of the Company, except as specifically provided herein, for the purpose of handling grievances in accordance with the Grievance Procedure.

(10) The Union agrees to reduce to the minimum the time required for the handling of grievances. There shall be no unnecessary delay on the part of the Company representatives in settling grievances.

(11) The Company agrees that there shall be one regular meeting between the Bargaining Committee and the Company each week which shall be held during the regular factory-day working hours.

Additional meetings may be called when agreed to by the Bargaining Committee and the Company. Such meetings, if called by the Company, will be paid for by the Company at the Bargaining Committee member's regular earned rate. Whenever

witnesses are needed by either party, they will be called by the Company without undue delay.

SENIORITY

(12) For the purpose of laying off or recalling employees covered by this Agreement, seniority shall be set up and applied on the following basis:

A. Departmental — within each respective seniority group, as specified herein.

B. Plant-wide — within each respective seniority group, as specified herein.

(13) For the purpose of seniority, the seniority groups as referred to in Paragraph (12) are defined as follows:

Seniority Group No. 1

This Group shall include the following Code Number classifications:

Code No.	Classification
3007	Mechanic-Transportation Equipment
3054	Checker, Tool Designer
3637	Tool Development Follow up
3640	Mfg. Layout/Tool & Gage Inspection
3642	Welder, Tool Room
3644	Machine Repair and Rebuild
3704	Carpenter
3713	Pipefitter
3722	HVAC Technician
3724	Millwright
3726	Painter (Maintenance)
3728	Sheet Metal Worker
3732	Welder, Maintenance
3734	Industrial Pyrometry and Meter and Control Maintenance
3739	Fire, Safety and Security Equipment - Installation and Maintenance
3741	Electrician
3742	Locksmith

Seniority Group No. 2

This Group shall include the following Code Number classifications:

Code No.	Classification
1112	Horizontal Lathe, CNC
1125	Drilling EC
1198	Riveting-All including High S
1236	High Volume Machining (combined w/Grinding)
1263	Milling Machine, CNC
1269	Vertical Lathe, CNC
1276	Machinist Friction Materials (Multiple Machine)
1401	Anodic Treatment - Penetrate
1425	Furnace Operator/Hydraulic Straightening
1429	Assembly, Wheel/Brake
1434	High Temperature Furnace Operator
1436	Fabrication - Carbon Brake
1437	Needling Multiple Machine
1454	Special Forming
1460	Painter - Spray
1488	Peenamatic/Pickle/Grind
1802	Inspection, Magnetic/Surface
3002	Clerk - Divisional
3006	Labor - Common
3011	Setup
3012	CRU Leader/Group Leader
3486	Repair, Wheel/Brake-Aircraft
3717	Industrial Floor/Pump/Vac
3822	Inspection
3912	Driver, Dump Truck/Tractor
3913	Assembly Storekeeper
3924	Crib Attendant
3926	Trucker Internal Power
3932	Material Handling/Preparation
3934	Shipping/Receiving

Seniority Group No. 3

This Group shall include the following occupational classifications in any department, or wherever they occur throughout the Plant.

Code No.	Classification
3001	General Labor
3718	Custodial Services

(14) All employees who are now on the payroll of the Company and all employees who have established seniority and are now on the active recall lists shall hold seniority rights within each respective seniority group in the department where their seniority is now established. All such employees shall also have plant-wide seniority rights within each respective seniority group in accordance with the provisions as set forth herein.

(15) New employees shall be regarded as probationary employees for the first sixty (60) calendar days of their continuous employment.

(16) There shall be no responsibility for reemployment of probationary employees if they are discharged or laid off during this period.

(17) After sixty (60) calendar days of continuous employment, the names of such employees shall then be placed on the respective group seniority list in the department where they are working at that time, and on the plant-wide seniority list for their respective seniority group. Each employee's seniority rating shall be determined by the last date of hiring. If two or more employees are hired on the same day, the employee having the lowest payroll index number shall be deemed to have the greatest seniority.

Loss of Seniority

(18) Employees shall lose seniority for the following reasons only:

a. If the employee quits.

b. If the employee is discharged.

c. If the employee is absent without properly notifying the Employment Office of the Company as outlined in Paragraph (73) of the Master Agreement dated May 3, 2003.

d. If the employee fails to return to work within three (3) working days after being notified to report for work by registered or certified mail, and does not give a satisfactory reason. Upon reporting to the Employment Office of the Company, the employee may request and receive an additional grace period to give notification of termination to his or her present employer.

e. Employees shall lose their seniority if laid off employees fail to report to the employment office in person, or by registered mail, indicating their availability for work during the period October 1 to October 31 inclusive. When reporting, the employee will be issued a written acknowledgement of the registration, a copy of which shall be given to Local 9 UAW.

f. If an employee is hired (new hires only) after May 3, 1999, and is laid-off continuously for five (5) calendar years, or the length of their seniority, whichever is greater, the employees seniority will be severed.

LAYOFF, REHIRING, AND TRANSFER PROCEDURE

(19) When employees have the qualifications to perform the work required, seniority shall be strictly adhered to in laying off and rehiring in accordance with the following regulations:

Layoff

(20) When there is a decrease in force, the procedure shall be as follows:

A. A layoff not to exceed two (2) working days shall be considered temporary and may be made regardless of seniority. (Employee shall not be separated during temporary layoff).

B. If a temporary layoff should continue beyond two (2) working days and not exceed five (5) working days, layoffs shall be made in accordance with departmental seniority within each respective seniority group.

C. Where it is known in advance that such temporary layoffs will continue beyond two (2) working days and not exceed five (5) working days, layoffs shall be made in accordance with departmental seniority within each respective classification and shift.

D. If a departmental layoff is to continue more than five (5) working days, it shall be considered permanent and the employee shall be definitely separated from the department, except that in emergencies this time may be extended by agreement between the Company and the Union. Qualified employees shall displace the highest classification their seniority and qualifications allow them to hold within their department before being separated from their department.

E. When an employee is to be definitely separated because of lack of work, Human Resources and the employee shall be notified on the working day previous to layoff. Such employee, if at work, will be notified in writing by the end of his or her shift. Such employee shall receive a minimum of eight (8) hours' work or, in the event there is no work available, eight (8) hours' pay at the employee's base rate, in lieu thereof, subsequent to the time of notification.

Transfer

(21) Seniority employees in such department who have been laid off (definitely separated from the department) shall be transferred to employment for which they are qualified in other departments in the Plant within their respective seniority group. If the Company is unable to place them on a primary opening or a secondary vacancy, such employees will eliminate the junior employees in their respective seniority group in the Plant by filling out the proper form in the Employment Office. Such employees will replace the junior employee within three (3) calendar days (excluding Saturdays, Sundays, holidays and vacation) following the date of such request, except that this time may be extended by agreement between the Company and the Union. Such employees may bid or apply for any open jobs which may exist between the time they submit the request to displace the junior employee and the date the Employment Office assigns the laid-off employee to displace the junior employee.

Employees who choose not to exercise their right to displace the junior employee as specified above will remain on the rehire list until they can be placed on a primary opening or secondary vacancy for which they are qualified.

(22) Laid-off employees, who do not have sufficient seniority to entitle them to a job in their respective seniority group, shall be transferred to employment for which they are qualified on a plant-wide basis. If the Company is unable to place them on a primary opening or a secondary vacancy, such employees shall displace the junior employees in the Plant on jobs for which they are qualified by filling out the proper form from Human Resources. Such employees will replace the junior employees on the plantwide basis within three (3) calendar days (excluding Saturdays, Sundays, holidays and vacation) following the date of such requests, except that in emergencies this time may be extended by agreement between the Company and the Union. Such employees may bid or apply for any open jobs which may exist between the time they submit the request to displace the junior employee and the date Human Resources assigns the laid-off employee to displace the junior employee.

If such plant-wide placement is rejected, the employees will remain on their own group rehire list subject to the provisions of Paragraphs (21) and (32a).

(23) Laid-off employees, who have been definitely separated from their departments, described in Paragraph (21) and Paragraph (22)

will not fill openings or displace the junior employee in the following classifications and departments unless requested by the employee:

CLASSIFICATION	Code	Department
Fabrication Carbon Brake	1436	200
Custodial Services.....	3718	200
Friction Materials N/C Machining.....	1274	200
High Temperature Furnace Operator	1434	200

Such employees may place their names on the list for transfer by signing a form provided by Human Resources for this purpose.

PROMOTIONS

(24) Openings will be considered primary if vacancies occur as a result of:

- a. An addition to the classification on a permanent basis.
- b. Quit
- c. Discharge
- d. Death
- e. Retirement
- f. Indefinite sick leave
- g. Transfer from bargaining unit to salary
- h. Indefinite leave of absence
- i. Working Leave

In order that employees with established seniority may have notice of and make application for primary classification openings and openings under the provisions of Paragraphs (29b) and (35) the Company shall:

- a. Post notices of such primary openings on a bulletin board near the plant's main entrances. These notices shall bear the date and time of posting and shall remain on the bulletin boards for a period of twenty-four (24) hours, exclusive of Saturdays, Sundays, and Holidays and the annual plant shutdown period for vacation.
- b. Specify on the notices the classification, the department and the pay range of the primary classification openings.
- c. Provide a supply of classification bidding forms in the vicinity of the various posting bulletin boards. Instructions for the proper submittance of such forms to Human Resources shall be attached to said boards.

(25) The Company shall fill primary classification openings with qualified employees who submit completed classification bidding forms or secondary applications to Human Resources during the period mentioned in sub-paragraph a. above. The Company reserves the right to assign the successful bidder to any job within the classification. The successful bidder must accept the job for which he or she is selected. Human Resources will hold the job for the successful candidate, who is absent at the time of selection, for a period of five (5) working days, provided it is known that the employee will be available for work within this time. An employee who is by-passed will be considered for the next opening. Notification of successful bidders will be done by Human Resources.

(26) Bids belonging to those employees not selected for primary openings shall become void after the selection has been determined, but such bids will be retained for a period of thirty (30) days.

(27) Any secondary vacancies that arise as follows:

a. As a result of a successful bid on a classification which has been posted;

b. Or, as a result of a disqualification or a transfer dictated by the Medical Department;

shall be filled by qualified seniority employees who submit an application form to Human Resources before such vacancies occur. Secondary vacancy applications from Human Resources shall be void ninety (90) days after filing. Employees wishing to keep their applications active must do so by submitting a new application to Human Resources. Such applications may be cancelled by the employee prior to the date of selection. The successful candidate must accept the job for which he or she is selected.

(28) The Company shall not be required to post primary openings or accept secondary vacancy applications for temporary jobs. If such job runs longer than thirty (30) days, it shall be posted, unless otherwise mutually agreed between the Company and the Union. Human Resources will keep a record of all temporary jobs for the period of their existence. Experience gained under this Paragraph (28) shall not be used against senior employee per Paragraph (31).

(29) a. Employees shall be permitted to transfer to other classification openings no more than four (4) times during the course of any one contract year. A layoff, a placement following a layoff, or a placement following a disqualification will not be

counted in the total of four (4) transfers.

b. Employees may use two of the four (4) moves by bidding or applying for parallel or lower skilled primary openings or secondary vacancies, exclusive of Paragraphs (35) twice during the course of any one contract year.

Qualified seniority employees who have submitted bids or secondary applications shall be given preference.

(30) Preference will normally be given to those applicants for both primary openings and secondary vacancies who have previously successfully held such classification before at the Company, in accordance with their seniority. The Company will also give due consideration to employees' outside work experience, provided detailed satisfactory evidence of their experience is filed with Human Resources prior to the opening of the job.

(31) Employees may bid for more than one (1) primary opening or make application for more than one (1) secondary vacancy. If employees bid for more than one (1) opening on the same date, they may specify their order of preference on the bidding form; and, if they are the successful candidate on more than one (1) of these jobs, the Company will place them in the order of their indicated preference. Such order of preference cannot be changed after the bids have been submitted. Bids will supersede any secondary application on file unless the bidder indicates otherwise on the bidding form.

(32) a. Qualified employees who, because of a layoff, are not working in the plant, shall have an automatic bid and application for all primary openings and secondary vacancies that may occur in the seniority group from which they were laid off. (Refer to paragraphs 21, 22.)

b. Qualified employees who, because of a layoff, are not working in the plant, and have not been able to fill an open job or displace the junior employees in their own seniority group shall have an automatic bid and application for all primary openings and secondary vacancies that may occur on a plant-wide basis. (Refer to paragraphs 21, 22.)

c. Laid-off employees may indicate their choice of posted jobs by submitting a memo to Human Resources on the day the job is posted.

d. Employees notified of layoff may indicate their choice of

jobs by submitting the proper bidding form or secondary application indicating "layoff."

(33) If the Company makes a sizeable expansion of operations requiring a relatively large number of employees, the Company may deviate from the provisions of this Section if mutually agreed between Management and the Union. Both the Union and the Company recognize the need for deviations in the operation of the seniority provisions of the Agreement and when the need arises these problems will be resolved by mutual understanding and agreement between the parties.

(34) Employees who are physically disabled or who merit job transfers for health reasons or in individual hardship cases may bid or apply for parallel or lower skilled jobs upon evidence being produced satisfactory to the Company.

(35) a. The accumulated seniority of employees transferred to or rehired in a department other than their own shall be transferred immediately to the new department

b. Such employees will have the right to shift preference provisions of Paragraph (39) after they physically start work in the new department.

(36) Employees who are called from the plant rehire list for the sole purpose of taking inventory have the option of refusing such jobs, without jeopardizing their seniority rights. Employees who accept such employment shall be returned in line with their seniority in accordance with provisions as set forth herein.

GENERAL SENIORITY PROVISIONS

(37) It is understood and agreed that in cases of emergency the employees in a given department in one seniority group may be required to perform the work of another classification in another seniority group for a temporary period of time, not to exceed three (3) continuous working days. Normally the junior employee in the department will be chosen for such an assignment unless it impairs the efficiency of the department. The above-mentioned three (3) day period may be extended whenever mutually agreed between the Company and the Union. Employees on bonus, piecework, or incentive shall be paid repair rate, or the rate of their classification in such other seniority group, whichever is greater.

(38) a. Employees shall have preference of shifts in accordance with seniority, within their classifications. Employees wishing to exercise their seniority rights as to preference of shifts must give

their supervisor written notification of their desire to "bump" before the end of their respective shift on the Thursday preceding the Monday on which the "bump" is to occur. The "bump" may be absorbed by a senior employee on the shift being affected, provided such senior employee has indicated a willingness to be bumped by written notification to the supervisor. If no senior employee has indicated a willingness to absorb the "bump," as herein provided, the junior employee on the shift affected thereby will be removed.

b. After the "bump" has occurred, the employee who initiated the bump must remain on their new shift in their present department and classification for not less than three (3) months before initiating another "bump," except that if an employee has an acceptable reason he or she will be permitted to change shifts within the three (3) month period if mutually agreed to by the Management and the Union Bargaining Committee. In case of layoff, where employees are assigned to a new classification either in their present department or a new department, the employees may "bump" before three (3) months have expired from date of last "bump."

c. Any employee may absorb a bump. If employees bump from one shift to another and they in turn are bumped before three (3) months expire, they do not have to wait three (3) months from the time they executed their bump before executing another bump.

(39) The Company shall be entitled to rely upon the last address of an employee as shown on the Human Resources record. Employees shall notify Human Resources promptly of any change of address and accept a receipt therefore. In case of seniority dispute, the employees must produce their receipt of notice of change of address, and failure to produce such receipt will result in loss of seniority. This information shall be mailed to the Union Hall.

(40) Members of the Bargaining Committee and Stewards must be employees of the Company. President, Vice President, and members of the Bargaining Committee shall head the seniority list of the plant. Designated Stewards shall head the seniority list in the classifications for which they are qualified on their shift in the department which they have been certified to represent, during their term of office. This preferential seniority shall apply only for the purposes of laying off and recalling. (Paragraph (38), Shift Preference, shall be inapplicable insofar as Designated Stewards are concerned.)

(41) The seniority of an employee who has been promoted from

the bargaining unit to a salaried position prior to February 5, 1965 accumulated until June 5, 1965. Thereafter, such seniority ceased to accumulate and the employee shall retain the seniority accumulated. This accumulated seniority shall be reinstated when the employee is transferred back to the bargaining unit.

The seniority of an employee promoted from the bargaining unit to a salaried position after February 5, 1965 shall continue to accumulate for thirty (30) days after the date of the promotion. Thereafter, such seniority shall cease to accumulate and the employees shall retain the seniority they have accumulated. This accumulated seniority shall be reinstated when the employee is transferred back to the bargaining unit.

(42) Seniority lists shall be kept up to date at all times and shall be kept on file in the office of Human Resources. They shall be available at all times for inspection by the Bargaining Committee. Departmental seniority lists in the departments shall be kept in the open at all times for the employees to check. The Company will furnish the Union with a seniority list of bargaining unit employees. Once each week the Company will furnish the Union with a list of additions to and deletions from such list.

PAY DAY

(43) Pay Day shall be once each week. Third shift employees will receive their checks prior to the end of their shift on the regular weekly pay day.

WAGES

(44) The minimum earned rates of employees shall be as set forth in the rate structure.

GENERAL PROVISIONS

(45) The regular lunch period shall be thirty (30) minutes except that the lunch period on operations working three (3) continuous eight (8) hour shifts shall be governed by Paragraph (68) of the Master Agreement of May 3, 2003. The Company may advance or postpone the lunch period not to exceed one-half hour. Employees directed to work during their established lunch period shall have the option of taking their lunch period as advanced or postponed or a fifteen (15) minutes paid lunch period. Should such employees take a fifteen (15) minutes paid lunch period, they shall be paid time and one-half for work performed during their established lunch period.

The Company and Union by mutual agreement may deviate from the provisions of this paragraph.

(46) Should a holiday be on Sunday, it will be observed on the following day.

(47) In cases of breakdown, lack of supplies, or any other causes of interruption, over which the employees have no control, the employees shall be paid for all waiting time, if held subject to recall the same day.

(48) The Company shall use its best efforts to keep all work — parts, tools, dies and experimental work — in the plant, when practical to do so.

(49) When a job is moved from one location to another in the plant, employees with the greatest seniority working in such classification within the department shall have the privilege of transferring with the job.

(50) Taking into consideration the fire hazards, safety rules, fire ordinances and other applicable regulations, smoking privileges shall be granted in the plant in the locations as mutually agreed to between the Company and the Union. The "No Smoking" areas in the plant shall be properly designated by the Company.

(51) Employees called back to work after completion of their regular shifts shall receive in such instances a minimum of four (4) hours at their rate of pay.

(52) In the event employees are injured on the job and required to leave the job for medical attention, hospitalization, or are sent home because of said injury, such employees shall be paid for their full work day on the day the injury occurs provided the doctor verifies their inability to return to work. If employees must leave for a short period of time such as to be treated by some other doctor prescribed by the Company's Medical Department, such employees shall be paid for such time lost.

If employees return to work and later because of the same injury are sent to another doctor or doctors prescribed by the Company Medical Department for the purpose of examination or treatment, such employees will be paid for time lost from work because of said examination and treatment, provided each visit is approved by the Company Medical Department. If employees are sent out of the area for such examination, they will be reimbursed for the necessary travel, meals, and lodging expenses. The Company will use its best efforts to schedule such appointments other than during the affected employee's scheduled working hours.

(53) Overtime records shall be maintained by the steward and posted in the department.

(54) The Company agrees to furnish and maintain six (6) bulletin boards for the use of the Union as prescribed by Paragraph (114) of the Master Agreement. Such bulletin boards are to be located in areas accessible to the employees.

(55) The Company agrees to notify by mail all employees who have unclaimed payroll checks in the Payroll Department. The notice will be mailed at the end of thirty (30) days from the date the check is issued. Once each month, the Company will furnish the Union the names of employees whose checks remain unclaimed and said names will be mailed to the Union at the end of sixty (60) days from the date the check is issued.

(56) In the event that any of the provisions of the Agreement shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.

(57) The plant vacation periods for the life of this contract are as follows:

2003	7/28-8/10
2004	7/26-8/8
2005	7/25-8/7
2006	7/24-8/6

Deviations from the above schedule may be made by mutual agreement between the Company and the Union.

(58) Honeywell and UAW Local 9 recognize the need to establish partnerships with the communities around us. This new focus is most appropriate at a time when Government funding for social programs is going down while community needs are going up.

Being a premier Company and Union means creating outstanding products through which we establish business partners for life. It also means building lifetime partnerships in the community through a joint Company-Union effort in the area of health and human services, education and civic development.

The Company and Union agree it is important for the continued growth of our business that our community outreach efforts take high priority. Therefore, the parties agree not only to continue our involvement but will intensify our efforts to identify programs, organizations and institutions that need our help, therefore addressing the human needs of people who are less fortunate than ourselves.

(59) The Company agrees to absorb Ambulance Costs from the plan to the hospital for bargaining unit employees who experience a non-work related medical emergency. The decision to utilize an

ambulance service may be made by any employee, but employees are encouraged to contact Plant Protection first, so that they may respond to the scene with medical personnel, if necessary, and assist in the arrival of the ambulance service.

(60) Honeywell's Aircraft Landing Systems and UAW Local 9 are committed to working collaboratively to establish a teamwork environment. Both parties acknowledge and agree, the concept of "Work Place Transformation" is effective ways to gain the improvements in quality and productivity necessary to ensure the continued success of the business. The Company and Union agree to maintain "Work Place Transformation" and actively participate together in the process of "Work Place Transformation".

DURATION OF AGREEMENT

(61) This Agreement shall remain in full force and effect until 6:00 p.m., May 3, 2007, and shall thereafter be continued in full force and effect from year to year after May 3, 2007 unless notice of termination or a desire to modify or change this Agreement is given in writing by either party, at least sixty (60) days before the expiration date. Upon receipt of such notice, a conference shall be arranged for within thirty (30) days. This provision shall not be interpreted to require a meeting prior to sixty (60) days before the expiration date of this Agreement.

For:

Local Union No. 9 UAW

Bruce Eaton
Gene Turner
Dick Rauch
David Blake

For:

**International Union, United
Automobile, Aerospace and
Agricultural Implement
Workers of America**

Larry Foster

For:

**Aircraft Landing Systems Division
of Honeywell Aerospace Company,
Honeywell, Inc.**

Allen Clarke
Tom Moon
Brad Mahoney
Tim Johnson

MEMORANDUM OF UNDERSTANDING

Past/Current MOUs

During local negotiations in 2003 on their Supplemental Agreement, the Company and the Union made good faith efforts to identify all existing MOUs and other documented agreements (referred to collectively as "MOUs") that are not in the Supplemental Agreement itself, and to discuss which of those should continue in force. This was done in an effort to assure that both parties have a full set of all documents that form their agreement, and to facilitate contract compliance and administration for both the Company and the Union going forward. In addition, during the course of the 2003 negotiations the parties agreed to several new MOUs and made revisions to several prior MOUs.

Through this process, and for those purposes, the Company and Union agree that the MOUs attached hereto, and numbered 1 to 23 for convenience, are the MOUs that will be in full force and effect during the term of their Supplemental Agreement that runs from May 4, 2003 until May 3, 2007. They further agree that any MOUs not so included will not remain a part of their contract.

In the event that either party discovers an MOU not identified during the 2003 negotiations, that party will immediately provide a copy of the newly discovered MOU to the other party. The parties will then meet and attempt to reach agreement on whether the newly discovered MOU should remain in effect. If the parties are unable to reach agreement on the newly discovered MOU, then it will be neither excluded from nor included in the current contract, and will have whatever weight might be appropriate depending upon its subject matter, its date, its applicability to current circumstances, and whether it conflicts with a more recent agreement between the parties.

This MOU does not preclude the parties from proposing and agreeing on further MOUs in the future, nor does it effect any existing arbitration awards or umpire's decisions that remain in effect.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

INDEX

No.		Page
1.	New Jobs	21
2.	Carbon Riveting	22
3.	Laying Off Junior Employee	23
4.	Financial Institution	24
5.	Information Exchange	25
6.	Computer Movement	26
7.	Inverted Seniority Procedure	27
8.	Employee Travel	28
9.	Employee Recall	29
10.	Sick Leave	30
11.	HS&E Committee	31
12.	UAW Employee Orientation	32
13.	Classifications	33
14.	HTFO	34-35
15.	Overtime Equalization	36-37
16.	Painter Wage Increase	38
17.	Smoking	39
18.	High Temperature Furnace Operator	40
19.	New Wage Structure	41-43
20.	Work Through Ratification	44
21.	Skill-Based Pay/Shift Premium	45
22.	Bargaining Committee	46
23.	Job Posting	46

1. MEMORANDUM OF UNDERSTANDING New Jobs

With respect to paragraphs 85 and 86 of the master agreement, the Company and Union agree to the following.

When **NEW** jobs are placed into production, the Company will notify the Union promptly in writing of the classification(s) and rates of pay, at such time the Union and Company **SHALL** meet to insure the most effective ways to be competitive in the world market. The Company and Union agree to the following, but not limited to:

- The Company shall establish classifications for new jobs.
- The Union is committed in being successful with new jobs being competitive and assures the Company all new jobs will be competitive.
- Pay rates shall be as set forth in the local rate structure for New Hires.
- Cost-of-living-allowance shall be waived for a maximum of 3 years (new hires only)
- Major medical, life insurance and sick leave benefits shall be waived for up to six (6) months (new hires only).
- Bumping rights shall be waived for three (3) years at two time per year (new hires only)
- Bidding rights for new hires shall be waived for one year
- New jobs means new products or components for wheel and brakes that are currently outsourced. Further meaning of New Jobs shall be mutually agreed to by the Company and Union.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

2. MEMORANDUM OF UNDERSTANDING Carbon Riveting

Honeywell and UAW Local 9 agree to the following terms and conditions as precursors to the Company's plan of action in allowing the South Bend site to perform Carbon Refurbishment activities.

1. The riveting and de-riveting of new and refurbished Carbon discs will be performed in Dept. 200 by Carbon Fabrication. In accordance with Paragraph 49 of the Local Agreement, the senior employee in the riveting classification will be given the option to move with this work in the classification of Carbon Fabricator (Dept. 200)
2. The process of Carbon Refurbishment will be performed by Dept. 200 Carbon Fabricators per for the attached process map.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

3. MEMORANDUM OF UNDERSTANDING Laying Off Junior Employee

The Company agrees that should it become necessary in the course of a layoff to hold a junior employee out of line of seniority on a job which those employees already laid off are not able to perform, then any senior employee in the department who is willing to accept such job may do so, thereby eliminating by lay off the junior employee in the department. It is understood that such senior employee must be qualified to do such job, qualifications to be determined by the Company. It is further agreed that, if such senior employees are not willing to accept the job, then the junior employees remaining in the department in this job. The foregoing provisions will apply to a displacement pursuant to the provisions of Paragraphs 23 and 25.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

4. MEMORANDUM OF UNDERSTANDING **Financial Institution**

The Company agrees the employees shall have the option of financial institutions in hourly payroll deductions. This decision will depend on the cooperation of local financial institutions.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

5. MEMORANDUM OF UNDERSTANDING Information Exchange

Honeywell and UAW Local 9 recognize the need for timely and efficient exchange of information. Both parties agree to make every effort to *improve* the information systems between the Company and Union.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

6. MEMORANDUM OF UNDERSTANDING Computer Movement

In a continuing effort to enhance the operating flexibility of our operations, as well as handle work not requiring the skills leave associated with a highly skilled workforce, the company reserves the right to have employees move and install personal computers, printers and related equipment. The Shipping and Receiving department will do the delivery of these items from the receiving dock.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

7. MEMORANDUM OF UNDERSTANDING Inverted Seniority Procedure

When an employee is definitely separated because of lack of work, under the provision of Paragraph 28 of the Local Agreement, a senior employee, in the same department and classification, may absorb the layoff under the following provisions:

1. They make such request in writing, utilizing the Inverted Seniority Request form and submitting this completed form to Human Resources.
2. Such absorption must be for a period of not less than thirty (30) days.
3. Senior employees who request and are granted such layoff, will be recalled to their department and classification at the conclusion of the absorption period or whenever an opening in any classification exists (Primary or Secondary). If more than one (1) senior employee is on layoff, the junior employee in such classification and department will be recalled first.

UNDERSTANDING IN CONNECTION WITH THE ABOVE

1. No openings in a department will be filed while qualified employees in the same seniority group and department are laid off via above procedures.
2. All employees on layoff via the above procedures will be recalled before any other employee(s) are hired or rehired on jobs for which the laid off employee(s) are qualified.
3. Employee(s) who are laid off via above procedure must notify the Company where they can be reached during such layoff.

Should any future problems arise, the parties agree to meet for the purpose of resolving such problems to their mutual satisfaction.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

8. MEMORANDUM OF UNDERSTANDING Employee Travel

Over the past two years, as the Company and Union have moved increasingly to a Total Quality environment at Aircraft Landing Systems, there are increasing opportunities for hourly employees to use their extensive knowledge and experience to assist our customers outside of the South Bend area. As this has occurred, both parties have been faced with situations never anticipated in contract negotiations between Honeywell and the UAW relative to payment for hourly employee travel.

Both parties agree that the following sets out the understanding of policies relating to employee travel for hourly employees covered under the UAW 9 contract:

- For hourly employee travel, the Company will pay for travel time as time worked, on a straight time basis up to a total of 8 hours per day in accordance with the Federal Portal to Portal Act. If, for example, an employee leaves South Bend for California after working 6 hours here in South Bend, and then travels 4 hours, the employee will be eligible for a total of 8 hours at straight time.
- Travel on weekends, if required, would be paid at time and 1/2, again up to a total of 8 hours.

Time actually spent working at another location outside of South Bend will be subject to the same overtime treatment as time worked in the plant. If, again, using the above example, an employee who has traveled to California then has to work at a location there for 8 hours on a Saturday, the 8 hours worked will be paid to the same manner as if the time had been worked in South Bend.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

9. MEMORANDUM OF UNDERSTANDING Employee Recall

The Company and the Union agree to the following:

1. As part of the agreement in the area of classifications, all inactive classifications will be integrated into an active classification by the end of the 3rd quarter 2003.
2. As part of this process, all former employees currently on the recall list will be notified of this reclassification process and will be mailed a registered letter presenting them with the opportunity to update their records with skills and qualifications achieved since their layoff. Failure to respond to this letter may interfere with that person being recalled in line of seniority.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

10. MEMORANDUM OF UNDERSTANDING Sick Leave

If employee is released by his or her doctor for light work or complete release for work and has not drawn all his or her sick benefits and the Company doctor does not put employee back to work, employee will continue on sick leave and draw balance of sick benefits. If employee on sick leave exhausts weekly benefits and work is not available and employee's doctor has released him or her, employee would be considered on layoff status.

Contributions, if any, will be governed by the terms and conditions of the Master Agreement. The Company doctor may okay him or her for return to work sooner than the expiration of benefits.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

11. MEMORANDUM OF UNDERSTANDING HS&E Committee

During the course of contract negotiations, it was agreed that a permanently standing Health, Safety and Environmental (HS&E) committee would be formed to review HS&E issues associated with employees covered by the Master and Local Agreement. The committee would create an avenue for union and management to work together on ALS South Bend manufacturing Health, Safety and Environmental issues. The committee would consist of HS&E leadership, members of the bargaining committee from Local 9, Operations personnel from Friction Materials and Wheel and Brake, and a representative from Maintenance and Human Resources. Other HS&E personnel and additional union members will be invited to participate when appropriate.

Examples of topics that would be discussed would include:

- Review of accident reports, focusing on corrective actions
- Review of accidents statistics and trends to assist in making recommendations
- Recommending new programs to assist in accident prevention
- Periodic review of current HS&E policies and programs

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

12. MEMORANDUM OF AGREEMENT UAW Employee Orientation

During Contract negotiations May 3, 2003, the Company and Union discussed and agreed that UAW Local 9 would play a more active role in the orientation of recalled and new employees covered by the Master and Local Contract. Honeywell ALS' current practice for orientating recalled and new employees is to spend a portion of the day educating recalled and new employees on various policies, procedures and practices. UAW Local 9 will reserve a segment of time in this orientation to educated the recalled and new employees on issues that will assist in the development of a cooperative and productive working relation between Honeywell and the recalled or new employee/Member of UAW Local 9.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

13. MEMORANDUM OF UNDERSTANDING Classifications

As discussed during the 2003 contract negotiations, the Company and the Union agree to make the following changes to classifications:

- 1) Combine Wheel & Brake classifications 1238 (High Volume Machining) and 1239 (High Volume Grinding) into a new classification, 1236 High Volume Machining.
 - a) The Company will provide training for employees in current classifications 1238 and 1239 for the combined classification, provided that current employees in either of the former classifications will not be disqualified from the new classification so long they continue to meet the requirements of their former classification.
 - b) Additionally, the Company and Union discussed making the new High Volume Machining classification an NC classification in the future. This additional change would reflect advancing technology in those operations and help meet competitive needs. The Company and Union will discuss the appropriate time to make the new classification an NC classification and the training needed for these purposes.
- 2) Combine classifications 1109 (Drilling, NC), 1270 (Torque Tube Milling, NC), and 1272 (Torque Tube Milling, NC) into a new NC classification, 1263 Milling, Numerical Control.
- 3) Combine classifications 3809 (Inspection, Layout) and 3616 (Inspection, Tool/Gage) into a single new Group 1 classification, 3640 Manufacturing Layout / Tool and Gage Inspection, and apply the Group 1 wage rate for classification 3616 to the new classification.
- 4) Create new classification 3913, Assembly Storekeeper, to include storekeepers in Assembly Stores, and change job title for current classification 3924 from Storekeeper to Crib Attendant, to include storekeepers in the Non-Production Crib. All employees who enter classification 3924 (Crib Attendant) after May 3, 2003, will be paid under the New Wage Rate.
- 5) Revise the contract and the rate structure consistent with these changes when new classification numbers are assigned.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

14. MEMORANDUM OF UNDERSTANDING HTFO

The "High Temperature Furnace Operator" classification will be responsible for the following:

Normal Operations (start, stop, run) (specifically excludes loading and unloading)

Emergency Operation (Control and shutdown during an evacuation)

Record Operating Data

Liaison with Maintenance

Support Maintenance through Equipment Operation

Pass accurate information from shift-to-shift for safety, operability and optimum utilization

The following is a list of job specific conditions:

- Hazmat Training/Certification
- Willing to Work an Alternate Schedule that provides for Continuous Coverage
- Read/Write English
- Read and Understand Written Instructions
- Basic Math Skills
- Ability to Communicate with Maintenance, Operations, Process Engineering
- Willingness to work in a self-directed environment
- Basic Understanding of Mechanical, Electrical and Measurement Systems
- Ability to Recognize Problems and take Appropriate Action to Resolve
- Take Ownership of Equipment to Improve Reliability and Uptime
- Actively communicate housekeeping and safety items to maintenance and supervision

Standards for Hazmat Certification are non-negotiable

Occasionally, Fabricators (code #1436) may be asked to do furnace monitoring, if there is not sufficient coverage from the High Temperature Furnace Operators (code #1434) to perform this task. When Fabricators perform the task of furnace monitoring, they will be paid at the same base rate as High Temperature Furnace Operators

However, it is agreed to by the Union and Management that when Fabricators perform the task of furnace monitoring on a temporary basis, they will not build time and/or experience that builds credit to being granted the High Temperature Furnace Operator classification, per Paragraph 28 of the Local Agreement.

The Union and Management agree that the High Temperature Furnace Operator classification is only granted to those that successfully complete the following steps:

1. A written and practical assessment determining readiness for training
2. Job training (provided by management) specific to the duties/tasks of the classification
3. A final assessment in which the employee demonstrates a minimum level of retention will be determined by management.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

15. MEMORANDUM OF UNDERSTANDING Overtime Equalization

The Company and the Union are both committed to the fair and equitable treatment of all employees relative to distribution of available overtime, as set forth in the Master Contract. To further this objective, the following guidelines are agreed to:

The Company will make good faith efforts to maintain equitable distribution of overtime. When the Company deems it necessary (an emergency arises or on a job continuation) they may deviate up to 16 hours from the daily and 16 hours from the weekend overtime lists. The deviation is corrected when those bypassed have been offered overtime that is equal to or greater than the deviated hours in the appropriate category. The company and Union may mutually agree to extend the above deviation for both daily and weekend overtime list. The following procedure shall apply.

1. Daily overtime belongs to the department and specific shift, classification and labor group first. When all shifts are exhausted then out of seniority group within department.
2. Weekend overtime belongs to department in this order, Within Classification on shift, on shift out of classification, off shift within the classification, off shift out of classification, on shift out of seniority group, off shift out of seniority group. Employees accepting the overtime must be able to perform the work available.
3. Per paragraph 53 of the local, the stewards shall keep all overtime records in the following order:
4. Overtime hours shall be kept separate by shift and classifications, each classification being kept separate. All overtime hours shall be kept on three (3) separate sheets in each department, One (1) sheet for daily overtime, one (1) sheet for Saturday and one (1) sheet for Sunday, Overtime for holidays will be charged on the Sunday overtime sheet.
5. When an employee changes from one classification to another or from one shift to another or from one department to another or is a new hire, said employee shall assume high hours within the classification they go into.
6. When a turn sheet is started, it shall be set up in according to seniority, in the event of any dispute involving who shall work when hours are equal, seniority shall be the determining factor.
7. If any employee turns down his or her chance to work premium time, said employee shall be charged with the hours that he/she turns down providing the employee is asked in his or her regular turn. However, an employee cannot be charged

for turning down overtime on an off shift on weekends and holidays.

8. An employee shall have the opportunity of turning down Saturday work without being charged if they are not notified to work by Thursday prior to such Saturday. An employee shall have the opportunity of turning down Sunday work without being charged if they are not notified to work by Friday prior to such Sunday. Employees will be charged for daily overtime if they are asked prior to the end of the shift.
9. If any employee is absent when his/her turn comes up to be asked to work daily overtime such employee shall be by-passed and charged. If any employee is absent when his/her turn comes up to be asked to work Saturday or Sunday, such employee shall be charged as turning down the opportunity to work Saturday or Sunday unless such employee has previously notified his/her steward or called into the office by Thursday mid-point of shift for Saturday and by Friday mid-point of shift for Sunday. Employees shall be asked to work Holidays and according to the department Sunday overtime sheet, employees shall be charged for turning down Holiday work if asked by the end of their shift at least 2 days prior to the Holiday.
10. An employee off work performing work for the Local 9 Union of the International Union shall be by-passed and not charged for premium time hours. If employees are compensated premium time hours by the Company for off-site work they shall be charged on the appropriate overtime sheet.
11. Employees off work performing jury duty shall not be charged for overtime. However, the employee is responsible to notify the steward as of his or her availability for weekend work.
12. Employees off work performing work for the military shall not be charged.
13. Employees shall not be charged for overtime while on vacation. This is for the number of weeks the employees are allowed per the Master Contract. Vacation weeks consist of seven (7) consecutive days.
14. All departments on all shifts shall follow this Memorandum of Agreement. If a dispute arises, the Company and the Bargaining Committee shall mutually agree on a resolution.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

**16. MEMORANDUM OF AGREEMENT
Painter Wage Increase**

This confirms the Company's agreement on April 28th, 2003 to increase the hourly rate in the current wage structure for spray painter's (job code 1460) by fifty cents (\$0.50), contingent upon overall agreement to a new contract. This increase will be reflected in the local wage rate.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

17. MEMORANDUM OF UNDERSTANDING Smoking

The Union and Company agree to work together to assure adherence to the smoking agreements. During the 2003 negotiations, the Union and Company agreed that aiseways and walkways will be designated as non-smoking areas. Also, smoking will not be allowed on vehicles, motorized or other.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

18. MEMORANDUM OF UNDERSTANDING High Temperature Furnace Operator

It is agreed and understood by Management and the Union that the alternate work schedule of the High Temperature Furnace Operator classification (code #1434) will be paid based on Paragraphs 58, 59, 60 of the Master contract and the Rate Structure of the local agreement.

This understanding of how the alternate work schedule will be paid applies to the High Temperature Furnace Operator classification (code #1434) in Friction Materials.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

19. MEMORANDUM OF UNDERSTANDING New Wage Structure

In order to make the company more competitive, and in turn to help grow the business and job opportunities, the company and union have agreed to a New Wage Structure effective after May 3, 2003 as follows:

Group 1

Persons hired into Seniority Group 1 after May 3, 2003, who have journeyman or equivalent status in a skilled trade recognized under this contract, will be paid under the A rate under the New Wage Structure. Provided, however, that employees who are active in Group 2 as of May 3, 2003 and who later transfer into Group 1, will be paid under the same wage structure that last applied to them in Group 2. These employees will be eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance as provided under the Master Agreement.

If there is a need to hire employees into Seniority Group 1 who do not have journeyman status in a skilled trade recognized under this contract, the Company and the Union will meet to determine the wage rate and apprenticeship program for those employees per recognized standards.

Group 2

Employees hired or transferred into Seniority Group 2 after May 3, 2003, will be paid under the New Wage Structure. Provided, however, that employees who are active in Group 3 as of May 3, 2003 and who later transfer into Group 2, will be paid under the same wage structure that last applied to them in Group 3. These employees will be eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance as provided under the Master Agreement.

Group 3

Employees hired or transferred into Seniority Group 3 (including employees who bump into Seniority Group 3) after May 3, 2003, will be paid under the New Wage Structure.

- a) These employees will be eligible for Cost-of-Living Allowances as provided under the Master Agreement effective on/after April 4, 2004 (but not before) and through the remainder of the current contract term (May 3, 2003 to May 3, 2007), subject to a cumulative cap of \$1.00 for this contract term.
- b) These employees will be eligible for Annual Improvement Factor and Annual Bonus Payment as provided under the

Master Agreement beginning May 3, 2004 (but not before). Provided, however, that any Annual Improvement Factor applicable to them will be payable as a lump sum (not an increase to rate of pay), on the same terms as Annual Bonus Payments.

Recall

Employees with seniority as of May 3, 2003 who are recalled into Seniority Group 1 or 2 after May 3, 2003, will be paid at the higher of: a) the last rate of pay in effect at the time of their layoff for the job to which they are recalled; or b) the New Wage Rate applicable to that position. These employees will be eligible for any Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance effective after (but not before) their date of recall.

Employees recalled into Seniority Group 3 after May 3, 2003 will be paid under the New Wage Rate. These employees will be eligible for any Cost-of-Living Allowance applicable under the New Wage Rate effective after (but not before) their date of recall.

Notwithstanding the above, any employee who is recalled within 24 months of layoff will be paid the rate applicable to that employee for the classification and skill level to which the employee is recalled, including any rate adjustments that became effective for that rate while the employee was on layoff.

Exception for Bumping to Avoid Layoff

Notwithstanding the above:

- a) Employees who are active as of May 3 and who bump into Group 2 to avoid layoff, will be paid under the rate structure in effect prior to May 3, 2003.
- b) Employees who are active as of May 3, 2003 and who bump into Group 3 on or before May 3, 2004 to avoid layoff, will be paid under the rate structure in effect prior to May 3, 2003, and will remain eligible for Annual Improvement Factor, Annual Bonus Payment and Cost-of-Living Allowance.
- c) Employees who are active as of May 3, 2003 and who bump into Group 3 after May 3, 2004 but on or before May 3, 2007 to avoid layoff will be paid the highest Group 3 rate under the New Wage Structure.

Interpretation

In the event that any part of this Memorandum cannot be implemented under the Master Agreement, the Company and the

Union agree to give effect to the remainder of this Memorandum, and to meet and seek agreement on any changes needed to provide the same overall economics to the Company and the employees as would have been provided under this Memorandum.

In the event that application of this Memorandum causes a reduction in pay for any employee who was active as of May 3, 2003, other than as stated in this Memorandum, the Company and the Union will meet to review whether and how the New Wage Rate should be applied.

Date: May 3, 2003

Union: Bruce Eaton

Local 9

Tom Bode

UAW Aerospace Department

Company: Allen Clarke

ALS

Edward J. Bocik

Honeywell International Inc.

20. MEMORANDUM OF UNDERSTANDING Work Through Ratification

The Company and Union agree that a tentative agreement has been reached in local negotiations. The Union agrees that it will continue to work through ratification without work stoppage or slowdowns.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

21. MEMORANDUM OF UNDERSTANDING Skill-Base Pay/Shift Premium

Skill Based Pay

In keeping with the joint objective of both the Company and Union to recognize and reward multi-skilled employees and as a potential first step in moving to more common use of skill-based compensation, the parties agree to the following.

1. The Company shall pay a \$1/hour upgrade for FM Fabricators operating more than one Needling machine at a time. This multiple machine upgrade for Needling will be paid only to employees who are actually operating multiple machines on their own, not to employees being trained by someone who also is working or overseeing the work on those same machines.
2. The Company will pay an upgrade of fifty cents (\$.50) to employees while they are training other employees.
3. The parties agree to work on jointly developing further steps in a move toward skill-based pay systems that would reward employees for growth and certification in multiple skills to enhance business competitiveness.
4. CRU Leaders shall continue to be paid an additional \$2.00 per hour above the highest classification in their CRU. However, CRU Leaders must become verified on every machine and/or work process in their CRU within one (1) year of receiving this CRU Leader upgrade, so that they can train other employees in their CRU and do work in the CRU as needed to optimize the performance of the CRU.
5. The Company will pay an upgrade of twenty-two cents (\$.22) effective May 3, 2004; an additional twenty-two cents (\$.22) effective May 2, 2005; and an additional twenty-two cents (\$.22) effective May 1, 2006 to the following classifications: 1263 Milling NC, 1112 Horizontal Lathe NC, 1269 Vertical Lathe NC.

Off-Shift Incentive

The Company will pay an off-shift incentive of forty cents (\$.40) to bargaining unit employees assigned to the second (afternoon) and third (midnight) shifts, in addition to the twenty-five cent (\$.25) shift differential paid under paragraph 72 of the Master Agreement.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

22. Memorandum Of Agreement Bargaining Committee

The Company and Union agree to continually working together through the life of the contract to bring ideas forward to make the right decisions for the business and to maintain the competitive edge. The company recognizes the Honeywell UAW council meetings as an effective tool to help resolve issues, maintain the competitive edge in the business, and maintain a working partnership between UAW Local 9 and Honeywell. The company agrees that in addition to Paragraph Three (3) of the local contract the Bargaining Committee shall continue to be paid while attending the Honeywell-UAW council meetings, including Saturdays, Sundays and Holidays up to eight (8) hours per day. The Union will not assign Temporary replacements for the bargaining committee on Saturdays, Sundays, and Holidays while attending the Honeywell-UAW council meetings.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

23. MEMORANDUM OF UNDERSTANDING Job Posting System

Honeywell and UAW Local 9 agree to work towards the Bulletin Board Job Posting process as outlined in paragraph 24 of the local agreement with an electronic media version.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

Maintenance Memoranda of Agreement

The following Memoranda of Agreements were agreed upon between the United Aerospace Workers UAW Local 9 and Honeywell Aircraft Landing Systems during the May 2003 contract negotiations.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

Memorandum of Agreement

Index

Custodian/General Laborers	49
Assisting Skilled Trades	50
Custodian/General Labor Assignment	51-52
Total Productive Maintenance	53
Common Labor - Scrap	54
Earth Moving	55
Mittenthal's Award	56
Supplemental to the Lines of Demarcation	57
Skilled Trades Work in Hydromechanical Controls	58

Memorandum of Agreement Custodian/General Laborers

The Company agrees not to expand the duties or activities of non-bargaining unit Custodians/General Laborers so as to infringe upon or deprive bargaining unit Custodians/General Laborers of any of the areas they presently service, or any areas they may service in the future.

Memorandum Of Agreement Assisting Skilled Trades

In order to perform maintenance work in a more effective and efficient fashion, it is agreed that maintenance trades will assist the primary trade during the week. Lines of demarcation will be strictly adhered to for all overtime providing all overtime is accepted and covered with the proper trade. For incidental tasks on overtime, the assist rule will apply. Refer to Supplemental Agreement.

The Company hereby assures UAW Local 9 that it has no plans to change its policy and that they will continue its general operating policy of placing the primary reliance on its own skill trades employees to perform the maintenance work to the extent consistent with sound business practices.

1. There will not be any combination of maintenance classifications because of this agreement.
2. There will be no lay-offs as a result of this agreement unless there are load fluctuations or changes in business conditions.
3. The following trades will assist each other:
 - Machine Repair,
 - Carpenter,
 - Pipe/Hydraulic Fitter,
 - HVAC,
 - Millwright,
 - Painter,
 - Sheet Metal,
 - Welder
4. The following trades will assist each other:
 - Meter maintenance,
 - Electrical
5. The intent of this agreement is to rely on its own skilled trades to perform maintenance work and assure competitiveness by performing maintenance work in a more effective and efficient fashion.
6. Accordingly the Company will take this into consideration when decisions to subcontract maintenance work are reviewed. Further the company will evaluate maintenance staffing with a view toward utilizing this concept consistent with production schedules and sound business practices.

Memorandum Of Agreement Custodian/General Labor Assignment

The Company and the Union are both committed to the concept of ensuring the South Bend site has flexibility needed to effectively compete with manufacturing operations worldwide. One element of this flexibility is to ensure that higher levels of technical skills, once trained, are used appropriately. The Company is committed to growing the skills of the skilled trades and of the overall workforce, and desires to pursue using hourly skilled trades to do tasks such as thermography; vibration analysis; condition-based monitoring of fluids; and other high-technology associated tasks. Growth into such "high-tech" areas, however, will require some means of performing some of the more menial tasks formerly done by skilled tradesmen.

In order to provide a growth opportunity for skilled trades and handle work not requiring the skills level associated with a highly skilled workforce, the parties agree to the following:

The Company agrees to continue the classification called "General Labor" at the current rate of pay in Group 3 for employees active on or before June 1, 2003. The new hire rate structure shall apply for employees on recall and new hires after June 1, 2003.

Because of the combination of the General Laborer and Custodian classification, active employees who hold the Custodian classification will retain that rate of pay until they elect to leave the combined classification (except on invert). When the Custodian leaves the classification, they will be replaced with a General Laborer.

The intent of this agreement is to allow Custodians to perform their current duties during the regular workweek, except on overtime, until they elect to leave the classification.

Examples of tasks which can be performed by this classification include but are not necessarily limited to the following:

1. Auto-Perform - general cleaning
2. CVD Scraping
3. Char - removal of insulation
4. HTT - thermax removal for rebuild
5. Fire watch
6. Moving of file boxes
7. Cleaning of production areas of the facility including production floor, production aisles, all restrooms, all break areas, all shower rooms, all maintenance areas, all locker rooms and all office areas not covered by TPM.

8. Through attrition, operation of floor scrubbers.
9. Cleaning of pits and trenches
10. General Labor/Custodians will have the prime responsibility for relocation and moving of furniture from office to factory, factory-to-factory, and laboratory to laboratory
11. General Labors/Custodians will install spigots and nozzles into containers of waxes, soaps, and other Custodians/General Labor material for their own use.
12. General Labor/Custodian employees to remove all grates and plates that can be removed by hand to provide access to machine areas that are to be cleaned by General Laborer/Custodian employees.
13. May install labels on the equipment which they normally operate
14. Setting up of the cafeteria annex for meetings.
15. Changing of precut air filters, media, pleated, bag filters, frame filters, MistCop filters, and Torrit dust collection filters where they can safely perform the task.
16. Through attrition, general labor employees to pump all types of used oil in pits, sumps, and pans.
17. Scraping plating lines/water tanks after torn apart and drained
18. Segment box cleaning
19. Paper signs will be changed by general labor
20. Cloth signs will be installed and removed by general labors.
21. General Labor will install, move and rearrange office furniture and equipment, except for freestanding computers, data processing and duplicating equipment. General labor will have the prime responsibility for moving furniture from: Office to Office (includes office in Lab), Office to Storage, Storage to Office, Factory to Office, Office to Factory, Factory to Factory, and Laboratory to Laboratory
22. General Laborer/Custodians will install and rearrange drafting boards, print files, and all similar equipment, in drafting rooms.

The Team Leader/Supervisor and the Bargaining Committee will jointly determine clarification of which tasks are or are not General Labor/Custodian.

1. Skilled trades staffing level will be determined consistent with business conditions and this agreement.
2. The use of General Labor/Custodian employees does not end the obligation of operators to perform Operator Total Productive Maintenance as delineated in that proposal.

Memorandum Of Agreement Total Productive Maintenance

1. As part of the Company's continuing effort to allow for the greatest utilization of employee's skills and provide growth opportunities for skilled trades, the parties agree to the following:
2. The establishment of a Total Productive Maintenance Program, with the intent being to have Production Operators perform the routine maintenance duties associated with the functioning of their respective production areas.
3. This program would include, but is not limited to the following types of tasks:
 - A. Making of wire bounds to be done by material handler
 - B. Clean up of own production area *including* wiping down of immediate work area of the machines
 - C. Change of the carbon dust collection drums at Grinder/Makinos, sanders, needlers, and lathes.
 - D. Cleaning of columns on the presses
 - E. Resetting of own N/C machines where outside of panel. Employees must contact maintenance immediately should their machines need to be re-set multiple times on their shift.
 - F. Filling of small lubrication reservoirs at the operator's own machine by obtaining oil from storage areas
 - G. Checking of oil, grease, coolant and water levels and topping off such levels are needed.
4. All maintenance employees are to clean up after performing repairs, construction or maintenance functions.
5. Clarification of which tasks are/are not to be included in the Total Productive Maintenance Program will be determined by the Team Leader/Supervisor and the Union Bargaining Committee.

Memorandum Of Agreement Common Labor - Scrap

1. The Common Labors in Maintenance Plant Services department will pick up and haul all scrap, metal or wood, after the crafts have determined what is to be saved and what is to be scrapped, except as provided in the lines of demarcation.
2. The separation of scrap from salvable material may be performed on the job site or material may be hauled to a convenient spot to be separated. Disposal of scrap from either location will be handled by the Common Labor, except as provided in the lines of demarcation.
3. Large material or equipment which requires special equipment or rigging will be handled by the Millwrights.

Memorandum Of Agreement Earth Moving

When Millwrights are assigned to jobs of excavating earth, Millwrights will use whatever means are provided to excavate from the site. If earth is to be removed from the site, (not stock piled adjacent to excavation), Millwrights will place earth in containers (tote boxes, dump truck or other) provided by Common labor or will place earth on floor or ground next to site. Removal of earth from site, whether in containers or to be loaded into containers after initial excavation. Will be done by common labor.

On jobs of back filling earth, common labor will bring fill earth to site (if the earth had been removed from the site originally by common labor for stock piling or if new fill is required), dumping all or any part of it at one time in the excavation, or if this is not possible at a convenient locations as directed by management. From this point on, all earth moving activities on site will be done by Millwrights.

Maintenance or alterations of grounds, yards and parking lots will continue to be the responsibility of common labor.

In no event shall there be double handling. The Company and Union will resolve any disputes mutually.

Memorandum of Agreement Mittenthall's Award

The Company and the Union met after Richard Mittenthalls' award RM-5 "battery charging". This agreement is the result of the meeting and is as follows:

1. Battery charging - battery charging for the electric trucks can be performed by the operators driving the vehicle. Other battery maintenance such as adding acid and changing batteries will be performed by garage mechanics.
2. Oil stores - Local 9 driver will distribute the oil and other materials from the contractor's truck to each machine as required. The driver may also be required to perform some record keeping duties.
3. Snow removal - Salvage/General Labor employees will handle in plant snow removal. Parking areas will be contracted out. Local 9 will not plow any in-plant roads or parking areas.
4. Grass cutting/hedge and tree trimming - salvage employees will do grass cutting within the perimeter of the plant to the extent the equipment allows.
Seeding, fertilizing, spraying, tree and hedge trimming will be contracted out.
5. Mail run - will be assigned to the locksmith and the oil stores driver will fill in when needed.
6. Fire and safety - Fire and Safety will be assigned to pipefitter.
7. Parts Pick Up - Will be assigned to Locksmith and the oil stores driver will fill in when needed.
8. Garage - major /minor distinction of four hours. If the supervisor's projection of the expected duration of the garage work to be completed is 4 hours or less the work would normally be performed "in house" by local 9 Garage Mechanics. Major work will be sub contracted. These local 9 Mechanics will perform the minor work to the extent that our tools and equipment, expertise and workload allow.

Memorandum of Agreement Supplemental to the Lines of Demarcation

As a result of contract negotiations, the Company and the Union agree to the Lines of Demarcation. This document clarifies the job content of each trade in an effort to reduce jurisdictional disputes. This has resulted in a significant reduction in grievances arising from such jurisdictional disputes.

In furtherance of this principle, the following clarifications are applicable:

Incidental tasks shall mean tasks which are complimentary to a principal job, do not require a long continuous period of work, are within the capabilities of the principal tradesman on the job, and can be performed safely by such tradesman. The principal tradesman shall perform such work.

The Company agrees that it will not attempt nor will the Company try to deviate from every-day normal policies within the skilled trades, or try to skirt around the call-in provision and will not refuse to hold over the proper tradesman to perform such work.

The interpretation of emergency, incidental, minor or de minimis will not be used by the Company or the Union to mean anything other than just what it stands for as spelled out in the Umpire decision and used only as a guide to try and lessen our jurisdictional disputes between the trades and to reduce the number of grievances involving such cases.

If any disputes should arise because of the above interpretation of guidelines, the Company and the Union agree to meet on these issues immediately (or as soon as possible) and bring these disputes to a satisfactory conclusion, using the above and attached guidelines as a means for each party to follow to a successful end.

When an employee performs work of another classification in accordance with the above, this does not automatically qualify such employee in that classification for purpose of bump, layoff and recall.

Memorandum of Agreement Skilled Trades Work in Hydromechanical Controls

As part of the on-going effort for the Company and the Union to work together to cost effectively manage Honeywell's Aerospace businesses in South Bend, the following is agreed:

1. The UAW Local 9 will perform the skilled-trades work in Hydromechanical Controls (Fuel Controls Engine Systems and Accessories "ESA") for the period May 3, 2003 through May 3, 2007. It is understood that this work continues because the UAW will maintain a high quality and cost competitive work product.
2. The Company's interest in allowing this letter to continue is to seek ways to cost-effectively manage its businesses while at the same time effectively partnering with its unions. The Company has and will continue to pursue good faith efforts to work with the Union. The Company at its option may choose to explore other ways with the Union in which to cost effectively manage its business. The Union commits to meet periodically with the Company to review and implement ways for ESA maintenance work to be competitive in cost and quality.
3. The Union acknowledges that the flexibility in work assignments and relaxed lines of demarcation are key to the past as well as future success of this agreement. The Union agrees to limited grievances to work assignments.
4. The Union acknowledges that this agreement does not waive any rights of the Company made in previous decisions by arbitrator Richard Mittenthal.

Memorandum of Agreement Lines of Demarcation

The attached Lines of Demarcation were agreed upon between the United Aerospace Workers UAW Local 9 and Honeywell Aircraft Landing Systems during the May 2003 contract negotiations. The Lines of Demarcations will apply to the Maintenance crafts. It is, of course, impossible to include all the duties and areas of responsibilities in these brief lines of demarcation. Therefore, it is agreed that good common sense will be exercised in the assignment of work to the various crafts.

Date: May 3, 2003

Union: Bruce Eaton

Company: Allen Clarke

Memorandum of Agreement Lines of Demarcation

INDEX

HVAC Technician	61
Millwrights	61
Carpenter	64
Maintenance Painter	65
Electrician	66
Industrial Pyrometry, Meters & Control Maintenance	68
Machine Repair & Rebuild	69
Pipefitter	70
Sheet Metal Worker	72
Tool Room Classifications	73
Sutton Letter	75
Presses	75
Movement of Plant Equipment and Material	77
Agreement "Pumping Contaminated Fluids"	78
"Garage" Discussion (1974)	79
Memorandum Of Understanding - Outside Vs. Maintenance Drivers	80
Construction of Open Tanks	81

Memorandum of Agreement Lines of Demarcation

HVAC Technician

- 1) Operates, services, calibrates, maintains and repairs heating, ventilation and air conditioning, (HVAC) equipment and systems after installation. These duties include startup and testing. Duties include, all work associated with the maintenance of mechanical, diffusers and dampers, electrical from the disconnect and piping header isolation valve for the maintenance and operation of all gas fired heaters, exhaust fans, makeup fans and systems, and refrigeration units and systems. Packaged units, chilled water units, DX systems, and central HVAC systems will be maintained in their entirety by HVAC technicians, excluding installation, repair and maintenance of cooling towers for CVD's and HTT's.
- 2) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.
- 3) Air handling units for area heating. All switches, relays, contactors, motor starters, transformers and associated wiring to be installed, and maintained by HVAC Technicians. Calibration and repair of temperature sensing and temperature controlling devices will to be performed by HVAC Technician.

Millwrights

- 1) Constructs, maintains, repairs walls where walls are of a masonry structure, partitions where partitions are of a masonry structure, floors where floors are of a masonry structure, chimneys, furnaces and other plant equipment or structures from brick.
- 2) Uses various masonry material such as concrete, cinder or gypsum block, precast panels made of brick, cement, tile, stone or marble, or structural tile. Lays glass blocks. Install refractory brick linings of kilns, furnaces, cupolas and ladles, which hold molten metal.
- 3) Understands proper mortar mixes and bond patterns. Works to construction specifications. Uses various hand tools, including trowels, jointers, tuck pointers, mason's levels, and other tools of the trade.
- 4) Adapts to new methods, processes, material and equipment not listed above.

- 5) Completely installs any single piece (unitized) machine tool, or any machine part that does not mount on the machine base including all leveling and lagging down will do initial installation leveling and anchoring only of bases of other machine tools. Moves and reinstalls rearranged machine tools as above. Dismantles and moves, for removal from the plant, machine tools and plant equipment; if reassembly of machine tools will be required, see Machine Repair classification. Millwrights will install in location plant equipment, conveyors, furnaces, and similar plant equipment. Uses hoists, cranes, tractors, fork trucks, jacks, rollers, lifting beam (tar trap fixture or other specialty lifting devices) and other rigging devices to facilitate practicing their craft.
- 6) Fabricates and erects all structural steel and miscellaneous iron except for major welding. Constructs, installs, repairs and maintains various conveyors, and elevating devices. Installs chain falls, electrical hoists, and other lifting devices, removes and installs concrete pads. Maintains and replaces belts, except for units covered under HVAC.
- 7) Has knowledge of characteristics and strength of various materials used in construction. Works from blueprints or sketches. Uses hand, power and leveling and measuring tools associated with the trade.
- 8) Adapts to new methods, material and equipment.
- 9) Installs glass in steel frames.
- 10) Digs ditches, excavations, and backfills, compacting as required.
- 11) Millwrights will install and level surface plates.
- 12) Receiving and Internal Transportation will unload, load and move all Productive and Stores material and that non-productive, non-stores materials, machine tools, and plant equipment which can be handled through Receiving and Shipping Docks, and lifted safely with a single Fork Truck without rigging. Millwrights will unload, load and move types of material, machine tools and plant equipment which cannot be handled through Receiving and Shipping Docks due to size limitations or special rigging. Note: Items that must be rerouted because of time or traffic congestion shall be handled by the classification as spelled out above.
- 13) Millwrights or Welders will make brackets and hangers of structural steel for other trades... The trades requesting the brackets, hangers, etc., will install them.

- 14) Millwrights will install and maintain conveyors. The installation of conveyors on machine tools will be performed by the Millwright classification.
 - a) Millwrights will be responsible for all excavation, including cleanup.
- 15) Millwrights will have the primary responsibility for maintaining the "Banders" Machine Repair will be utilized to perform those tasks uniquely specific to their craft.
- 16) Janitorial supplies delivered to outlying departments or plants will be transported by the storekeeper (Crib attendant).
- 17) Millwrights will perform maintenance tasks on the pack master machines (shrink-wrap machine). Other crafts will be utilized when a repair is indicated that is unique to their craft. Machine Repair will handle rebuilding of pack master machines.
- 18) All machine tools and plant equipment that can be unloaded by the single fork truck without rigging, that is unloaded through receiving, shall be delivered by shipping/receiving to maintenance as the first point of destination. (In some cases, to avoid excessive handling, this material may be moved directly from Receiving to the job site after contact has been made between Receiving and Maintenance supervision.) The Millwrights will move the equipment from Maintenance to the proper department for installation.
- 19) Motor bases for which the holes need revamping to fit the existing bolts in the motor frame shall be redrilled by the Millwrights doing the mounting.
- 20) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.
- 21) Major repair or the replacement of the induced or forced draft fan wheels, shaft, bearings, and repairs to the housing except for those listed in the Lines of Demarcation for the HVAC Technician.
- 22) Mechanical tasks associated with motor replacement over 5 horsepower.
- 23) Installation of any safety catwalk.
- 24) Set and align pumps and motors.
- 25) Alignment of flexible couplings.

- 26) Repairs to the track that requires welding. Shall be done by the maintenance welder
- 27) Cutting and welding repairs to be done by the maintenance welder.

Air Compressors:

- 1) Alignment of motors and couplings.
- 2) Removal of the drive motor when sent out for repairs.
- 3) Transporting of aftercoolers and intercoolers to the job site.

Miscellaneous Repairs:

- 1) Repair overhead doors and windows.
- 2) Repairs to the Air-Compressor tail water storage tank.
- 3) Repair and the replacement of stacks.
- 4) The following agreement concerning rams on presses has been reached: Rams to be removed and replaced by Millwrights. Jacking up of press to be done by Millwrights to initial hookup.

Transportation of Laboratory Material and Test Specimens

- 1) Millwrights will be assigned the transportation of any item of laboratory material between the buildings of the main plant complex, provided such item weights in excess of 150 lbs.
- 2) The movement of test specimens will be the responsibility of the salaried employee.

Carpenter

- 1) Constructs, erects, installs, repairs wood structures, plant and office wood equipment, framework, including sheathing, partitions, studding wood or steel, and rafters.
- 2) Constructs concrete forms required to serve needs of millwright classification, wooden scaffolding, stairs, roofing, ceilings, walls, floors, workbenches, storage bins, tables and desks.
- 3) Installs molding, wood paneling, cabinets, window sash, doorframes wood or steel, doors wood or steel, except overhead doors and hardware.
- 4) Partitions where posts are metal - carpenters will install and rearrange entire partition material, including wooden or plastic panels and glass.
- 5) Installs, repairs and patches resilient tile floor covering.
- 6) Plans, lays out and selects proper material. Works to

construction specifications, blueprints, and sketches. Uses various types of wood and wood substitutes. Uses carpenter's hand and power tools.

- 7) Adapts to other methods, processes, material and equipment. Installs glass in wood frames.
- 8) Bulletin boards will be installed by Carpenters, including steel supports.
- 9) Partitions where posts are wood or steel - Carpenters will install and rearrange entire partition material, including metal or plastic panels and glass.
- 10) Carpenters will install wood or metal partitions that do not employ posts.
- 11) Carpenters will use power driven equipment to deliver materials, manpower and toolboxes to job site. Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.

Maintenance Painter

- 1.) Prepares and paints (rough and finish) the surfaces of building structure, machines, plant or office equipment.
- 2.) Mixes paints and matches colors. Has knowledge of paint composition and color harmony applied to many kinds of materials including wood, and structural steel. Uses various types of interior and exterior materials, including wallpaper, stains, lacquer, enamel, oil, varnish, and other painting materials.
- 3.) Prepares surfaces, removes loose paint, scrapes, fills cracks and holes, sandpapers, applies sealer, and performs other painting tasks.
- 4.) Generally, uses brushes, rollers, spray equipment. Works from ladders, scaffolds, swing stages.
- 5.) Adapts to new methods, processes, material and equipment.
- 6.) Floor sealing and painting, painting and sealing stair treads, risers, and landings, painting traffic lines will be the responsibility of the painter, general labor may assist.
- 7.) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.

Electrician

- 1.) Diagnoses, adjusts, repairs, constructs, modifies, assembles, calibrates, installs and maintains electrical and electronic high or low voltage circuitry systems and equipment. Services, tests and replaces electronic tubes including oscillators, phanotrons, ignitrons, thyrastrons, photo electric tubes, voltage regulating tubes, transistors, magnetic amplifiers and all other devices used in electronic circuits.
- 2.) Plans and performs job layout. Works from blueprints, circuit diagrams and sketches. Uses hand tools and various electrical testing and precision measuring instruments. Has working knowledge of Industrial Electronics and National Electrical Codes. Adapts to new methods, processes, material and equipment.
- 3.) Electricians use chain falls and rope falls to install electrical material; also motors 5 horsepower or less that do not require special rigging and similar electrical equipment.
- 4.) Installation includes making hangers and brackets of non-structural steel, prefabricated materials to facilitate installation of electrical components.
- 5.) Repairs electric motors. (May be required to clean when in motor repair.)
- 6.) Grade ditches and backfill, compacting as required, for securing installation of electrical conduit or trench-laid wire.
- 7.) Makes holes through walls and floors and roofs, except where framing is required.
- 8.) Uses provided power-driven transportation, to deliver toolboxes, material and manpower to job sites, and to remove all reusable material from job site after completion.
- 9.) May open or close, remove and reinstall small guards and covers, which do not require rigging to facilitate practicing the craft.
- 10.) May be required to wipe off a light fixture when replacing a light bulb.
- 11.) When a fan is to be repaired by the electrical classification, the nylon mesh guards may be removed and replaced by the electrician.
- 12.) Electrical heating elements in water heaters and non-bricked in heating elements in ovens will be removed and replaced by the electrician.

- 13.) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.
- 14.) Will maintain and install wiring for numerical control equipment.
- 15.) Install and maintain position indicators and read-outs on programmable equipment and machine tools.
- 16.) Maintenance Electricians will maintain all programmable controlled equipment and machine tools from bus head down. Electricians will have the right to disconnect and re-connect the power source to programmable controlled equipment and machine tools at the bus head for the purpose of maintaining them.

Installation, teardown, and reinstallation of furnaces, ovens, and air handlers

Electrician will:

- 1) Rough in all conduits, whether rigid, flexible, or duct.
- 2) Pull in all wire or conductors, including thermocouple extension lead wire, or thermocouple lead wire.
- 3) Fabricate magnetic panels, install, and wire.
- 4) Hook up motors except instrumentation motors.
- 5) Provide all wiring services to pyrometrical instruments and equipment.
- 6) Will check out all wiring installed by electricians.
- 7) If electrical fault is determined to lay outside of and beyond the control loop and pilot relay in the pyrometer, service and repair and maintain all electrical power contactors, motor starters, relays, switches, transformers, reactors, prime moving motors, and associated busways and conductors.

Reinstallation - To be defined as a complete or partial change of the equipment so as to necessitate new conduit and lengthening or rerouting of thermocouple extension lead wire and/or thermocouples through new conduit or raceway.

Control Loop - To be defined as that part of the system originating and ending in the pyrometer, and including safety and associated equipment, the final point of which shall be the pilot relay in the pyrometer.

Industrial Pyrometry, Meters & Control Maintenance

- 1.) Connects, maintains, modifies, and repairs pyrometers*, potentiometers, thermocouples*, magnetic valves and similar instruments and controls.
- 2.) Services, overhauls tests, calibrates and re-sets instruments, except those expressly assigned to other craft which shall be repaired on request
- 3.) Works from blueprints and circuit diagrams. Uses test and precision measuring instruments.
- 4.) Adapts to new methods, processes, material and equipment.
- 5.) Performs leak up rate testing after CVD rebuild/overhaul.

Test Equipment

- 1) Repair and calibrate all indicating, recording and indicating recording controllers of pressure, temperature, and electrical instruments.
- 2) Shall internally connect instruments, install and hook up thermocouples. Performs all customer qualification testing of pressure and temperature, and some metallurgical operations and production equipment.
- 3) Meter Maintenance to demount and remount instruments after original installation.
- 4) Meter Maintenance shall maintain, calibrate and repair control loops including those utilizing a PLC. They may perform maintenance and repairs to PLC systems as needed in the maintenance of control loops. They may make minor program edits to PLC programs.
- 5) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.

Installation, tear-down, and reinstallation of furnaces, ovens, and air handlers

Pyrometry, Meters and Controls Maintenance will:

- 1) Hook up all Pyrometers, Instruments and associated equipment used within the pyrometrical loop, Electrical services to be provided by electricians.
- 2) Make up all thermocouples.
- 3) Check out of pyrometry system, instruments and associated equipment used within the pyrometrical loop.

- 4) Will set up all tests as required for certification of temperature to whatever specifications set forth. Both on new installations and as might be required from time to time.
- 5) Adjust and maintain gas process, atmospheric furnaces, generators, temperature, pressures, flows, dew point controls, regulators, etc. whether involving hydrogen, nitrogen, ammonia, RX, or whatever gasses required.
- 6) Determine and size orifices and spuds, adjust and maintain gas burners, regulator valves, ratios, flowscopes, mixers, etc.

Breakdown and Maintenance of Furnaces and Ovens

- 1) Determine if pyrometrical loop including associated safety devices function correctly up to and including the pilot relay in the pyrometer.
- 2) Make all repairs and calibrations on pyrometrical equipment, including safety instruments whether done in laboratory or on floor.
- 3) Service or replace servomotors.
- 4) In case of breakdown for any reason of the thermocouple or thermocouple lead wire, if original raceway is intact and does not have to be rerouted, will install new thermocouples and/or thermocouple lead wire.
- 5) Change pilot, servo, misc. control valves up to and including 1/2".

Reinstallation - To be defined as a complete or partial change of the equipment so as to necessitate new conduit and lengthening or rerouting of thermocouple extension lead wire and/or thermocouples through new conduit or raceway.

Control Loop - To be defined as that part of the system originating and ending in the pyrometer, and including safety and associated equipment, the final point of which shall be the pilot relay in the pyrometer.

Machine Repair & Rebuild

- 1) Repairs, adjusts, disassembles, replaces parts and reassembles machines, mechanical equipment to proper operating condition. He may open or close, remove and re-install small guards and covers which do not require rigging to facilitate practicing the craft.
- 2) Participates in installation or reinstallation of new and/or rearranges machine tools which are more complex than single-piece (unitized) machine tools. Will do all final

leveling or re-leveling alignment necessary after Millwrights do the initial leveling.

- 3) Selects the required material and parts. Works from blueprints, drawings or sketches. Performs layout and uses various hand tools and precision measuring instruments. In general, diagnoses, repairs and overhauls machines, mechanical equipment: scrapes ways, aligns spindles and shafts, fits bearings, repairs and adjusts clutches, changes feed and speed control gears, and other tasks pertaining to the craft.
- 4) Uses chain falls; rope falls, come alongs, overhead cranes and hoists in performing duties of the craft.
- 5) Understands the function and operation of tool room machines.
- 6) Determines work process.
- 7) Adapts to new methods, processes, material and equipment.
- 8) Machine Repair to raise ram on presses for hookup.
- 9) Machine Repair will use power-driven equipment to deliver materials, manpower and tool boxes to job site, and remove all re-usable materials from job site after job is complete, unless rigging is required.
- 10) Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.
- 11) Responsible for adding spindle lube oil.

Pipefitter

- 1) On machine tools and associated equipment, Pipefitters will repair and maintain the hydraulic systems, including filters. Will add oil to hydraulic sumps.
- 2) Will repair other hydraulic components removed from equipment, other than machine tools.
- 3) Maintains and replaces filters such as: Dollinger filters, demister filters, and auxillary oil filters for CVD's, coolant bag filters, and cooling tower bag filters.
- 4) May open or close, remove and reinstall small guards and covers that do not require rigging to facilitate practicing the craft.
- 5) Plans, lays out, fabricates, installs, repairs and maintains high

and low pressure pipeline systems - for example: steam, water, air, oil, acid, gas, solvents. *Selects proper material.*

- 6) Installs, repairs and maintains pumps, on machine tools, valves, traps, storm and industrial waste sewage systems. Installs, repairs and maintains fire protection sprinkler and carbox systems (except electrical and HVAC portions), sanitary plumbing sewage systems that are allowed under codes and regulations having authority over such work.
- 7) Repairs and maintains certain plant equipment such as degreasers, washers, and other similar equipment. Has basic knowledge of safety codes: Characteristics of steam, water, air, oil, gas and acid, pressure ranges and pipeline expansion. Uses various types of pipefitter's tools. Works to construction specifications and blueprints. Adapts to new methods, processes, material and equipment.
- 8) Pipefitters to use chain falls, rope falls, necessary to install pipefitter's equipment - i.e. unit heaters, radiators, hot water heaters, pressure vessels, pumps, and other equipment pertaining to their trade.
- 9) Installation includes making hangers, brackets of non-structural steel, prefabricated materials to facilitate installation of pipefitter's equipment and components.
- 10) Pipefitters will grade and backfill ditches, compacting as required, for securing the installation of underground pipe.
- 11) Pipefitters will make holes in walls, floors, roofs, and panels for the installation of pipefitting components, except where framing is required.
- 12) Pipefitters will use power-driven equipment to deliver material, manpower and toolboxes to job site. Removes all re-usable materials from the job site after completion. Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster, unless rigging is required.
- 13) Pipefitters will be responsible for the ColdJetting of Maintenance materials.

Pipefitters will perform miscellaneous tasks allied with their trade such as:

- 1) Hook up trucks' hoses to tank trucks, unless contractor owned.
- 2) Fill acid carboys.

- 3) Oil air compressors and keep under surveillance.
- 4) Put barrels on barrel racks for Production.
- 5) Mix acid and put in acid tanks.
- 6) Pump and clean acid tanks for Production.
- 7) May open or close, remove and reinstall small guards and covers, which do not require rigging to facilitate practicing the craft.
- 8) Machines, which also utilize hydraulic oil as a coolant, will be maintained by the Pipe fitter classification.
- 9) As regards the compressors, the following agreement has been reached concerning valves: If the valves go to machine repair for overhaul, pipefitters may disassemble.
- 10) Oiling and repair of valves on air compressors and vacuum pumps will be performed by pipefitters.

Sheet Metal Worker

- 1) Plans, lays out, fabricates, installs, alters, repairs sheet metal components such as ducts, bins, hoppers, chutes, shields, guards, ventilation system ducting, screens, stacks, exhaust hoods. In general, the sheet metal used is .125" (10 gauge) or less.
- 2) Fabrication includes shearing, forming, punching, drilling, soldering, necessary stiffener and supporting members. Will use sheet metal for stiffeners and supporting members in fabrication that does not exceed 1/8" thickness and that does not require welding. Uses hand tools, precision measuring instruments, and such metal working tools as shears, brakes, bead and lock machines.
- 3) Works from blueprints makes sketches and cuts patterns. Has knowledge of various types of sheet metal or other substitute materials.
- 4) Adapts to new methods, processes, material and equipment.
- 5) Installation includes making hanger, brackets of non-structural steel, prefabricated materials to facilitate installation of sheet metal components. (See Millwright and Welder Classification)
- 6) Will use chain falls, rope falls, come alongs, overhead cranes and hoists, in hanging or installation of items fabricated.
- 7) Makes necessary holes in walls, floors roofs for the installation of sheet metal components, except where framing is required.

- 8) Will make the original installation of filter supports, heating and cooling coils, axial fans, dampers, and similar items in ductwork.
- 9) Will use other materials such as plexiglass, fiberglass, other plastic materials. Removes all re-usable materials from the job site after completion.
- 10) Removes all construction and demolition debris limited to one vehicle load to the scrap pad. Will be responsible for segregating scrap into the proper dumpster.

Additional Jurisdictional Understandings:

- 1) The production painter will change the roll-type filter media on paint spray booths.
- 2) The sheet metal craft will fabricate and install flashings, trimming and corners on buildings or rooms, as long as they are not used for support.
- 3) The sheet metal craft may fabricate and install 1/8" angle iron when required in performance of their regular work.

Tool Room Classifications

- 1) Tooling used in the production, inspection and testing of the product is made by the Tool Room.
- 2) Tool Room classifications will align spindles, shafts, fit bearing, scrape bearing, make and install gears on fixtures, jigs, gages and dies.
- 3) Tooling with F-J-G-T-D-X-General and Experimental numbers on tooling for producing, testing or repairing of the tooling for the product belongs on the Tool Room.
 - a. Jigs, fixtures, T, General, Experimental and X numbers will be done by the Tool Makers when the work is identified as a jig, fixture or cutting tool for same.
 - b. D, Experimental, General X, and T numbers will be done by the Die Makers when the work is identified as die related. G, Experimental, General, and checking fixtures will be made and repaired by the Gage Maker.
- 4) Tool Room classifications will work with steel, wood, leather, pipe tubing, plastic and materials needed to fabricate the tooling.

Additional Jurisdictional Understandings for Gages and Fixtures:

- 1) Machine Repair will remove and replace coupling and shear pins due to production shut down. Tool room is responsible

for any required machining.

- 2) In the event of an overhaul the Tool room will replace coupling and shear pins.
- 3) If a new coupling is needed, Machine Repair will do the installation.
- 4) Additions of any liquid or chemicals to tanks in the anodizing lines to be done by the Pipefitters.
- 5) Where an operator is assigned to Niagara type soap washers, it will be the operator's responsibility for initial filling and adding of soap and water. It is the responsibility of the operator to add coolants to machine sumps by whatever means necessary.
- 6) It is the responsibility of the operator to install hand-operated pumps in 55-gallon drums of oil, solvent and other materials that require hand operated pumps.
- 7) It is the responsibility of the operator to connect all piping (coolant, lubrication) as a result of setup on a machine that does not require pipe cutting, threading, etc. Operator can use pre-cut, pre-threaded pieces to build the connections. Operator can use wrenches and tools to tighten the pieces together.
- 8) Grating and diamond plates covering machine pits will be removed and replaced by whatever group needs access to the machine pits (i.e., Machine Repair on re-leveling a machine). Can remove and replace grating and diamond plates that can be handled by one man by hand.
- 9) Any of the skilled trades may drill and tap their own holes as long as there is no chance of damage to oil reservoirs or way slides.

Memorandum of Agreement Lines of Demarcation

Sutton Letter

(Millwright vs. Machine Repair)

With, a view toward making the lines of Demarcation more explicit, the following division of work will apply:

All machines that utilize mechanical (solid) abrasives held in a fluid state (i.e., not abrasive solidly bonded or imbedded in a matrix such as grinding wheel) in order to affect the surface either interior or exterior of a part, will be handled in the following manner.

Installation:

Primarily Millwrights - assisted by other crafts where applicable.

Maintenance:

Will be done by the Millwrights. Other crafts will be utilized only when there is some task uniquely specific to craft in question.

Types of Machines:

The above line of demarcation includes Wheelabrator and associated equipment, Vibro-Hones, Sutton, Pecning, Sand Blasting, Roto-Finish and other machines of this type.

This clarification in no way limits or precludes management from exercising its rights under the collective bargaining agreement.

Presses

- 1) When a press is to be installed or repaired, these procedures shall be followed.
 - a. Maintenance crafts will remove guards, disconnect and remove meter, belts, tie rods, grease and airlines and in conjunction with Machine Repair remove crown.
 - b. Machine Repair will remove intermediate shaft, gears, clutches and brakes. Make all repairs including (due to bearing and fitting) the replacing of the crown with the maintenance doing the lifting.
 - c. Maintenance crafts will replace tie rods, guards, belts, motor, grease and airlines.
 - d. Any special services such as chain falls, scaffolding, transporting, etc. shall be provided by Maintenance crafts.

- 2) **Moving of presses in plant.**
 - a. **A machine repairman checks all machine parts prior to and during disassembly and assembly of the machines.**
 - b. **If there is no disassembly or assembly, the millwrights make the move.**
- 3) **If the press is being moved out of the plant not to be returned, Millwrights shall do complete job of disassembly.**

Memorandum of Agreement Lines of Demarcation

Movement of Plant Equipment and Material

In order to aid understanding, this subject is divided into several categories as shown on the following chart.

Type of Movement	Production Plant Equipment	Facility Plant Equipment	Material Non-Productive
Receiving Maintenance Storage	Millwrights Internal Transportation	Millwrights to Internal Transportation	Millwrights (except Stores Materials, (Lumber and steel, etc.)
Moves between Storage Points	Millwrights	Millwrights	Millwrights
Moves to and from Installations and Removal	Millwrights	Craft making installations when equipment can be hauled safely on power driven equipment loaded and unloaded manually by one man-Otherwise millwrights will handle	Craft making installation, when material can be handled safely and without rigging on put out to job sight, otherwise millwrights will handle
Moves to and from Maintenance for repair - i.e., production racks, flats, etc.	Internal transportation		

Memorandum of Agreement Lines of Demarcation

Agreement "Pumping Contaminated Fluids"

AGREEMENTS

1) Problems:

Outside contractor coming into Honeywell to pump out contaminated fluids, which must be disposed for some reason. The Contractor will use a tank truck or others means to remove the fluid from our facility.

Agreement

a. Contractor will handle own pump, will start and pump and regulate it to pump solution out of tank into tank truck.

2) Problems:

Pumping and cleaning tanks

Agreement

a. Water tanks - pumped and cleaned by General Labor/Custodians (through attrition)

b. Soap tanks - pumped and cleaned by General Labor/Custodians (through attrition)

c. Acid tanks - clean tanks and pump rinse liquid by Pipefitters

d. Caustic tanks - clean tanks and pump rinse liquid by Pipefitters

e. Steelguard tanks - pumped and cleaned by General Labor/Custodians

Production tanks operators retain the pumping of solutions from tank to tank including portable or holding tanks.

Memorandum of Agreement Lines of Demarcation

"Garage" Discussion (1974)

After a discussion of garage personnel, duties and maintenance personnel, duties as they apply to the maintenance of the material handling equipment. The company and union agreed the above classification duties to be as follows:

- 1) Garage personnel will maintain transportation batteries and all low voltage electrical parts on material handling equipment listed as follows: electric hand trucks, finger lifts, cranes, and trucks. Electrical maintenance personnel will maintain any high voltage equipment on material handling equipment, such as generators, magnates, magnate cables, controllers, etc.
- 2) Maintenance, other than electrical, of material handling equipment listed below, will be performed by the following designated classifications:

Electric hand trucks and finger lifts - welding to be performed by the maintenance personnel. Other maintenance to be performed by the garage personnel.

Hand trucks - tires will be removed and installed by the garage personnel. The rest of the maintenance work will be performed by the maintenance personnel.

Wagons - maintenance of wheels, tires and tongues to be performed by the garage personnel. The rest of the maintenance work to be performed by the maintenance personnel.

Trailer - tires will be removed and installed by the garage personnel. Wheels and the rest of the maintenance work to be performed by the maintenance personnel.

Cranes - cables, booms and welding maintenance to be performed by the maintenance personnel. The rest of the maintenance work, including bushings, and "shivs," etc., to be performed by the garage personnel and the other trades will be called when needed.

**Memorandum of Agreement
Lines of Demarcation**

**Memorandum Of Understanding -
Outside Vs. Maintenance Drivers**

During the course of 1974 Local Contract negotiations, there was considerable discussion concerning the dump truck driver (see rate structure) vs. Maintenance Drivers issue. As a result of these discussions, it was agreed that Supervision would use its best efforts to utilize the dump truck drivers consistent with the best interests of the Division.

Memorandum of Agreement Lines of Demarcation

Construction of Open Tanks

- 1) **New open tank construction in shop.**
Millwrights, Millwright Welder will build open tanks and install drain, overflow and weir.
- 2) **New Tanks purchased.**
Pipefitters and Fitter Welders will revamp and rework purchased tanks, if necessary, including drains, overflows and weirs, other than exterior dimensions.
- 3) **Old Tank rework.**
Pipefitters and Fitter Welders will revamp and rework drains, overflows and weirs, other than exterior dimensions.
- 4) **Millwright and Millwright Welders will change all external dimensions of all open tanks and install baffles.**
- 5) **New Tanks constructed in shop, and delivered to location will be treated same as new tank purchased.**

NOTES

NOTES

NOTES

SUPPLEMENTAL AGREEMENT

BETWEEN

**HONEYWELL DEFENSE AND
SPACE ELECTRONIC SYSTEMS
TETERBORO, NEW JERSEY**

AND

**LOCAL UNION NO. 153
(UAW)[®]**

Effective May 3, 2003



PRINTED IN U.S.A.

INDEX

	Paragraph	Page
Recognition.....	1	1
Representation.....	2-13	2-5
Grievance Procedure.....	14-17	5-6
Seniority.....	18-20	7-8
Layoffs – Occupational Groups.....	21-26	8-11
Recalls – Occupational Groups.....	27-29	11-12
Skilled Trades Classifications.....	30-38	12-15
Recalls		
Skilled Trades Classifications.....	39	15
Job Vacancies – Initial.....	40-42	15-16
Job Vacancies – General.....	43-49	16-17
Temporary Layoffs.....	50-51	17-18
Seniority – General.....	52-65	18-21
Shift Preference.....	66-68	21
Night Shift Premium.....	69-70	22
Equalization of Overtime.....	71-86	22-26
Vacation Period.....	87-89	26
General Provisions.....	90-94	26-28
Duration.....	95	28
Letters of Understanding.....	Letters	
.....	1-26	29-55

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement entered into as of the 3rd day of May, 2003, between Honeywell Defense and Space Electronic Systems, Teterboro, New Jersey, hereinafter referred to as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and Local #153, UAW, hereinafter referred to as the Union, is supplemental to the Master Agreement dated the 3rd day of May, 2003, between Honeywell for its following divisions: Avionics Repair Center of Honeywell, Sun Valley, California; Friction Materials, Green Island, New York; Honeywell Defense and Space Electronic Systems, Teterboro, New Jersey; Honeywell Aircraft Landing Systems, South Bend, Indiana; and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), and its Local Unions: No. 9, UAW, South Bend, Indiana; No. 153, UAW, Teterboro, New Jersey; No. 179, UAW, Sun Valley, California; and No. 1508, UAW, Green Island, New York.

ARTICLE I

Recognition

(f) Honeywell Defense and Space Electronic Systems, Teterboro, New Jersey, agree to recognize the unit of Local 153 of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, which is composed of employees of the Company and is affiliated with the UAW, as the exclusive representative for all hourly-rated employees, including but not limited to timekeepers, indentured apprentices, group leaders, inspectors, receiving and shipping employees, tool room employees and crib attendants, truckers, stockchasers, stockroom employees and all other storeroom employees, stationary engineers, air conditioning engineers, instrument maker, technician qualification & reliability, technician electronics, sheet metal worker, painter, carpenter, pipefitter, electrician, millwright, technician troubleshooter & calibrator, machinist repair, wireformer & assembler, chemical processing operator, pouter, assembler instrument final, sprayer instrument machine shop, scrap salvage & machine cleaner and porter, except those mentioned in paragraph (I)(A), for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment within the scope of the National Labor Relations Act of 1947 and the terms of this Agreement.

A. It is mutually agreed that for the purpose of this agreement,

the term "employee" shall not include office and clerical employees, employees of the Sales, Accounting, Personnel and Employee Relations Departments, time-study, plant protection and fire patrol employees, engineers, production, estimating and planning engineers, draftspersons, detailers, chemists, metallurgists, professional employees, cooperative students and professional employees in training, general supervisors, supervisors, assistant supervisors, and other supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees or effectively recommend such action.

ARTICLE II

Representation

(2) The employees will be represented by a Bargaining Committee of three (3) members of the Local Union, and it shall be the Union Committee for the presentation and adjustment of grievances and all will perform lawful representational and contract administration duties relating to Honeywell employees only.

A. Committeemen are required to report to the Human Resource department prior to the start of each work shift. Committeemen will be permitted up to eight (8) hours per day/forty (40) hours per week in order to perform normal representational duties along with any other legally permitted activities.

B. All Committeemen will be assigned to a classification, consistent with their seniority rights and will be assigned to a specific department. They will be provided with super-seniority only for lay-off purposes.

C. If work requirements over a weekend or holiday require the Bargaining Committee, staffing levels will be determined by the following ratio:

Number of Employees in Bargaining Unit Working	Number of Committeemen
15-50	1
51-125	2
126 and above	3

1. Weekend overtime passes will be issued on the Friday prior to the weekend on which the overtime will be worked.

2. Committeemen will be paid only for overtime hours actually worked.

3. During any weekend overtime period, Committeemen will perform lawful representational and contract administration duties relating to Honeywell.

D. Committeemen will be assigned overtime on non-holiday weekdays on the following basis:

(a)	(b)
Average number of employees in bargaining unit working overtime each weekday shift based on the week two weeks prior to the week in which the overtime is assigned.	Maximum overtime hours available to committeemen per workweek (Mon-Fri)
15-20	30*
51-125	50*
126-above	70*

*To be prorated when a recognized holiday occurs on a weekday

1. Overtime passes will be issued in increments of two hours on the Friday prior to the week in which the overtime is worked.

2. Committeemen will date the pass. Committeemen will be paid only for overtime hours actually worked.

3. During any weekday overtime period, Committeemen will perform lawful representational and contract administration duties relating to Honeywell employees only.

4. Overtime will not be available on a weekday when the Company advises the Union at least two hours before the start of the overtime assignment that fewer than a total of five bargaining unit employees are working that day.

E. The Company will consider overtime requests in addition to those noted above upon submission of an advance, written request setting forth the justification for additional overtime.

(3) The Company agrees to recognize departmental and area stewards. The number of stewards will be based on a ratio of one steward for each 50 employees predicated on the following table. In addition, there will be one night shift steward as long as there are at least 10 employees on the night shifts.

Number of bargaining unit employees	Number of Stewards
1-50	1
51-100	2
101-150	3
151-200	4
ETC	

A. Steward representation areas will be reviewed and negotiated by the company and the union between June 15, 2005 and June 30, 2005.

B. The number of stewards and the areas they represent will become effective September 30, 2005.

(4) The Union agrees that no one shall be eligible to serve as a Departmental Steward or Bargaining Committee member, unless he is an employee and has attained one (1) year of seniority and is working in the Company.

(5) The names of the members of the Bargaining Committee of the Local Union Executive Board, the Honeywell Council Delegate(s), and changes in the Bargaining Committee other than temporary replacements shall be signed by the President of the Local Union and shall be countersigned by the Regional Director or his designee and shall be given in writing to the Director of Human Resources at the time of their taking office. The Local Union shall also notify the Director of Human Resources, in writing, at the time of their taking office, of the names of Departmental Stewards or any changes therein.

(6) The Company will supply the Local Union with a list of the Supervisors who function in the various steps of the Grievance Procedure at quarterly intervals.

(7) Meetings between the Company Management and the Bargaining Committee shall be held weekly during the regular factory day working hours for the consideration of all grievances on the agenda. The agenda shall be submitted to the Company in sufficient time in advance of the meeting so as to permit the Company a minimum of one (1) full working day prior to the day of the meeting for investigation.

(8) Stewards may leave their work during working hours with pay at their current earned rate to perform representational duties within the Company. Such time allowance for stewards shall not exceed 7 hours in any one week.

(9) Employees shall, when required to cease work or leave their place of work for the proper handling of grievances as outlined herein, request and receive from their Supervisor an Industrial Relations Time Ticket. Before resuming work, they shall again report to the Supervisor and surrender to the Supervisor their Industrial Relations Time Ticket.

(10) Departmental Stewards required to leave their department for the proper handling of grievances shall request and receive from their Supervisor an Industrial Relations Time Ticket and shall present such ticket to the Supervisor of the department in which the

grievance exists and notify him of their presence and purpose upon entering the department or give the Supervisor a copy of the written complaint.

(11) Members of the Bargaining Committee, and the President of the Union, and members of the Executive Board, may leave the plant during their regular shift for Union business without pay, providing their exit, or entry, as the case may be, is properly recorded at the plant entrance gates.

A. Members of the Bargaining Committee and the President of the union may leave the plant for company/union business with pay provided their exit or entry as the case may be is recorded at the plant entrance gate and subject to approval by the Company.

(12) The Company will recognize replacement for Bargaining Committee members on approved leaves of absence.

(13) The Company and the Union agree to reduce to the minimum the time required for the handling of grievances.

ARTICLE III

Grievance Procedure

(14) This Grievance Procedure supplements the Grievance Procedure outlined in paragraphs (23) to (40) of the Master Agreement.

(15) Nothing in paragraph (26) Step Three of the Grievance Procedure of the Master Agreement shall preclude a grievance from being held for further consideration during the third step of the Grievance Procedure. The Company's decision, however, will be placed on the grievance form and signed by the Company's representative not later than seven (7) days following the meeting in which the decision is reached. The Union representative shall indicate his acceptance or rejection of the decision and place his signature thereon within the same seven (7) day period. However, the seven (7) day periods referenced above can be extended by mutual agreement of the parties.

(16) Upon completion of Step Three of the Grievance Procedure, either party shall have the right, if it so desires, to call upon the services of an International Representative in accordance with paragraph (30) of the Master Agreement. In the event either party desires to call such International Representative, such request must be made within seven (7) days from the date of the Company's decision given in Step Three. If called, a meeting with such International Representative must be held at a mutually conve-

nient time within fourteen (14) days from the date of the Company's decision in Step Three. If no meeting date is arranged with the International Representative within the fourteen (14) day period, or if the International Representative fails to appear at a meeting which has been arranged during the fourteen (14) day period, then the case shall be considered settled on the basis of the Company's decision in Step Three. In the event the meeting is held with the International Representative, the case shall be considered settled on the basis of the Company's decision given in that meeting regardless of any previous notice by the Local Union of its intent to appeal the Company's decision in Step Three to the Umpire, unless notice is again filed by the Local Union with the Director of Industrial Relations of its intent to appeal to the Umpire in accordance with paragraph (27) of the Master Agreement.

(17) In the event that neither party avails themselves of the provisions of paragraph (16) of this Supplemental Agreement, or in the event that the provisions of paragraph (16) of this Supplemental Agreement are followed and the case is appealed to the Umpire in accordance with the provisions of paragraph (27) of the Master Agreement, the procedure set forth in sub-section (A) and or (B) of this paragraph will be followed:

A. In discharge cases, the grievance shall be actually presented to the Umpire for determination within sixty (60) days from the date of the Management's decision in writing following the discharge hearing, except that either party shall have the right to request a postponement beyond said sixty (60) days and the request shall be granted by the other party. In the event that such postponement is requested by the Union, the Company shall not be obligated, in the event back pay is awarded, to pay in excess of the original sixty (60) days following the date of the Company's decision in writing on the grievance form.

B. In all other types of cases that are subject to Umpire determination, the grievance shall be actually presented to the Umpire for determination within ninety (90) days from the date of the Management's decision in writing at the Third Step of the Grievance Procedure, except that either party shall have the right to request a postponement beyond said ninety (90) days and the request shall be granted by the other party. In the event that such postponement is requested by the Union, the Company shall not be obligated, in the event back pay is awarded, to pay in excess of the original ninety (90) days following the date of the Company's decision in writing on the grievance form.

ARTICLE IV

Seniority

(18) The Company may lay off or discharge probationary employees without limitation by the terms of this Supplemental Agreement, and there shall be no responsibility for reemployment of probationary employees if they are discharged or laid off during this period, except that the Union reserves the right to appeal any such case on the grounds of personal prejudice or discrimination for Union membership or activity. Such appeals must be supported by written evidence at the time the grievance is filed.

(19) Seniority, except for the Skilled Trades classifications, shall be observed according to length of service with the Company in all the classifications that the employee has worked sixty (60) calendar days or more. Seniority for skilled trade classifications will be established as of the day of entry into the skilled trade's classification.

In the event of a layoff, the company will furnish the employee with a standard form, which will designate the particular job classifications in which the employee has seniority (displacement rights in all classifications the employee has worked sixty (60) calendar days or more. The form will also provide for the employee to indicate whether or not he wished to exercise or waive his rights in all classifications he has seniority (displacement rights). The form will also provide for the employee to accept layoff directly from his job classification. The form will also provide for the employee to indicate to which classifications he desires to be recalled in accordance with his seniority. It is further understood that should, in the course of later events, such employee find himself again on layoff he shall be permitted to exercise his seniority (displacement) rights through the provisions outlined in this paragraph.

(20) Employees transferred to, by bid or otherwise, or recalled for a seniority occupational group other than their own, shall hold seniority in their original seniority occupational group for sixty (60) days after such transfer or recall. If the employee is not returned to his original seniority occupational group within such sixty (60) days, all accumulated seniority shall be transferred to the new seniority occupational group.

A. However, when paragraph (23)(A)(3) is invoked in accordance with its provisions, paragraph (20) above shall not be applicable. Instead, an employee who exercises his rights under paragraph (23)(A)(3) and as a result is placed in another

seniority occupational group in which he had previously worked in accordance with terms of paragraph (23)(A)(3) shall carry with him his true seniority as of the effective date of his re-entry in that seniority occupational group. In so doing, he shall still retain all seniority rights to the seniority occupational group from which he was laid off. It is understood by the parties that should, in the course of later events, such employee find himself again on layoff through the procedures outlined in paragraph (23)(A)(1) he shall be permitted to exercise the provisions of paragraph (23)(A)(3) again.

Layoffs — Occupational Groups

(21) In all cases of layoff, other than temporary layoff, the employee's seniority within his respective seniority occupational group as established in Appendix A shall govern.

(22) When it becomes necessary to lay off an employee from a job classification in one of the seniority occupational groups, probationary employees in the same job classification shall first be laid off. If the layoff of probationary employees causes an unbalance in departments in which the same job classification exists, then the junior employee remaining in the job classification will be transferred to other departments in the same job classification in order to balance the departments or shifts. In such cases, the junior employee so transferred shall accept the transfer and shift assignment of the employees who have been laid off which necessitated the transfer and or shift assignment.

(23) Layoffs of seniority employees will be governed according to the provisions of this Seniority Agreement as follows:

A. When it becomes necessary to lay off an employee from a job classification within a seniority occupational group, the employee with the least seniority in his job classification shall be removed and instructed to report to the Labor Relations Office immediately. He shall have the choice of exercising one of the following options:

(1) He may elect to displace the employee with the least seniority in a job classification within his own seniority occupational group, but only in those job classifications which do not have a maximum base rate in excess of the maximum base rate of the job classification in which he is presently employed except as otherwise provided in Appendix A, and further provided his seniority is greater than that of the junior employee in a job classification of his choice. If he elects to displace such junior employee he

must accept the shift of the employee he has displaced. At the time the employee reports to the Labor Relations Office, he shall be informed as to the job classifications in his occupational group in which he has displacement rights on the basis of rate of pay only. The employee shall indicate, in writing, immediately, in preferential order, on a form provided for the purpose, those job classifications in which he has displacement rights, on the basis of rate of pay, in which he desires to exercise his displacement rights, provided his seniority is sufficient to entitle him to do so. Within two (2) working days (excluding Saturdays, Sundays and holidays) from the date of layoff, the Company will notify the employee, by telegram, as to which of the jobs his seniority entitles him, if any, in the order of his listed preference. Such telegram shall include notice as to the shift on which he is to report. If his seniority is not sufficient to entitle him to any job in his seniority occupational group, then the employee shall be notified of his permanent layoff within the two (2) day period.

a. If an employee is not in the plant because of absenteeism or approved leave of absence at the time of layoff and thus cannot physically comply with (23)(A) and (23)(A)(1) in the prescribed manner, then the Company will notify him of his layoff by telegram. It shall be the responsibility of the employee in such an instance to then contact the Labor Relations Office within two (2) working days at which time he will be informed of his displacement rights, if any, and shall indicate which job classification he desires to displace in accordance with the terms of this paragraph or make a selection to exercise his rights under (23)(A)(2). If he does not contact the Company's Labor Relations Office within the two (2) working days referred to herein, he shall be considered to have elected direct layoff under (23)(A)(2) and shall be placed on the recall list for that one job classification from which he was laid off. In the cases where it is impossible for the employee to contact the Company within the two (2) working days because of location or other legitimate conditions, the two (2) working days time limit will be extended until two (2) working days beyond the time that it was possible for him to have complied.

b. At the time of layoff the Company will furnish the employee a standard form which will designate the

particular job classification or job classifications in the Seniority Occupational Groups in which the employee has displacement rights, if any. The employee will make his selection by checking the job classification in which he desires to exercise his displacement rights under (23)(A)(1) and sign the form. The form will also provide for the employee to indicate whether or not he desires to exercise his rights, if any, under (23)(A)(3) in the event that his seniority is not sufficient to entitle him to employment within his current seniority occupational Group. A copy of the forms referred to herein will be given to the Chairperson of the Bargaining Committee once each month.

(2) He may accept the layoff direct from his job classification. In such event, however, he may not exercise any rights under subsection (3) of this paragraph (23). He must, however, indicate in writing at the time of layoff, those job classifications in his seniority occupational group to which he desires to be recalled in accordance with his seniority. Deviations from the provisions of this paragraph may be made by mutual agreement between the Labor Relations Department and the Bargaining Committee.

(3) If any employee has waived or exhausted all displacement rights within the Seniority Occupational Group in which he retains seniority, he may make application at the time of his reporting to the Labor Relations Office for any other job classification in another seniority occupational group, providing it is a job classification in which he has previously worked during any term of employment at the Teterboro Complex and qualified for a period in excess of sixty (60) days.

a. Notwithstanding the provisions of paragraph (23)(A)(3), any employee who has exhausted all displacement rights within the seniority occupational group in which he retains seniority, may make application at the time of his reporting to the Labor Relations Office for a job classification in another seniority occupational group which carries a higher maximum base rate of pay than the maximum base rate of pay of the classification which he held at the time of his initial layoff or displacement providing it is a job classification in which he has previously worked and qualified for a period in excess of sixty (60) days.

(24) In all cases of impending layoff or displacement, the Company agrees to notify the employee affected as to the disposition within two (2) working days after his layoff so that no employee will be off the Company' payroll more than two (2) working days because of his initial layoff or subsequent displacement. Where referred to in this Article IV, a classification in which he has displacement rights shall refer to a job classification which does not carry a maximum base rate in excess of the maximum base rate of the classification in which the employee is classified at the time of the action, except as otherwise provided herein.

(25) In the event that a layoff should exceed one hundred (100) employees at the time of any one layoff which will make it impractical or impossible for the Company to comply with the two (2) day time limit under paragraph (23) (A)(1) and paragraph (24), then the matter will be subject to immediate discussions between the Company and the Union for the purpose of establishing the length of the extension.

(26) Any employee who is assigned to a shift through layoff or displacement other than the shift on which he worked prior to layoff or displacement, may make application in the Labor Relations Office within five (5) working days from the date of the assignment for a transfer to the shift of his choice. If there are employees on that desired shift in the same job classification who are junior to him, he shall be given that shift assignment and shall exchange shifts with the junior employee within a period of two (2) weeks from the date of his application. This paragraph is separate and apart from paragraphs (75) through (80), Shift Preference, of the Supplemental Agreement, and applies only in case of shift transfer at the time of layoff or displacement. If the employee fails to make application within the time limit provided, then paragraphs (75) through (80), Shift Preference, shall apply.

Recalls — Occupational Groups

(27) An employee with seniority who has been permanently laid off from his seniority group(s) shall be recalled on the following basis:

The employee shall be recalled to the seniority occupational group(s) in which he retains seniority in the order of his seniority, but only to his original job classification, or to a job classification in the seniority occupational group in which he had displacement rights, but only to those job classifications to which he has indicated his desire to be recalled. Such recall shall be offered to an eligible person on the recall list before any new employees are hired

or transferred to the job classifications to which the employee has recall rights.

(28) Any job vacancies that exist in a seniority occupational group in classifications that have been affected by layoffs, will not be subject to the Job Vacancies section of this Article IV, but will be offered to employees who have been displaced by previous layoffs within the seniority occupational group up to the job classification previously held by the employee involved, in accordance with the provision of paragraph (27).

(29) In the event an employee with seniority from Appendix A is laid off and requests and receives reemployment in Appendix B, his employment in Appendix B shall be considered temporary. During such temporary employment his seniority in Appendix A shall continue to accumulate. His seniority in Appendix B shall be calculated only from the date he entered Appendix B in the manner outlined in this Agreement. He shall be subject to recall in Appendix A in line with his seniority and failure to accept such recall will constitute a waiver of Appendix A seniority and future recall. In the event he is successful in a bid (having satisfactorily qualified) while on temporary status, he shall forfeit his Appendix A seniority and recall rights and assumes the status of a permanent employee in Appendix B. In the event of layoff while on temporary status in Appendix B he shall have no recall rights in Appendix B and his recall rights shall be in accordance with his seniority in Appendix A.

Skilled Trades Classifications

(30) The Skilled Trades classifications are those classifications set forth in Appendix B to this Supplemental Agreement.

(31) Seniority for employees in Skilled Trades classifications shall be established and maintained solely on the basis of length of continuous employment in the particular alphabetical designation. Layoffs in each alphabetical designation shall be made according to the provisions of Appendix B.

A. In the event there are employees who for the purposes of layoff and recall have the same skilled trades seniority date in the classification, plant-wide seniority shall then prevail.

(32) A Skilled Trades employee with seniority who has been laid off may request reemployment in a classification in one of the occupational groups set forth in Appendix A or an Appendix B classification provided there is a vacancy for which he is qualified. Determination of qualifications shall be made by the Company. Such reemployment shall not be effected should it bring about the

displacement of any employee, or if there are employees on the recall list who have recall rights to that job classification.

(33) In the event that an employee with seniority in an Appendix B alphabetical designation is laid off and requests and receives reemployment in another alphabetical designation in Appendix B, his reemployment shall be considered temporary. During such temporary employment, his seniority in his original alphabetical designation shall continue to accumulate. His seniority in his new temporary alphabetical designation shall be only from date of reemployment in the manner outlined in this Agreement. He shall be subject to recall in his original alphabetical designation in line with his seniority and failure to accept such recall will constitute a waiver of seniority in his original alphabetical designation and future recall. In the event he is successful in a bid and satisfactorily qualifies while on temporary status he shall forfeit his seniority and recall rights to his original alphabetical designation and will assume the status of a permanent employee in the classification in the alphabetical designation in which he has bid. In the event of layoff while on temporary status, in other than his original alphabetical designation, he shall have no recall rights to that job classification and his recall rights shall be in accordance with his seniority in his original alphabetical designation.

(34) In the event a Skilled Trades employee who has been laid off requests and receives reemployment in a job classification in Appendix A in accordance with paragraph (32), his employment in the occupational group shall be considered temporary. During such temporary employment his seniority in his Skilled Trades classification shall continue to accumulate. His seniority in the occupational group, however, shall be calculated only from the date he entered that job classification.

(35) A Skilled Trades employee who is on temporary employment in a seniority occupational group is eligible for the provisions of paragraph (40) to (42), the Job Vacancies section of this Agreement, provided he has been in the classification for a minimum of at least sixty (60) days. In the event he is successful in a bid, however, and remains in such classification after his bid for sixty (60) days, he then forfeits his seniority and recall rights to the Skilled Trades job classification from which he was laid off, and assumes the status of a permanent employee in the seniority occupational group, and his seniority dates only from the date he entered Appendix A.

(36) In the event of a layoff in an occupational group while there are Skilled Trades employees on temporary employment in the

particular occupational group, the Skilled Trades temporary employee shall be subject to layoff solely on the basis of his seniority calculated as of the date he entered the occupational group, and such temporary employee shall have displacement rights and be subject to recall in accordance with his seniority in the particular occupational group. Such employee shall also be subject to recall to his Skilled Trades alphabetical designation according to his accumulated seniority in the Skilled Trades alphabetical designation.

(37) Employees in the Skilled Trades classifications may bid for any job in the plant in accordance with Paragraphs (40) through (42) of the Job Vacancy Section of this Article IV. However, if an employee in the Skilled Trades classification is successful in his bid for a job in one of the occupational groups set forth in Appendix A, or is successful in a bid for another job classification within the Skilled Trades classifications set forth in Appendix B, his seniority for the purpose of layoff and recall shall be calculated only as of the date of his notification by the Labor Relations Department of his successful bid regardless of his actual date of physical transfer.

In the event he is subsequently laid off and out of work through insufficient seniority in the occupational group or Skilled Trades classification after February 1, 1965, he shall have the right to return to the Skilled Trades classification from which he previously bid, seniority permitting, with full accumulated seniority. His plant-wide seniority for purposes other than layoffs and recalls shall remain unchanged.

(38) Employees in job classifications in occupational groups set forth in Appendix A are eligible to bid on jobs in the Skilled Trades classifications set forth in Appendix B. However, if an employee is successful in such a bid, his seniority for the purpose of layoff and recall in the Skilled Trades classifications shall be calculated only as of the date of his notification by the Labor Relations Department of his successful bid regardless of his actual date of physical transfer. In the event there is more than one vacancy under the same vacancy number posting, the seniority of each successful bidder shall be the date of notification of the first successful bidder of that particular vacancy number posting. In the event he is subsequently laid off and put out of work through insufficient seniority in the Skilled Trades classification, after February 1, 1965, he shall have the right to return to the Appendix A classification from which he previously successfully bid to the Skilled Trades classification, seniority permitting, with full accumulated seniority. Having thus exercised his right to return to the Appendix A classification, his seniority in Appendix B shall continue to ac-

accumulate in Appendix B and he shall be subject to recall to Appendix B on the basis of such accumulated seniority. His plant-wide seniority while in Appendix B for purposes other than layoff and recall, shall remain unchanged.

A. Effective February 1, 1965, the employee may elect to waive his right to return to the Appendix A classification from which he previously bid and his seniority shall still continue to accumulate in the Skilled Trades classification. It is further understood that should, in the course of later events, such Skilled Trades employee find himself again on layoff through the provision outlined in this paragraph, he shall be permitted to exercise his right to return to the Appendix A classification with full accumulated seniority a second time, etc., notwithstanding a previous waiver.

Recalls — Skilled Trades Classifications

(39) Employees with seniority laid off from a Skilled Trades classification shall be recalled only to the classification from which they were laid off in accordance with their seniority in that classification except where specifically designated to the contrary elsewhere in this Agreement.

Job Vacancies — Initial

(40) When initial vacancies occur, or a new job is placed in production, the Company agrees to post notice of such job classification vacancy on bulletin boards provided for this purpose for a period of twenty-four (24) hours. This notice shall specify the job classification, department and job requirements. A copy of this notice will be given to the Chairman of the Bargaining Committee.

(41) Employees with seniority shall have the first opportunity to bid for the posted job vacancy. The Bargaining Committee or the employee's designated steward shall have the right to apply for absent employees if requested to do so. All employees will be interviewed by seniority. The first qualified bidder shall receive the job.

(42) Selection shall be made by the Company only from those employees who bid in accordance with paragraph (41). Such selection shall be made in accordance with the provisions of paragraph (45) of the Master Agreement. Having accepted a successful bid for such vacancy the Company need not physically effect the transfer until such time as it has secured the replacement through the procedures outlined in this Job Vacancies section, notwithstanding the provisions of paragraph (37) and (38) having to do with the seniority date of the employee. In the event there are not bids within the time limit

provided in paragraph (40), or in the event that the employees who bid are not qualified to perform the job, then the job will be filled by the Company by promotion or transfer without limitation by the terms of this Supplemental or the Master Agreement, or by new hire.

A. Any bid not filled within thirty (30) days shall be considered cancelled.

Job Vacancies — General

(43) Vacancies in job classifications on which employees, either working elsewhere in the plant, or on the recall lists, have recall rights, shall not be subject to the bidding and posting provisions but shall be filled by recall regardless of any applications that may be on file and notwithstanding the seniority of any of the employees concerned.

(44) Notwithstanding the provisions of this Article IV, Job Vacancies, when promoting to a classification entitled "Set-up & Operate," the Company may promote any individual from the classification of "Operate" in the same occupation without regard to the bidding and posting procedures of this Supplemental Agreement.

(45) Further, notwithstanding the provisions of paragraph (40), Apprentices under the Apprenticeship Standards Agreement between the parties, upon completion of their apprenticeship, shall be reclassified directly to the classification without regard to the bidding and posting procedures of this Supplemental Agreement.

(46) Notwithstanding the provisions of this Article IV, Job Vacancies, the Company may promote any individual to temporary jobs not to exceed sixty (60) days provided it is a replacement for an employee who is absent by reason of Leave of Absence, Vacation or other legitimate absence without regard to the bidding and posting procedures of this Supplemental Agreement. Experience gained through such temporary assignments, however, shall not be used by the Company in the event the employee later bids for that same job classification.

(47) The bids or application of employees without seniority will not be recognized.

(48) Any employee who successfully bids or applies for a job classification and who does not satisfactorily perform the requirements of that job classification within sixty (60) calendar days of the date of physical assignment, shall be returned to his previous job classification provided his seniority entitles him to that classification. In the event this results in an excess of personnel in that

classification, the employee who filled the vacancy shall be returned to his former classification, if any, unless there have been employees more recently assigned to that job classification in the same department in which event the junior employee shall be removed. An opening created by the return of the bidder to his previous classification shall be considered an initial job vacancy under the terms of the Supplemental Agreement.

A. When an employee successfully bids to a new classification and a layoff occurs in the original classification during the 60-day performance qualification period, the layoff shall not effect such employee.

Should the employee not qualify for the classification and his seniority does not allow him to displace someone in the original classification, the employee will be laid off with recall rights to the original classification and bumping rights as provided herein.

(49) In the event of a national emergency wherein the Company may find it necessary to substantially increase its work force in a relatively short time and where as a result these posting and bidding procedures would adversely affect the Company's efficiency of operation, the method of filling such openings will be subject to negotiation between the Company and the Bargaining Committee.

Temporary Layoffs

(50) The Company agrees that no employee with seniority will be laid off while probationary employees (new hires) who have not yet acquired seniority in that same job classification in the same department are actively working.

(51) Layoffs not to exceed five (5) working days shall be considered temporary. In temporary layoffs, the Company may deviate from the rule of seniority as established in this Agreement for the practical operation of the Departments. For the purpose of this Agreement, Bargaining Committee members, Stewards, and members of the Local Union Executive Board shall not be placed on temporary layoff, except that Executive Board members may be placed on temporary layoff if their entire department is affected, and Stewards may be placed on temporary layoff if all employees they represent are on temporary layoff. No seniority employee will be placed on temporary layoff for more than five (5) working days in any one calendar month without the agreement of the Bargaining Committee.

A. Notwithstanding the provisions of Paragraphs (50) and (51), when Company requirements necessitate temporary lay-

offs for periods up to six (6) months, the departmental extended temporary layoff will be by inverted seniority on a voluntary basis, the senior employee in the department to be entitled to the layoff first. The Company will use this provision in all classifications. In the event that the number of employees who volunteer in the department is not adequate, the offer of inverse layoff will be extended to the entire classification. In the event that the number of employees who volunteer in the classification is not adequate, additional employees will be laid off in accordance with the permanent layoff provisions of Paragraphs (23) and (24) of the Supplemental Agreement.

B. The days specified in Paragraphs (51) and (51 A) are separate and apart from the layoff provisions of Paragraphs (23) and (24) of this Supplemental Agreement.

Seniority — General

(52) Employees shall lose seniority for the following reasons only:

A. If the employee quits.

B. If the employee is discharged.

C. If the employee fails to return to work when called back by the Company by registered mail or telegram within five (5) working days after being notified to report for work by the Company, and does not give a satisfactory reason.

D. If the employee fails to accept reinstatement to the only job classification, or job classifications, to which his seniority entitles him when called back by the Company in accordance with his seniority and the provisions of this seniority section.

E. If the employee fails to accept reinstatement to any job classification for which he has indicated his desire to be recalled in accordance with paragraph (23), subsection (A)(2), and to which his seniority entitles him when called back by the Company in accordance with his seniority and the provisions of this seniority section.

F. Exceeding a leave of absence and does not give a satisfactory reason, application of paragraph (73) of the master contract will be applied.

G. Failure to follow the provisions of paragraphs (73)-Absences and (74-75)-Leaves of Absence of the Master Agreement.

H. An employee recalled under subsection c. who cannot return because of illness supported by proper medical evidence shall be continued on the recall list until he is able to return at

which time he must submit proper medical proof that such illness continued to within three (3) working days of his application to return. The Company in these circumstances will then reinstate the employee to the active rolls within three (3) working days unless there is a vacancy in that classification in which event he will be returned to work on the following day.

I. If the employee is hired (new hires only) after May 1, 1983, and is laid off continuously four (4) calendar years.

(53) When employees are to be definitely separated because of lack of work, the employees shall be notified fifteen (15) working days previous to layoff and the layoff will begin on the Monday following the 15th working day.

(54) The Company shall be entitled to rely upon the last address of the employee as shown on the personnel records. It shall be the responsibility of the employees to notify the Labor Relations Office promptly of any change of address.

(55) Members of the Bargaining Committee, President, Executive Vice President and Honeywell Council Delegates shall head the seniority list of the Company and their respective seniority occupational groups. The Officers of the local Union, including the Honeywell Council Delegates, shall not exceed the current number of sixteen (16), including the President of the Union, during the life of this Agreement.

(56) The Departmental Stewards shall head the seniority list of the department or departments they service, as the case may be, but only on the shift for which they were elected.

(57) Paragraphs (55) and (56) shall apply only to the Bargaining Committee members, President, Executive Vice President, Honeywell Council Delegates and Departmental Stewards terms of office, and for the purpose of layoff only.

(58) The Union agrees that Paragraphs (55) and (57) shall not become applicable until the employee has attained one (1) year of seniority and is working in the Company.

(59) Up-to-date seniority lists showing employees in each seniority occupational group, as well as each Skilled Trades classification, by name and seniority date, will be kept on file in the Labor Relations Department. Further, these seniority lists will be given to the Union every six (6) months. They shall be available at all times for inspection by the Bargaining Committee during regular Labor Relations Department working hours.

(60) Whenever an employee is transferred from a job classification coming within the scope of the bargaining unit to a position

outside of the scope of the bargaining unit in the Company, he will not be eligible for reinstatement in the bargaining unit.

This section shall apply to any employee who has previously been so transferred, including those who were transferred prior to the certification of the Union.

A. Employees hereafter temporarily reclassified to positions outside the scope of the bargaining unit for periods of less than fifteen (15) days will be exempt from this provision and may return to the bargaining unit with full accumulated seniority. The Company shall notify the Union in writing of any temporary reclassification outside the bargaining unit. The fifteen day period may be extended by mutual Agreement of the Company and the Bargaining Committee.

B. Employees hereafter promoted to supervisory positions outside the scope of the bargaining unit for periods of less than ninety (90) days will be exempt from this provision and may return to the bargaining unit with full accumulated seniority.

(61) When five (5) or more employees covered by this supplemental agreement are working in any one area during other than regular hours of their shift, the recognized steward for that area will be offered the fifth opportunity to work overtime and will be assigned a job that is operating, provided that he can perform such job. When stewards are employed during other than regular hours of their job, the stewards may handle only current grievances arising during the period of such hours.

(62) When an employee who has been disabled and not working because of a compensable injury, which arose out of or in the course of his or her employment with the Company, is able to work, such employee may, with the approval of the Bargaining Committee, be placed at work in any classification in the plant, regardless of such injured employee's seniority, provided that the resultant shift of employees shall not cause any employees senior to said injured employee to be definitely separated from the Company and put on the recall list. All employees of the Company waive their seniority rights to such extent in favor of such injured employee when he or she returns to work, provided, however, that such injured employee shall have such preferred seniority status for a period of no more than thirty (30) calendar days, unless extended by agreement between the Company and the Bargaining Committee after a review of the case. Whenever practical, the injured employee shall replace the junior employee in the employ of the Company. If, with the approval of the Company and Bargaining Committee, the injured employee is permitted to have pre-

ferred seniority status for a total period of sixty (60) calendar days, the injured employee's seniority shall then be governed by the provisions of paragraph (20) if applicable.

(63) Employees returning from a non-compensable sick leave of absence who cannot resume their job classification because of physical restrictions, and who submit proper medical proof in support thereof, may, with the approval of the Company and the Bargaining Committee, be placed on a job classification which they can perform in accordance with their physical restriction. Such placement may include bumping as well as open jobs but the placement will not result in displacing an employee with greater seniority.

(64) It is agreed that for the purposes of layoff, the job classifications of leader or set-up shall be considered as the same classification as the highest classification they lead, or the classification for which they set up as outlined in Appendix A and Appendix B.

(65) When referred to herein, time spent in any job for seniority purposes shall be governed according to the work history of employees as reflected by the official Personnel records of the Company.

ARTICLE V

Shift Preference

(66) Employees with sixty (60) days seniority in the Company desiring a change from their present shift to another shift, may make application to the Labor Relations Department for such change. These requests will be given preference when the openings occur in the same job classification on the desired shift in order of seniority of the employees making application. A copy of the application will be given to the employee at the time of his filing such application.

A. Notwithstanding the provisions of Paragraph (66), the Company may, with the express approval of the Bargaining Committee, place seniority employees on any shift for periods not to exceed ninety (90) days.

(67) New employees may be placed in vacancies on any shift for training purposes for a period not to exceed forty five (45) days unless extended by agreement between the Company and the Bargaining Committee.

(68) When the Company decides a shift transfer is necessitated to adjust the shifts within the same job classification, the provisions of paragraph (66) will initially apply. When a shift transfer is forced, the employee with the least seniority shall be selected from the same classification on other shifts.

ARTICLE VI

Night Shift Premium

(69) A night shift premium of eight per cent (8%) of base rate will be paid to hourly rated employees for all hours worked on any regularly scheduled second shift. For the purpose of this section, the second shift is any regularly scheduled shift that starts between 2:00 p.m. and 5:00 p.m.

(70) A night shift premium of ten per cent (10%) of base rate will be paid to hourly rated employees for all hours worked on any regularly scheduled third shift. For the purpose of this section, the third shift is any regularly scheduled shift that starts between 5:00 p.m. and 5:00 a.m.

ARTICLE VII

Equalization of Overtime

(71) In applying paragraph (66) of the Master Agreement it is agreed that emergency work and overtime will be equalized within and between shifts among the employees in the group engaged in similar work.

A. Leaders will be equalized with the group that they lead. Overtime hours worked as a Leader and those hours spent as a working member of the group will be combined and used as a basis for determining equalization within the group.

(72) A weekly record containing the names of the employees and the number of overtime or extra hours worked will be given to the Stewards and posted in the Department by Management on overtime forms provided by the Company and acceptable to the Union. The Supervisor will be responsible for the maintenance and accuracy of these records and such records will be kept uniformly throughout the Company.

(73) Overtime records will be kept on a cumulative basis. Any employee whose overtime hours are within twelve (12) hours of the high person's hours in the overtime group, will be considered to have been equalized in all instances.

(74) The overtime review period will be each calendar month. A review of the prior months overtime records will be made in the first full calendar week of the succeeding month between the Supervisor and the Steward for the purpose of adjusting same if necessary.

(75) An employee shall have the right to file a grievance at any

time during the week which is specified in Paragraph (77), if he has reason to believe that he is more than twelve (12) hours behind the high person as reflected in the overtime record. The Supervisor shall give his decision in writing within three (3) working days and the sixty (60) day make-up period shall begin from the day the Department Steward indicated his decision and places his signature thereon.

A. If the overtime hours are not available to provide correction as indicated above, the time limits will be extended by mutual agreement between the Company and the Union.

(76) Failure of the Company to comply with paragraph (78) will obligate the Company to compensate the aggrieved for the hours owed at his regular rate, i.e., base rate plus general increase plus cost-of-living allowance and the appropriate premium.

(77) If an employee is involuntarily transferred from one overtime group to another by the Company and files a grievance requesting overtime equalization (within five (5) working days of the date of such transfer) those hours that may be due the grievant will be made up in the original overtime group. The Company will have ninety (90) days to provide this overtime opportunity, provided the hours are available. If they are not available, the time limits will be extended. The provisions of this paragraph shall not apply to any employee who exercises his rights under the posting and bidding and shift preference paragraph of this Agreement. Such employees waive any overtime that may be due them. This shall not affect a shift transfer within the same overtime group.

A. If an employee is laid off from his classification and files a grievance requesting overtime equalization at the time of lay-off, those hours that may be due the grievant (from the date of the last review period to the date of layoff) will be made up in the original overtime group, provided the grievant files a new grievance at the time of reinstatement to his original classification. The Company will have ninety (90) days to provide this overtime opportunity provided the hours are available and the original overtime group is in existence. If the hours are not available, the time limits will be extended. This provision will only apply to employees who have been returned to their original classification within six (6) months from the date of layoff.

(78) Failure of the Company to comply with paragraph (77) above will obligate the Company to compensate the aggrieved for the hours owed at his regular rate, i.e., base rate plus general increases plus cost-of-living allowance.

A. It is further understood and agreed that the period indicated

in paragraph (88) and paragraphs (90) and (90)(A) will be extended by the length of the vacation and Christmas Holiday period. Overtime hours worked during the vacation and Christmas Holiday period shall be counted as overtime hours worked by the employee involved.

(79) A review of the overtime records will be made each Thursday by the Supervisor and the Steward for Saturday and Sunday overtime work. Employees will be informed of overtime assignments on that day. On daily overtime, the scheduled employee will be notified as soon as possible, but no later than two (2) hours before the end of the shift.

A. Any employee that accepts a weekend overtime pass will be charged a minimum of eight (8) hours worked for purposes of equalization. In the case of an employee who refuses a weekend or holiday overtime assignment of less than eight (8) hours, the hours will not have been considered worked for the purpose of equalization.

B. Any employee notified of an overtime assignment outside the time schedule in paragraph 79 who refuses to take the overtime assignment, will not be charged the hours for equalization purposes.

C. Any employee who is offered overtime work in his classification and refuses shall be considered to have worked such overtime for the purpose of equalization.

D. Any employee who is offered and accepts overtime work outside his classification, shall be considered to have worked all hours offered.

Any employee who is offered overtime work outside his classification and refuses shall not be considered to have worked such overtime for the purpose of equalization.

(80) An employee absent when overtime is assigned will be charged with having worked only in the event all of the employees in the overtime group are assigned overtime.

A. Employees will not be charged for overtime equalization when absent on approved three day bereavement period.

B. Employees on an approved vacation for three (3) or more consecutive work days will not be charged for overtime hours refused in their home group. Less than three consecutive work days will be handled as another absence as far as overtime hours charged are concerned.

C. Employees will not be charged for overtime equalization

when performing jury duty, up to a maximum of ten (10) days in a rolling twelve (12) month period. Documentation regarding jury duty service must be provided to the employee's supervisor so that the employee is not charged.

(81) Employees absent from work for five (5) or more working days, including those on approved leave of absence or disciplinary layoff, will be charged the average overtime hours (of active employees) charged in their overtime group during such absence.

(82) When probationary employees (new hires) have completed their probationary period, such employees shall be slotted into the proper overtime group with the high person's hours of such group.

A. Probationary employees as defined in the Master Agreement between the parties (new hires) shall not be scheduled for overtime unless all seniority employees in the overtime group have first been afforded the opportunity.

B. There shall be no obligation upon the part of the Company to provide overtime for any new hire or employee transferred who has not acquired seniority and does not qualify in the new group.

(83) Seniority employees transferred into another overtime group shall enter the group charged with the average of the group.

(84) Seniority employees who have been transferred to another department or area shall not be considered probationary for the purpose of this Overtime Agreement.

(85) The overtime groups will be established by mutual agreement between the Bargaining Committee and the Company, and once agreed will be changed only by mutual agreement.

A. Due consideration will be given by the Union to the reasons for changes in overtime groups as submitted by the Company. The Union, having satisfied itself as to the reasons advanced, will therefore lend its best efforts toward bringing about such changes in overtime groups.

B. Due consideration will be given by the company to the reasons for changes in overtime groups as submitted by the union. The company, having satisfied itself as to the reasons advanced, will therefore lend its best efforts toward bringing about such changes in overtime groups.

(86) As new overtime groups are needed as a result of new operations in the plant, the Company shall notify the Union on a timely basis. However, the Company shall not be required to negotiate with the Union on the establishment of proper overtime groups at

the outset so long as agreement is reached within thirty (30) days. During such thirty (30) day periods, while the overtime will be equalized in the manner outlined in this Agreement, the nature and constitution of the group during such period shall have no bearing on the eventual negotiations. This time limit may be extended by mutual agreement. Should the parties be in dispute at the end of the time limit herein described, as to the constitution of the overtime groups, the matter will be referred to the Umpire as soon as possible.

ARTICLE VIII

Vacation Period

(87) It is agreed that in carrying out the provisions of paragraph (98) of the Master Agreement, the Company and the Union will conduct negotiations for the vacation period in sufficient time so as to permit agreement not later than April 1st of each particular vacation year. It is agreed, however, that such negotiations shall be solely for the purpose of establishing the vacation period for the particular vacation year.

(88) Any employee who is entitled to a vacation, and who may be required to work during the vacation period, shall be assigned a vacation at other times of the year. Such assignments shall, as far as practicable, be assigned during the period from March 1st through November 30.

(89) The provisions of this section may be renegotiated in the event of a National or military emergency.

General Provisions

(90) It is not the Company's policy or practice to transfer employees from one department to another for disciplinary reasons.

(91) The Company and the Union agree that all Instrument Assembly jobs properly identified as Experimental, and which are placed into production, the Company must within, but not later than the first ninety (90) days that a job is on Experimental Assembly, establish a preliminary incentive standard. Such preliminary incentive standard will be based on time studies of less formal nature than regular time studies and will include times which reflect the overall time necessary in the development of new jobs. Such standards will be subject to review by the Company at thirty (30) day intervals to determine whether or not the job is sufficiently standardized as to permit detailed studies. Such detailed studies, when instituted, will be without reference to such preliminary incentive standards.

(92) In the event the Divisions of the Teterboro Complex of Honeywell should open an additional plant or plants during the life of this Agreement outside of a ten (10) mile radius of the main facility at Teterboro, New Jersey, employing personnel in classifications outlined in Article I, Paragraph (1) Recognition of this Agreement, the subject of seniority for such employees will be subject to negotiations between the Company and the Local Union Bargaining Committee on language embodying the same principles as outlined in Paragraphs (40) through (48) of the supplemental Agreement between the parties dated October 20, 1955. The principles involved are separate seniority and separate posting and bidding in each such plant or plants and the right of Teterboro employees transferred to such plant or plants to return to Teterboro under the provisions outlined in Paragraph (40) through (48) of the October 20, 1955 Agreement between the parties. Nothing in this paragraph is to be construed as to preclude the parties from negotiations on the merits where plants or facilities within the ten (10) mile radius are concerned.

(93) The Company agrees to the principle established in paragraph (126) of the Master Agreement to the effect that employees outside of the bargaining unit shall not perform the work normally done by the employees covered by the collective bargaining agreement either during the regular hours or overtime hours except for the purpose of instruction. The affected employee(s) will be compensated for all lost hours of opportunity at the appropriate premium.

(94) The Company agrees that work regularly and customarily performed by Company skilled trades employees in the Maintenance and Engineering Departments henceforth shall not be subcontracted except where any one of the following conditions exist:

A. When employees involved in classifications where subcontracting may be necessary are not on layoff from the affected classification.

(1) When subcontractors performing work customarily and regularly performed by Company skilled trades employees are working on the Company's premises and assigned to work overtime, such assignment will not deprive bargaining unit employees doing similar work from overtime opportunity.

B. When the engineering project or maintenance skilled trades project requires skills not possessed by such skilled trades employees.

C. When facilities, special tools, or equipment required are not available on the Company's premises.

Duration

(95) This Supplemental Agreement shall remain in full force and effect until 6:00 p.m., May 3, 2007 and shall thereafter be continued in full force and effect from year to year after 2007 unless notice of termination or a desire to modify or change this Agreement is given in writing by either party, at least sixty (60) days before the expiration date. Upon receipt of such notice a conference shall be arranged for within thirty (30) days.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this 3rd day of May 2003.

For:

**International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America, UAW**

J. Robinson

For:

**Local No. 153,
International Union, United Automobile, Aerospace and
Agricultural Implement Workers of America, UAW**

G. Stout

B. Ambrosini

T. McDonald

For:

Honeywell Defense and Space Electronic Systems

M. Oglensky

J. Scrazio

D. Okoniewski

L. Dulfer

D. Porawski

A. Salina

R. Devantier

For:

Honeywell

E. Bocik

LETTER NO. 1

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

It is understood and agreed that in all provisions of this Supplemental Agreement and in all letters supplemental thereto, any reference to "effective date" shall be the first Monday following notice by the union to the company of ratification, except as otherwise indicated.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 2

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the discussions held during the 2003 Supplemental Agreement negotiations between the parties during which the Company alleged that the practices of certain stewards in the plant were not in conformity with the Collective Bargaining Agreement with respect to the use of their time consumed. During these negotiations, lengthy discussions were held on this subject and the Union stated that it would cooperate with the Company in seeking to curb unsound practices, if any, on the part of stewards, with the view in mind that the stewards shall utilize time paid for by the Company for the purpose for which it is granted only, which is the proper handling of grievances.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO.3

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations that in the event of a layoff in the Assembler Instrument Sub-Assembly classification or the Assembler-Autosyn classification, henceforth, these classifications will have the right to bump in the Wireformer and Assembler classification.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 4

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the course of the 2003 Supplemental Agreement negotiations between the Teterboro Operation of the Honeywell Defense & Space Electronic Systems and Local 153, U.A.W., implementing Paragraphs (42) and (50) of the Local Supplemental Agreement.

The Company agrees to the re-employment of all employees who have been laid off. It is understood that such reemployment will be given to those employees who possess the qualifications and skills to perform the job vacancy that has been cleared for hire. Determination of qualifications shall be made by the Company.

This does not mean that the Company will provide re-employment to all employees where such laid off employees do not possess the basic skills and qualifications for the given vacancy, nor does it modify or alter the rights of the Company as set forth in Paragraph (4) of the Master Agreement and supplements Paragraph (128) of the Master Agreement dated May 3, 2003 between Honeywell and The International Union, UAW.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 5

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations between the Teterboro Operation of Honeywell and Local No. 153, U.A.W., that should a job classification contained in Exhibit A-1 (Wage Structure) be abolished, then the possible employment status of employees in such classification will be discussed between the parties, provided such employees do not have rights to exercise under Article IV, Seniority (Paragraphs (18) throughout (59)).

By mutual agreement between the Company and the Local Bargaining Committee, an employee so laid off may be slotted into a job classification bearing a rate of pay equal to or less than that of the classification abolished, and for which he is qualified, seniority permitting.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 6

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This is to confirm the understanding reached during the 2003 Local Contract negotiations that the fabrication of production tools in the plant (including those commonly referred to as "T" numbered) shall be performed by the Instrument Maker classification.

This understanding, however, does not preclude any classification from fabricating tools as might be required in the normal course of their work. Nor does this understanding in any way modify or alter the provisions set forth in Paragraph (4) of the Master Agreement.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 7

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations that in the event the payment for short work week benefits is eliminated, the Company will not issue temporary layoff days.

In addition, the Company may, with the approval of the Bargaining Committee, assign five (5) additional days in any one calendar month.

Further, the Company will not assign temporary layoffs in any one week in which an employee does not have compensated earnings or available hours.

Upon reinstatement of short workweek benefits, the Company will then use the number of days specified in Paragraph 51.

Further, the company will not assign overtime to an employee in a week when an employee is receiving a short work week benefit.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 8

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations relating to the liability of the Company under Paragraphs 75 and 76 of the Local Supplemental Agreement.

Liability for pay to the grievant in an overtime group, at the expiration of any of the make-up periods, shall be for the actual hours worked by the high man.

In addition, if an employee who is within twelve (12) hours of the high man's hours in an overtime group is assigned overtime during this make-up period, the Company will also be obligated to pay the grievant.

In the latter instance, however, when it becomes necessary for the Company to assign overtime to such employee under the provisions of Paragraph (66) of the Master Agreement, then such assignment will be discussed between the supervisor and the steward. If in the event of disagreement as a result of this discussion, the grievance procedure will be followed.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 9

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Supplemental Agreement negotiations that the Company will provide protective clothing for the Paint Shop Sprayers, Scrap Salvagers, Electric Truckers, Machine Oilers, Assembler Instrument Finals, and Shipping and Receiving (GCS liquid foam packing operation). The selection of the clothing shall be made by the Company, and in no event will the Company be obligated to provide more than two changes of clothing per year. It is further agreed that the Company will also provide two pair of protective footwear annually to all bargaining unit employees. The issuance of footwear will be in the months of June and December of each year.

It is further understood that the company will make available to maintenance skilled trade's workers and porter's protective clothing when needed.

It is further understood that this Agreement applies only to the classifications listed above, and does not encompass any other classifications.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 10

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the course of the 2003 Local Supplemental negotiations, that the Memorandum of Agreement dated September 6, 1995 between the parties pertaining to set-up and operators, is modified to this extent: That the set-up and operators will be paid for time spent in excess of the two (2) hours on set-up on their individual bonus efficiency, computed on the same individual base period currently in use.

Sincerely,
Michael Oglesky
Director of D&SES Human Resources

LETTER NO. 11

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations, that when an employee in Appendix A with more than fifteen (15) years seniority is laid off and has exhausted all displacement rights, such employee will be placed at work in any classification in the plant provided the employee possesses the qualifications for the given vacancy. The Company agrees to give full consideration and recognition to the employee's prior experience and work history in making their determination. Such placement will not result in displacing an employee with greater seniority. In no event will the application of Letter No. 15 result in the layoff or displacement of an employee with more than fifteen (15) years seniority. Application for such placement must be made at the time of layoff.

It is understood that in exercising this letter the employee forfeits his recall rights to his previous classification(s).

This letter does not apply to employees laid off from either the Timekeeper or Appendix B classifications.

Sincerely,
Michael Oglesky
Director of D&SES Human Resources

LETTER NO. 12

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract negotiations to the effect that Technician Trouble Shooter & Calibration Test Equipment will be assigned to the calibration and regular servicing of all Techtronic Scopes. Further, the Company will review the work distribution in the Test Equipment Department with a view to increasing the work opportunity.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 13

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

It is not the intent of the Company to transfer from a particular shift those officers of the Local Union Executive Board or Honeywell Council Delegates elected for a particular shift. Nothing in this Agreement will conflict with Paragraph 57 of the Local Agreement.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 14

May 3, 2001

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2001
Local Contract negotiations relating to the selection of union
members to the Local S.U.B. Committee.

The Union agrees to designate two members of the Bargaining
Committee to represent the Union on the local S.U.B. Committee.
It is also understood that the duties and responsibilities of the local
S.U.B. Committee are limited to the terms of the S.U.B. Program
as outlined in the Master Agreement.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 15

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

The Company advises the union that it is the policy of the company to perform tool room and test equipment work under the Directors of Manufacturing with its own employees, provided it has the manpower, skills, equipment, and facilities to do so, and can do the work competitively in quality, cost and performance, and within the projected time limits. At times the company does not deem advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will do any particular work or let the work to outside contractors. This letter is not to be regarded as impairing that right in any way.

The company hereby assures the union that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform tool room and test equipment work to the extent consistent with sound business practice, as in the past.

The company is genuinely interested in maintaining maximum employment opportunities for its tool room and test equipment employees consistent with the needs of the company. Therefore, in making these determinations, the company intends always to keep the interest of the company's personnel in mind.

When a subcontract is to be let out, the company will follow the practice of informing union representatives on a timely basis of its reasons for letting out such contracts.

Any disagreements arising out of management's determination will be subject to immediate discussions between the parties.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 16

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This is to confirm the understanding reached during the 2003 negotiations with regard to the vacation period.

The 2003 vacation period will encompass the period from Monday, July 21 through Sunday, August 3 for those employees who are entitled to a two-week vacation under the terms of the Collective Bargaining Agreement. The vacation period for those employees who are entitled to only one-week vacation will be the week of July 28, 2003.

The 2004 vacation period will encompass the period from Monday, July 19 through Sunday, August 1 for those employees who are entitled to a two-week vacation under the terms of the Collective Bargaining Agreement. The vacation period for those employees who are entitled to only one-week vacation will be the week of July 26, 2004.

The 2005 vacation period will encompass the period from Monday, July 25 through Sunday, August 7 for those employees who are entitled to a two-week vacation under the terms of the Collective Bargaining Agreement. The vacation period for those employees who are entitled to only one-week vacation will be the week of August 1, 2005.

The 2006 vacation period will encompass the period from Monday, July 24 through Sunday, August 6 for those employees who are entitled to a two-week vacation under the terms of the Collective Bargaining Agreement. The vacation period for those employees who are entitled to only one-week vacation will be the week of July 31, 2006.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 17

May 3, 2003

Local No. 153, U.A.W.

P.O. Box 174

Wood-Ridge, N.J. 07075

**Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee**

Gentlemen:

**This will confirm the understanding reached during the 2003
Local Contract negotiations relating to the job duties in the Porter
classification.**

**The plant maintenance rug cleaning function, will be performed
by the Porter classification.**

**Spray booth cleaning, with the exception of exhaust stacks, will
also be performed by the Porters.**

**Sincerely,
Michael Oglensky
Director of D&SES Human Resources**

LETTER NO. 18

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

During the course of the 2003 Local Contract negotiations, agreement was reached concerning entry into restricted areas by one Bargaining Committee member Appendix A, one Bargaining Committee member Appendix B (Skilled Trades) and the recognized Steward for the area.

It is understood that this agreement is only operative where entry is permitted under Department of Defense security regulations.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 19

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003
Local Contract negotiation relative to the food service on the night
shift.

The company agreed to provide a greater variety of food for the
employees on the night shift.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 20

May 3, 2003

Local No. 153, U.A.W.

P.O. Box 174

Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local negotiations relative to Appendix A Final Assemblers and Wireformers and Appendix "B" Skilled Tradesmen.

Appendix A Final Assemblers and Wireformers and Appendix "B" Skilled Tradesmen will be reimbursed for tools broken, stolen or updated. They will be reimbursed up to a maximum of two hundred dollars (\$200) per year. Employees must submit receipt and/or a satisfactory explanation to their supervisor.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 21

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003
Local Contract negotiations relative to the bidding rights.

Any seniority employee who submits a bid for a posted job va-
cancy and is subsequently laid off before the vacancy is filled,
shall retain a valid bid on such vacancy, and be given equal con-
sideration for the position under the provisions set forth in Para-
graphs (41) and (42) of the Supplemental Agreement.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

LETTER NO. 22

May 3, 2003

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 Local Contract Negotiations regarding Hazmat training.

The company and the union agree that all skilled trades maintenance employees and porters will be provided with Hazmat training. Exceptions will be made for any employee with a documented medical condition which prevents his participation in such training.

This training is intended to allow full access to all areas of the EPA Building located on the Honeywell Teterboro Premises.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

Local No. 153, U.A.W.
P.O. Box 174
Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 contract negotiations relative to Lateness and Absenteeism.

The Company and the Union agree that the problem of unwarranted lateness and absenteeism must be addressed in a cooperative and constructive manner. Both parties recognize that unwarranted lateness and absence adversely impact quality, cost and efficiency and in doing so constitute a threat to the job security of all employees.

The parties also recognize that sometimes lateness and absenteeism is the result of personal or unforeseen problems in an employees life and that such problems must be addressed in a reasonable manner.

Based on the foregoing the parties agree to adopt this Lateness and Absenteeism Policy. This procedure is intended to encourage regular attendance through corrective discussions, formal discipline and the Employee Assistance Program, while at the same time expecting employees to accept responsibility for their own attendance behavior. This procedure will be on a rolling 12 month period and become effective June 2, 2003. Upon initiation of this procedure all hourly employees prior attendance records will be wiped clean and employees will be occurrence free as of June 1, 2003.

1. Attendance:

A. Occurrence** of absence is subjected to this procedure are defined as follows (after 4 occurrences per month):

1. Any absence not allowed contractually*
2. Any absence not supported by medical documentation
3. Any absence on a scheduled overtime assignment

2. Lateness:

A. Occurrence of lateness/early leaves subjected to this procedure are defined as follows (after 5th occurrence per month):

1. Any lateness greater than 18 minutes (3 periods) not supported by medical documentation
2. Any early leave not supported by medical documentation

Failure to call in on 1st day of absence to 201-393-2632 will

be subject to the progressive disciplinary steps of the disciplinary policy

LATENESS/ATTENDANCE CORRECTIVE ACTION STEPS

STEP	ACTION
1	VERBAL WARNING
2	WRITTEN WARNING
3	BALANCE OF SHIFT PLUS 2 DAY SUSPENSION WITH EAP REFERRAL
4	BALANCE OF SHIFT PLUS 5 DAY SUSPENSION
5	BALANCE OF SHIFT PLUS 10 DAY
6	DISCHARGE

ANY THREE CONSECUTIVE MONTH PERIOD OF PERFECT ATTENDANCE WILL RESULT IN MOVING BACK ONE DISCIPLINARY STEP

***The following will not be counted as absences under this program: Jury Duty, Contractual Holidays, Contractual Vacation, Contractual Bereavement Leave, Company Authorized Workers Compensation Leave, Temporary Lay-Off, FMLA, State Approved Disability Leave, Paid Absence Days and Union Business Days.**

****Occurrence — Any unapproved absence exempt consecutive absence days when supported by medical documentation.**

Sincerely,
Michael Oglesky
Director of D&SES Human Resources

LETTER NO. 24

May 3, 2003

Local No. 153, U.A.W.

P.O. Box 174

Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 contract negotiations.

It is agreed by the company and union that the responsibilities of classifications, Inspector Spare Parts and Inspector Eng. Instrument Test and Final will be merged together into a new classification called RMI/ET Inspection. All seniority for employees in former classifications will be preserved. As part of this agreement the company will move all employees in former referenced classifications and increase resultant hourly rate to .25 per hour above the existing Inspector Spare Parts rate.

Sincerely,

Michael Oglensky

Director of D&SES Human Resources

LETTER NO. 25

May 3, 2003

Local No. 153, U.A.W.

P.O. Box 174

Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 contract negotiations.

The company and union have agreed to the adoption of defined rest breaks for all hourly employees replacing the current unscheduled rest breaks. Each individual department will determine such scheduled breaks.

Sincerely,

Michael Oglensky

Director of D&SES Human Resources

LETTER NO. 26

May 3, 2003

Local No. 153, U.A.W.

P.O. Box 174

Wood-Ridge, N.J. 07075

Attn: Mr. George Stout, Chairman of Local 153 Bargaining
Committee

Gentlemen:

This will confirm the understanding reached during the 2003 contract negotiations.

The company and union have agreed to allow employees on a seniority basis the ability to request lateral transfers between over-time groups. If no volunteers are available the company will transfer the employee(s) with lowest seniority.

Sincerely,
Michael Oglensky
Director of D&SES Human Resources

NOTES

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SUPPLEMENTAL AGREEMENT

**BETWEEN
HONEYWELL
FRICTION MATERIALS
GREEN ISLAND, NEW YORK**

AND

LOCAL UNION NO. 1508

(UAW)[®]



PRINTED IN U.S.A.

INDEX

	Paragraph	Page
Bargaining Committee members,		
Eligibility of	54	16
Duration	64	19
Employees' Addresses	24	9
Grievance Meetings	52-F	15
Job Preference	55	17
Job Vacancies, Primary Openings	38-45	11-12
Job Vacancies, Secondary Openings	46-51	12-14
Journeypersons	9-10	3
Laid Off Employees, Retention of		
Seniority	23-f	8
Layoff and Recall	20	5-7
Layoff, by Seniority, Skilled		
Trades Classifications	8-b, 11-19	3-5
Layoff, Temporary	21-22	7
No Discrimination	63	19
Overtime Equalization	26-37	9-11
Pay Day	5	2
Pay, Injured Employee	6-7	2
Recall, by Seniority, Occupational		
Groups	20(i-j)	7
Recall, by Seniority, Skilled		
Trades Classifications	8-c	3
Recall, Employee Must Report		
Within Three (3) Working Days	23-c	8
Recognition,		
Employees Included	1	1
Employees Excluded	2	1
Representation	52	14-15
Representation, Compensation	53	15-16
Seniority, Skilled Trades		
Classification	8-A	3

	Paragraph	Page
Seniority Lists	25	9
Seniority, Loss of	23	8
Seniority, When promoted outside the Bargaining Unit.....	4	2
Shift Preference.....	54	16-17
Skilled Trades Classifications.....	8	2-5
Temporary Assignments	57-62	19
Wage Progression, Automatic.....	56	18
Working Conditions, General	3	2

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement effective the 3rd day of May, 2003 between the Friction Materials of Honeywell, Green Island, New York, hereinafter referred to as the Division, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and Local No. 1508, UAW, hereinafter referred to as the Union, is supplemental to the Master Agreement effective the 3rd day of MAY, 2003, between Honeywell for its following divisions: Honeywell Aerospace, South Bend, Indiana; Honeywell Aerospace, Teterboro, New Jersey; Honeywell Aerospace, Sun Valley, California; and Friction Materials, Green Island, New York; and the International Union, United Automobile; Aerospace and Agricultural Implement Workers of America (UAW), and its Local Unions: No. 9, UAW, South Bend, Indiana; No. 153, UAW, Teterboro, New Jersey; No. 179, UAW, Sun Valley, California; and No. 1508, UAW, Green Island, New York.

Recognition

(1) The Division recognizes the unit of Local 1508 of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, which is composed of employees of the Friction Materials, Green Island, New York, as the sole bargaining agency for all employees (as certified under the decision of the National Labor Relations Board on October 6, 1967: All production and maintenance employees, cafeteria workers, shipping and receiving employees, test drivers, laboratory and production technicians, and inspectors) for the purpose of collective bargaining in respect to rates of pay, wages and hours of employment and other conditions of employment within the scope of the National Labor Relations Act as amended by the Labor Management Relations Act of 1947 and the terms of this Agreement.

(2) It is mutually agreed that for the purposes of this Agreement, the term "employee" shall not include direct representatives of management, such as superintendents, supervisors, and all other persons working in a supervisory capacity with the right to hire or discharge and those whose duties include effectively recommending the hiring or discharging of employees, and further excluding time study analysts, time keepers, all accounting and payroll employees, personnel and employee relations employees, all production estimating and plant engineering, drafting specialists, detailers, chemists, metallurgists, and all other office, clerical, salaried and administrative employees.

General Working Conditions

(3) The Division agrees to maintain the following benefits or services:

(a) Parking lot facilities

(b) Food Services and plant cafeteria

(c) Employee locker and wash room facilities

(d) The present practice of granting a twenty (20) minute shower time shall continue. Those employees desiring to shower on their own time may do so providing there is no interference with the regular shower schedule for employees

(e) The present practice insofar as the installation of authorized vending machines will be continued.

General Provisions

(4) The seniority of an employee promoted to a position outside the Bargaining Unit shall freeze as of the date of the promotion. The employee will be placed on layoff, if their services are no longer needed, and are eligible for recall purposes to an opening, they may use their seniority for bids or applications.

(5) Pay Day shall be once each week. Third shift employees will receive their checks prior to the end of their shift on the regular weekly pay day.

(6) In the event an employee is injured on the job and required to leave the job for medical attention, hospitalization, or is sent home because of said injury, such employee shall be paid for their full work day on the day the injury occurs provided the doctor verifies their inability to return to work. If an employee must leave for a short period of time on the day the injury occurs, such as to be treated by a doctor, such employee shall be paid for such time lost.

(7) Any employee with seniority required to attend a hearing as a result of a compensation case because of an injury sustained at this Division will receive up to four (4) hours pay for the first hearing if the employee otherwise would have been scheduled to work for the Company and does not work.

Skilled Trades Classifications

(8) The Skilled Trades Classifications are those classifications set forth in Appendix "B" to this Agreement as specified herein:

(1) Millwright

(2) Electrician

(3) Machine Repair

(4) Machinist

(5) Pipefitter

(a) Seniority for employees in Skilled Trades Classifications shall be established and maintained solely on the basis of length of continuous employment in the particular numerical designation.

(b) Should layoffs occur they shall be made in the reverse order of seniority.

(c) Recall of laid-off employees shall be made in order of seniority.

(9) The term "Journeyman" means an employee who:

(a) Has satisfactorily completed an apprentice training course.

(b) Who can prove by work records that he/she is qualified to work in their trade.

(10) For the purpose of this Agreement any employee now working in a Skilled Trades Classification will be considered a "Journeyman."

(11) A Skilled Trades employee with seniority who has been laid off may request re-employment in a classification in one of the occupational groups set forth in Appendix A or in Appendix B, provided there is a vacancy for which they are qualified. Such re-employment shall not be effected should it bring about the displacement of any employee, or if there are employees on the recall list who have recall rights to that job classification.

(12) In the event that an employee with seniority in Appendix B numerical designation is laid off and requests and receives re-employment in another numerical designation in Appendix B, their re-employment shall be considered temporary. During such temporary employment, their original numerical designation shall be only from date of re-employment in the manner outlined in this Agreement. They shall be credited only with that time spent in the classification.

(13) They shall be subject to recall in their original numerical designation in line with their seniority and failure to accept such recall will constitute a waiver of seniority in their original numerical designation and future recall.

(14) In the event of lay off while on temporary status, in other than their original numerical designation they shall have no recall rights to that job classification and their recall rights shall be in ac-

cordance with their seniority in their original numerical designation.

(15) In the event a Skilled Trades employee who has been laid off requests and receives re-employment in a job classification in Appendix A, their employment in the occupational group shall be considered temporary. During such temporary employment their seniority in the Skilled Trades classification shall continue to accumulate. Their seniority in the occupational group, however, shall be calculated only from the date they entered that job classification.

(16) In the event of a layoff in an occupational group while there are Skilled Trades employees on temporary employment in the particular occupational group, the Skilled Trades temporary employee shall be subject to layoff solely on the basis of their seniority calculated as of the date they entered the occupational group, and such temporary employee shall have displacement rights and be subject to recall in accordance with seniority in the particular occupational group. Such employee shall also be subject to recall to their Skilled Trades numerical designation.

(17) Employees in the Skilled Trades classification may bid for any job in the plant in accordance with the Job Vacancy Section of this Agreement. However, if an employee in the Skilled Trades classification is successful in their bid for a job in one of the occupational groups set forth in Appendix A, or is successful in a bid for another job classification within the skilled trades classification set forth in Appendix B, their seniority for the purpose of layoff and recall shall be calculated only as of the date of their notification by the Human Resource Department of their successful bid regardless of their actual date of physical transfer.

(18) In the event they are subsequently laid off and out of work through insufficient seniority in the occupational group or Skilled Trades classification, they shall have the right to return to the Skilled Trades classification from which they previously bid, seniority permitting, (time they spent in the classification). Their plant-wide seniority for purposes other than layoff and recall shall remain unchanged.

(19) Employees in job classifications in occupational groups set forth in Appendix A are eligible to bid in the Skilled Trades classification set forth in Appendix B. However, if an employee is successful in such a bid, their seniority for the purpose of layoff and recall in the Skilled Trades classifications shall be calculated only as of the date of their notification by the Human Resource Department of their successful bid regardless of their actual date of phys-

ical transfer. In the event there is more than one vacancy under the same vacancy number posting, the seniority of each successful bidder shall be the date of notification of the first successful bidder of that particular vacancy number posting. In the event they are subsequently laid off and out of work through insufficient seniority in the Skilled Trades classification, they shall have the right to return to the Appendix A classification from which they previously bid to the Skilled Trades classification, seniority permitting, with full accumulated seniority. Having thus exercised their right to return to the Appendix A classification, their seniority in Appendix B shall continue to accumulate in Appendix B on the basis of such accumulated seniority. Their plant-wide seniority, while in Appendix B for purposes other than layoff and recall shall remain unchanged.

Layoff and Recall

(20) When employees are to be definitely separated because of lack of work the employees shall be notified on the working day previous to the layoff except in those cases where the company has not had sufficient notice from an employee returning from sick leave causing a layoff and the following procedure shall be followed:

(a) The probationary employee shall first be removed from within the classification.

(b) The junior employee will be removed next and granted the right to exercise their seniority to displace the junior employee within the occupational group. No employee will displace a Grinder in Dept. J, Auto Line or Coin/Compact Cell operator unless previously held or the junior employee in the above classifications is junior in the interchangeable groups. Also, no employee will be allowed to exercise their seniority to remove the junior employee in Section B of Group I, unless they held the classification. Where the junior employee is in Section B, and the employee is unable to exercise their rights, they may exercise to remove the junior employee in Section A of the Group, provided they have the ability. Any employee may waive their rights to the Grinder in Dept. J, Auto Line or C/M Coin/Compact Cell operator, but may after 90 days apply and within (2) weeks displace the junior employee of these classifications that were waived. They may waive their rights upon notification, that they are moving to the classifications as designated by the parties.

(c) If the junior employee is unable to displace any employee within the group in which they retain seniority, they may then exercise their seniority to displace the junior employee of the other group as designated by the parties, except those classifications in Section B of Group I, and where there are no senior employees with recall. For the purpose of the paragraph, Group I shall be interchangeable groups, and Group II shall be non-interchangeable groups.

(d) Any employee who has exhausted their seniority rights in the interchangeable or one of the non-interchangeable groups, may exercise their seniority at time of layoff in those groups which they previously worked and are qualified.

(e) Any employee on layoff from either an interchangeable or non-interchangeable group who has exhausted their seniority rights in paragraph (d) may request re-employment in either group in which they have no seniority, provided they have the ability to perform the work. Such request will not be affected if it displaces an employee, or an employee has recall rights to the classification. Employees who use this paragraph will be temporary, and waive recall rights for sixty (60) days and then they would accrue Plant seniority. If laid off or disqualified, they will exercise as if in their original classification.

(f) When an employee has been laid off from their classification, the Division agrees to notify the employee affected as to their possible placement within ten (10) working days after their layoff, Saturdays, Sundays and holidays excluded. No employee will be off the Division's payroll for a period in excess of ten (10) working days, Saturdays, Sundays and holidays excluded, except by mutual agreement between the Bargaining Committee and the Director of Employee Relations. The Division and the Bargaining Committee may mutually agree to bypass the senior employee(s) for five (5) working days excluding Saturday and Sunday, if time is a factor.

(g) Any employee assigned to a shift through layoff or displacement other than the shift on which they worked, may exercise under Par. 54(1).

(h) A laid off employee who exercises his seniority to enter another classification and who is found by the Division to not have the ability to perform the work, will be disqualified and placed on layoff and will be treated in accordance with paragraph (i) below.

(i) A laid off employee shall be recalled to the group or groups in which they have seniority, by order of their seniority, or to any classification in which they previously worked and qualified. In applying this paragraph, an open job will not be filled by a junior employee in plant, going to layoff, before a senior employee on layoff, unless the junior employee is senior with recall to the classification, nor will new employees be hired or transferred before recalls.

(j) In the event an employee with seniority from Appendix A is laid off and requests and receives re-employment in Appendix B, their employment will be temporary and their seniority in Appendix A shall accumulate. Their seniority in Appendix B shall be date of entry as outlined in this agreement. They are subject to recall in Appendix A in line of seniority, and failure to accept will constitute a waiver of such seniority and recall. If successful in a bid while temporary, they shall forfeit in Appendix A and become permanent in Appendix B. If laid off while temporary in Appendix B, they shall have no recall rights, except to Appendix A.

Temporary Layoffs

(21) The Division agrees that no employee with seniority will be laid off while probationary employees (new hires) who have not yet acquired seniority in that same job classification in the same department are working.

(22) Layoffs not to exceed four (4) working days shall be considered temporary. In temporary layoffs, the Division may deviate from the rule of seniority as established in this Agreement for the practical operation of the Departments. For the purpose of this Agreement, members of Bargaining Committee and the President shall not be placed on temporary layoff. No seniority employee will be placed on temporary layoff for more than four (4) working days in any one calendar month unless extended by mutual agreement between the Human Resource Department and the Bargaining Committee. Layoffs not to exceed four (4) working days will be considered temporary for employees hired after May 1, 1977. No seniority employee hired after May 1, 1977 will be placed on temporary layoff for more than four (4) working days in any one calendar month unless extended by mutual agreement, except that in applying this paragraph employees with less than one year's seniority the time limit will be extended to five (5) working days in any one calendar month.

Loss of Seniority

(23) All seniority of an employee shall terminate if the employee:

(a) Quits

(b) Is discharged

(c) Fails to return to work when called back by the Division within three (3) working days after being notified to report for work by registered mail or telegram, unless a satisfactory reason is given to the Human Resource Department. Such notification will be mailed to the employee's last known address appearing on the Division's records.

(d) Fails to accept recall to the seniority occupational group or groups in which he retains seniority in the order of his seniority or to any job classification in which he previously worked and is qualified.

(e) Exceeds a leave of absence without a satisfactory reason.

(f) Fails to report to the Division's Human Resource Office in person, or by registered or certified mail indicating their availability for work during the following periods:

October 1 to October 31 inclusive

When reporting in person, the employee will sign a signature sheet in the Human Resource Office. Copy to the Union. If the employee chooses to report by registered or certified mail, they shall be sent an acknowledgement by the Division that their notification of availability for work has been received.

(g) Failure to follow the provisions of Paragraphs (73) (absences) and (74) leave of absence of the Master Agreement.

(h) Has less than one (1) year seniority and is laid off continuously for twelve (12) months or has one (1) year or more seniority and is laid off continuously for a period of time equal to their seniority or is laid off continuously for four (4) years. (Pertains to any employee hired after May 1, 1983).

Seniority - General

(24) The Division shall be entitled to rely upon the last address of the employee as shown on the Human Resource Office records. It shall be the responsibility of the employees to notify the Human Resource Office promptly of any change of address. If the employee is unable to be contacted in this manner there shall be no liability on the part of the company.

(25) Up-to-date seniority lists showing employees in each seniority occupational group, as well as each Skilled Trades classification, by name and seniority date, will be kept on file in the Human Resource Department. Further, these seniority lists will be given to the Union every three (3) months. They shall be available at all times for inspection by the Bargaining Committee during regular Human Resource Department working hours.

(a) When employees have the same seniority date, the senior employee will be that employee with the lowest last four Social Security digits.

Distribution of Overtime

(26) Emergency extra work in periods of part time operation, and overtime, should as far as possible and practical be equalized within and between shifts among employees in the classification engaged in similar work.

(a) Employees will not be required to work more than twelve (12) hours in a twenty-four (24) hour period, unless it is done on an emergency basis. This provision excludes weekend overtime equalization.

(b) Employees who would normally be forced to work overtime will be allowed to seek a qualified replacement. This overtime will not have to be offered to other shifts for equalization purposes. In addition, this overtime will be distributed with other qualified employees who request to share the available overtime.

(27) Any employee who is offered overtime work and refuses or any employee absent when overtime is assigned, providing it is their turn to work shall be considered to have worked such overtime for the purpose of equalization except that no employee absent for military reserve training shall be charged for any overtime during such absence.

(28) For the purpose of equalization of overtime, employees scheduled to work other than their regular shift will have their choice of shift in accordance with their seniority, providing their choice does not displace another employee from working their regular shift.

(29) Seniority employees transferred into another overtime classification shall enter the classification charged with the average (excluding out of line) overtime hours of the classification. For purposes of computation, "excluding out of line" shall mean the average will be computed only on the basis of hours spent working within the classification.

(30) Probationary employees will not be afforded the opportunity to work unless all seniority employees within the classification have been given the opportunity to work. Upon completion of the probationary period they will enter into the classification with the highest overtime in the group.

(31) Overtime records will be kept on a cumulative basis. Any employee whose overtime hours are within sixteen (16) hours of the high person's hours in the classification will be considered to have been equalized in all instances. No overtime charges will be assessed when employees voluntarily work out of their classification.

(32) The overtime review record will be each calendar month. A review of the prior month's overtime records will be made in the first week of the succeeding month between the Supervisor and the Committee member for the purpose of adjusting same if necessary. These records will distinguish between Saturday overtime and Sunday overtime hours. A copy of these records will be given to the Bargaining Committee members at least once a month. The overtime records will be posted weekly, no later than Thursday.

(a) If an employee accepts as required overtime hours, but fails to show up as scheduled, he will be charged penalty hours for the hours charged which will be time and one half for Saturday and double time for Sunday, plus the appropriate premium hours normally charged.

(33) Any employee shall have the right to file a grievance at any time during the week if they have reason to believe that they are more than sixteen (16) hours behind the high person as reflected in the overtime record. The sixty (60) day make-up period shall begin from the day the representative indicates their acceptance of the decision and places their signature thereon.

(34) If the overtime hours are not available to provide correction as indicated above, the time limits will be extended by mutual agreement between the Human Resource Department and the Bargaining Committee.

(35) In the event it becomes necessary to work daily overtime the Company will notify scheduled employees as soon as possible,

however, no employee will be charged for refusing unless notified prior to two hours before the end of the shift.

(36) In the event that problems should present themselves during the term of this Agreement which cannot be handled through the procedures outlined herein, the matter shall be settled by mutual agreement.

(37) In those cases where the Division fails to equalize the overtime in accordance with the provisions of this Agreement, the Division will be obligated to compensate the aggrieved employee for the hours owed at their base rate plus cost-of-living allowance.

Promotions Primary Openings

(38) Openings will be considered primary if vacancies to be filled occur as a result of any open job except for the provision in Par. 44.

- (a) An addition to the classification on a permanent basis.
- (b) Quit. (exclude probationary employee)
- (c) Discharge. (exclude probationary employee)
- (d) Death.
- (e) Retirement.
- (f) Indefinite sick leave.
- (g) Transfer from bargaining unit to salary.

(39) In order that employees with established seniority may have notice of and make application for primary classification openings the Division shall:

- (a) Post notices of such primary openings on bulletin boards provided for the purpose. These notices shall bear the date and time of posting and shall remain on the bulletin boards for a period of twenty-four (24) hours, exclusive of Saturdays, Sundays and Holidays and the plant shutdown period for vacation is scheduled.
- (b) Specify on the notice the classification, department, shift (shift will be the one the primary opening occurred on) and the pay range of the said opening.
- (c) Provide a supply of classification bidding forms in the vicinity of the various bulletin boards. Instructions for the proper submittance of such forms to the Human Resource Department shall be attached to the said boards. Name of the successful bidder shall be posted on the bulletin board.

(40) Bidding shall be limited to:

The bids or applications of employees with less than six (6) month's seniority will not be recognized.

(41) The Division shall fill primary classification openings with qualified employees who submit completed classification bidding forms to the Human Resource Department during the period mentioned in Paragraph 40(a) above or a senior qualified employee who has a shift preference on file. After accepting a successful bid for a primary classification opening, the Division need not physically effect the transfer until such time as it has secured a replacement. The successful applicant must accept the job for which they are selected for a period of six (6) months.

(42) Any successful applicant, except as provided for in paragraph above, may not bid for another posted opening for a period of three (3) months if bidding to a higher level job, or for a period of six (6) months from the date of notification.

(43) The Bargaining Committee shall have the right to apply for absent employees if requested by the absentees.

(44) If in the opinion of the Division the employees who bid are not qualified to perform the job, or there are no bidders, then the job will be filled among the employees who have filed secondary vacancy applications.

(45) In the event there are no applications on file for such secondary vacancy in the job classification, or in the event that those who have applications on file are not qualified to perform the job, then the job will be filled by the Division by promotion or transfer without limitation by the terms of this Agreement, or by new hire.

Consideration to current employees prior to a new hire being selected for an opening. Qualifications and capabilities of current employees will be considered. .

Secondary Vacancies

(46) Vacancies in job classification on which employees either working elsewhere in the plant, or on the recall lists, have recall rights, shall not be subject to the bidding and posting provisions but shall be filled by recall regardless of any applications that may be on file and notwithstanding the seniority of any employees concerned.

However, the company may assign any employee not to exceed thirty (30) days before they need consider filling these jobs on a permanent basis by recall of employees from out of plant to the

classification, unless the employees to be recalled are qualified and previously held the classification. It is further understood that the thirty (30) days may be extended by mutual agreement between the Division and the Bargaining Committee.

(47) Any employee may have as many as four (4) secondary vacancy applications on file at any one time, they will not be considered unless they have been in the current classification for six (6) months. All applications must be submitted November 1, through November 30 of each year to be effective January 1st. Note: The November time frame will not apply to those employees on layoff, medical leave or new hires that have not completed six (6) months of service on November 1). Employees can remove applications, but may not add applications during the course of the year.

(48) The Division may promote any individual to temporary jobs not to exceed sixty (60) days provided it is a replacement for an employee who is absent by reason of leave of absence, vacation or other legitimate absence without regard to the bidding and posting procedures of this Agreement. Experience gained through such temporary assignments, however, shall not be used by the Division in the event the employee later bids for that same job classification. It is further understood that sixty (60) days can be extended by mutual agreement between the Division and the Bargaining Committee.

(49) When an employees age and or health does not permit the employee to continue in their present jobs they may be placed in any classification in the plant provided that no employee will be definitely separated from the Division and put on the recall list. Such employment will be for not more than 30 days unless extended by mutual agreement.

(50) Where ability, merit and capacity are equal, employees with the greatest seniority shall be awarded the opening.

(51) Any employee who successfully bids or applies for a job classification and who does not satisfactorily perform the requirements of that job classification provided not more than a six month period has elapsed and their seniority entitles them to that classification. In the event this results in an excess of personnel in that classification, the employee who filled the vacancy shall be returned to their former classification, if any, unless there have been employees more recently assigned to that job classification in the same department in which event the junior employee shall be removed.

In applying the above paragraph, if more than a six month period has elapsed the employees will be disqualified and placed on

layoff and will be treated in accordance with Paragraph 20(j) of the layoff and recall section of this agreement.

Representation

(52)

(a) The employees shall be represented by a Bargaining Committee of not more than five (5) employee members, including the President of the Local Union, and it shall be the Official Committee for the presentation and adjustment of grievances with the Division.

The number of committeemen, including the President, who will be the official committee for the presentation and adjustment of grievances will be based on the following ratio:

Number of Employees In Unit Actively Working	Number of Committeemen Including President
1- 50	one - (1)
51-125	two - (2)
126-225	three - (3)
226-352	four - (4)
353-850	five - (5)
851 and up	six - (6)

It is agreed that the changes in representation will occur after fourteen (14) consecutive days on a decrease and fourteen (14) consecutive days on an increase. The President and the committeemen, when working, will be included when taking the active employee headcount. There will be no additional reductions made in committeemen when local contract negotiations are taking place every four (4) years.

(b) The Union agrees to provide 24 hours coverage by one or more members of the Bargaining Committee during the regular five (5) day work week. There will be no replacement for up to two (2) days for any committee member. In the event the active employees drop below 50, the 2 day replacement will be dropped.

(c) The Union agrees that no one shall be eligible to serve as a Bargaining Committee member, unless he is an employee and has attained one (1) year of seniority and is working in the Division.

(d) The names of the members of the Bargaining Committee and members of the Local Union Executive Board, which includes the Bendix Council Delegates, and changes in the Bargaining Committee other than temporary replacements or Ex-

ecutive Board shall be signed by the President of the Local Union and shall be countersigned by the Regional Director or his designee and shall be given in writing to the Director of Employee Relations prior to their taking office.

(e) The Division will supply the Local Union with a list of the Supervisors who function in the various steps of the Grievance Procedure.

(f) Meetings between the Divisional Management and the Bargaining Committee shall be held once each week during the regular factory day working hours for the consideration of all grievances on the agenda. The agenda shall be submitted to the Division in sufficient time in advance of the meeting so as to permit the Division a minimum of one (1) full working day prior to the day of the meeting for investigation.

(g) Bargaining Committee members who desire to enter a department to investigate a complaint shall notify supervision before entering a department.

(h) Members of the Bargaining Committee, including the President of the Union, may leave the plant for Union business without pay, providing their exit, or entry, as the case may be, is properly recorded.

(i) The Division will recognize replacement for Bargaining Committee members only. If written notice received by the Human Resource Department for three (3) or more full days of absence at least one working day in advance and the Division will recognize such written notices only from the President of the Union or the Chairperson of the Bargaining Committee.

(j) The Union agrees to reduce to the minimum the time required for the handling of grievances.

(k) Members of the Bargaining Committee including the President of Local 1508 in the employ of the Division shall be at the top of the plant seniority list for the purpose of layoff & recall.

Representation – Compensation

(53) Bargaining Committee members shall be paid as follows:

(1) The Division will not pay for any hours in excess of eight (8) hours in any one day except on the following basis:

(a) For a five (5) day week, a Committee member will not be paid in excess of forty (40) hours, four (4) day week, thirty-two (32) hours; three (3) day week, twenty-four (24) hours; two (2) day week, sixteen (16) hours; one (1) day week, eight (8) hours.

(2) On Saturdays, Sundays or Holidays, the Division will pay Committee members who are present, time and one-half or double time, as the case may be, for the hours spent, not to exceed eight (8) hours. The number of Committee members who are permitted to be present on such days shall be according to the following schedule:

No. of Employees in Unit Working	No. of Committee Members
0- 24	The Union may designate an employee who is scheduled to work as a representative to notify a Committee member of a complaint.
25- 75	One (1)
76-150	Two (2)
151-250	Three (3)
251-350	Four (4)
351 and up	Five (5)

(3) Paragraph (2) above is stipulated to provide Bargaining Committee representation during periods of overtime on Saturday, Sunday or Holidays. Therefore, the Division agrees to give notification to a member of the Bargaining Committee of the number of employees within the Bargaining Unit scheduled to work such Saturday, Sunday or Holiday overtime. However, in providing such information, it is understood between the parties that such numbers furnished on occasion, may be inaccurate because of the nature of the Division's production schedule. Therefore, the Division will not be held liable by the Union for accuracy of such numbers.

Shift Preference

(54)

(1) Employees with one year seniority and employees moved through a shift adjustment to another shift, may make application for a shift change. These requests will be granted in order of seniority, thereby, removing the junior employee in the same job classification on the desired shift within two (2) weeks (excluding scheduled vacation and Christmas holidays) from the following Monday from the date applied. A copy of the application will be given to the employee at the time of his filling out such application. In applying this paragraph any employee who applies on a Monday will be moved within two (2) weeks from this application. Employees with one (1) year seniority, forced by the company to a shift adjustment not of

his choice, Par. 3, will be waived and they may make application to a shift of their choice, no more than two (2) times a year will be granted.

(a) Notwithstanding the provisions of Paragraph (1), the Division may, with the approval of the Bargaining Committee, place seniority employees on any shift for periods not to exceed forty-five (45) days.

(2) New employees may be placed in vacancies on any shift for training purposes for a period not to exceed forty-five days unless extended by agreement between the Division and the Bargaining Committee.

(3) Employees who are granted transfers to their preferred shift cannot make application for further shift transfers within a period of six (6) months from the date of transfer.

(a) Employees who exercise their rights to a shift preference and are subsequently removed as a result of a shift adjustment or layoff within a period of sixty (60) days shall not be charged with one of their shift preference moves.

(4) When the Division decides a shift transfer is necessitated to adjust the shifts within the same job classification, the provisions of Paragraph (1) will initially apply. When a shift transfer is forced, the employee with the least seniority on the shift shall be selected from the same classification.

(5) Shift preference applications shall be voided December 31, of each year.

(6) If an employee moves on a shift preference either secondary or primary it will count as one of the moves.

Job Preference

(55) As primary and secondary job openings occur within a classification the senior employee who has the ability to perform the operation, will be afforded a preference if the employee so indicates before the opening occurs. This preference will cease after the initial opening has been filled.

(a) Whenever possible and practical when employees are assigned jobs for training purposes the junior employee will be removed.

Automatic Wage Progression

The parties hereto agree as follows:

(56) That progression from the minimum straight time hourly base rate of pay to the maximum straight time hourly base rate of pay for each job classification as shown in Exhibit A-1 attached hereto will be as hereinafter provided. See new Exhibit A-1 (Attached) negotiated in 2003 agreement.

New Hires

(a) Any employee in a job classification falling in a progression schedule shall be increased from the minimum rate to the next progression step of the job progression schedule until they reach the maximum automatic progression rate of the job classification provided the employee has accumulated the required continuous service as has been established for each progression step.

Transfers

(b) Any employee who changes classification to a higher rated classification by bid/application, will advance to the next rate higher than their current rate. They will then progress in accordance with the wage structure.

(c) Employees returning from layoff in thirty (30) days or less shall advance one progression, if missed, when they return from layoff. Employees who move to another classification due to a reduction in force will move parallel to the classification rate of pay and return in the same manner.

(d) Any seniority employee that is not at the top of their classification and is laid off and placed in a lower rated job classification and subsequently is returned to their original classification will advance to the next progression step immediately providing their accumulated time is at least six (6) months from their last progression.

(e) The automatic progression schedules established herein shall not preclude the Division from hiring an employee at a progression step above the minimum rate, nor shall the Division be precluded from advancing an employee, where individual merit warrants such action, to a step in the progression schedule or to the maximum rate sooner than provided for in the appropriate progression schedule.

Temporary Assignments

(57) Temporary assignments are assignments of employees to work other than that included in an employee's regular classification.

(58) If it is necessary to assign an employee, the one with the least seniority in the classification on the shift shall be so assigned, providing he is capable of performing the work required. This does not necessarily preclude the Division from assigning a probationary employee in place of a junior employee providing he can perform the work.

(59) An employee on temporary assignment in another classification will be paid the base rate of his classification or of the rate of the classification performed, whichever is higher when he is assigned.

(60) Temporary assignments shall not be permissible when there are employees on temporary lay off in such classifications.

(61) Temporary assignments shall not exceed seven (7) working days for any one employee per calendar month.

(62) During assignments, the job of the employee so assigned will not be performed by another temporarily assigned employee.

No Discrimination

(63) The Company agrees that it will not discriminate in the hiring of employees or in their training, upgrading, promotion, transfer, layoff, discipline, discharge or otherwise, because of race, religion, color, national origin, sex, age, creed or handicap. The Union agrees, that it will not discriminate because of race, religion, color, national origin, sex age, creed or handicap.

(64) This Agreement shall remain in full force and effect until 6:00 p.m. May 3, 2007, and shall thereafter be continued in full force and effect from year to year after May 3, 2007, unless notice of termination or a desire to modify or change this Agreement is given in writing by either party, at least sixty (60) days before the expiration date. Upon receipt of such notice, a conference shall be arranged for within thirty (30) days. This provision shall not be interpreted to require a meeting prior to sixty (60) days before the expiration date of this agreement.

CLASSIFICATIONS

Group I

Section A

Press Operator
Grinder Operator
Oven Operator
Stock Control Operator
Coin/Compact Operator
Coin/Compact Cell Operator
Utility Operator
Auto Line Operator
Inspection
Labor-Maintenance
C/M Cell Operator

Section B

Shipper/Receiver
Mix Operator
Set-Up Operator
Q.C. Inspector
Tool Crib

Group II

Resin Production Technician

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written .

For:

**Local No. 1508, International Union,
United Automobile, Aerospace, and
Agricultural Implement Workers of
America, UAW**

Brian DeMarco
Dan Mastapitro
Michael Belokopitsky

For:

**Friction Materials Division
Honeywell
Green Island, New York**

Noe Gaytan
Twila Harrison