



NATIONAL

**Agreement
between**

Rolls-Royce Corporation

and the

UAW

2008

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INTRODUCTION

The management of Rolls-Royce Corporation recognizes that it cannot get along without labor any more than labor can get along without the management. Both are in the same business and the success of that business is vital to all concerned. This requires that both management and the employees work together to the end that the quality and cost of the product will prove increasingly satisfactory and attractive so that the business will be continuously successful.

Rolls-Royce Corporation holds that the basic interests of employers and employees are the same. However, at times employees and the management have different ideas on various matters affecting their relationship. The management of Rolls-Royce Corporation is convinced that there is no reason why these differences cannot be peacefully and satisfactorily adjusted by sincere and patient effort on both sides.

PREFACE

Rolls-Royce Corporation and the UAW recognize their respective responsibilities under federal, state, and local laws relating to fair employment practices.

The Company and the Union recognize the moral principles involved in the area of civil rights and have reaffirmed in their Collective Bargaining Agreement their commitment not to discriminate because of race, religion, color, age, sex, national origin, or individuals with disabilities.

AGREEMENT

Entered into this February 26th, 2008 between Rolls-Royce Corporation, hereinafter referred to as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, here in after referred to as the Union, as representing the production, maintenance and tool and die employees in the bargaining units where they have been certified as the collective bargaining unit representative and where it has been negotiated by the parties that this Agreement is applicable.

Further it is agreed that the sections of this Agreement which have been made subject to local bargaining such as Paragraph (59) local seniority procedures, Paragraph (63) local transfer procedures, Paragraph (71) local equalization of hours procedures, Paragraph (75) local shift preference

procedures and Paragraph (100) local wage rules, as well as any other matter specifically reserved for local bargaining, may be negotiated only by the recognized representatives of the respective parties. The recognized representatives for this purpose are the Shop Committee for the Union and Labor Relations for the Company.

RECOGNITION

(1) The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, as the exclusive representative of the production, and maintenance and tool and die employees, except those listed in Paragraph (3) below for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, or other conditions of employment in the bargaining unit in which they have been so certified, subject to and in accordance with the provisions of the Labor Management Relations Act of 1947 and applicable orders of the National Labor Relations Board.

(2) In case the UAW shall be certified as the bargaining representative for any additional bargaining units where it is designated as the exclusive collective bargaining representative through the National Labor Relations Board, the matter of including such unit under terms of this Agreement shall be negotiated between the Labor Relations Staff and the Shop Committee of Local 933, UAW and the International Officers of the Union.

(3) For the purposes of this Agreement the term “employee” shall include all production, maintenance and tool and die employees in the bargaining unit covered hereby. Personnel classified as “salary” are excluded. “Salary” refers to all full time, flex, temporary and contract employees performing salaried functions.

Union Security and Check-Off of Union Membership Dues

(4) An employee who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union.

(4a) An employee who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union within

ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, and shall remain a member of the Union, to the extent of paying an initiation fee and the membership dues uniformly required as a condition of acquiring or retaining membership in the Union, whenever employed under, and for the duration of, the Agreement.

(4b) Anything herein to the contrary notwithstanding, an employee shall not be required to become a member of , or continue membership in, the Union, as a condition of employment, if employed in any state which prohibits, or otherwise makes unlawful, membership in a labor organization as a condition of employment.

(4c) The Union shall accept into membership each employee covered by this Agreement who tenders to the Union the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the Union.

(4d) The Local Union will furnish Local Management, not later than fifteen (15) days prior to implementation of the automatic dues deduction system at any plant, the names of all members paying dues direct to the Local Union. Thereafter, the Local union will advise Management, promptly, of any changes to this list.

(4e) Any dispute arising as to the employee's membership in the Union shall be reviewed by a representative of local Management and the Chairperson of the local Shop Committee and/or the Financial Secretary, and if not resolved, may be decided by the Impartial Umpire.

(4f) "Member of the Union" as used in paragraphs (4) and (4a) above means any employee who holds membership in the Union. Such members shall not be more than thirty (30) days in arrears in the payment of membership dues.

(4g) Initiation fees for membership in the Union shall not exceed the maximum prescribed by the Constitution of the International Union at the time the employee becomes a member.

(4g1) In any state wherein Paragraphs (4) and (4a) of this Agreement cannot be made effective because of state law, an employee who is not a member of the Union at the time this Agreement becomes effective shall

pay to the union as a condition of continued employment, within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, a sum equal to the Union's or local's initiation fee charged members and also a sum monthly which is equal to the monthly dues required of the Union's or local's members at each location, provided that such condition of continued employment is not prohibited by state law and, provided further, that such condition of continued employment continues to be lawful under the National Labor Relations Act, as amended.

(4g2) Any dispute which may arise as to whether or not an employee has paid the sum of money which is required to be paid as a condition of continued employment under Paragraph (4g1), 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.

AUTHORIZATION FOR CHECK-OFF OF DUES

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE-
AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA
(UAW)
DETROIT MICHIGAN 48214

_____	_____	_____
LAST NAME	FIRST INITIAL	MIDDLE INITIAL

SOCIAL SECURITY NO.

ADDRESS (NUMBER AND STREET)

PLANT

_____	_____	_____
CITY	STATE	ZIP CODE

To: Rolls-Royce Corporation

I hereby assign to that Local Union of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), designated by the International Union to the Company in writing, as having jurisdiction over the unit where I am employed, from any wages earned or to be earned by me as your employee, or from any Regular Benefits to be paid to me under the Supplemental Unemployment Benefit Plan (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union 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 as union dues in accordance with the Constitution of the International Union, UAW. I authorize and direct you or the Trustee of any Rolls Royce Corporation/UAW Supplemental Unemployment Benefit Plan fund, as the case may be, to deduct such amounts from my pay or from any Regular Benefits 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 authorization is made pursuant to the provisions of Section 302 (c) of the Labor Management Relations Act of 1947 and otherwise.

Applicant's Signature _____

Date _____

Witness _____

(4h) During the life of this Agreement, the Corporation agrees to deduct from the pay of each employee, or notify the Trustee of the Rolls-Royce Corporation/UAW Supplemental Unemployment Benefit Plan Fund to deduct from each such employee's Regular Benefits, Union membership dues levied by the International Union or Local Union in accordance with the Constitution and By-Laws of the Union, provided that each such employee executes or has executed the following "Authorization for Check-Off of Dues" form; provided further however, that the Company will continue to deduct monthly membership dues from the pay of each employee for whom it has on File an unrevoked "Authorization for Check-Off of Dues form."

(4i) "Deductions shall be made only in accordance with the provisions of said "Authorization for Check-Off of Dues," together with the provisions of this Section of the Agreement.

(4i1) Once each month, the designated financial officer may submit to local management a list showing the name and social security number for each employee who is certified as owing an initiation fee and/or monthly dues, specifying the amount of the liability and the period to which any such monthly dues liability applies.

- (a)** This list shall be dated and shall be submitted on or before the first Tuesday following the third pay day in the month.
- (b)** Such amounts will be deducted from the first pay received following the first payroll period ending in the next following calendar month provided the employee has sufficient net earnings to cover the liability.

(4j) A properly executed copy of such "Authorization for Check-Off of Dues" form for each employee for whom Union membership dues are to be deducted hereunder, shall be completed by the employee and submitted to the Local Management before any dues deductions are made, except as to employees whose authorizations have heretofore been delivered to Local Management. Deductions shall be made thereafter, only under the applicable "Authorization for Check-Off of Dues" forms which have been properly executed and are in effect. Local Management shall deliver to the Local Union an "Application for Membership" form for each employee for whom Union membership dues are to be deducted under the provisions of the Check-Off except as to employees whose authorizations have heretofore been delivered.

(4k) Check-Off deductions under all properly executed “Authorizations for Check-Off of Dues” forms which have been delivered to Management on or before the effective date of this Agreement shall begin with the month of March, 2008.

(4l) The initial monthly dues deduction from the pay of an employee who completes an “Authorization for Check-Off of Dues” form shall be made from the second pay received by the employee following the date on which the authorization was executed. It shall be presumed that employees owe initiation fees, unless they had previously executed an “Authorization for Check- Off of Dues” form at that plant, and such initiation fees will be deducted simultaneously with the initial deduction as specified in this paragraph. Thereafter, the Union membership dues for each succeeding calendar month shall be deducted as follows:

- (a)** The deduction for monthly dues will be made from the first pay received following the first payroll period ending in the calendar month. All payroll periods ending in a calendar month will constitute, in the aggregate, the dues deduction month. Regular monthly dues and past dues or initiation fees, if any, will be deducted provided the employee has sufficient net earnings to cover the deductions. In the event there are insufficient net earnings, the deductions will be made from the subsequent pay or Regular Benefit received by the employee that is sufficient to cover the deductions. Any liability will be carried forward until the employee has sufficient net earnings to cover the deduction or breaks seniority, whichever occurs first. However, deductions will only be made from Regular Benefits provided the employee has an applicable “Authorization for Check-Off of Dues” form in effect as of the date the deduction is made. In the event an employee has a past dues or initiation fee liability and receives a payment for the unused portion of Vacation Entitlement, such liability may be deducted from such payments.
- (b)** The dues deducted from an employee’s earnings will be a sum equivalent to two (2) hours straight time pay and will be based upon the employee’s hourly wage rate including cost of living allowance but excluding all other premiums for the job classification of record held by the employee during the pay period to which the deduction applies.

- (c) In the event of a retroactive change in an employee's job classification of record for the pay period in which dues have been deducted, there will be no retroactive adjustment in the check-off of Union membership dues.
- (d) The amount deducted from an employee's pay pursuant to these provisions shall be in addition to an amount which may be authorized by a Local Union pursuant to the Constitution and By-Laws of the Union and of which the Local Union has given notice to Local Management.
- (e) In the event an employee does not receive a paycheck for a payroll period ending in a dues deduction month prior to the receipt of a Regular Benefit applicable to any such period, union dues in the amount of five dollars (\$5.00) or such other amount as may be established as dues shall be deducted from the Regular Benefit, provided the employee has the applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event such an employee subsequently receives a paycheck for a payroll period ending in the same dues deduction month, the difference between the amount of union dues paid and the amount then owing will be deducted from such pay check.

(4m) In cases 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.

(4n) 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 Union Constitution and By-Laws, refunds to the employer will be made by the Local Union.

(4o) Dues deductions shall be remitted to the designated financial officer of the Local Union once each month as soon as available but no later than 10 days after the regular deduction date. Any deductions made from subsequent payrolls or from Regular Benefits paid during payroll Periods that end in the calendar month shall be included with the remittance for the following month. Local Management shall furnish the designated financial officer of the Local Union, monthly, with the names, social security numbers, department numbers and clock numbers of those for whom

deductions have been made, the amounts of the deductions and the amounts deducted, by employee and in total, respectively, for initiation fees, regular monthly dues, and S.U.B. dues. Regular monthly dues and S.U.B. dues shall be identified as to the period to which such deductions apply. This information should be furnished along with the dues remittance. The designated financial officer will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible. The foregoing notwithstanding, deductions made on a declining balance basis, deductions of a past dues or initiation fee liability from a Regular Benefit and deductions from pay for a liability incurred more than six (6) months prior to the actual deduction date will not be identified to a specific deduction month.

(4p) 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.

(4q) Neither the Company nor the Trustee of the Rolls-Royce Corporation/UAW Supplemental Unemployment Benefit Plan Fund shall be liable to the International Union or its locals by reason of the requirements of this Section for the remittance or payment of any sum other than that constituting actual deductions made from employee wages earned or from Regular Benefits received.

(4r) In the event net earnings are sufficient to cover union membership dues for only one dues deduction month and an employee has a dues liability for more than one (1) month, the deduction will be for the current dues deduction month. In such situations member dues for the past dues liability will be deducted from the next earnings received in that month or in a succeeding month in which the employee has sufficient net earnings to cover such union membership dues.

(4s) In the event an employee receives a back pay settlement or award for any calendar month for which no dues deduction has been made, a deduction for each such month shall be made from such settlement or award.

Administration of the Agreement

(5) The purpose of this Agreement is to provide orderly collective bargaining relations between the Company and the Union, to secure a prompt and fair disposition of grievances, to eliminate interruptions of work and interference with the efficient operation of the Company's business. If either party believes that the provisions of this Agreement are being administered in a manner inconsistent with the orderly collective bargaining relations, the circumstances will be a manner inconsistent with the orderly collective bargaining relations, the circumstances will be discussed between the designated representative of local Management and the Chairperson of the Shop Committee, in an effort to resolve the problem. If the problem is not resolved locally, the Vice President of Human Resources for the Company or the Director of the servicing International Union department may request, in writing, a meeting of their designated representative to discuss the problem and take appropriate action.

Discrimination

(6) The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union. Further, the Company and the Union shall apply all provisions of this Agreement to all employees covered without discrimination based on race, color, religion, age, sex, national origin, or individuals with handicaps, or disabilities as required by appropriate state and federal law.

(6a) Any claims of violation of this policy, claims of sexual harassment or of any laws regarding discrimination or harassment on account of disability may be taken up in accordance with Paragraph (30) of this Agreement. When a complaint containing a claim of violation of this paragraph is appealed to the Shop Committee the Chairperson of the Shop Committee may refer the claim to a designated member of the Civil Rights Committee of the local Union for a factual investigation and report. Any such investigation will be conducted in accordance with the provisions of Paragraph (34). Neither the Chairperson of the Civil Rights Committee, nor the member of the committee that the Chairperson may designate to investigate such a claim in the Chairperson's place, shall receive pay from the Company based solely upon any activity arising pursuant to this para-

graph. The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

(7) The Union agrees that neither the Union nor its members will intimidate or coerce employees in respect to their right to work or in respect to Union activity or membership, and further that there shall be no solicitation of employees for Union membership or dues during working time. The Union further agrees that the Company shall take disciplinary action for any violations of this provision.

Rights of the Company

(8) The right to hire; promote; discharge or discipline for cause; and to maintain discipline and efficiency of employees, is the sole responsibility of the Company except that Union members shall not be discriminated against as such. In addition, the products to be manufactured, the location of the plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility of the Company.

REPRESENTATION

(9) The Union shall be represented in the bargaining unit as follows:

In a ratio of not to exceed one district committeeperson for each two hundred and fifty employees covered by this Agreement. Any deviation from these rules to cover special conditions or any remote plant location will be negotiated between Labor Relations and the Shop Committee. If the issue cannot be resolved in this manner it may be taken up by representatives of the International Union with the Company.

District Committeepersons

(10) Each bargaining unit will be districted by agreement between the Management and the Shop Committee so that insofar as practicable each district on each shift shall contain approximately two hundred and fifty employees. Each committeeperson shall have a definitely defined district. The members of the Union in each such district shall select a committeeperson who is working in that district to represent the employees in that district. An alternate district committeeperson in each district, whose duties

shall be the same as those of the regular district committeeperson for that district while the regular committeeperson is absent from the plant, may be selected by the members of the Union. The total number of employees receiving a regular payroll check for work performed (plus employees who did not receive a regular payroll check who are on an approved vacation or leave of absence pursuant to Paragraphs 103 and 109 - short term) during a week representative of normal operations, mutually selected by the Management and Shop Committee, will be the number used for redistricting. Plants shall be redistricted not more frequently than at six-month intervals, upon request of either the Management or Shop Committee, when there is a change in the number of employees equal to two hundred and fifty or five percent, whichever is greater. Thereafter, redistricting shall be accomplished within twenty working days of such request.

Shop Committees

(11) The Shop Committees in the plants covered hereby shall be as follows, except in plants up to 5000 employees the Union has the option of selecting plan A or plan B where applicable:

Shop Committee Consists of:

Employment In Plant		Number Districts	District Committeepersons At Large	Zone Committeepersons	Total Shop Committeeperson
Up to 51		2	2	0	2
51 to 500	Plan A	3	3	0	3
	Plan B	2	2	1	3
500 to 1000	Plan A	5	5	0	5
	Plan B	4	4	1	5
1000 to 1500	Plan A	7	4	1	5
	Plan B	6	5	2	7
1500 to 2500	Plan A	6 to 10	0	5	5
	Plan B	6 to 10	3	4	7
2500 to 3500	Plan A	10 to 14	0	5	5
	Plan B	10 to 14	3	4	7
3500 to 5000	Plan A	14-20	0	5	5
	Plan B	14-20	3	4	7

(12) In plants in which one or more members of the Shop Committee is elected at large, one of such members shall be the Chairperson of the Shop Committee.

(13) Each member of the Shop Committee elected at large shall have a definitely defined zone as may be agreed upon between the Shop Committee and the Plant Management. Where the Chairperson of the Shop Committee is elected at large, the entire plant shall constitute the Chairperson's zone. In the event a committeeperson is requested in a district at a time when both the district committeeperson and the alternate are absent from the plant, the zone committeeperson for the zone in which such district is located will be called to handle the complaint. In the event the zone committeeperson is also absent from the plant, the Chairperson of the Shop Committee will be called.

Meetings of Shop Committees

(14) A regularly scheduled meeting between members of the Labor Relations Staff and the Shop Committee will be conducted weekly, unless otherwise agreed between the parties to extend the time between meetings, at a time to be mutual agreement. Regularly scheduled meetings should not be canceled or rescheduled except where necessary.

(15) Management shall prepare minutes of the weekly meetings and have them available for review and approval at the next scheduled meeting. The Shop Chairperson shall furnish Labor Relations with an agenda of the matters, including a listing of grievances the Union desires to discuss at the meeting. The agenda should be submitted at least one day prior to the scheduled meeting; however, lack of an agenda will not preclude the discussion of other pertinent subjects.

(15a) The minutes shall include: date of the meeting; names of those present; subcommittee minutes; statements on grievances discussed; and points of discussion as agreed to by the Company and Union.

(15b) Subcommittees shall meet as required under the Grievance Procedure provisions. Minutes of these meetings will be maintained by the Labor Relations Representative and be included in the Shop Committee Minutes.

Employment and Job Status of Committeepersons (District, Zone, and Chairpersons of Shop Committees)

(16) Committeepersons will be employed as full-time Union representatives during their scheduled working hours. They will function for the pur-

pose of adjusting grievances in accordance with the Grievance Procedure and for other legitimate representation functions. Committeepersons will carry out their duties and functions as Union representatives in accordance with the chart set out below:

Purpose	District Committee Persons	Members of Shop Committee		
		Who are also District Committee Persons	Who are not District Committee Persons	Chairpersons Of Shop Committees
Handle Grievances as provided in Par. (30) of Grievance Procedure	In their respective districts	In their respective districts	None	None
Handle Appealed Grievances with higher supervision as provided in Par. (31) of Grievance Procedure	According to agreed local practice			
Investigate Grievances Appealed to Shop Committee as provided in Par. (34) of Grievance Procedure	None	In any district	In any district (1)	In any district
Meetings with Managemen	None	On Meeting Days (4)		
Handle other legitimate representation functions. (2)	In their respective districts	In their respective districts	In their respective zones (3)	In any district or zone

- (1) As a general rule, such committeepersons will not be assigned to investigate appealed grievances in zones other than their own.
- (2) Other legitimate representation functions are defined as normal in-plant activities pertaining to the administration of the National Agreement and written local agreements including, but not limited to, participation in joint programs such as health and safety

programs, product quality initiatives, skill development activities, etc.; and, provided such activities do not interfere with the work of other employees, supervision or the efficiency of operations.

- (3) Or in another zone when designated by the Chairperson if the regular Zone Committeeperson for that Zone is absent from the plant.
- (4) Shop Committeepersons attending Management-Shop Committee meetings on shifts other than their regular shift will be paid for time spent in such meetings, with the understanding that their total hours paid for the day in question will not exceed their regularly scheduled shift hours for that day and such changes in shift hours for this purpose will not result in the payment of overtime premium [pursuant to Paragraph (85)(a)]. It is further understood that the above will not result in any increase in representation being furnished as a result of the Zone Committeepersons not working a full shift on their regular shift.

(17) Individuals shall not be eligible to serve as Committeepersons unless they are employees and until their names have been placed on the seniority list and have at least one year of seniority.

(18) It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and Management.

(19) The prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party to protect and preserve the grievance procedure as an orderly means of resolving legitimate grievances.

Committeepersons acting properly in their official capacity should be free from orders by supervision which, if carried out, would impair the orderly investigation and presentation of grievances. Actions which tend to impair or weaken the grievance procedure, whenever they occur or in whatever manner or form, are improper.

Committeepersons have a responsibility to the Union and the employees they represent to conduct themselves in a businesslike manner and shall conform to the shop rules. The normal standard of conduct applicable to all employees shall be applied to committeepersons.

(20) Upon entering a department in the fulfillment of their duties, Committeepersons shall notify the Supervisor of that department of their presence and purpose.

(21) For the purposes of representation in handling grievances and performing other legitimate representation functions as provided herein, committeepersons will be scheduled to report to the plant, as follows:

(1) All regular hours up to eight that their district or zone is scheduled to operate, on their respective shifts.

(2) Other than regular hours, (including overtime, part time or temporary layoffs, shutdown for inventory or plant rearrangement) when ten (10) or more of the people they normally represent are working in their district or zone on their respective shift. Employees on continuous seven-day operations or operations manned by rotating or alternating shifts will not be considered in applying this provision. Employees represented by District Committeepersons who are members of the Shop Committee will also not be considered when determining whether a particular Zone Committeeperson shall be entitled to work overtime in accordance with this provision.

When district committeepersons who would be scheduled to report during overtime hours, as provided herein, advise Management in advance that they will be absent during such hours, Management will schedule the alternate committeepersons for those districts to report. If committeepersons have been scheduled to report and fail to inform Management that they will not be at work, Management will not be responsible for calling the alternate committeeperson.

(21a) The shift starting and ending time for Committeepersons will be the starting and ending time of the majority of the employees they represent. The provisions of this Representation Section do not require that Committeepersons be called earlier than their regular starting times because some employees in their districts start work earlier than their starting times or be given overtime when some employees in their districts start and quit later than their regular shift hours.

(21b) In the event of a reduction in force Committeepersons (including the Chairperson of the Shop Committee, Zone and District Committeepersons)

shall be retained regardless of seniority as long as any employees whom they represent are retained at work in their district or zone.

Alternate committeepersons shall, at the point they would be subject to being removed from their respective district, be retained on a job they can do that is operating in their district. If after complying with all of the terms of this Agreement, alternate committeepersons are laid off, they will be the first to be recalled in their regular groups when work starts in those groups on their own jobs or on other jobs in their districts that they can do.

(22) Committeepersons shall enter and remain in the plant only on their respective shifts unless otherwise agreed to by Management. They shall be paid at their regular rate for the time spent in the plant on their respective shifts as provided in this Representation Section.

(22a) Committeepersons shall establish a regular rate equal to their regular straight time hourly rate, as of the time they assumed their duties as Committeepersons.

(22b) This rate shall be adjusted in accordance with any adjustments made in the rate for the classification the Committeeperson holds.

(22c) When provisions of the Local Seniority Agreement entitle committeepersons to return to their former groups on higher rated jobs, their rates will be adjusted in accordance with such provisions.

(22d) All Committeepersons shall ring in and out or otherwise account for their time in the manner required by local management. If the issue cannot be resolved locally it may be taken up by representatives of the International Union and the Company for resolution.

Job Status – Local Union Officials

(23) The President, one Vice-President, the Local Union Benefit Representative(s), the two union Local Apprentice Committee members and the Local Joint Programs Representatives provided for in Document 46 shall, at the point where they would be subject to layoff from the plant in a reduction in force, be retained at work in the plant regardless of their seniority, provided they can do a job that is operating. This will not apply in cases of temporary layoffs for inventory, material shortages, machine breakdowns, etc.

(23a) While on leave of absence, no employee shall serve as a Committeeperson.

(24) Committeepersons shall be governed by the plant rules regarding employees entering and leaving the plant. However, members of the Shop Committee and local Union Presidents may leave the plant on Union business when arrangements are made as far in advance as possible with Management by the President of the Local Union, Chairperson of the Shop Committee or International Representative.

(24a) Chairpersons of Shop Committees in plants employing 500 or more employees will be permitted to leave the plant in accordance with Paragraph (24) and will be paid their regular rates for up to six (6) hours per day Monday through Friday while they are out of the plant in the performance of legitimate representation functions during straight time hours when they would otherwise be entitled to be in the plant for representation purposes. They shall notify the designated Management representative, if available, when leaving and returning to the plant during working hours. Chairpersons of Shop Committees in plants employing less than 500 employees will be permitted to leave the plant in accordance with the above and will be paid their regular rate for up to twelve (12) hours per week, which will be a reservoir available at the start of the week, to be drawn upon during the week Monday through Friday.

(25) The names of the Committeepersons and Alternate Committeepersons in each district and zone, as well as the name of the Shop Chairperson and the names of the Committeepersons constituting the Shop Committee shall be given in writing to the Company. No Committeepersons shall function as such until the Company has been advised of their selection, in writing, by the officers of the Local Union, Chairperson of the Shop Committee, or an International Officer. Any changes in Committeepersons shall be reported to the Company in writing as far in advance as possible.

(26) International Executive Officers of the Union, or their representatives, duly authorized to represent the International Union at Shop Committee meetings, or the President of the Local Union, will be permitted to attend meetings between the Shop Committee and Management. The senior operations Manager, or designated representative, shall not be requested to meet with more than two such representatives, whose names must have been submitted previously to the Company and who must be

prepared to show proper credentials. Written requests will be given to Labor Relations at least twenty-four (24) hours before each meeting in all cases covered by this paragraph. It is understood that the President shall not be paid by the Company while attending such meetings unless the President is also a member of this bargaining unit.

(27) Committeepersons having individual grievances in connection with their own work may ask for a member of the Shop Committee to assist them in adjusting the grievance with their respective supervisors.

GRIEVANCE PROCEDURE

(28) The parties agree that the early and expeditious resolution of grievances is in the mutual best interest of the employees, the Union and the Company. The parties pledge themselves, therefore, to resolving all grievances at the earliest possible stage of the Grievance Procedure, preferably prior to the grievance being filed in written form. Failing that, the following guidelines have been developed to promote the orderly resolution of employee concerns.

Step One: Presentation of Grievance to Supervisor

(29) Any employee having a grievance, or one designated member of a group having a grievance, should first take the grievance up with the supervisor who will attempt to adjust it.

(30) Any employee may request the supervisor to call the committeeperson for that district to handle a specified grievance with the supervisor. The supervisor will send for the committeeperson without undue delay and without further discussion of the grievance.

(31) If the grievance is not adjusted by the supervisor, it shall be reduced to writing on forms provided by the Company and signed by the employee involved. One copy of the grievance shall be given to the supervisor. If the grievance is not adjusted at this step, the committeeperson, with or without the involvement of the zone committeeperson, shall then take the grievance up with higher supervision. (Step 1B)

Step 1B: Higher Supervision & District Committeeperson and/or Zone Committeeperson

(32) If the grievance is not adjusted at the 1B step, it may be referred to the appropriate Shop Subcommittee. (Step 2A)

Step 2A: Shop Subcommittee

(33) Grievances not adjusted at Step 2A Shop Subcommittee shall be appealed to the Shop Committee as a whole to be taken up with the Labor Relations Staff. (Step 2B)

Step 2B: Appeal to the Shop Committee

(34) After a written grievance, signed by the employee making the complaint, has been appealed to the Shop Committee by a committeeperson, the Chairperson of the Shop Committee may designate one of its members to make a further investigation of the grievance in order to discuss the grievance properly when it is taken up by the Shop Committee with the Labor Relations Staff. After a grievance has been discussed at the Shop Committee Meeting and before the submission of Notice of Unadjusted Grievance, the designated Shop Committeeperson may reinvestigate the grievance in the light of any new facts disclosed in the Shop Committee Meeting or appearing in the Shop Committee Minutes.

(35) A final decision on grievances appealed to the shop committee will be given by the Labor Relations Staff in writing within a maximum of fifteen (15) working days from the date the grievance was first presented to Labor Relations, unless a different time limit is established by mutual agreement between Labor Relations and the Shop Committee in writing. Any grievance not appealed from a decision at one step of this procedure to the next within five (5) working days of such decision shall be considered settled on the basis of the last decision and not subject to further appeal. However, in an effort to expedite the proper functioning of the Grievance Procedure either party may, upon written notice to their respective counterparts, substitute a ten (10) day period for the fifteen (15) day period and a three (3) day period for the five (5) day period. A grievance may be withdrawn by mutual agreement without prejudice to either party at any step of the Grievance Procedure.

(36) Minutes of the Shop Committee Meetings shall be supplied in accordance with the procedure outlined in Paragraphs (15) and (15a) of this Agreement.

(37) If the grievance is not adjusted at this step and the Shop Committee believes it has grounds for appeal from the answer given by the Labor Relations Staff, the Chairperson of the Shop Committee will give Labor

Relations a written “Notice of Unadjusted Grievance,” on forms supplied by the Company, and the Chairperson or designated member of the Shop Committee will then prepare a complete “Statement of Unadjusted Grievance,” signed by the Chairperson of the Shop Committee, setting forth all facts and circumstances surrounding the grievance, and where an alleged violation of Paragraph (6) is included in the grievance, a statement of the facts and circumstances supporting such a claim. The Labor Relations Staff will also prepare a complete “Statement of Unadjusted Grievance: and the Management’s reason in support of the position taken, signed by the Manager of Labor Relations. Three copies of the Union’s statement will be exchanged with the Management for three copies of the Management’s statement as soon as possible and in any event within five (5) working days of the date of filing the Notice of Unadjusted Grievance. The exchange of statements shall take place fifteen (15) working days after receipt of the Labor Relations Staff answer of the grievance in the Shop Committee Meeting Minutes, unless this time is extended by mutual agreement in writing, in which event the thirty (30) days for appeal by the Regional Director as provided for in Paragraph (38) shall be automatically extended by the same number of days as the amount of extended time for exchanging “Statements of Unadjusted Grievance.” The “Statement of Unadjusted Grievance” shall be consecutively numbered from one upward for identification purposes.

(38) The Chairperson of the Shop Committee shall then forward copies of the “Statements of Unadjusted Grievance,” to the Regional Director of the International Union. The Regional Director will review the case and determine if an appeal shall be made. The Regional Director or a specified representative and the Director of the International Union or a specified member of the Director’s staff will be granted permission to visit the plant for the purpose of investigating the specific grievance involved in “Statements of Unadjusted Grievance,” providing such a grievance is of the nature that observation or investigation will aid in:

- (1) Arriving at a decision as to whether or not a grievance exists;
- (2) Arriving at a decision as to whether or not such grievance shall be appealed;
- (3) The purpose of its proper presentation in the event of appeal.

- (4) Such visits will occur only after the following procedure has been complied with:
- (a) The names of the individuals who will be permitted to enter the plant must be submitted to the Company by the International Union previous to the date such entry is requested.
 - (b) The Regional Director shall give notice in writing to the Company of the request for entry and will identify the representative designated to make the visit and specific grievance to be investigated. In the case of the Director of the International Union or a specified member of the Director's staff, notice may be given either verbally or in writing.
 - (c) The Company will acknowledge receipt of the request and set a time during regular working hours which is mutually agreeable for such visit.
 - (d) A member of the Shop Committee or a district committee person may accompany the Union representative during such visit if their presence is requested. Management representatives may accompany the Union representatives during such visit.
 - (e) Only one such visit on a specified grievance shall be made by the Regional Director, or specified representative, unless otherwise mutually agreed to.
 - (f) Such visits shall be restricted to the time mutually agreed upon in point (c) above and shall be of reasonable duration and shall be subject to all plant rules and regulations which apply to employees and all regulations made by the United States Army, Navy and Federal Bureau of Investigation.

It is mutually agreed that the purpose of this provision is solely to facilitate the operation of the grievance procedure, and that the Union representative shall confine such a visit to its stated purpose. If it is necessary, the Union representative may interview the employee or employees signing the grievance and employees in the bargaining unit who have information relevant to the case. Such interview shall be a private interview when requested by a Union representative and a suitable place will be provided.

Any dispute developing out of the application of these provisions may be finally determined by the Umpire.

If the Regional Director shall decide to appeal the case, notice shall be given on the form "Notice of Appeal" supplied by the Company, sending one copy each to the Company and the Chairperson of the Shop Committee. Such "Notice of Appeal" will carry the same case number as the "Statement of Unadjusted Grievance." Except as provided in Paragraph (79e), any case not appealed within thirty days, or within thirty days plus any agreed upon extension of time for exchanging Statements of Unadjusted Grievance as provided in Paragraph (37), after the date the written Statements of Unadjusted Grievance are exchanged, or, in any event, within forty-five (45) days of the date of the written decision of the Labor Relations Staff to the Shop Committee, shall be finally and automatically closed on the basis of the written decision of the Labor Relations Staff to the Shop Committee and shall not be subject to further appeal. The forty-five (45) day time limit for appeal shall be extended by the same number of days the local parties agree to extend the time limit for the exchange of Statements of Unadjusted Grievances. No case shall be reopened unless the Regional Director shall submit new evidence to the Company and it is mutually agreed by them that such case should be reopened. The case shall then be dated from the date it is reopened.

Step 3: Appeal Step with International Union

(39) The case will then be considered by an Appeal Committee consisting of four members as follows: For the Union, the Regional Director or one specified representative of the Regional Director who is permanently assigned to handle all cases arising under this Agreement, in all plants in that region, and the Chairperson or another designated member of the Shop Committee of the plant involved; and two representatives of Management, one of whom has not previously rendered a decision in the case. No person shall act as a representative of a Regional Director in meetings of the Appeal Committee unless the designated person's name has been given to the Company in writing by the International Union. A representative of the International Office of the union and another representative of the Company may also attend such meetings at any time. Upon the written request of the Chairperson of the Shop Committee and the Regional Director, or specified representative, to the Company, twenty-four (24) hours in advance of the meeting, a member of the Shop Committee (or the district committeeperson, in lieu of such Shop Committeeperson, who has previously handled such case) will be permitted to participate in the appeal meeting on such case. Whenever the Union requests the presence of a third representative at the appeal hearing,

Management may also select a third representative who has previously handled the case, to participate in the appeal meeting on such case.

(40) Attendance of district committeeperson at Appeal Committee meetings shall be considered as absence from the Plant. Such committeepersons will be paid their regular rate of pay for time spent in such meetings of the Appeal Committee for the hours that they would otherwise have worked in the plant.

(41) Meetings of the Appeal Committee shall be held not more frequently than once each two weeks, unless mutually agreed otherwise. In the event no meetings of the Appeal Committee have been held for more than two weeks, meetings will be arranged within seven days after Notice of Appeal: has been received.

(42) If an adjustment of the case is not reached at this meeting, Management will furnish a copy of its decision in writing and a copy of the minutes of the meeting to the Chairperson of the Shop Committee and the Regional Director within five (5) working days after the meeting, unless this period is extended by mutual agreement in writing.

(42a) Special Procedure – Contracting of Work

Grievances charging a violation of the Company's express commitments set forth in Document 9 (Subcontracting of Skilled Trades Work) shall be handled in the following manner:

(1) When a grievance arises involving the above, it shall be reduced to writing on forms provided by the Company, signed by the Chairperson of the Shop Committee or the Shop Committeeperson involved, and referred to the Shop Committee at Step Two of the grievance procedure. The grievance may then be processed in the grievance procedure though Step Four under the terms of the National Agreement, unless the Director of the servicing department of the International Union elects otherwise as provided in Paragraph (42a) (2) below.

(2) Within thirty (30) days of the date of Notice of Appeal to the Umpire, written notice will be given to advise the Director of Labor Relations of the Company of any case which the Director of the servicing department of the International Union has elected to refer back to the Appeal Committee. Thereafter, the bargaining procedure provided in Paragraph (117) may then be applicable.

Step 4: Appeal to Impartial Umpire

(43) In the event of failure to adjust the case at this point, it may be appealed to the impartial Umpire, providing it is the type of case on which the Umpire is authorized to rule. Notice of appeal of such cases to the Umpire by the Union shall be given by the Regional Director to Management and to the International Union offices in Detroit. In cases appealed to the Umpire by the Company, notice of such appeal will be given by the company to the Regional Director's Office. Cases not appealed to the Umpire within twenty-one (21) days from the date of a final decision given after review in an Appeal Committee meeting shall be considered settled on the basis of the decisions so given; provided, however, that within the twenty-one (21) day time limit of this paragraph a case may be withdrawn by mutual agreement without prejudice to either party.

(43a) After a case has been appealed to the Umpire but prior to the Umpire hearing of the case, the Director of the International Union or a specified member of the Director's staff will be granted permission to visit the plant for the purpose of investigating the specific grievance in accordance with all of the provisions of Paragraph (38) regarding plant visits.

(43b)(1) Any grievance involving a dispute regarding an employee's job assignment which has resulted in a loss of work (except as provided in {a} below), or a refusal of Management to return an employee to work from sick leave of absence by reason of the medical findings of a physician or physicians acting for the Company, will be initiated at the Second Step, if such findings are in conflict with the findings of the employee's personal physician with respect to whether the employee is able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. Failing to resolve the question, the parties may refer the employee to a local clinic or physician mutually agreed upon for an impartial medical opinion as to whether the employee is or is not able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. If Management and the Union are unable to agree on any aspect of the referral to a clinic or physician, the case may be appealed as provided in the grievance procedure. Without adding to or modifying any other provisions of this Agreement or any of its Supplements, where an Impartial Medical Opinion (IMO) Program is in effect in a plant the medical authority(s) approved for such program may be the "local clinic or independent physician" provided for above. The expense of any mutually

agreed to physical examination(s) in accordance with the above provisions of this Paragraph (43b) shall be paid one half by the Company and one half by the Local Union.

(a) This procedure will also be applicable to a situation where an employee is prevented from being transferred to a job classification because of a medical finding by a physician acting for the Company, which medical finding the employee's personal physician does not thereafter detect.

(43b)(2) In the event the Company and the International Union are unable to mutually agree at the Third Step, on the referral to a clinic or physician, the case shall be considered as automatically appealed to the Umpire and shall be scheduled for Umpire Hearing as expeditiously as practicable. The case will then be handled in accordance with Paragraph (45). Information furnished to the Umpire shall include all relevant and material medical information that the parties themselves have jointly considered. When deciding medical questions, the Umpire shall seek such competent medical advice, including specialists, as the Umpire may deem appropriate. Any examination of the employee by the medical personnel selected by the Umpire shall be conducted as close as feasible to the city in which the plant where the grievance arose is located.

(43b)(3) Any decision by a mutually agreed to medical authority at any step of this Paragraph (43b) procedure, or by the Umpire, shall be final and binding on the Union, the employee involved and the Company. Any retroactive pay due to an employee shall be limited to a period commencing with the date of filing of the grievance, or the date the employee became able to do a job to which the employee is entitled, in line with the employee's seniority, whichever is the later. The Umpire shall have full discretion to set the amount of back pay, if any, when a dispute exists as to the back pay to which an employee may be entitled for any period during the processing of the grievance when the employee refuses to cooperate with diagnostic medical procedures at other than the employee's own expense.

(44) The impartial Umpire shall have only the functions set forth herein and shall serve during the term established by contract for as long as the Umpire continues to be acceptable to both parties. The fees and expenses of the Umpire will be paid one-half by the Company and one-half by the Union and all other expenses shall be borne by the party incurring them.

(45) All cases shall be presented to the Umpire in the form of a written brief prepared by each party, setting forth the facts and its position and the arguments in support thereof. The Umpire has discretion to conduct appropriate investigation and may opt to hold a hearing open to the parties and examine the witnesses of each party and each party shall have the right to cross-examine all such witnesses and to make a record of all such proceedings.

Powers of the Umpire

(46) It shall be the function of the Umpire, after due investigation and within a reasonable period of time after submission of the case, to make a decision in all claims of discrimination for Union activity or membership and in all cases of alleged violation of the terms of this Agreement, except as follows: 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; nor to establish or change any wage; nor to rule on any dispute arising from Production Standards. The Umpire shall have no power to rule on any issue or dispute arising under The Waiver Section, Paragraphs (226), (227) or the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section, except with respect only to the question of whether a discharged employee should receive a supplemental allowance pursuant to the Pension Plan. Any case appealed to the Umpire on which the Umpire has no power to rule shall be referred back to the parties without decision.

(46)(1) In making a decision on a case alleging a violation of Management's commitments in Paragraphs (183a), (183b), (183c), (183e) and Document 9 (Subcontracting) as well as Document 2 (Sourcing) the Umpire can only provide a remedy where the Umpire finds that (1) a violation of the express commitments set forth in the above documents has been established, (2) the established violation resulted from the exercise of improper judgment by Management, (3) an E.I.T.S. or Journeyman/woman employee, who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a direct and immediate result of work being subcontracted, or (4) in the case of sourcing, and employee has been laid off or was allowed to remain on lay-off as a result of work being outsourced, or not being brought in-house. The Umpire's remedy shall be limited to back wages for the affected employees as defined in (3) and (4) of this paragraph, and in the case of Document 2

(Sourcing), the Umpire may rule that the affected employees will be recalled and/or placed on regular productive work.

(46a) The Umpire may, pursuant to written agreement between the parties executed prior to the hearing, be directed to issue a Memorandum Decision in any case that may be presented to the Umpire, which Memorandum Decision shall be without precedent value and be limited to the Umpire's decision and the remedy, if any, in that specific case.

(47) The Company delegates to the Umpire full discretion in cases of discipline for violation of shop rules, company policies or discipline for violation of the Strikes, Stoppages and Lock-outs Section of the Agreement.

(48) Any claims including claims for back wages by an employee covered by this Agreement, or by the Union, against the Company shall not be valid for a period prior to the date the grievance was first filed in writing, except that:

(1) in cases based on a violation which is non continuing, such claims shall be valid for a period of not more than seven days prior to the date the grievance was first filed in writing unless the circumstances of the case made it impossible for the employee, or for the Union, as the case may be, to know that the employee, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty days prior to the date the claim was first filed in writing;

(2) in cases based on a violation which is continuing, if the circumstances of the case made it impossible for the employee, or for the Union, as the case may be, to know that the employee, or the Union, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of thirty days prior to the date the claim was first filed in writing;

(49) Deductions from an employee's wages to recover overpayment made in error will not be made until employee has been notified. The deductions will occur no sooner than fourteen (14) days after notification.

(50) All claims for back wages shall be limited to the amount of wages the employee would otherwise have earned from employment with the Company during the periods as defined above in Paragraph (48) and, in

the case of protested discipline or loss of seniority, the amount of Supplemental Unemployment Benefits and Unemployment Compensation (provided the denial of this benefit is final) the employee applied for in a timely manner, was otherwise entitled to, but did not receive because of such discipline or loss of seniority, less the following:

(a) Any Unemployment Compensation received for a week which corresponds to a week the employee would have worked for the Company which the employee is not obligated to repay or which the employee is obligated to repay but has not repaid nor authorized the Company to repay on the employee's behalf.

(b) Compensation for personal services other than the amount of compensation received from any other employment which the employee had when last working for the Company and which would have continued had the employee continued to work for the Company during the period covered by the claim. Wages for total hours worked each week in other employment in excess of the total Number of hours the employee would have worked for the Company during each corresponding week of the period covered by the claim, shall not be deducted.

The calculation of a back pay award made pursuant to this section will be provided to the employee involved upon request.

(51) No decision of the Umpire or of the Management in one case shall create a basis for a retroactive adjustment in any other case prior to the date of the written filing of each such specific claim.

(52) After a case on which the Umpire is empowered to rule hereunder has been referred to the Umpire, it may not be withdrawn by either party except by mutual consent.

(53) 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 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.

With respect to the processing, disposition and/or settlement of any grievance initiated under the Grievance Procedure Section of this Agreement, and with respect to any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or

supplemental hereto, the Union shall be the sole and exclusive representative of the employee or employees covered by this agreement. The disposition or settlement, by and between the Company and the Union, of any grievance or other matter, shall constitute a full and complete settlement thereof and shall be final and binding upon the Union and its members, the employee or employees involved and the Company.

Neither the Company, nor the Union, nor any employee or group of employees, may initiate or cause to be initiated or press any court action claiming or alleging a violation of this Agreement or any local or other agreement amendatory or supplemental hereto, where such claim is also the subject matter of a grievance which is then open at any step of this grievance procedure.

No employee or former employee shall have any right under the Agreement in any claim, proceeding, action or otherwise on the basis, or by reason, of any claim that the Union or any Union officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the union or any union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

(54) Any grievances which the Company may have against the Union shall be presented by Labor Relations to the Shop Committee. In the event that the matter is not satisfactorily adjusted within two weeks after such presentation, it may be appealed to the Third Step of the Grievance Procedure upon written notice to the Union and the Regional Director of the Union. Thereafter the matter will be considered at the Third Step of the Grievance Procedure as provided in Paragraph (39). If the matter is not satisfactorily settled at this meeting or within five days, thereafter by agreement, the case may be appealed to the Umpire by the Company upon written Notice to the International Union at Detroit and to the Umpire.

(55) Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party. Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may then be appealed directly to the Umpire as provided in Paragraph (41).

SENIORITY

Acquiring Seniority

(56) Employees shall be regarded as temporary employees until their names have been placed on the seniority list. There shall be no responsibility for the reemployment of temporary employees if they are laid off or discharged during this period. However, any claim by a temporary employee rehired pursuant to Paragraph (65), or any claim by any other temporary employee made after 45 days of employment, that their layoff or discharge is not for just cause may be taken up as a grievance.

(57) Employees may acquire seniority by working ninety (90) days during a period of six (6) continuous months in which event the employee's seniority will date back ninety (90) days from the date seniority is acquired; provided, however, that employees rehired pursuant to Paragraph (65) may acquire seniority by working thirty (30) days during a period of six (6) continuous months in which event the employee's seniority will date back thirty (30) days from the date seniority is acquired.

(58) When employees acquire seniority, their names will be placed on the seniority lists for their respective occupational groups in the order of their seniority.

(58a) The following are rules for computing seniority of employees who acquire seniority by working 90 days within six (6) continuous months, and computing the period specified in Paragraphs (4) through (4c) of this Agreement:

(1) Credit toward acquiring seniority will begin with the first day worked by the new employee and will include the subsequent days of that pay period.

(2) Thereafter, during six (6) consecutive months until the employee acquires seniority the employee will receive credit for seven (7) days for each pay period during which the employee works, except that credit will not be given for any days the employee is on layoff.

(3) No credit will be given for any pay period during which, for any reason, the employee does not work except as provided in Paragraph (108) and in the case of the pay period in which the full week of Christmas holidays fall, provided the employee would otherwise have been scheduled to work.

(4) Unless employees are at work on the 90th day of their accumulated credited period, they must work another day within their probationary period to acquire seniority. If the 90th day of their accumulated credited period falls on a holiday, the employees will be considered as having seniority as of the holiday. If the 90th day of their accumulated credited period falls on their vacation pay eligibility date, the employees will be considered as having seniority as of the vacation pay eligibility date.

(5) In the event temporary employees are summoned and report for jury duty as prescribed by applicable law during the period of six (6) continuous months preceding the date they acquire seniority pursuant to Paragraph (57), the employees' seniority when acquired will be adjusted to give the employees credit for seven additional days for each week in the period in which they did not work and during which jury duty was performed. The employees must furnish evidence that the jury duty was performed in order to receive seniority credit in accordance with this provision.

(59) Seniority shall be by non-interchangeable occupational groups within departments, group of departments or plant-wide, as may be negotiated locally in each plant and reduced to writing. It is mutually recognized by the parties that written local seniority agreements are necessary. The local seniority agreement and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Company and the International Union.

When changes in methods, products or policies would otherwise require the permanent laying off of employees, the seniority of the displaced employees shall become plant wide and they shall be transferred out of the group in line with their seniority to work they are capable of doing, as comparable to the work they have been doing as may be available, at the rate for the job to which they have been transferred.

Seniority Lists

(60) Seniority lists shall be posted the first and third week each month for employee review at all existing boards or on the Time and Attendance System, as soon as it can be accurately displayed.

The list shall be arranged by occupational group with the highest seniority employee of the group listed first. The list shall contain the employee's name, plant seniority, and, if different than the employee's

plant seniority date, skilled trades date of entry or skilled trades seniority date.

Any change in the frequency of postings or locations shall be mutually agreed to by Labor Relations and the Shop Committee.

Reports

(61) Each three (3) months the Chairperson of the Shop Committee shall be given two up-to- date copies of the complete seniority list of the Company containing each employee's name, department number, occupational group classification, plant seniority date, skilled trades date of entry or skilled trades seniority date. An additional copy of each such list shall be given to the Financial Secretary.

(61a) Each week the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names and department numbers of the employees who during the preceding week:

1. Acquired seniority.
2. Been granted leaves of absence for military service.
3. Been granted other types of leaves of absence of more than thirty (30) days' duration.
4. Returned to work from leaves of absence described in (b) and (c) above.

Management will designate on the list those employees who ceased to be subject to the check-off and the reason therefore.

(61b) Each week the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names and department numbers of the employees who during the preceding week:

1. Became new hires into the bargaining unit [designating those hired by Classification, those hired as journeymen/women, including identification of apprentice graduates, and employees-in-training (E.I.T.)]
2. Returned to work from permanent layoff.
3. Transferred:

- A. into the bargaining unit, or
 - B. out of the bargaining unit (to Supervisory or non-Supervisory position).
4. Had their employment terminated while in a temporary employee status, including the date of hire and last day worked of each such employee.
 5. Lost seniority, and the reason therefore.
 6. Became deceased (including retired employees).
 7. Were placed on permanent layoff.

The list shall contain the seniority dates of employees listed under 2., 3. and 7. It shall also include a notation of the seniority date of the employee with the longest seniority who is laid off or the “leveling off” date.

(61c) Each month the Financial Secretary shall be furnished with the names, social security numbers, department numbers and clock numbers of those employees on the active roll or on layoff, as of the last day of the final payroll period ending in the month, for whom no deductions were made during that dues deduction month and the reason therefore. In the event an employee breaks seniority or transfers out of the bargaining unit during the previous dues deduction month and has an unpaid dues liability, the amount of such liability will be shown on this list. This information should be furnished along with the dues remittance report described in Paragraph (4o). The Financial Secretary will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible.

Transfers

(62) When employees are transferred from one occupational group to another for any reason, there shall be no loss of seniority.

(63) The transferring of employees is solely the responsibility of Management subject to the following sub-paragraphs. The provisions of this paragraph shall be applied without discrimination because of race, religion, color, age, sex, or national origin, so that equal employment

opportunities will be afforded to all employees.

(63a) Employees who desire advancement to higher paid classifications within their department or other established broader scope of selection, may make application to their supervisor or to Human Resources on forms provided by the Company on which they may state their qualifications and experience. Thereafter, as openings occur, selection for the promotion will be from among such applicants and applicants for that classification that have filed pursuant to the Local Transfer Agreement, the applicant with the longest seniority will be given preference.

If the settlement of a grievance alleging violation of this Paragraph (63) (a) is on the basis that a different employee should have been promoted, that employee will receive the difference in wages earned (exclusive of earnings received for overtime hours which they worked but were not worked by the employee improperly promoted to the higher rated job) and the wages they would have earned had they been promoted.

(63b) It is the policy of Management to cooperate in every practical way with employees who desire transfers to new positions or vacancies in the Company's facilities. Accordingly, such employees may make application to their supervisor or to Human Resources stating their desires, qualifications and experiences. Locally negotiated transfer agreement will be used in the application of filling such positions.

Any claim of personal prejudice or any claim of discrimination for Union activity in connection with transfers may be taken up as a grievance. Such claims must be supported by written evidence submitted within 48 hours from the time the grievance is filed.

In plants where departments are too small or in other cases where the number of job classifications within a department is insufficient to permit the practical application of this paragraph, arrangements whereby employees may make such application for transfer out of their department may be negotiated locally, subject to the approval by the Company and the International Union.

Loss of Seniority

(64) Seniority shall be broken for the following reasons:

(64a) If the employee quits.

(64b) If the employee is discharged.

(64c) If the employee fails to return to work by the specified date after being notified in writing by Management to report for work and does not give a satisfactory reason. Such notice shall be clear in intent and purpose. A copy of Management's notification to report for work and pending loss of seniority will be furnished promptly to the Chairperson of the Shop Committee.

(64d) If the employee is laid off for a continuous period equal to the seniority which the employee had acquired at the time of such layoff period or, in the case of an employee with less than (1) year of seniority, eighteen (18) months or, in the case of an employee with (1) or more years of seniority, (36) months whichever is longer; however, an employee whose seniority is so broken shall, for a period of sixty (60) months beginning with the employee's last scheduled work day prior to being laid off, retain a right to be rehired in accordance with the seniority date the employee had established at the plant as of such last day scheduled. An employee who is rehired, and who reacquires seniority at the same plant, pursuant to Paragraph (57), within sixty (60) months immediately following the last day worked prior to the layoff during which the employee's seniority was broken by virtue of this Paragraph (65) shall have the new seniority date adjusted by adding an amount equal to the seniority which the employee had acquired at that plant as of such last day worked.

For the purpose of computing the period for breaking seniority only, the first day of that period will be the next otherwise regularly scheduled work day after layoff. In the case where the next otherwise regularly scheduled work day is a Monday holiday as listed in Paragraph (203) that Monday will be considered the first day of that period.

(65) Retirement as follows:

1. An employee who retires, or who is retired under the terms of the Pension Plan, Shall cease to be an employee and shall have seniority canceled.
2. An employee who has been retired on a permanent and total disability pension and who thereby has broken seniority in accor-

dance with subsection (1) above, but, who recovers and has pension payments discontinued, shall have seniority reinstated as though the employee had been on sick leave of absence during the period of disability retirement, provided however, if the period of disability retirement was for a period longer than the seniority the employee had at the date of retirement, the employee shall, upon the discontinuance of the disability pension, be given seniority equal to the amount of seniority the employee had at the date of such retirement.

3. If an employee retired for reasons other than total and permanent disability who has lost seniority in accordance with subsection (1) above, is rehired such employee will have the status of a new employee and without seniority, and shall not acquire or accumulate any seniority thereafter, except for the purpose of applying the provisions governing Holiday Pay and Vacation Pay.

(66) Employees will be laid off and rehired in accordance with local seniority agreements.

(67) If the employee is issued a Separation Payment check or draft by the Company pursuant to the Unemployment Compensation provisions, the employee's seniority shall be broken at the Company as of the date the application for such Separation Payment was received by the Company; provided, however, that if the employee:

- (1)** Returns the amount of the separation Payment to the Company within 30 days of the date of the Separation Payment check or draft, the employee's seniority shall be reinstated as of the fourth working day following receipt of the returned amount;

- (2)** Received such Separation Payment by reason of total and permanent disability and Subsequently recovers and reports for work, the employee's seniority shall be reinstated as though the employee had been on sick leave of absence during the period of disability, provided further, however, that if the period beginning with the date seniority was broken by reason of the Separation Payment and ending with the date of the employee's return to work was for a period longer than the seniority which the employee had at the date such seniority was broken because of the Separation Payment, the employee shall be given seniority equal to the

amount of seniority which the employee had at the date of such seniority break.

(67a) An employee whose seniority is broken under the provisions of Paragraphs (64a), (64b), (64c), (111)(a) or (111)(b) will, in the event the employee's seniority is reinstated, be reimbursed for any contributions made pursuant to the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section.

An employee who is assessed a disciplinary layoff which is subsequently reduced or rescinded, will be reimbursed for any contributions made pursuant to the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Person Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section.

(68) The Management of each plant will, whenever possible, give at least forty-eight (48) hours notice prior to layoff to the employees affected.

Hourly/Salary Transfer

(69) (a) Seniority employees transferred from the bargaining unit to a salaried position after the effective date of this agreement will have their bargaining unit status frozen for the duration of the assignment, during which time they will be considered to be in training for the salaried position and on a temporary or probationary status as a salaried employee. Either the Company or the employee may determine that the temporary assignment should be discontinued at any time during the one (1) year probationary period. If the employee is returned to his or her bargaining unit assignment during that one (1) year period, his or her bargaining unit rights will be reinstated. The employee may be placed on a job in accordance with the provisions of the Seniority Section of this agreement, beginning with the last previous job the employee held in the bargaining unit. In no event shall such employee be transferred to a bargaining unit job at a time when the employee has insufficient seniority to be so placed. This provision will not result in displacing seniority employees and will not be used during periods when seniority employees are on layoff.

(b) Prior to the expiration of the one (1) year probationary period the Company will determine whether to offer the employee a permanent salaried position. If the employee is offered a permanent salaried position

it shall be on the condition that if he or she accepts the position he or she shall permanently forfeit his or her right to return to the bargaining unit.

(c) If the employee is not offered a permanent salaried position he or she will be returned to the bargaining unit in accordance with the terms of the above Paragraph (69) (a). It is understood that an employee will not be offered more than one such transfer opportunity to a specific salaried position during the term of this agreement.

(70) Temporary employees will not be called back until all employees with seniority capable of doing the work have been called back; provided, however, that the application of this paragraph may be waived by written agreement between local Management and the Shop Committee with respect to Journeymen/women with seniority and employees-in-training-seniority (E.I.T.S.) who are on layoff from a skilled trades classification.

Overtime

(71) Extra work in periods of part time operation, and overtime, should be equalized among the employees in the group engaged in similar work, as far as practicable. Information concerning equalization of hours status will be openly displayed in the department in such a manner that the employees involved may check their standing. This provision shall not interfere with any mutually satisfactory local practice now in effect.

(71a) Required Overtime

During periods requiring extensive overtime, Management will inform the Union fourteen (14) days prior to implementation of required overtime plans. Required overtime may be implemented in all operations or specific areas as determined by management. Required overtime plans are as follows:

1. Plan A: Monday through Saturday at nine (9) hours per day with Sundays and Holidays as voluntary. An employee who has worked two or more consecutive Saturdays may decline to work the following (third) Saturday provided the employee shall have notified his or her Supervisor before the end of the shift on the preceding Wednesday and has not been absent for any reason during the week preceding the Saturday in question.

2. Plan B: Monday through Friday at ten (10) hours per day with Saturdays, Sundays and holidays as voluntary.
3. In both plans, the duration will not exceed 90 days with a minimum of 30 days between required periods.

Occupational Injury/Illness

(72) Employees who have been incapacitated at their regular work by injury or compensable occupational disease while employed by the Company, will be employed in other work on jobs that are operating in the plant which they can do without regard to any seniority provisions of this Agreement, except that such employees may not displace employees with longer seniority, provided, however, that by written agreement between local Management and Shop Committee, such employees may be placed or retained on jobs they can do without regard to seniority rules. Each three months the name, job classification and seniority date of employees covered by such Agreement will be furnished to the Chairperson of the Shop Committee.

Special Employee Status

(73) The employment of the following persons shall not be governed by seniority rules: students and graduates of technical or professional schools and special employees receiving training as a part of a formal training course.

(73a) Seniority status of employees who have completed or discontinued cooperative training courses and who are assigned to hourly rated jobs in the bargaining unit for other than training purposes shall be as follows:

- (1) An employee who has completed or discontinued a cooperative training course and who is assigned to an hourly rated job in the bargaining unit for other than training purposes shall have plant seniority established in keeping with Paragraph (57). Time spent in school shall not be considered as time worked in establishing the seniority date.

(74) To protect seniority, employees are responsible for keeping Management informed of their proper home address. Forms for this purpose shall be available from the employee's Supervisor and should be submitted to the employee's Supervisor when an employee changes address.

(74a) Within thirty (30) days following the last day of each calendar

February, May, August, and November, during the term of this Agreement, the Company shall give to the International Union the names of all employees covered by this Agreement together with their addresses as they then appear on the records of the Company. The International Union shall receive and retain such information in confidence and shall disclose it only to those officials of the Union whose duties require them to have such information.

(75) Provisions pertaining to shift preference may be negotiated locally. Such agreements and modifications or supplements thereto shall be reduced to writing and be subject to the approval of the Company and the International Union. Any such agreements must have sufficient flexibility to give full protection to efficiency of operations under all circumstances and conditions.

Disciplinary Action

(76) When a written reprimand, layoff or discharge of an employee is contemplated, the employee, where circumstances permit, will be offered an interview to allow for answering the charges involved in the situation for which such discipline is being considered before being required to leave the plant. Employees who, for the purpose of being interviewed concerning discipline, are called to the plant, or removed from their work to the Supervisor's desk or to an office, or called to an office, will be advised that they may, if they so desire, request the presence of their District Committeeperson to represent them during such interview.

(76a) Employees who have been disciplined by written reprimand, layoff or discharge will be furnished a brief written statement advising them of their right to representation and describing the misconduct for which they have been laid off or discharged and, in the case of a layoff, the extent of the discipline. Thereafter, they may request the presence of the Committeeperson of their district to discuss the case privately with them in a suitable office or other location by mutual agreement, before they are required to leave the plant. The Committeeperson will be called promptly upon such request. Whether called or not, the Committeeperson will be advised in writing within one working day of 24 hours of the fact of written reprimand, layoff or discharge and will be given a copy of the statement given to the employee. When a disciplinary layoff encompasses a holiday, the employee will not lose holiday pay, nor will holidays be counted as part of the layoff. The written statement furnished to the employee pursuant to the first sentence of this paragraph shall not limit

Management's rights, including the right to rely on additional or supplemental information not contained in the statement to the employee.

(76b) In imposing discipline on a current charge, Management will not take into account any prior infractions which occurred more than three years previously nor impose discipline on employees for falsification of their employment applications after a period of twelve (12) month from their date of hire.

(76c) It is important that complaints regarding unjust or discriminatory layoffs or discharges be handled promptly according to the Grievance Procedure. Grievances must be filed within three working days of the lay-off or discharge. Within two (2) working days after a grievance has been answered by higher supervision, pursuant to Paragraph (31) above, the specific charge will be discussed with designated representatives of Plant Management, the Chairperson of the Shop Committee, or designated representative, and another member of the Shop Committee or the district committee person who filed the grievance. If the grievance is not resolved, Plant Management will review and render a decision on the case within three (3) working days thereafter. In any event, Plant Management will render a decision on the case within ten (10) working days from the date the grievance is filed. If a Notice of Unadjusted Grievance is not submitted by the Shop Committee within five (5) working days of a decision of Plant Management, the matter will be considered closed.

ATTENDANCE AND CORRECTIVE ACTION

(77) The Company and the International Union agree that the problem of unwarranted absenteeism must be addressed in a cooperative and constructive manner. Both parties recognize that unwarranted absences adversely impact quality, cost and efficiency and in so doing constitute a threat to the job security of all employees.

The parties also recognize that sometimes absenteeism is the result of personal or unforeseen problems in an employee's life and that such problems must be addressed in a reasonable and responsible manner.

Based on the foregoing the parties agree to adopt this Special Procedure for Attendance. This procedure is intended to encourage regular attendance through corrective discussion, formal discipline and the availability of the Employee Assistance Program, while at the same time expecting employees to accept responsibility for their own attendance behavior.

Special Procedure for Attendance

(a) This procedure will apply to all employees who have acquired seniority pursuant to Paragraph (57) of this Agreement.

(b) This procedure is separate and distinct from the standard corrective disciplinary procedure. All instances of employee absence, as defined in paragraph (d) below, will be addressed through this procedure.

(c) The action taken by Management as a result of the corrective action steps of this procedure are subject to the Disciplinary Layoffs and Discharges Section of this Agreement and therefore, the Grievance Procedure Section of this Agreement. During the Paragraph (76) interview associated with the corrective action steps, the employee will be advised of the special procedure for attendance and the availability of the Employee Assistance Program.

(d) Instances of absence subject to this procedure are defined as follows:

1. Single or consecutive days of absence without reasonable cause.
2. Tardiness of four (4) hours or more without reasonable cause.

(e) Instances of violations of the attendance procedure as defined above will be subject to the reasonable application of the Attendance Corrective Action Steps below:

Step	Absence/Instance	Action
1	First	First Written Warning Referral to EAP Services
2	Second	Second Written Warning Referral to EAP Services
3	Third	Balance Of Shift Plus 3 Day Disciplinary Layoff Referral to EAP Services
4	Fourth	Balance of Shift Plus 2 Week Disciplinary Layoff Referral to EAP Services
5	Fifth	Balance of Shift Plus 30 Day Disciplinary Layoff Referral to EAP Services
6	Sixth	Discharge

(f) This Special Procedure for Attendance will become effective on the Monday two weeks following the effective date of this Agreement.

Production Standards

(78) Production standards shall be established on the basis of fairness and equity consistent with the quality of work, efficiency of operations, and the reasonable working capacities of normal operators. Management has full authority to settle such matters.

(78a) After the time or the requirements for a normal operator to perform an element has been established and the element is subsequently changed because of engineering changes, a change in method, machinery, equipment, layout or tools, only the time or the requirements of the elements affected by such change will be adjusted.

(78b) If a standard is to be established on a new operation and has not been established when the operation is placed in production, the operator will be advised of the reason for not establishing the standard and the expected requirements of the operation.

(79) When a dispute arises regarding standards established or changed by the Management, the complaint should be taken up with the supervisor. If the dispute is not settled by the supervisor or if the complaint is not taken up by the employee with the supervisor, the committeeperson for that district shall, upon reporting to the supervisor of the department involved, examine the job to determine the merits of the complaint. The employee may then file a grievance. The supervisor or the time study person will furnish the committeeperson with all of the facts of the case. If there is still a dispute after this examination has been completed, the committeeperson may then reexamine the operations in detail with the supervisor or the time study person. The committeeperson will, upon request, be given in writing the work elements of the job without undue delay. When available, the cycle time or other pertinent data that is relevant to the dispute will be provided in writing upon request; however it is mutually recognized that it would be impractical to provide this information during periods of production acceleration. If the matter is not adjusted at this stage, it may be further appealed as provided in the procedure below. If the dispute is settled at any stage of this procedure, the parties to the settlement will, upon request of either party, specify in writing what the elements are that constitute the job as settled and this information will be initialed and dated by the parties.

(79a) After the supervisor has had reasonable time to consider a grievance filed claiming violation of Paragraph (78), which shall be not more than two working days, an answer to the grievance shall thereafter be given:

- (1)** Within one working day after requested to do so by the committeeperson, or
- (2)** In any event after ten (10) working days of the date the grievance was filed with the supervisor.

The above time limits may be extended by mutual agreement.

(79b) If the case is not adjusted by the supervisor, it may, within three (3) working days of the supervisor's written answer, be appealed by the Shop Committeeperson for the Zone, or another member of the Shop Committee or the Chairperson of the Shop committee to the next step, as provided below, by giving written notice to the Labor Relations.

(79c) Within three (3) working days of receipt of the appeal, the case will be considered at a Special Step of the Grievance Procedure by not more than three representatives of the Union, including the District Committeeperson, The Shop Committeeperson for the zone or another member of the Shop Committee, and the Chairperson of the shop Committee, and not more than three representatives of Management, at least one of whom shall be a member of higher supervision.

In the multi-shift operations, the District Committeeperson or the Shop Committeeperson from the opposite shift(s) may, by mutual agreement, attend the Special Step Meeting when a standards dispute exists on the same operation on more than one shift. An additional representative of management may also attend the Special Step Meeting in these situations. The schedule for such meetings will be established at a time mutually convenient to the participants.

(79d) After a case is appealed to the Special Step and prior to the meeting on the case at that step, a member of the Shop Committee who will participate in the Special Step meeting may make a further investigation of the case as provided in Paragraph (34).

(79e) Within five (5) working days of this Special Step meeting, higher supervision will give a written answer. If the case is not settled at this step, the Chairperson of the Shop Committee may, within three working days appeal the case by submitting to Management a "Notice of Unadjusted

Grievance.” Thereafter the case will be handled in accordance with Step Three of the Grievance Procedure Section, except that “Statements of Unadjusted Grievance” need not be exchanged and the 30-day time limit for “Notice of Appeal” by the Regional Director, referred to in Paragraph (38), shall run from the date of the answer given by Management at the Special Step of the Grievance Procedure. Plant entry as provided in Paragraph (38) may be made after the “Notice of Unadjusted Grievance” has been filed and before the Appeal Meeting.

(79f) The time limits specified above may be extended by mutual agreement in writing. Any case not appealed from one step of this procedure to the next within the time limits specified will be considered closed on the basis of the last decision given.

(79g) After a production standards grievance is filed on a job, the Committeeperson representing the employee who filed the grievance will be informed in writing of any change in work content which results in an increase or decrease in work content or which is made in an attempt to adjust the grievance.

(79h) In the event a standard has not been established on a job, an employee who is following the prescribed method and using the tools provided in the proper manner and performing at a normal pace, will not be disciplined or transferred for failure to obtain an expected amount of production on that job or for filing a grievance under this Paragraph (79).

(79i) If a production standards grievance is settled in writing and the employee who signed the grievance is subsequently replaced by another employee and if, thereafter, additional work is added to the job without any other change having occurred which affects the job, the District Committeeperson may initiate a grievance alleging that the additional work constitutes a violation of that settlement.

Call-In Pay

(80) Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of the Management.

Working Hours

(81) For the purpose of computing overtime premium pay, the regular working day is eight hours and the regular working week is forty hours.

(82) Employees will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. Their working week shall be a calendar week beginning on the Monday at the regular starting time of the shift to which they are assigned.

(83) Hourly employees will be compensated as follows:

(84) Straight Time

(a) For the first eight hours worked in any continuous twenty-four hour period, beginning with the starting time of the employee's shift.

(b) For the first forty hours worked in the employee's working week, less all time for which daily, Saturday, Sunday or holiday over time has been earned.

(c) For time worked during the regular working hours of any shift which starts on the day before and continues into a specified holiday or a Saturday.

(85) Time and One-Half

(a) For time worked in excess of eight hours in any continuous twenty-four hours, beginning with the starting time of the employee's shift, except if such time is worked on a Sunday or a holiday when double time will be paid as provided below.

(b) For time worked in excess of forty hours in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked on any shift which starts on Saturday.

(86) Double Time

For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph (203); for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays; and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

(87) Exceptions to Above Overtime Payments

1. Employees working in necessary continuous seven-day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of eight hours per day or in excess of forty hours in the employee's working week, for which overtime has not already been earned, except as otherwise provided in Paragraph A, below.

- A.** Such employees shall be paid time and one-half for hours worked on the employee's sixth work day in the week.
- B.** Such employees shall be paid double time for hours worked on the 7th work day in the calendar week if the 7th work day results from being required to work on their scheduled off day(s) in that calendar week, or for hours worked on a Sunday if that Sunday is their second scheduled off day in that calendar week.
- C.** Such employees will be paid double time and one-half (2.50 times straight time) for the first eight (8) hours worked on any shift that starts on any of the holidays listed in Paragraph (203); for time worked on the calendar holiday in excess of the first eight (8) hours worked on any shift that starts on any such holiday; and for time worked on the calendar holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into any such holiday; provided, however, that if the particular holiday falls on their regularly scheduled off day(s) and they receive holiday pay pursuant to Paragraph (206) of this Agreement, they will be paid double time instead of double time and one-half for such hours worked. In the case of the employees who work 6 or 7 days during the work week, the first 8 hours worked at double time and one-half or double time, as the case may be, on shifts starting on such holidays shall be counted in computing overtime for work in excess of 40 hours in their working week.
- D.** Such employees will be paid time and one-quarter (1.25 times straight time) for hours worked on the 7th work day in the calendar week, unless such hours are payable at an overtime premium rate under any other provision of this Agreement.
- E.** If such employees receive holiday pay pursuant to Paragraph

(206) for a particular holiday on which they do not work, that holiday will be counted as a day worked for the purpose of computing sixth or seventh day premium under sub-paragraphs A., B. and D. above.

F. Such employees shall be paid an additional twenty-five cents (25 cents) per hour for time worked, which shall be included in computing vacation entitlement pay, holiday pay, bereavement pay, jury duty pay, short-term military duty pay, overtime and night shift premium, as well as Independence Week Shutdown Additional Time Off pursuant to Paragraph (202)(c).

2. Premium payments shall not be duplicated for the same hours worked under any of the terms of this Section.

Change in Shift Hours

(88) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; however, if the length of an employee's established lunch period is extended on a temporary basis for a given day, the net amount of time by which the lunch period is so extended shall be considered as time worked for that day. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph 5 of this Agreement.

Night Shift Premiums

(89) A night shift premium on night shift earnings, including overtime premium pay, will be paid to employees for time worked on shifts scheduled to start in accordance with the following chart: When employees covered by (1) above are scheduled and work more than nine hours and until or beyond 2:00 a.m. they shall be paid ten per cent for the hours worked after 12 midnight.

Scheduled Shift Starting Time	Amount of Shift Premium
(1) On or after 11:00 a.m. and before 7:00 p.m.	Five per cent
(2) On or after 7:00 p.m. and on or before 4:45 a.m.	Ten per cent
(3) After 4:45 a.m. and before 6:00 a.m.	Ten per cent until 7:00 a.m.

When employees whose normal shifts begin on or after 6:00 a.m. and before 11:00 a.m. are scheduled and work twelve (12) or more hours, they shall be paid a five (5) percent shift premium for all hours worked in excess of eight (8).

In applying the above night shift premium provisions, employees shall be paid the premium rate, if any, which attaches to the shift they work on a particular day.

Special Three-Shift Operations

(89a) This paragraph is not intended to change any present practice, or preclude the re-adoption of a prior practice, whereby it is possible to schedule certain operations on a three-shift, eight hours of work per shift basis with special provisions for lunch. Where it is not possible or practicable on three-shift operations to establish schedules of 8 hours of work each shift, work shifts will be established on the basis of arrangements for a lunch period not in excess of 20 minutes being provided during the shift period without loss of pay.

The above provisions shall not preclude necessary temporary variations in schedules.

The above provisions shall not be applicable in any plant located in a state wherein a statute or administrative ruling requires the granting or establishment of lunch or meal periods of more than 20 minutes.

Union Work Centers

(90) The Shop Committee and Labor Relations will determine the number, location and furnishings of Union Work Centers. The centers will be used to conduct bona fide Union business including: Zone and District Committeeperson meetings, grievance procedure investigation, benefit representatives, health and safety representative, apprentice representative. It is understood the following conditions will prevail:

1. Usual office type equipment will be provided by the Union.
2. The function of the facility will be prominently displayed.
3. The windows of the Work Center will not be covered or obscured in any manner.

4. Non-duplicated keys will be provided to the individuals identified by the Shop Committee and Labor Relations requiring access.

Union Bulletin Boards

(91) Bulletin boards will be provided for use by the Union for posting notices bearing the written approval of the President of the Local Union or the Chairperson of the Shop Committee and restricted to:

1. Notices of Union recreational and social affairs.
2. Notices of Union elections.
3. Notices of Union appointments and results of Union elections.
4. Notices of Union Meetings.
5. Notices concerning bona fide Union activities such as: Cooperatives; Credit Unions; and Unemployment Compensation information.
6. Other notices concerning union affairs which are not political or controversial in nature.

(91a) The Union will promptly remove from such Union bulletin boards, upon the written request of management, any material which is libelous, scurrilous, or detrimental to the labor-management relationship.

(92) Bulletin boards will remain at all existing locations.

(93) Racks will be provided at the appropriate plant entrances for use in distributing literature to employees who are leaving the plant. Their use will be limited to the display of official publications of the Local Union and International Union as certified to Management by the President of the Local Union, the Shop Chairperson or the International Representative prior to the placement of such material in the racks by the Union.

(94) The Union agrees to indemnify the Company against any and all actions, charges, claims, damages or losses of any kind or nature whatsoever resulting from, arising out of, based upon, or attributable to any material posted on bulletin boards or placed in racks that have the written

approval of the President of the Union, Chairperson of the Shop Committee or the International Representative.

(95) There shall be no other posting by employees, of pamphlets, advertising or political matter, notices, or any kind of literature upon Company property other than as herein provided.

Relocation

(96) For twenty-four months after production begins in a new plant (including a non- represented plant), the Company will give preference to the applications of laid off employees having seniority in other plants over applications of individuals who have not previously worked for the Company, provided their previous experience in the Company shows that they can qualify for the job. When employed, such employees will have the status of temporary employees in the new plant. Such employees will retain their seniority in the plant where originally acquired until broken in accordance with the seniority rules herein.

(96a) When there is a transfer of major operations between plants, the case may be presented to the Company and, after investigation, it will be reviewed with the International Union in an effort to negotiate an equitable solution, in accordance with the principles set forth in the previous paragraph. Any transfer of employees resulting from this review shall be on the basis that such employees are transferred with full seniority, except as the parties may otherwise mutually agree.

(96b) Employees relocating to or from one of the facilities covered by this agreement or in accordance with the above Paragraphs (96) or (96a) may be eligible to receive Relocation Allowance. An employee laid off from such facility and recalled to an Indianapolis facility or an employee laid off from an Indianapolis facility and recalled to originating facility may be eligible for the following relocation amount:

Mileage	Relocation Allowance Amount
50-99	\$2,820
100-299	\$3,106
300-499	\$3,258
500-999	\$3,849
1000+	\$4,424

Wages

(97) The establishment of wage scales for each operation is necessarily a matter for local negotiation and agreement between the Plant Management and the Shop Committee. In addition, wage payment plans are also a matter of local negotiation between the Plant Management and the Shop Committee, subject to appeal in accordance with the Grievance Procedure.

(98) New employees hired in non-skilled trades classifications on or after the effective date of this Agreement shall be hired at the entry rate as reflected in the table below and progress at the intervals defined:

Group	Entry	6 mos	12 mos	18 mos	24 mos
Custodial	14.35	14.61	14.68	15.38	15.38
Support	15.07	15.79	16.50	17.22	17.94
Insp/Prod	18.25	19.58	20.91	22.25	23.58

Periods of absence that are contractually excused will be counted as time worked for purposes of administering the automatic raises cited herein.

Such an employee who is laid off prior to acquiring seniority and who is re-employed within one year from the last day worked prior to layoff shall receive a rate upon re-employment which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff. Upon such re-employment, the credited rate progression period of an employee's prior period of employment at that plant shall be applied toward their rate progression to the maximum base rate of the job classification.

For the purpose of applying the provisions of Paragraphs (98), (98)(a), and (98)(b) only, an employee will receive one week's credit toward acquiring the maximum base rate of the job classification provided the employee had worked in that given week. Credit will not be given for any week during which for any reason, the employee does not work except as provided in Paragraph (108), or when the employee is absent for contractually excused reasons, or when the Christmas Holidays consists of a full week provided the employee would otherwise have been scheduled to work. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

(98a) Laid off seniority employees hired in a job classification other than skilled trades, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained prior to layoff. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Company employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment shall be applied toward their rate progression to the maximum base rate of the job classification.

(98b) New employees rehired under the provisions of Paragraph (64)(d) or (65)(3), on or after the effective date of this Agreement, shall receive a base rate upon reemployment which has the same relative position to the maximum base rate of the job classification they had attained in their prior employment. Upon such re-employment the credited rate progression period of the employees' prior period of employment shall be applied toward their rate progression to the maximum base rate of the job classification.

(99) The foregoing Paragraphs (98), (98a) and (98b), shall not apply to job classifications covered by the Skilled Trades section of this Agreement.

(100) It is understood that the local wage agreement consists of the wage scale by job classifications as were in effect in the local wage agreement as of the effective date of this Agreement, plus any written changes, additions or supplements thereto. Any changes, additions or supplements thereto shall be reduced to writing and are subject to the approval of the Company and the International Union.

General Increases

(101)

Deleted

Up-front Lump Sum Bonus

(101a) Up-front Lump Sum Bonus. Effective on the normal payroll date fourteen (14) days following the ratification date of this Agreement each eligible employee covered by this Agreement (as defined in Document 92 of this Agreement) shall receive a lump sum payment signing bonus of \$750.00.

Effective March 20, 2008, each eligible employee covered by this Agreement (as defined in Document 92 of this Agreement) shall receive a lump sum bonus of \$1500.00.

Effective March 20, 2009, each eligible employee covered by this Agreement (as defined in Document 92 of this Agreement) shall receive a lump sum bonus of \$1500.00.

Effective March 19, 2010, each eligible employee covered by this Agreement (as defined in Document 92 of this Agreement) shall receive a lump sum bonus of \$1500.00.

Cost of Living Allowance

(101b) Each employee shall receive a Cost of Living Allowance in accordance with the provisions of Paragraphs (101e) and (101f).

It is agreed that only the Cost of Living Allowance will be subject to reduction so that, if a sufficient decline in the cost of living occurs, employees will immediately enjoy a better standard of living.

(101c) The Cost of Living Allowance provided for in Paragraph (101b) shall be added to each employee's hourly wage rate and will be adjusted up or down as provided in Paragraphs (101e) and (101f).

(101d) The Cost of Living Allowance will be determined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (current series, CPI-W) (for all items, less medical care, not seasonally adjusted) (United States City Average) published by the Bureau of Labor Statistics (1982-1984=100).

(101e) During the period of this Agreement, adjustments in the Cost of Living Allowance shall be made at the following times:

Effective Date of Adjustment	Based Upon Three-Month Average of the Consumer Price Index For:
March 3, 2008	November and December 2007 January 2008
First pay period beginning on or after June 2, 2008, and at three-calendar month intervals Thereafter to December 6, 2010.	February, March and April 2008 and at three-calendar month intervals hereafter to August, September and October, 2010.

In determining the three-month average of the Indexes for a specified period, the computed average shall be rounded to the nearest 0.01 Index Point.

In no event will a decline in the three-month average Consumer Price Index below 179.67 provide the basis for a reduction in the wage scale by job classification.

(101f) Effective March 3, 2008 and for any period thereafter as provided in Paragraphs (101c) and (101f), the Cost of Living Allowance shall be in accordance with the following table:

Three-Month Average Consumer Price Index	Cost of Living Allowance
179.67 or less	None
179.68 – 179.75	1¢ per hour
179.76 – 179.83	2¢ per hour
179.84 – 179.92	3¢ per hour
179.93 – 180.00	4¢ per hour
180.01 – 180.08	5¢ per hour
180.09 – 180.16	6¢ per hour
180.17 – 180.24	7¢ per hour
180.25 – 180.32	8¢ per hour
180.33 – 180.41	9¢ per hour

And so forth with 1¢ adjustment for each 0.08159 change in the Average Index and will be calculated in accordance with the Letter of Understanding signed by the parties continuing through the adjustment effective in December 2010.

For each adjustment during the twelve three-month periods beginning March 3, 2008, and ending with the contract expiration (February 25, 2011), in which an increase in the Cost of Living Allowance shall be required according to the above table, the amount of increase so required each three month period shall be reduced four cents (\$0.04), or by the amount of increase, whichever is less. The maximum total reduction shall not exceed forty-eight cents (\$0.48).

(101g) The amount of any Cost of Living Allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, holiday payments, call in pay, bereavement pay, jury duty pay, and short term military duty pay.

(101h)In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Index on or before the beginning of one of the pay periods referred to in Paragraph (101e) any adjustments 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 the Index.

(101i)No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures used in the calculation of the Consumer Price Index for any month or months specified in Paragraph (101e).

(101j)The parties to this Agreement agree that the continuance of the Cost of Living Allowance is dependent upon the availability of the monthly Consumer Price Index published by the Bureau of Labor Statistics in its present form and calculated on the same basis as the current Index unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Consumer Price Index, the parties agree to request such agency to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index was prior to the change.

New Jobs

(102) When new jobs are placed in production and cannot be properly 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 temporary rate and classification name will be furnished to the Shop Committee.

(102a)As soon as possible after machinery and other equipment have been installed, and in any event, within 30 calendar days after a production employee has been placed on the job, the Shop Committee and Management shall negotiate the rate and classification, and when negotiations are completed, such classification and rate shall become a part of the local wage agreement, and the negotiated rate, if higher than the temporary rate shall be applied retroactively to the date the production employees started on the job, except as otherwise mutually agreed.

LEAVES OF ABSENCE

Informal Leaves of Absence

(103) A leave of absence may be granted for personal reasons for a period not to exceed thirty days, upon application of employees to an approval by their respective supervisors. Such leaves of absence shall not be renewed and seniority will accumulate during the leave.

Formal Leave of Absence for Personal Reasons

(104) Employees requesting a formal leave of absence shall first make application in writing to the Human Resources on the form provided. Such leave of absence will be granted to employees for not more than ninety days on approval of the Local Management when the services of the employees are not immediately required and there are employees available in the plant capable of doing their work. A formal leave of absence may be granted under the foregoing conditions for not more than 150 days provided that employees do not work in any occupation for their own gain during such leave of absence unless mutually agreed by the Company and the Union. A formal leave of absence may be granted under the foregoing conditions for a period exceeding 150 days but not to exceed 180 days if required for the purpose of traveling to a foreign country.

(105) Such leaves of absence may be extended but the approval of the Manager of the Plant, or designated representative is required in such cases. Seniority will accumulate during the period of formal leave of absence. Such formal leaves of absence will not be granted to employees who are laid off, and will not be extended for employees who would have been laid off had they been working during their leave.

(105a) Subject to the provisions of Paragraphs (104) and (105), a formal leave of absence may be granted to employees for service in the Peace Corps, and, if circumstances require, the duration of the original leave may be for a period up to thirty months.

Sick Leave of Absence

(106) Employees who are known to be ill supported by satisfactory evidence, will be granted sick leave automatically for the period of continuing disability. Except as otherwise provided in Paragraph (111)(c), senior-

ity of such employees shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Paragraph (64) for laid-off employees breaking seniority. Not later than thirty (30) calendar days prior to such loss of seniority, Management will send a letter to each affected employee's last known address as shown on the Company records reminding them of the fact that their seniority is subject to being broken as provided above. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such employees or furnish a copy to the Chairperson of the Shop Committee will not be the basis for any claim.

(107) Temporary employees without seniority shall not receive credit for time off sick toward the ninety (90) days of employment required to acquire seniority, except as provided in Paragraph (108) and Paragraph (58a) and in no case shall a temporary employee's name be placed on the seniority list while away from work on sick leave.

(108) An employee who has sustained a legal compensable injury or occupational disease and has accrued three (3) or more years of seniority at the commencement of such injury or disease shall be automatically granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of such leave.

An employee who has sustained a legal compensable injury or disease with less than three (3) years of seniority at the commencement of such injury or disease shall be granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of temporary disability. In the event that such disability of an employee with less than three (3) years of seniority is determined to be permanent by the appropriate State or Federal Authority, the Company Shall have the right to convert the status of such employee to a Paragraph 106 Leave as of the date of such determination. In the event of such conversion, Management will send written notification of the employee's change in status to the affected employee's last known address as shown

on the company records. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such employees will not be a basis for any claim.

Temporary employees disabled by a compensable injury shall be given credit for the period of such legal temporary disability toward acquiring seniority.

Leave of Absence for Union Activity

(109) Employees elected to a permanent office in, or as a delegate to, any labor activity necessitating a leave of absence, shall be granted such leave for a minimum of the first half or the second half of their shift and not to exceed one year and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed reemployment if there is sufficient work for which they are in line at the then current rate of pay. Written notice for such leaves, given the length of leave, shall be given to Management as far in advance as possible but in no event later than the day prior to the day such leave is to become effective. Seniority will accumulate during the period of such leaves.

(109a) Leaves of absence may be granted to employees for other Union activities and seniority shall accumulate during such leaves. Such leaves will be granted only when requests are made in writing to the Vice President of Human Resources of Rolls-Royce Corporation by the President of the International Union or the head of the department of the International Union at Detroit which handles matters under this Agreement.

Leave of Absence for Public Office

(110) Employees with seniority elected to public office may make written application for a leave of absence for the period of their first term of active service in such elective office. Additional leaves of absence for service in elective public office may be granted at the option of Management upon written application by such employee.

(110a) Employees with seniority who are appointed to a position as administrative assistant in a congressional or Senatorial office, or to an administrative position in a State Agency, or as a Labor Representative on a Community Agency, or to a non-civil service governmental position which is not generally available to an applicant for employment, or as a full time

officer in a credit union, may make written application for a leave of absence for the period of their active service in such position, no to exceed one year. Such leave may be renewed at the option of Management upon written application by such employee.

(110b) Employees granted a leave of absence under Paragraph (110) or (110a), shall be guaranteed reemployment, at the then current rate of pay, if there is sufficient work available which they are capable of doing and to which they may be entitled on the basis of seniority. Seniority will accumulate during the period of such leaves.

General

(111) All of the above leaves of absence including sick leaves are granted subject to the following conditions.

- (a)** Employees on leave may return to work in line with their seniority before the expiration of their leave providing not less than seven (7) days' notice is given to Management. The return within the seven day period is at the option of Management. Employees who fail to return to work in accordance with the notice as given shall be considered as having voluntarily quit unless they have a satisfactory reason.
- (b)** Employees who fail to report for work within three working days after the date of expiration of the leave, shall be considered as having voluntarily quit unless they have a satisfactory reason; provided, however, that in the case of failure to report for work within three working days after the expiration of leaves of absence granted under Paragraphs (104), (105), (109), (109a), (110), (110a) and (113), and in the case of leaves of absence granted under Paragraph (106) where management has refused to grant a requested-renewal of the leave, Management will send clear written notification to such employees' last known address as shown on the Company records, that their seniority has been broken and that it can be reinstated, if, within three specified working days after delivery or attempted delivery of such notice, they report for work or properly notify Hourly Personnel of their absence. A copy of such Management notification will be furnished promptly to the Chairperson of the Shop Committee. If such employees comply with the conditions set forth in the notification, their seniority will be reinstated if it has not otherwise

been broken; however, such reinstatement shall not be construed as limiting the application to their cases of the Shop Rule regarding absence without reasonable cause.

- (c) If upon the expiration of a leave of absence there is no work available for employees in line with their seniority, or if they would otherwise have been subject to layoff according to seniority during the period of the leave, the period which breaks seniority shall start from the date of expiration of the leave, or in the case of a leave of absence under Paragraph (106), Paragraph (113), or Paragraph (113a), the period which breaks seniority shall start from the date such employee would otherwise have been laid off.

Leave of Absence for Military Service

(112) Employees who enter either active or inactive training duty or service in the Armed Forces of the United States will be given a leave of absence subject to the conditions herein. Upon submission of satisfactory proof of pending induction for active service, such employees may arrange for the leave to begin up to thirty days prior to the induction date. The leave shall not exceed the term of the initial enlistment and one (1) consecutive reenlistment. In no event will the period of such leave exceed a total of eight (8) years, except when additional service is involuntary. Seniority will accumulate during the period of such leave. Upon termination of such leave, employees shall be offered re-employment in their previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event they will be offered such employment in line with their seniority as may be available which they are capable of doing at the current rate of pay for such work, provided they meet the following requirements:

1. Have not been dishonorably discharged.
2. Are physically able to do the work.
3. Report for work within ninety days of the date of such discharge, or ninety days after hospitalization continuing after discharge.

(112a) The seniority of any employee who fails to report for work within the times specified in Paragraph (112)(3) shall be automatically broken, unless the employee gives a satisfactory reason for such failure to report.

(112b) As used in this paragraph, “Armed Forces of the United States” is defined as and limited to the United States Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard, Air National Guard or any reserve component thereof.

(112c) Employees with seniority who are spouses of employees who enter active duty service in Armed Forces of the United States and who obtain a leave of absence in accordance with Paragraph (112), may make written application to Human Resources for a leave of absence for the period of the Spouse’s initial enlistment but in no event to exceed four (4) years. Such leaves may be granted by Management and will be subject to the conditions set forth in Paragraph (111). Seniority will accumulate during the period of such leaves.

(112d) Employees with seniority in any Rolls-Royce Corporation Plant who are called to and perform 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 as provided below for days spent performing such duty provided they would not otherwise be on layoff or leave of absence.

1. A payment will be made for each day, which they would otherwise have worked equal to the amount by which their straight time rate of pay as of their last day worked, plus applicable night shift premium (but not including overtime) for not more than regularly scheduled hours. Payment will be made for each day, except for days for which they receive holiday pay.

Except for short term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or Federal authorities in case of public emergency, payment is limited to a maximum of fifteen (15) working days in a calendar year.

2. In order to receive payment under this Paragraph (112d), employees must give local Management prior notice of such military duty and, upon their return to work, furnish Management with a statement of the military pay received for performing such duty.

Educational Leave of Absence

(113) Employee veterans who have acquired seniority and other employees with seniority of one or more years who desire to further their education, may make application for a leave of absence for that purpose.

One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve months, subject to the conditions set forth in Paragraph (111) of this Agreement. Additional leaves of absence may be granted by Management. Except as otherwise provided in Paragraph (111)(c), seniority shall accumulate during such leaves of absence.

Leaves of Absence for Service in Rolls-Royce Corporation Plants

(113a) Employees whose services, because of conditions made necessary by the National Defense of the United States, are needed by the Management in a plant of the Company other than the plant in which they have established their seniority and who accept such employment, will be given a leave of absence from the plant in which they have their seniority for the period their services may be required in such other plant and shall accumulate seniority in the plant from which they have been given a leave of absence, during the full period of such leave.

If such employees desire to return to employment in the original plant or when the Management of the defense plant no longer requires their services, such employees may return to the original plant in which they have seniority, in accordance with their seniority status, to their former or similar jobs.

(114) An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the employee.

STRIKES, STOPPAGES AND LOCKOUTS

(115) It is the intent of the parties to this Agreement that procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.

(116) During the life of this Agreement, the Company will not lock out

any employees until all of the bargaining procedure as outlined in the 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 continued for at least five days at the third step of the Grievance Procedure. In case a lockout shall occur the Union has the option of canceling the Agreement at any time between the tenth day after the lockout occurs and the date of its settlement.

(117) During the life of this Agreement, the Union will not cause or permit its members to cause, nor will any member of the Union take part in any sit-down, stay-in or slow-down, in any plant of the Company, or any curtailment of work or restriction of production or interference with production of the Company. The Union will not cause or permit its members to cause nor will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket any of the Company's plants or premises until all the bargaining procedures 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 continued for at least five days at the third step of the Grievance Procedure and not even then unless authorized by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and written notice of such intention to authorize has been delivered to Labor Relations at least five (5) working days prior to such authorization. The Union will not cause or permit its members to cause or will any member of the Union take part in any strike or stoppage of any of the Company's operations or picket any of the Company's plants or premises because of any dispute or issue arising out of or based upon the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section, nor will the Union authorize such a strike, stoppage, or picketing. In case a strike or stoppage of production shall occur, the Company has the option of canceling the Agreement at any time between the tenth day after the strike occurs and the day of its settlement. The Company reserves the right to discipline any employee taking part in any violation of this Section of this agreement.

SKILLED TRADES

Apprentices

(118) This Section is applicable to apprentices in the plants of the Company covered by this Agreement.

(119) Paragraphs (63a) and (63b) shall not apply to apprentices nor to openings or vacancies in apprentice classifications.

(120) The following paragraphs shall not be applicable to apprentices:

(70)

(71)

(174)

Skilled Trades and Apprentice Committee

(121) An Apprentice Committee composed of two (2) Union members and two (2) Management members shall be established in each plant in which apprentices are employed. The International Union shall appoint journeymen from the plant as members of the Apprentice Committee, one of whom shall be designated as the Chairperson of the Union members of the Apprentice Committee. Management shall notify the Union of its members, one of whom shall be designated the Apprentice Coordinator.

(122) The Apprentice Committee shall meet at a mutually agreed-upon time at least once each 30 days, unless otherwise agreed to extend the time between meetings. Apprentice Committeepersons will be paid their regular rates for time spent in such meetings and for the necessary time to properly perform their duties and functions provided for in Paragraph (123) for the hours they would otherwise have worked in the plant. Minutes of such meetings will be furnished to the Union members of the Apprentice Committee within seven (7) calendar days from the date of the meeting.

(123) The duties and functions of the Apprentice Committee shall be as follows:

- (a)** To negotiate on issues involving the effect of the employment of apprentices on the employment of journeymen in the trades involved.

- (b)(1)** The present shop and related training schedules will remain in effect until replaced by revised schedules. The revised schedules will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice. If local plant requirements indicate deviations should be made in such shop or related training schedules, proposed changes must be referred to the appropriate section of the International Union, together with the reason for requesting the deviation, for consideration. The present shop training schedules, which have not been agreed to, will be reviewed by the appropriate section of the International Union as soon as possible.
- (b)(2)** To study other matters that may involve the training of apprentices by journeypersons in the shop. When machinery, equipment or material is introduced or modified and new skills are required in the journeyman classification in the plant, the matter may be reviewed to determine the effect on the shop and related training of apprentices including necessary revision of such training. If requested, arrangements will be made with the Apprentice Coordinator for the Local Apprentice Committee to investigate the new skills on the plant floor as a part of their review. When a meeting is held with the local educational institution providing related training to implement changes in the related training curriculum, the Union members of the Local Apprentice Committee will be given the opportunity to attend.
- (c)** Progress reports of the apprentice shop and related training schedules shall be reviewed in meetings of the Local Apprentice Committee, except that upon the request of a member of the Local Apprentice Committee and individual apprentice's record shall be reviewed in a meeting of the Local Apprentice Committee once during the last thirty (30) day period prior to completion of the apprentice shop training schedule. Problems involving the improper application of the shop training schedules to individual apprentices may be raised with supervision and if necessary discussed with the apprentice on the plant floor by the Chairperson or another Union member of the Local Apprentice Committee.

- (d)(1)** To interview tested apprentice applicants in accordance with the Apprentice Selection Procedure, interview results will be combined with test scores by central scoring where separate lists will be developed, one for seniority employee applicants and one for all other applicants, each list to be in descending order of points scored for each classification for which they have applied. The lists for each apprentice classification will be provided by central scoring for review by the Local Apprentice Committee. When apprentices are selected, such selections shall be on the basis of at least two from the seniority employee applicant list for every one selected from the other list in descending order of total point score in accordance with the Apprentice Selection Procedure; however, more selections from the other list may be made in the event sufficient seniority employee applicants are not available. Notwithstanding the above Provisions of this Paragraph, laid off apprentices may be placed in the classification from which they were laid off prior to the selection of new applicants from either the seniority employee applicants list or the one from all other applicants.
- (d)(2)** When a list of qualified applicants for a classification is exhausted, additional qualified applicants may be placed on the list for that classification, but in any event additional qualified applicants will be added to the list at twelve (12) month intervals. Changes in the twelve (12) month interval referred to in this Paragraph may be recommended to the Skilled Trades and Apprentice Committee.
- (d)(3)** When necessary, the Apprentice Coordinator will make arrangements to temporarily assign a Union member of the Local Apprentice Committee to another shift for the purpose of interviewing applicants or to handle specified, legitimate apprentice matters. The overtime premium pay provisions of this Agreement are hereby waived in such instances and such changes in shift for this purpose will not result in the payment of overtime premium.
- (e)** All applications for apprenticeship will be available upon request for review by the Chairperson of the Union members

of the Local Apprentice Committee.

- (f) The Local Apprentice Committee will be provided an Interview List containing the name, social security number, date of birth, plant employment information and trades applied for prior to the interview. The Local Apprentice Committee will also be provided with a copy of the Final Applicant Rankings of qualified applicants eligible for selection for each classification containing the name and, in the case of employee applicants, the seniority date will be included.
- (g) Employees eligible for tuition assistance who express a desire to enter the apprentice program will be advised by a member of the Local Apprentice Committee of courses that are available through the Tuition Assistance Plan which may help them become better prepared as applicants for apprentice training.
- (h) The Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee may confer with new apprentices for the purpose of acquainting the apprentices with the role of the Company, Management, the Union and the Local Apprentice Committee and the appropriate section of the International Union in the apprentice program and to ascertain that the apprentices understand their status and obligations as apprentices in accordance with the Apprentice Training Agreement provided for in Paragraph (144).
- (i) The Apprentice Coordinator and the Chairperson of the Union members of the Local Apprentice Committee may confer with apprentices where there are indications that apprentices are failing to perform their obligations as apprentices.
- (j) To evaluate and credit previous experience as provided for in Paragraph (129).
- (k) To issue certificates of completion of apprenticeship as provided for in Paragraph (150).

- (I) Each six months the Chairperson of the Union members of the Local Apprentice Committee will be furnished with a list of the number of apprentices in each training period by classification and the number of journeypersons by classification included in the ratio of apprentices in training to journeypersons.

(124) Apprentice training matters which are discussed by the Local Apprentice Committee and are not resolved may be referred to the appropriate section of the International Union for resolution with the Company.

(125) Grievances filed by apprentices will be handled under the Representation and Grievance Procedure Sections. Chairpersons of the Union members of the Local Apprentice Committees shall be permitted to attend Shop Committee meetings when requested to do so by the Chairperson of the Shop Committee for the purpose of assisting in the handling of grievances of apprentices. They will be paid their regular rates for time spent in such meetings and for making the investigations provided for in this subparagraph for the hours they would otherwise have worked in the plant. The Chairperson of the Shop Committee may designate the Chairperson of the Union members of the local Apprentice Committee, in lieu of a member of the Shop Committee, to make the further investigation provided for in Paragraph (34) of a grievance filed by an apprentice. Disputes concerning the Apprentices and Skilled Trades Sections of this Agreement may be appealed to the Umpire in accordance with Paragraph (55).

(126) Notwithstanding the provisions of Paragraph (125) above, problems involving apprentice related training schedules which cannot be settled locally by the Local Apprentice Committee shall not be subject to the Grievance Procedure. Such problems may be referred to appropriate section of the International Union for resolution with the Company.

Apprenticeship Eligibility Requirements

(127) Management will review its apprentice training needs and will post on the bulletin boards, a list of apprentice openings. In order to be eligible for consideration for apprenticeship, all applicants must meet the requirements for apprentice training as established in the Roll-Royce Corporation-UAW Standard Apprentice Plan, including age, education,

and other tests, such as aptitude tests. To satisfy the education requirement, the applicant must be a high school graduate, or have an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the Skilled Trades and Apprentice Committee, or meet the alternative requirement set forth in the Rolls-Royce Corporation-UAW Standard Apprentice Plan. The new employee applicant must be at least 18 or otherwise consistent with applicable State and Federal Laws.

(128) Notwithstanding other provisions of this Agreement any seniority employee in that plant other than those classified as apprentices may file an application for an opening in the apprentice program; provided, however, that where there is evidence that the filing of such applications by journeymen/women is inconsistent with skilled trades staffing objectives, such application shall be subject to review and decision by the Apprentice Committee. An apprentice with seniority who is scheduled to be removed from an apprenticeable classification in a reduction in force may apply for an apprentice opening in a related skilled classification.

If such applicants meet all the requirements for apprentice training as established in the Rolls-Royce-UAW Standard Apprentice Plan their applications will be considered for the apprentice program (consistent with applicable State and Federal laws). When the qualifications of employee applicants are equal, the employee with the longest seniority will be given preference.

Credit for Previous Experience

(129) Credit for previous related experience in military service, an apprentice training program, or skilled trades classification in any plant, may be given up to the total time required on any phase of the apprentice shop training or related training or related training schedules. Credit for such previous experience shall be given to apprentices at the time they have satisfactorily demonstrated that they possess such previous experience and are able to do the job. Related training credit shall be given apprentices at the time that they have demonstrated that they possess the educational knowledge for which they are requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule. Any dispute over such credit shall be referred to

the appropriate section of the International Union for resolution with the Company.

Term of Apprenticeship

(130) The term of apprenticeship shall be nominally four (4) years in length, but shall be based on the number of hours actually worked. The shop schedule shall be divided into eight (8) periods of 916 hours each.

Seniority of Apprentices

(131) Each apprentice classification in the apprentice program shall be a separate non-interchangeable occupational group.

(132) Apprentices hired directly into an apprentice classification shall establish seniority in their non-interchangeable occupational group in accordance with paragraphs 57 and 58.

(133) Employees transferred to an apprentice classification shall have a date of entry in the non-interchangeable occupational group to which they are transferred and will continue to accumulate seniority in the seniority group from which they were transferred.

(134) (a) For the purpose only of determining the seniority status of apprentices in training, such apprentices shall have their seniority established as provided in Paragraphs (132) and (133) above.

(b) For the purpose of layoff and rehire or other applicability in their skilled occupational group, the seniority of apprentices, upon graduation, shall be adjusted to a date which represents time equal to the calendar days [subsequent to their seniority date established in the plant pursuant to Paragraph (57)] spent in the apprentice program. Graduate apprentices' journeyman seniority dates shall not precede their seniority dates established pursuant to Paragraph (57). For all other purposes seniority shall be as established by the Section entitled "Acquiring Seniority."

(c)(1) Graduate apprentices whose Rolls-Royce Corporation apprentice training was interrupted by a leave of absence under the provisions of Paragraphs (105a), Paragraph (112), by an approved leave of absence for jury duty, absences which qualify under the Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday plan under prior Agreements or Short Term Military Duty sections of this Agreement, by

approved vacation time off, or by a sick leave of absence under the provisions of Paragraph (106), shall upon graduation, be given the same journeyman/woman seniority date as they would have received had they not served in the Peace Corps, entered military service, served on the jury, been on approved absence for which they received Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Pay under prior Agreements or Short Term Military Duty Pay, taken vacation time off, or been on a sick leave of absence. The period covered by a sick leave of absence pursuant to Paragraph (108) and the portion of any sick leave of absence on and after January 1, 1980, pursuant to Paragraph (106) shall be credited.

(c)(2) For each pay period during which apprentices work in their apprentice classification and, in the case of the pay period in which the full week of Christmas holidays fall provided they would otherwise have been scheduled to work, they shall be credited as having spent seven calendar days in the apprentice program.

(d) Apprentices who satisfactorily complete their shop training schedule in a plant prior to the time they complete their related training shall, notwithstanding the provisions of Paragraph (178)(1), be considered as journeymen but only in the plant in which they were in apprentice training in the classification to which they have been apprenticed and not under Paragraphs (178)(2) or (178)(3). Such employees shall be required to complete their related training requirements specified in Paragraph (145). Notwithstanding the provisions of Paragraph (151) and (181a), such employees who hereafter fail to attend available courses or decline to complete the related training requirements specified in Paragraph (145) shall have their rate adjusted in accordance with Paragraph (181a). Shift Preference sections of this Agreement must have sufficient flexibility to permit such employees to complete the related Training courses in which they are currently enrolled. Seniority of such employees shall be established in accordance with Paragraph (134)(a), (b) and (c).

Time spent by such employees in completing their required apprentice related training schedule shall be paid for at the straight-time hourly rate applicable to such related training for that classification in accordance with Paragraph (146) and the Apprentice Rate Schedule set forth in Paragraph (151); provided, however, the hourly rate for such apprentice related training shall not exceed the applicable rate for the eighth (8th) 916 hour Apprentice Training Period for that classification as set forth in Paragraph (151). The Company's payment of fees and/or tuition required

in connection with apprentice related training for such employees is limited to the maximum provided in Paragraph (148).

Upon completion of their related training schedule, the employees shall be given a certificate of completion of apprenticeship, in accordance with Paragraph (150), and shall thereupon be journeymen/women within the meaning of Paragraph (178).

(135) Apprentices removed from the non-interchangeable occupational group to which they are assigned due to a reduction in force or inability to satisfactorily perform the shop and/or related training requirements shall be laid off except that:

- a. Apprentices with seniority who were hired directly into an apprentice classification who apply in writing prior to leaving the plant on layoff will be placed in an opening to which no other employee in the plant has a claim in preference to the placement of a new hire.
- b. Apprentices with seniority who have been transferred from a job in the plant to an apprentice classification who apply in writing prior to leaving the plant on layoff, will be returned to the group from which they were so transferred.
- c. Failing to have sufficient seniority to be placed on other work, as provided above, apprentices will be laid off.

(136) Apprentices who have been removed from an apprentice non interchangeable occupational group in a reduction in force pursuant to Paragraph (135) above, will be recalled to such group in line with their seniority in such group.

Ratio of Apprentice to Journeypersons

(137) The number of new apprentices who may be enrolled shall be determined on the basis of the number of journeypersons employed for the program averaged over the preceding twelve (12) months. The ratio of apprentices in training to journeypersons should not exceed one (1) apprentice to eight (8) journeypersons. However, the Union agrees that local Management can establish a ratio of apprentices to journeypersons in excess of the one (1) to eight (8) ratio, but not to exceed a ratio of one (1)

apprentice to five (5) journeypersons. Deviations below the one (1) to five (5) ratio may be agreed to by the Local Apprentice Committee. Favorable consideration will be given to requests for deviation below the one (1) to five (5) ratio in instances in which it is anticipated the impact of early retirement will create a shortage of skilled trades employees. Disputes concerning such deviations or the enrolling of new apprentices at a time when seniority journeypersons in the same classification are laid off due to a permanent reduction in force will be referred to the appropriate section of the International Union for resolution with the Company.

Ratio – Reduction in Force

(138) In the event of a reduction of force, the apprentices in excess of the one (1) to eight (8) ratio will be laid off before any journeyperson in that trade is laid off. The ration of apprentices in training to journeypersons will be based on the average number of journeypersons employed for the program computed on the last Monday of each of the twelve preceding months. The average thus computed shall remain in force until a new computation is made on the last Monday of the next succeeding month. If, during periods when journeypersons are laid off, any monthly computation results in a ratio in excess of one (1) apprentice to eight (8) journeypersons, such excess apprentices will be laid off by the end of the pay period during which the last Monday of the month falls except that a minimum of one apprentice may be retained in each trade.

Reduction in Force (Unusual Circumstances)

(139) In the event the reduction in force is due to unusual circumstances, including, but not confined to: a transfer or discontinuance of an operation, major technological developments, the elimination or consolidation of classification, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force; Management, the Shop Committee and the Union members of the Local Apprentice Committee shall mutually agree to an acceptable layoff and recall plan. Such a layoff plan may provide for reduction the ratio below one (1) to eight (8), or for laying off all apprentices in a particular trade. A plan that provides for the layoff of all apprentices in a particular trade is to be reviewed and approved in advance by the appropriate section of the International Union.

Standard Work Week

(140) To maintain the proper schedule for graduating apprentices, their standard work week, including time spent in connection with related training, shall be forty (40) hours.

(141) Apprentices may be assigned to overtime work when all journeypersons on the shift in the equalization group with which the apprentices in the course of their training are currently associated, are either scheduled to work overtime or have had the opportunity to work overtime. Deviation from this provision may be negotiated by local Management and the Shop Committee.

(a) Equalization of any overtime available to apprentices is subject to local arrangement between Local Management and the Union in a manner consistent with the shop and related training of each apprentice.

(b) Individual apprentices will not be assigned to work overtime for the purpose of completing their apprentice training ahead of other apprentices in like circumstances in the trade.

(142) In case apprentices are required to work overtime, they shall receive credit on the term of apprenticeship for only the actual hours of work.

Allowance – Tools, Books, Supplies

(143) It is management's intent to provide a toolbox, tools and books to each apprentice during their apprenticeship, and will become the property of the apprentice upon graduation. The following list shows items, that will be provided, and time of disbursement, and shall be approved by the apprenticeship committee.

Toolbox

Toolbox will be supplied as soon as possible after being placed in an apprenticeship group.

Tools

Tools will be supplied during the 1st period of apprenticeship.

Books

Books can be purchased by the apprentice as required by the apprenticeship committee. Apprentice shall provide appropriate documentation for book purchases for refund of expenditures.

Apprentice Training Agreement

(144) All apprentices (and if they are minors, their parents or guardian) shall be required to sign an Apprentice Training Agreement. A copy of the Apprentice Training Agreement shall be furnished to the Apprentice. The Apprentice Training Agreement shall be registered with the Bureau of Apprenticeship and Training, U.S. Department of Labor.

Related Training

(145) Apprentices shall be required during the period of this apprentice program, to complete a program of related and supplemental classroom instructions not to exceed 576 hours during a four-year training course, less the amount of related training for which they received credit pursuant to Paragraph (129). Exceptions up to a maximum of 672 hours may be jointly recommended for specific classifications by the Local Apprentice Committee subject to the approval of the appropriate section of the International Union.

(146) Time spent by apprentices in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by apprentices in taking required related training shall be paid for at the apprentices' straight time hourly rate. If an apprentice is laid off during a period while enrolled in related training, the apprentice will be properly compensated for successfully completing the training if re-employed. In the event the employee is not recalled within a reasonable period of time, such employee may apply to the home plant for the related training bonus. In addition, with prior Management approval and arrangements with the school, apprentices whom Management anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis. This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the employee's straight-time hourly rate less the amount, if any, paid to the employee for such related training prior to layoff.

(147) Whether related training shall be conducted by Management through a local educational institution, or otherwise, shall be determined by Management in light of prevailing circumstances in the community. Management will notify and discuss this matter with the Local Apprentice Committee. However, the final determination will remain the responsibility of Management.

(148) The Company agrees to pay on behalf of apprentices covered by this Agreement registration fees and/or tuition required in connection with related training under the apprentice program but not to exceed 576 hours of related training.

Progress Reports

(149) An accurate record shall be kept of the hours worked by each apprentice under the training program. These hours shall be recorded on appropriate forms. Where the basic work processes are subdivided on the uniform shop training schedules, a more detailed breakdown of schedules may be developed locally.

(149a) Optional hours are provided in each shop training schedule to be used as follows:

1. To give additional training over and above the hours designated in the shop training schedule in those phases which would be most beneficial to apprentices in acquiring their journeyman status.
2. To give training in related phases of the trade not specifically designated in the shop training schedule but normally required of journeyman.

Certificate of Completion

(150) Upon completion of apprenticeship (shop and related training), a certificate shall be issued to the apprentice. The certificate shall be signed by Management and the Union Members of the Local Apprentice Committee. The Skilled Trades and Apprentice Committee will recommend to the Bureau of Apprenticeship and Training, U.S. Department of Labor, or to the state agency in those states where appropriate, that a certificate signifying completion of the apprenticeship be issued to the Apprentice.

Apprentice Wage Rates

(151) Effective with the effective date of this Agreement, the straight time hourly wage rates (exclusive of Cost-of-Living Allowance and shift premium) for apprentices in the bargaining unit shall be the rates set forth in the following Apprentice Rate Schedule:

Apprentice Training Period	Hourly Rate*	
1st 916 Hours	\$25.30	
2nd 916 Hours	25.45	
3rd 916 Hours	25.45	Plus 9% of "Rate Difference"
4th 916 Hours	25.45	Plus 20% of "Rate Difference"
5th 916 Hours	25.45	Plus 33% of "Rate Difference"
6th 916 Hours	25.45	Plus 48% of "Rate Difference"
7th 916 Hours	25.45	Plus 66% of "Rate Difference"
8th 916 Hours	25.45	Plus 86% of "Rate Difference"

*The "Rate Difference" shall be determined by subtracting the sum of \$.20 and the Hourly Rate for the 2nd 916 Hours from the maximum rate established in the Wage Agreement for the journeyman classification for which the apprentice is in training. Resultant rates shall be rounded to the nearest 1 cent.

Notwithstanding the foregoing provisions, seniority employees transferred to apprentice training shall be transferred at their current rate or the rate of \$25.77 per hour, whichever is lower, provided, however, that in no event will their 1st Period Rate be lower than a rate of ten cents (10¢) over the 1st Period Hourly Rate set forth above. Upon their completion of that 1st Period, they shall be paid a rate of \$25.23 or their first period rate, whichever is higher, and if retained, shall be paid such rate until they qualify for a higher rate in accordance with the Apprentice Rate Schedule.

Upon graduation, apprentices will receive an increase, if retained, to the midpoint of the rate range for the skilled classification to which they are assigned.

The above Apprentice Rate Schedule automatically provides for all increases in straight time hourly wage rates which are effective on the effective date of this Agreement. Straight time hourly wage rates for individual apprentices shall be determined only in accordance with the provisions of this Paragraph (151). The rates will be adjusted by the amount of and at the same time as the ten cent (10¢) tool allowance in 2005.

Skilled Trades Vacancies

(152) Management will study its future skilled trades needs, and at least once each six months will post on the bulletin board a list of jobs, if any, for which a shortage of journeypersons is anticipated. Where qualified journeymen/women are not available either through new hires, from journeymen/women currently working on other than skilled trades classifications who have submitted appropriate documents to Management pursuant to Paragraph (178), or from graduated apprentices, employees working on other than skilled trades classifications will be permitted to file application for vacancies in skilled trades classifications listing their qualifications for such jobs. However, subject to rules and condition established by written local agreement, employees working in skilled trades classifications may be permitted to file application for vacancies in other skilled trades classifications listing their qualifications for such jobs.

(153) Notwithstanding other provisions of this Agreement, Management will select non-journeyperson seniority employees who have previously filed an application as provided above for transfer to the skilled trades classifications for training and to perform the work in such classifications. Employees transferred to skilled trades classifications shall be selected on the basis of their qualifications, and when their qualifications are equal, employees with the longest seniority will be given preference. The recruitment, selection, employment, and training of employees-in training (E.I.T.) shall be without discrimination because of race, color, religion, national origin or sex. Affirmative action will be taken to provide equal opportunity in the Employee-in –Training Program.

(154) Where no applications of seniority employees with qualifications have been filed for transfer, non-seniority employee applicants may be transferred or new non-journeyperson with qualifications may be hired for the work.

Classification of “Employees-In-Training” and “Employee-In-Training Seniority”

(155) Employees transferred to a skilled trades classification in which they do not hold journeyperson or E.I.T.S. status, or non-journeyperson new-hires assigned to a skilled trades classification in which they do not qualify for E.I.T.S. status, shall be identified in the skilled trades classification in which they are working as employees-in-training until their sta-

tus is changed to employee-in-training seniority (E.I.T.S.) or they are reclassified as journeypersons in such classification in accordance with the provisions of Paragraph (166).

(156) An employee or a non-journeyperson new hire who completes or has completed at least four years of work as an employee-in-training (E.I.T.) in any one skilled trades classification shall be identified in such skilled trades classification as an “Employee-in-Training Seniority” (E.I.T.S.) if the employee is working in that skilled trades classification until classified as a journeyperson in such classification in accordance with Paragraph (166), except as provided in Paragraph (156a) below.

(156a)The parties hereto agree as follows:

1. Employees whose training in the skilled trades was interrupted by a leave of absence Under Paragraph (105a), the portion of a leave of absence under Paragraph (106, 108) or Paragraph (112), or for Jury Duty, approved absences which qualify under the Bereavement Pay, Paid Absence Allowance or Short Term Military Duty Sections of this Agreement, by approved vacation time off, by all time on layoff out of the program and who thereafter qualify for status as employees-in-training-seniority (E.I.T.S.) or are reclassified as journeypersons in the skilled trades, shall, at such time, be given the same E.I.T.S. date or journeyperson seniority date as they would have received if they had not been on such leave, layoff or approved absence.

2. Employees-in-training (E.I.T.) or employees-in-training-seniority (E.I.T.S.) shall be credited with seven days worked in a skilled trades classification for each pay period during which they worked in that classification in that plant and seven days for the pay period in which the full week of Christmas holidays fall provided such employees would otherwise have been scheduled to work in that plant. Such employees shall receive credit as time worked in a skilled classification for time spent on approved leaves of absence from that classification up to but not exceeding an aggregate of thirty (30) calendar days within the calendar year. Such employees will not receive credit as time worked in a skilled classification for any portion of the leave that they would have been laid off in a reduction in force or returned to their production classification had they not been granted such leave.

3. Employees-in-training (E.I.T.) who are Committeepersons or

in-plant full time Union Representatives, shall be credited with seven days worked in a skilled trades classification for each pay period during which they function in such capacity until they acquire employee-in-training-seniority (E.I.T.S) status. Thereafter they shall be credited as provided in 2, above.

4. When placement of an EIT or apprentice applicant is delayed due to (1) an approved leave of absence for jury duty, (2) approved time off pursuant to the Vacation Entitlement Section, (3) a sick leave of absence under the provisions of Paragraph (106) or (108), (4) the short term needs of Local Management, such as the necessity to train a replacement for the person who has been selected, or (5) an absence which qualifies the employee for bereavement pay, (6) for paid absence time off under the provisions of prior agreements, or (7) for short term military duty, and the delay is for a period of not more than 21 calendar days, that person's date of entry for seniority purposes shall be the date he or she would have originally been placed in the opening.

(157) When employees-in-training (E.I.T.) are identified as employees-in-training seniority (E.I.T.S.) they shall, for purposes of layoff and recall, be credited with seniority as follows:

- (a)** Employees who, pursuant to Paragraph (156), are identified as employees-in-training seniority (E.I.T.S.) in a skilled trades classification in the plant shall receive seniority credit as employees-in-training seniority (E.I.T.S.) equal to the time worked in the classification in the plant except as provided in Paragraph (156a) above.

(158) For the purpose of layoff and rehire in the skilled trades classifications, employees-in-training seniority (E.I.T.S.) transferred or hired directly to employee-in-training seniority (E.I.T.S.) status shall, subsequent to acquiring plant seniority pursuant to the provisions of Paragraph (57), establish seniority in the skilled trades classification to which they are assigned. The date such employees are transferred or hired into the skilled trades classification shall be their skilled seniority date in that classification except that such date will not precede their seniority date established pursuant to Paragraph (57).

Seniority of “Employees-in-Training” and “Employees-in-Training Seniority”

(159) Employees-in-Training (E.I.T.) and employees-in-training seniority (E.I.T.S.) shall retain and accumulate seniority in the seniority group in which it is established at the time of their transfer to the employee-in-training (E.I.T.) or the employee-in-training seniority (E.I.T.S.) status.

(160) For the purpose of layoff and rehire in the skilled trades classifications, employees-in-training (E.I.T.) shall establish a date of entry in the skilled classification to which they are assigned as of the date they are transferred or hired into such classification. They shall retain such date of entry in such classification until their status is changed to employee-in-training seniority (E.I.T.S.) or they are reclassified as journeymen/women in that classification; provided, however, Management and the Shop Committee may work out an agreement, subject to the approval of the appropriate section of the International Union, dealing with the matter of multiple dates of entry of an employee.

(161) Employees-in-training (E.I.T.) shall be laid off from the skilled trades classification in which they are working in the reverse order of their date of entry status in such classification, provided, however, that if they have sufficient seniority or date of entry status, they shall thereafter be transferred in the following order:

- (1)** To another skilled trades classification in which they have journey person status;
- (2)** To another skilled trades classification in which they have employee-in-training seniority (E.I.T.S.) status;
- (3)** To another skilled trades classification in which they have a date of entry status;
- (4)** To a seniority group, other than in skilled trades, in which their seniority is established.

(162) Employees-in-training seniority (E.I.T.S.) shall be laid off from the skilled trades classification in which they are working in reverse order of their seniority in such classification, provided, however, that if they have sufficient seniority or date of entry status, they shall thereafter be transferred in the following order:

- (1) To another skilled trades classification in which they have journeyperson status;
- (2) To another skilled trades classification in which they have employee-in-training seniority (E.I.T.S.) status;
- (3) To another skilled trades classification in which they have a date of entry status;
- (4) To a seniority group, other than in skilled trades, in which their seniority is established.

Wage Rates of Employees-in-Training

(163) Where the minimum rate of the skilled trades classification to which an employee-in-training (E.I.T.) is transferred is not more than 10¢ above the rate an employee is earning, the employee will be advanced to such minimum rate upon transfer. Where there is more than a 10¢ differential, the employee will be advanced 10¢ over the rate the employee has been earning, or to a rate of \$25.87 per hour, whichever rate is higher at the time, and shall be stepped up no less than 10¢ each 60 days, if retained, until the employee reaches the minimum rate of the classification. Any odd cents less than 10¢ will be added to the last 10¢ increase in order to bring the employee up to the minimum rate of the classification. In no event will the rate paid an employee-in-training (E.I.T.) at time of transfer exceed the minimum rate of the skilled trades classification to which an employee is transferred, except as provided in Paragraph (165). Any increase above the minimum rate shall be on the basis of merit, but in no event will such an employee receive a rate above the midpoint of the rate range for the employee's job classification.

(164) An employee hired as an employee-in-training (E.I.T.) shall receive a rate of not less than \$25.87 per hour and if retained, the employee's rate shall be increased not less than 10¢ per hour each 60 days until the employee reaches the minimum rate of the skilled trades classification to which the employee is assigned. Any increase above the minimum shall be on the basis of merit, but in no event will such an employee receive a rate above the midpoint of the rate range for the employee's job classification.

(165) Employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.), who may be returned to a skilled trades classification assign-

ment in keeping with these provisions, shall be given the same rate position they had attained at the time they were last classified in such classification except as otherwise provided for in Paragraph (181a). Employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.) who may be transferred to E.I.T. status in a skilled trades classification which is related to the skilled trades classification in which they held the status of E.I.T. or E.I.T.S., shall be given the same rate (adjustment for any intervening general wage increase) they had attained at the time they were classified in the former classification, but not greater than the maximum rate of the new classification.

Reclassification to Journeyperson Status

(166) Employees who are classified as employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.) shall be classified as journeypersons when they have worked eight (8) years in that skilled trades classification in any plant, except as provided for in Paragraph (156a).

(167) In determining whether employees have worked in a skilled trades classification the time required in order to qualify for journeyperson status in that classification pursuant to Paragraph (166), they may receive credit for the work they performed while classified in another skilled trades classification which is related to the one in which they are being reclassified as journeypersons, in accordance with Paragraphs(168) and (169).

(168) After the completion of the period of time specified in Paragraph (156) for reclassification to E.I.T.S. status, employees may be credited with the hours worked in the related classification in any plant but not in excess of two times the number of hours outlined in a Rolls-Royce Corporation -UAW apprentice training program for such classification of work.

(169) In computing credit for work performed under Paragraph (168), employees shall be credited with one week for each 40 hours of work performed.

Seniority Credit Upon Reclassification of “Employees-In-Training” and “Employees-in-Training Seniority” to Journeypersons

(170) Employees reclassified from an employee-in-training (E.I.T.) status to a journeyperson status in accordance with the provisions of Paragraph

(166), upon reclassification to a journeyperson status, shall have their seniority date established in the skilled trades classification to which they are assigned by crediting them with all of the time [subsequent to their seniority date established pursuant to Paragraph (57)] during which they worked in that skilled trades classification either on a continuous or accumulated basis, except as provided in Paragraph (156a).

(171) Upon reclassification to journeyperson status, employees-in-training seniority (E.I.T.) shall have as their journeyperson seniority date in the classification the greater of the following:

- (1) The employee-in-training seniority (E.I.T.) date they have in that classification in that plant as of the date of their reclassification, or
- (2) A seniority date established in the skilled trades classification to which they are assigned by crediting them the sum of:
 - (a) 100% of the time [subsequent to their seniority date established pursuant to Paragraph (57)] during which they worked in that plant in that skilled trades classification either on a continuous or accumulated basis, except as provided in Paragraph (15a); and
 - (b) 100% of the time, subsequent to acquiring E.I.T.S. status, spent out of that skilled trades classification due to a reduction in force.

(172) Employees reclassified from employee-in-training (E.I.T.) or employee-in-training seniority (E.I.T.S.) to journeyperson status shall have the seniority rights, if any, provided in the local seniority agreement in seniority groups other than in skilled trades.

Seniority Rights of Journeypersons, “Employees-in-Training Seniority” and “Employees-in-Training”

(173) Journeypersons or employees-in-training seniority (E.I.T.S.) in a skilled trades classification shall retain their date of entry, subject to the provisions of Paragraph (160) above, in other skilled trades classifications to which they had been or are thereafter assigned as employees-in-training (E.I.T.) .

(174) No journeyperson so classified will be laid off until it is necessary

to further reduce the force after employees who have not attained the status of a journeyman in such classifications, for which the journeyman is qualified, have been laid off, except as provided in Paragraph (176).

(175) Employees-in training (E.I.T.) who have not qualified as journeyman may be retained in their classification until displaced by:

- (1) Fully qualified journeyman in the plant;
- (2) Newly graduated apprentices;
- (3) Employees-in-training seniority (E.I.T.S.);
- (4) A reduction in force.

(176) Employees-in-training seniority (E.I.T.S.) may be retained in the skilled classification in which they are classified as employees-in-training seniority (E.I.T.S.) until displaced by:

- (1) Employees with more seniority in the classification;
- (2) A reduction in force.

(177) Notwithstanding the provisions of Paragraph (174), (175) or (176) provisions may be negotiated between Management and the Shop Committee to govern temporary layoff situations.

Definition of “Journeyman”

(178) The term “journeyman” when used in this Agreement means an employee who; (1) has satisfactorily completed a bona fide apprentice training course with similar standards to the Rolls-Royce Corporation-UAW Apprentice Training Program; or (2) one who has been reclassified as a journeyman under the terms of the Skilled Trades Section of this Agreement; or (3) one, newly hired, who meets one of the above alternative requirements or can prove work experience in the trade at least equivalent to that on-the-job experience required for reclassification to journeyman status of those employees-in-training covered in Paragraph (166) of this Agreement. Copies of any documents presented pursuant to this provision will be furnished to the Chairperson of the Shop Committee upon request.

(178a) Journeymen in an apprenticeable classification will be considered to be journeymen classified in the classification(s) for which they

are qualified and which is (are) related to that apprenticeable classification, in the application of Paragraph (166). Local Apprentice Committee will determine classifications which are to be considered related to apprenticeable classifications, subject to the approval of the appropriate section of the International Union. In the event the parties are unable to reach agreement locally, the area of difference may be referred to the appropriate section of the International Union for resolution with the Company on the basis of the specific facts involved.

Major Plant Rearrangement

(179) During major plant rearrangement, employees may be temporarily transferred to classifications to assist in such work and paid in accordance with the local wage agreement. The duration of such temporary transfers is limited to the temporary period of such major plant rearrangements. Seniority of such employees shall remain and accumulate in the seniority group in which it is established at the time of the temporary transfer; It is understood, therefore, that no employee will be credited with any seniority in such classification for the purpose of being retained in the classification.

Related Training-E.I.T.

(180) (a) Related training schedules totaling between approximately 350 hours will be provided for each classification in which there are currently employees classified as employees-in-training (E.I.T.) or employees-in-training seniority (E.I.T.S.). Exceptions up to a maximum of 450 hours for employee-in-training programs may be jointly recommended by the Chairperson of the Shop Committee and local plant management subject to the approval of the appropriate section of the International Union. The Local Shift Preference Agreement must have sufficient flexibility to permit such employees to complete the related training courses in which they are currently enrolled.

(b) Employees will be required to attend the related training courses established for that classification during the period of time they work as an employee-in-training. Such employees shall not be required to attend related training courses which they have completed previously. In the event that an employee's work schedule makes it impossible to complete the related training during their E.I.T. period, with the approval of the Skilled Trades and Apprentice Committee, such classes may be completed prior to

the employee being reclassified to Journeyperson status. Failure of an employee to attend related training classes and achieve a grade of C or better, as well as failure or inability to satisfactorily perform the work in question will be cause for removal from the classification after having been counseled. Notwithstanding the provisions of Paragraphs (163), (164), (165) and (181a), such employees who hereafter achieve E.I.T.S. status pursuant to the provisions of Paragraph (156) prior to the completion of the required related training courses shall have their rate adjusted to a rate not greater than the minimum rate of the journeyperson classification. Upon satisfactory completion of the related training requirements and provided they are otherwise qualified, the rate of such employees shall be adjusted in accordance with Paragraph (181a).

- (c) Time spent by employees-in-training (E.I.T.) and employees-in-training-seniority (E.I.T.S.) in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by employees-in-training (E.I.T.) or employees-in-training-seniority (E.I.T.S.) in taking required related training, but not to exceed the hours specified in Paragraph 180(a), shall be paid for at the employee's (E.I.T. OR E.I.T.S.) straight-time hourly rate.
- (d) The Company agrees to pay, on behalf of employees-in-training (E.I.T.) and employees-in-training seniority (E.I.T.S.) covered by this Agreement, registration fees and/or tuition required in connection with related training under the employee-in-training (E.I.T.) program, but not to exceed the hours specified in Paragraph (180)(a).

General

(181a) Upon becoming classified as journeypersons or employees-in-training seniority (E.I.T.S.) employees shall receive a rate not less than the midpoint of the rate range for their job classification except that such employees shall receive the maximum rate of their classification within three (3) months from the date on which they are so classified or acquire seniority, or in the case of newly hired journeypersons or newly hired employees-in-training seniority (E.I.T.S.), within three (3) months from the date on which they acquire seniority and except that employees classi-

fied as journeypersons in one skilled trades classification and earning the maximum rate for that classification who are transferred to journeyperson status in a related skilled trades classification at that plant shall be paid the maximum rate for the related classification immediately upon transfer.

(181b) Local agreements subject to Company and International Union approval may be negotiated locally to meet other local conditions in accordance with the principles set forth in this section.

(181c) Employees hired or transferred into skilled trades as a Journeyperson after September 1st, 2006 will be hired at a rate equal to 75% of current maximum rates with a three year grow-in to the maximum rates in equal 6-month increments. Transferred employees shall assume the rate associated with their current progression scale.

Lines of Demarcation

(182) (a) The Chairperson of the Shop Committee may request the Labor Relations Supervisor to arrange a special conference to hear the skilled trades representative's views concerning problems in connection with work assignments of employees in skilled trades classifications and to discuss the matter. Such special conference will be attended by two committeepersons representing employees in skilled trades classifications, the Chairperson of the Shop Committee, a representative of the section of the Management organization in charge of the skilled trades activity involved, a representative of labor relations and another representative of the Management organization. The Regional Director of the International Union or a designated representative, upon request to the Labor Relations, may attend the conference.

(b) If the matter involves the appropriateness of the work assignment of employees in skilled trades classifications and is resolved, the settlement will be reduced to writing within seven (7) calendar days from the date of the settlement unless otherwise agreed to by the parties. If the matter is not resolved, the Union may reduce the matter to writing in a statement setting forth all the facts and circumstances surrounding the case and the position taken by the union. The statement will be presented to Management, within ten (10) working days of the special conference.

Within five working days thereafter, local management will prepare and give to the Union. A complete settlement of the facts of the case and the reasons for the position taken may within 30 days of such delivery forward the Union's statement and the Management's statement to the International Union.

- (c) If in its judgment the matter warrants appeal, the International Union may within 30 days of receipt of the statements, appeal the matter to the appropriate section of the International Union by written notice to the Director of Labor Relations of the Company.
- (d) The appropriate section of the International Union shall attempt to resolve the matter. If they are unable to resolve the case within three months of the date of appeal to it or any mutual extension of said period, the case may be withdrawn without prejudice by the union members or may be appealed to the Impartial Umpire for final and binding decision. Upon the submission of a case to the Umpire, the parties will make an effort to provide the Umpire with a jointly agreed upon set of specific criteria to guide the Umpire's decision in each case.

Subcontracting of Skilled Trades Work

- (183) (a) When the performance of work involves the use of Company-owned machines, tools, or equipment, employees of an outside contractor will not be utilized in a plant covered by this agreement to replace seniority employees on production assembly or manufacturing work, or fabrication of tools, dies, jigs and fixtures, normally performed by them.
- (b) The foregoing shall not affect the right of the Company to continue arrangements currently in effect; nor shall it limit the fulfillment of normal warranty obligations by vendors nor limit work which a vendor must perform to prove out equipment.
- (c) In cases involving construction trades classifications, when work that is considered to be "traditional" is subcontracted, employees within the affected construction trades classifications will be offered over-time opportunities consistent with the following definition of "Extended Utilization."

“Extended Utilization” is defined as; 4 hours overtime being offered per day at time and one half during the effected period, if the effected period is 3 days or more in any one week, 28 hours of overtime at time and one half being offered. The 28 hours will be offered as follows; 4 hours per day Monday through Friday and 8 hours on Saturday, there shall be no deviations from this method of offering the overtime or banking of offered overtime. In instances when 2 projects are being performed by outside contractors that would be considered traditional work of the same classification. The extend utilization agreement will become 32 hours offered with the additional 4 hours being offered on Saturday. This excludes sub-contractors working for a prime contractor.

- (d) In all cases of subcontracting involving “non-traditional” work, Management will provide advance notification to the Chairman of the Shop Committee or his designee. Such notification will describe the project, the general scope of the work and the time-frame of the project. All cases of “warranty work” fall within this notification requirement.

Subcontracting of “non-traditional” work will not require Management to provide overtime opportunities to those employees within the affected classifications.

- (e) In all cases of subcontracting involving “traditional” work, except where time and circumstances prevent it, Management will provide advance written notification to the Chairman of the Shop Committee or his designee prior to letting a contract for the performance of maintenance and construction work. Management is expected to review its plans or prospect for letting a particular contract. The written notice will describe the nature, scope and approximate dates of the work to be performed and the reasons why Management is contemplating contracting out the work (equipment, available human resources, etc.). At such time, Management representatives are expected to afford the Union representatives an opportunity to comment on Management’s plans and to give appropriate weight to those comments in light of all attendant circumstances.

- (f) In no event shall the subcontracting of “traditional” work result in the layoff of any seniority employee who customarily performs the work in question.
- (g) The local parties are encouraged to work out mutually agreeable procedures for implementing the above provisions which enhance the competitiveness of the business.

VACATION ENTITLEMENT

(184) The vacation entitlement provisions of this Section shall apply during the remainder of the term of this Agreement.

(185) The eligibility date for vacation entitlement for all seniority employees is December 31. Each “eligibility year” shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.

(186) Employees shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one years seniority as of December 31 of the eligibility year and have worked during at least 13 pay periods during the eligibility year.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year’s seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (190) and (193).

(187) In determining the number of pay periods an employee shall have worked in the eligibility year, the employee shall be credited with one pay period for each pay period in which the employee performs work in any Company plant during that year.

(188) For the purposes of this Vacation Entitlement Section only, a pay period during which an employee qualifies for pay pursuant to Paragraph (194), Paragraphs (203) through (213a) for holidays falling within the Christmas Holiday Period, Paragraph (112d) 1, Paragraph (218a), Paragraph 218(b) shall be counted as a pay period worked.

(189) An eligible employee who has worked at least 26 pay periods in the eligibility year shall be entitled to the following vacation entitlement:

For an Eligible Employee With Seniority of	Hours of Vacation Entitlement
Less than one year	72
One but less than three years	112
Three but less than five years	132
Five but less than 10 years	152
Ten but less than fifteen years	172
Fifteen but less than twenty years	192
Twenty or more years	232

(190) An eligible employee shall be entitled to a percentage of vacation entitlement shown in Paragraph (189) based on the number of pay periods the employee works in the eligibility year, in accordance with the following:

Pay Periods Worked	Percentage of Hours of Vacation Entitlement
26	100%
25	96
24	92
23	88
22	84
21	80
20	76
19	73
18	69
17	65
16	61
15	57
14	53
13	50

(191) An eligible employee who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph (189) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with Paragraph (192).

(192) Vacation time off payments will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not

including overtime, as of the employee's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the employee's rate of pay plus the attached night shift premium but not including overtime premium, as of the last day worked prior to the eligibility date or the last day worked prior to December 15, whichever produces the higher rate.

(193) Payment of the unused portion, if any, of the employee's vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

(194) Eligible employees may use 40 hours of their vacation entitlement during the eligibility year provided their absence from work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes.

(194a) Employees who work on a designated holiday, in accordance with Paragraph (203) of this Agreement, and are otherwise eligible for holiday pay, may request up to eight (8) hours be credited to their Paid Absence Allowance [Paragraph (194)], in lieu of receiving holiday pay. The hours requested may not exceed the actual hours worked. In addition, continuous operator must work eight (8) hours before being eligible to defer up to eight (8) hours. To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday occurs. The employee must use the time off in the same eligibility year in which the holiday was worked, with the exception of Christmas Holidays. Deferred Christmas Holidays must be used during the following calendar year. Unused deferred holidays will be paid at the same time unused vacation entitlement is paid (refer to Paragraph 193).

(195) Employees who retire or are retired under the provisions of the Rolls-Royce Corporation Hourly Rate Employees Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the employee's seniority would have entitled them on December 31 of the current year, as follows:

- in accordance with Paragraph (190) provided the employee has worked at least 13 pay periods in the eligibility year in which they retire;

- or one twenty sixth (1/26) of the vacation entitlement provided for in Paragraph (189) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire;
- pay out of any unused vacation will be made within 30 calendar days of the effective date of retirement.

(196) Employees who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph (112), shall receive vacation entitlement in accordance with Paragraph (190) if the employee has worked at least 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty sixth (1/26) of the vacation entitlement provided for in Paragraph (189) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.

(197) Employees disabled from working by compensable injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least one (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.

(198) In the case of an employee who has worked during at least 13 pay periods in the eligibility year and who dies prior to the eligibility date, the vacation entitled had the employee lived, based on the number of pay periods worked, shall be paid to the employee's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Company in its discretion may determine.

(199) In the case of an employee who goes on sick leave during one eligibility year after having worked less than 13 pay periods in that year who retires during the next eligibility year under the provisions of the Rolls-Royce Corporation Hourly Rate Employees Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the employee's last day worked.

(200) When a person is transferred into a bargaining unit covered by this Agreement the amount of vacation entitlement the employee may become

eligible for shall be reduced by the amount of any paid vacation or pay in lieu of taking vacation which the employee has already received from the Company for the same eligibility year.

Vacation Time Off Procedure

(201) Management recognizes the desirability of providing vacation time off with pay, up to the vacation entitlement to which the employee's seniority will entitle them on December 31 of the current year, in a manner that preserves the maintenance of efficient operations while giving consideration to the desires of the employee.

(202) Management at each plant will establish a procedure whereby employees, during January, may make application in writing for vacation time off, indicating first, second and third choices. In the event more employees apply for time off than can be spared from the job at a given time, plant seniority will be the basis for resolving priority of applications for time off, except that applicants working on jobs which usually operate when the plant is shut down during such periods as plant rearrangement or inventory will be given first consideration for time off during periods other than such shutdowns.

- (a)** Each employee will be given a written disposition of their vacation time off request. Approved vacation time off will not thereafter be canceled or changed without the mutual consent of Management and the employee.
- (b)** An eligible employee who has approved vacation time off in accordance with Paragraph (202) shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off is taken. An employee may elect to waive this provision by submitting an application at least two (2) days prior to the approved vacation time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provision for payment of an unused balance in Paragraphs (192) and (193).
- (c)** Employees who are scheduled and work on the Independence Day Holiday (Paragraph 203) shall be entitled eight (8) hours Additional Time Off with pay. The Additional Time Off shall not exceed the total hours worked on the Independence Day Holiday.

(d) Regardless of the provisions of Paragraph (49), the Corporation will deduct from earnings subsequently due and payable the amount of any vacation payment made to an employee who does not have seniority as of their next eligibility date, or who receives State or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this agreement or any Supplemental Agreement thereto.

HOLIDAY PAY

(203) Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided hereinafter:

1st year

March 21, 2008	Good Friday
March 24, 2008	Easter Monday
May 26, 2008	Memorial Day
July 4, 2008	4 th of July
September 1, 2008	Labor Day
November 4, 2008	Federal Election Day
November 10, 2008	Veterans Day (Observed)
November 27, 2008	Thanksgiving Day
November 28, 2008	Day after Thanksgiving
December 24, 2008	Christmas Holiday
December 25, 2008	Christmas Holiday
December 26, 2008	Christmas Holiday
December 29, 2008	Christmas Holiday
December 30, 2008	Christmas Holiday
December 31, 2008	Christmas Holiday
January 1, 2009	Christmas Holiday
January 2, 2009	Christmas Holiday
January 19, 2009	Martin Luther King, Jr. Day

2nd year

April 10, 2009	Good Friday
April 13, 2009	Easter Monday
May 25, 2009	Memorial Day
July 3, 2009	4th of July (Observed)
September 7, 2009	Labor Day

November 13, 2009	Veterans Day (Observed)
November 26, 2009	Thanksgiving Day
November 27, 2009	Day after Thanksgiving
December 24, 2009	Christmas Holiday
December 25, 2009	Christmas Holiday
December 28, 2009	Christmas Holiday
December 29, 2009	Christmas Holiday
December 30, 2009	Christmas Holiday
December 31, 2009	Christmas Holiday
January 1, 2010	Christmas Holiday
January 18, 2010	Martin Luther King, Jr. Day

3rd year

April 2, 2010	Good Friday
April 5, 2010	Easter Monday
May 31, 2010	Memorial Day
July 5, 2010	4 th of July (Observed)
September 6, 2010	Labor Day
November 12, 2010	Veterans Day (Observed)
November 25, 2010	Thanksgiving Day
November 26, 2010	Day after Thanksgiving
December 27, 2010	Christmas Holiday
December 28, 2010	Christmas Holiday
December 29, 2010	Christmas Holiday
December 30, 2010	Christmas Holiday
December 31, 2010	Christmas Holiday
January 17, 2011	Martin Luther King, Jr. Day

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. For each

Christmas holiday period, the employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

(203a) Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the employee for pay for the two holidays in the Christmas holiday period which follow or precede such scheduled work day.

(203b) An employee who retires as of January 1, and who is other-wise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31, will receive holiday pay for such holidays.

(203c) In order for employees to have maximum time off during the Christmas Holiday Period, employees will only be scheduled for work on the following days, which are not paid holidays under this Agreement, on a voluntary basis, except in emergency situations:

Saturday, December 27, 2008

Sunday, December 28, 2008

Saturday, January 3, 2009

Sunday, January 4, 2009

Saturday, December 26, 2009

Sunday, December 27, 2009

Saturday, January 2, 2010

Sunday, January 3, 2010

Saturday, December 25, 2010

Sunday, December 26, 2010

Saturday, January 1, 2011

Sunday, January 2, 2011

Employees shall not be disqualified for holiday pay if they do not accept work on such days. This does not apply to employees on necessary continuous seven-day operations.

(204) When a holiday falls on Saturday, eligible employees shall receive holiday pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

(205) Employees eligible under these provisions shall receive eight hours pay for each of the holidays specified in Paragraph (203), computed at their regular straight time hourly rate plus any cost of living allowance in effect, exclusive of overtime premium.

(206) For holidays specified in Paragraph (203), eligible employees shall have the night shift premium rate which attached to the straight time hours on their last straight time day worked preceding the holiday included in the computation of holiday pay paid pursuant to Paragraph (205).

(207) Employees whose work is in necessary continuous seven-day operations as covered by Paragraph (87) shall receive holiday pay only in the event the holiday falls on one of their regularly scheduled days off, and they meet the other eligibility requirements of this Holiday Pay Section; provided, however, that such employees shall not receive holiday pay if they are scheduled to work on such day off and absent themselves from scheduled work on such holiday without reasonable cause acceptable to Management.

(208) Seniority employees who have been laid off in a reduction of force (except as provided below), or who have gone on sick leave, or on leave of absence for military service, or on a Leave for Family and Medical reasons, in accordance with Paragraphs (104) and (106) respectively, during the work week prior to or during the week in which the holiday falls, shall receive pay for such holiday.

Seniority employees who work in the fourth work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, or seniority employees who are laid off in a reduction in force during the first, second or third work week prior to or during the work week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

Seniority employees who work in the fifth, sixth or seventh work week prior to the week in which Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

(209) Employees who have been laid off because of plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing they meet all the following eligibility rules:

1. They have seniority as of the day of the holiday.
2. They are ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.
3. They return to work during the work week in which the holiday falls or during the work week immediately following the work week in which the holiday falls.
4. They work the first day they are scheduled to work following the holiday.

(210) When a holiday, specified above, falls within an eligible employee's approved vacation period or during a period in which jury duty pay is received pursuant to Paragraph (218a) of this Agreement, and such vacation or jury duty causes the employee to be absent from work during the regularly scheduled work week, the employee shall be paid for such holiday.

(211) When eligible employees are on an approved leave of absence and return to work following the holiday but during the week in which the holiday falls, they shall be eligible for pay for that holiday. Eligible employees whose leave of absence terminates during the Christmas Holiday Period, and who report for work on the next scheduled work day after the Christmas Holiday Period, will be eligible for holiday pay beginning with the first holiday such employees would otherwise have worked and each holiday thereafter in the Christmas Holiday Period.

(212) 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.

(213) When any of the above-enumerated holidays falls on Sunday and the day following is observed as the holiday by the State or Federal Government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

(213a) It is the purpose of the Holiday Pay Provisions in Paragraph (203) through (213) of this Agreement to enable eligible employees to enjoy the specified holidays with full straight time pay. If, with respect to a week included in the Christmas Holiday Period, employees supplement their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claim and receive waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, such employees shall be obligated to pay to the Company the lesser of the following amounts:

1. an amount equal to their Holiday Pay for the week in question, or,
2. an amount equal to either the unemployment compensation paid to them for such week or the unemployment compensation which would have been paid to them for such week if it had not been a waiting period.

The Company will deduct from earnings subsequently due and payable the amount which such employees are obligated to pay as provided above.

GENERAL PROVISIONS

(214) After consultation with the Shop Committee, the Company shall make reasonable rules in each plant regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance.

(215) Supervisory employees shall not be permitted to perform work on any hourly rated job except in the following types of situations: (1) in emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) in the instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph (5). For the purposes of this Special Procedure only, prior to being referred from the plant, the problem will be discussed between the Chairperson of the Shop Committee, the President of the Local Union, the Regional Servicing Representative, the Vice President and General Manager of Production Operations and the Vice President of Human Resources.

(216) A report of physical examination and any laboratory tests made by

physicians acting for the Company will be given to the personal physician of the individual employee involved upon the written request of the employee.

(217) Employees working on their regular shifts on pay day will be paid on the job in a manner that will not result in loss of time by the employee or loss of production. Employees who are not working on their regular shifts on pay day will be paid in accordance with the practice that is or may be established to meet local conditions.

Jury Duty

(218a) Employees with seniority in any Rolls-Royce Corporation plant who are summoned and report for jury duty (including coroner's juries), as prescribed by applicable law, or who report for pre-jury duty examination required by the court or administrative governmental agency, shall be paid by the Company an amount equal to the difference between the amount of wages, including night shift premium, they otherwise would have earned by working during straight-time hours for the Company on that day and the daily jury duty fee paid by the court or agency (not including travel allowances or reimbursement of expenses), for the day on which they report for pre-jury duty examination, and for each day on which they report for or perform jury duty and on which they otherwise would have been scheduled to work for the Company.

Employees with an established shift starting time on or after 7:00 p.m. and on or before 4:45 a.m. (excluding scheduled overtime) will be excused from work on either their shift immediately preceding the jury service, or their shift immediately following the completion of the jury service, at the option of the employee. Such employee must notify their immediate supervisor of their election prior to being absent from work.

In order to receive payment, employees must give Management prior notice that they have been directed to report for pre-jury duty examination or have been summoned for jury duty and must furnish satisfactory evidence that they reported for such examination or reported for or performed jury duty on the days for which they claim such payment. The provisions of this Paragraph (218a) are not applicable to employees who, without being summoned, volunteer for jury duty.

Bereavement

(218b) When death occurs in an employee's immediate family as defined

below, and the employee has seniority in any Roll-Royce Corporation plant, the employee, on request, will be excused for any of the first three (3) consecutive days or the first five (5) consecutive days in the case of the death of an employee's current spouse, parent or child (excluding Saturdays, Sundays and holidays) within ten (10) calendar days following the date of death provided the employee attends the funeral. The ten (10) calendar day provision may be extended over the Christmas Holiday Period to include the first three (3) scheduled working days after the holiday period. The immediate family for purposes of this Paragraph (218b) is defined as including the employee's:

- Spouse
- Parent
- Step-Parent
- Grandparent
- Great Grandparent
- Child
- Step-Child
- Grandchild
- Brother
- Step-Brother
- Half-Brother
- Sister
- Step-Sister
- Half-Sister
- Current Spouse's Parent
- Current Spouse's Step-Parent
- Current Spouse's Grandparent
- Current Spouse's Great Grandparent

In the event a member of the employee's immediate family as above defined dies while in the active services of the Armed Forces of the United States, the employee may, should the funeral be delayed, have the excused absence from work delayed until the period of three normally scheduled working days or five (5) normally scheduled working days in the case of the death of an employee's current spouse, parent or child which includes the date of the funeral. In the event the body of a member of the employee's immediate family as above defined 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. In the case of an employee who is granted a leave of absence due to the illness of an immediate family member, as above defined, and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise be scheduled to work will be waived.

Employees excused from work under this Paragraph (218b) shall, after making written application, receive the amount of wages they would have earned by working during straight time hours on such scheduled days of work for which they are excused (excluding Saturdays, Sundays and holidays, or in the case of employees working in necessary continuous seven-day operations, the sixth and seventh work days of the employee's scheduled working week and holidays).

Request for bereavement pay will be processed weekly with pay provided in the following week.

(219) With respect to any matter that is to be negotiated locally the Company will fully inform the Union and the Union will fully inform the Company, as to the limits, if any, set by higher authority upon the scope of the local negotiations.

Agreement Administration

(220) No provisions of any local agreements between local Plant Management and the Shop Committee therein shall supersede or conflict with any provisions of this Agreement.

(221) No local agreement containing a termination clause shall be terminated except in accordance with such termination clause and then only if notice of termination is counter signed by the Director of the servicing department of the International Union or the Vice President of Human Resources of the Company, as the case may be.

(222) No provision of this Agreement shall be retroactive prior to the date hereof unless otherwise specifically stated herein.

Term of Agreement

(223) This Agreement shall continue in full force and effect without change until 11:59 P.M. (Indianapolis Time), February 25, 2011. If either party desires to terminate this Agreement, it shall 60 days prior to February 25, 2011, give written notice of the termination. If neither party

shall give notice to terminate this Agreement as provided above, or to modify this Agreement as hereinafter provided, the Agreement shall continue in full force and effect from year to year after February 25, 2011, subject to termination by either party on sixty (60) days' written notice prior to February 25, of any subsequent year.

If either party desires to modify or change this Agreement it shall, sixty (60) days prior to February 25, 2011, or any subsequent February 25 date, give written notice to such effect. Within ten days after receipt of said notice, a conference will be arranged to negotiate the proposals in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on thirty (30) days' written notice of termination given on or after next January 26, 2011 following said notice of intention to modify or change.

PENSION PLAN/OTHER BENEFITS PLANS – SUPPLEMENTS

(224) The parties have provided for a Pension Plan and other Benefit Plans, by Supplemental Agreements signed by the parties simultaneously with the execution of this Agreement, which Supplemental Agreements are attached hereto and made part of this Agreement as if set out in full herein, subject to all provisions of this Agreement. No matter respecting the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Profit Sharing Plan, Personal Savings Plan, Legal Services Plan or Supplemental Unemployment Benefit Plan Section shall be subject to the grievance procedure established in this Agreement, except as expressly provided in Paragraph (46) of this Agreement.

WAIVER

(225) The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the life of this Agreement, 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, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

Partial Invalidity of Agreement

(226) Partial Invalidity of Agreement – Should the parties agree hereafter that applicable law renders invalid or unenforceable any of the provisions of this Agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related thereto, the parties may agree upon a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement of the parties, without the need for further ratification by the Union membership, and shall remain in effect for the duration of this Agreement.

Separability

(227) Separability – In the event that any of the provisions of this Agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related thereto, shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions thereof.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and the year first above written.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

DOCUMENTS

Doc. No. 1

MEMORANDUM OF UNDERSTANDING

HEALTH AND SAFETY

The Company recognizes its obligation to provide a safe and healthful working environment for employees. We are committed to protecting the Health and Safety of each employee as the overriding priority of this Company. The implementation of actions to help our employees realize a healthy, injury-free environment is a leadership responsibility. The Union will cooperate in the Company's maintaining and improving a safe and healthful working environment. The parties agree to use their best efforts jointly to achieve these objectives:

- I.** The Company agrees to:
 - a.** Provide the necessary or required personal protective equipment, devices and clothing at no cost to employees.
 - b.** Provide equipment for measuring noise, air contaminants, and air flow, including smoke tubes, which will be available for use by the representatives of the Local Joint Health and Safety Committee, established pursuant to Section III hereof. Industrial Hygiene monitoring equipment authorized by the National Joint Committee or the Servicing Department of the International Union will be available as requested for use by the representatives of the Local Joint Health and Safety Committee.
 - c.** Provide training for members of such Local Joint Health and Safety Committee and appropriate education and training in health and safety for all employees.
 - d.** Disclose, to the co-chairs of the National Joint Committee or the Servicing Department of the International Union, the identity of chemicals or materials to which employees are exposed, including any information regarding remedies and antidotes for such chemicals. Information contained in each such disclosure shall remain the property of Rolls-Royce Corporation and will not be released without the expressed written permission of the Company.
 - e.** Provide competent staff and medical facilities adequate to implement its obligation as outlined in (f) below.

- f. Provide to employees who are exposed to potentially toxic agents or toxic materials, at no cost to them, those medical services, physical examinations and other appropriate tests including audiometric examinations and lung function tests at a frequency and extent necessary to determine whether the health of such employees is being adversely affected. Also, to provide the specific tests required for employees in jobs with special physical requirements.

Provide to each employee upon request a written report of the results of such examinations or tests which are related to occupational exposure. These results as well as those instances where it is determined that an employee has had a personal Exposure exceeding the permissible levels as set forth in 29CFR-1910.1000, Air Contaminants, will be reviewed with the employee by the plant Medical Department prior to their release. Upon the employee's written request, copies of such information will be forwarded to the employee's personal physician. Problems regarding this procedure should be brought to the attention of Management.

In addition, in those instances where a breathing zone air sample is collected the employee will be notified of the results which will be entered on the employee's medical records.

- g. Provide access, upon reasonable notice, to all Company plants and locations to International Union Health and Safety Representatives. Reports of any findings or surveys generated from such visits will be provided to the National Joint Committee.
 - h. Compile OSHA "Summary of Occupational Injuries and Illnesses" as it is now constituted, along with the total employee hours worked and incidence rate for each Plant for the comparable period. Such information will be provided to the National Joint Committee.
 - i. Direct Local Management and Local Joint Health and Safety Committee to provide prompt notification of fatalities, serious accidents or incidents including chemical spills, having the potential for serious injuries or illnesses to the National Joint Committee or the Servicing Department of the International Union. After making appropriate arrangements, a prompt investigation may be made in accordance with the "Special Review Board" procedure.
- II. Promptly following ratification of this Agreement, a National Joint Committee on Health and Safety will be established, consisting of two

(2) representatives of the International Union and two (2) representatives of the Company. This National Joint Committee (NJC) shall:

- a. Meet semi-annually, or as otherwise mutually agreed upon. A summary listing of the items discussed at the meetings will be provided.
- b. Review the Company's safety and health programs and make timely recommendations.
- c. Review expenditures of Joint Health and Safety funds.
- d. Review problems concerning serious or unusual situations affecting plant health and safety and make timely recommendations.
- e. Review and analyze the health and safety data that the Company is now required to compile on OSHA "Summary of Occupational Injuries and Illnesses" and Form 200S as they are now constituted.
- f. Receive and deal with matters referred to them by Local Joint Health and Safety Committee. Reports, studies, etc., may be submitted to the National Joint Committee or the Servicing Department of the International Union. The Local Joint Health and Safety Committee may request the National Joint Committee or the Servicing Department of the International Union to evaluate and/or interpret the reports, studies, etc. The National Joint Committee or the Servicing Department of the International Union will normally respond within thirty (30) days from receipt of such request.

III. A Local Joint Health and Safety Committee (LJC) will be established, consisting of the representatives appointed by the Company and the representative(s) appointed by the Director of the Union's Aerospace Department. The Union member(s) shall serve an indefinite term. The Union member(s) will receive, without personal cost, adequate and necessary training, to enable the effective performance of assigned functions.

Local Joint Health and Safety Committee member on different shifts in accordance with Document 46 may attend mutually agreed upon meetings. The Parties will allow the alternates for such members to handle current health and safety issues arising during the absence caused by the regular member's attendance at such meetings.

In the event that a Local Union Health and Safety Representative is absent for one day or more, including attendance at Joint Conferences,

such representative will be replaced by an employee who has been designated as the alternate by the International Union. As soon as practical following the effective date of this Agreement, the Aerospace Department of the International Union shall provide to the Company the names of the employees so designated.

The Local Joint Health and Safety Committee shall:

- a.** Meet at least once each month at a mutually agreeable time and place to review health and safety conditions within the plant and make such recommendations in this regard as they deem necessary or desirable. The Industrial Hygiene Technician will attend the regular monthly meeting. The Local Joint Health and Safety Committee will coordinate the activities of all appointed safety personnel at its plant (e.g., Industrial Hygiene Technicians, Ergonomic Technicians, etc.) Periodically the Local Health and Safety Committee will review the associated functions performed by International and local appointees (e.g., Industrial Hygiene Technicians, Ergonomic Technicians, etc.) to ensure effective utilization of human resources and eliminate duplication of assignments. Discussion should include concerns from all areas of health and safety brought to the attention of the Local Joint Health and Safety Committee.
- b.** Develop an appropriate training program to be established for Union members of the Local Joint Health and Safety Committee. Annual training programs agreed to by the National Joint Committee or the Servicing Department of the International Union will be provided to the Local Joint Health and Safety Committee so that they may perform their functions satisfactorily.
- c.** Develop guidelines for employee training and education. Review, recommend, approve and participate in local safety education and information programs.
- d.** Review and analyze federal, state or local standards or regulations which affect the health and safety programs within the Company.
- e.** Make a health and safety observation tour once each two weeks. Prior to such observation tours, a review may be made of OSHA Form 200 accident experience. Investigate promptly major accidents as defined by the National Joint Committee or any employee fatalities or serious accidents resulting from work related injuries.

When such events occur during the 2nd or 3rd shift, the Management member of the Local Joint Health and Safety Committee will notify the Union member, inform the representative of the facts, and arrange upon request, for the representative to enter the plant and investigate such events.

- f. Accompany Federal and State OSHA Governmental Health and Safety inspectors on compliance inspections. Accompany International Union Corporate or consultant Health and Safety professionals on regular surveys and those requested by the Union.

Rolls-Royce Corporation maintains an Industrial Hygiene staff to monitor plant environmental conditions that may adversely impact the health of its employees. Copies of any reports generated from such monitoring and/or surveys will be provided to the Local Joint Health and Safety Committee. Copies of reports will be forwarded to the co-chairs of the National Joint Committee or the Servicing Department of the International Union by the Local Joint Health and Safety Committee when appropriate. Reports and/or results of such surveys shall be for the use of the Local Joint Health and Safety Committee or the National Joint Committee or the Servicing Department of the International Union.

Information contained therein shall remain the property of Roll-Royce Corporation and will not be release without the expressed written permission of the Company.

The Union does not waive any rights provided by federal or state law by such accompaniment.

- g. Review lost time accidents and other major accidents, as defined by the National Joint Committee or the Servicing Department of the International Union which occur in the workplace and do not result in lost time, and also review plant safety reports on such accidents and make any necessary or desirable recommendations.
- h. Receive a copy of the plant's report on OSHA "Summary of Occupational Injuries and Illnesses" and the facility's total employee hours worked and the incidence rate for the comparable period.
- i. Receive Incident Investigation forms (example, the GT-212 Accident Report) which would include an analysis to determine the

root cause so that appropriate corrective actions can be developed.

- j.** Where necessary, measure noise, air contaminants, and air flow with equipment provided by the Company and observe the use of appropriate industrial hygiene and safety testing equipment as required when available in the plant. The Local Joint Health and Safety Committee may take or be provided copies of photographs taken which relate to health and safety matters in the plant, and forward them to the co-chairs of the National Joint Committee or the Servicing Department of the International Union, if appropriate. Such photographs (including video tapes, etc.) shall be for the confidential use of the Local Joint Health and Safety Committee, the National Joint Committee or the Servicing Department of the International Union only and shall not be reproduced, published and distributed in any way without the expressed written consent of Roll-Royce Corporation.
- k.** Be advised of breathing zone air sample results and known physical agents or chemicals to which employees are exposed and protective measures and applicable emergency procedures. In addition, whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000, Air Contaminants, and, the Local Joint Health and Safety Committee shall be informed in writing of such exposure and the corrective action to be taken.
- l.** A management and a union member of the Local Joint Health and Safety Committee will serve as members of the Plant Hazardous Materials Control Committee.
- m.** When either member of the Local Joint Health and Safety Committee has a reasonable basis for concluding that a condition involving imminent danger exists, relevant information shall be immediately communicated to the co-committee members so that joint investigation can be carried out immediately and necessary or desirable recommendations made. Upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

IV. Complaint Procedure

- a.** Each District Committeeperson shall conduct a safety observation

tour of his or her district one weekday each week for the purpose of examining health and safety conditions. The Committeeperson may call for the union representative of the Local Joint Health and Safety Committee to take measurements of noise, air flow and chemical exposure utilizing equipment authorized by the National Joint Committee or the Servicing Department of the International Union where appropriate training has been completed. The District Committeeperson will discuss with the supervisor and, failing successful resolution, with higher supervision, any problems which the Committeeperson feels require correction. Every reasonable effort shall be made to settle the complaint at this point through discussion. If the problem remains unresolved, the Committeeperson may complete a "Health and Safety Complaint Form" in writing, in quadruplicate, which will include a statement of all the facts of the complaint.

- b.** Complaints by employees concerning health and safety issues may be taken up in accordance with Paragraph (29) of the Rolls-Royce Corporation-UAW Agreement with the understanding, however, that the Committeeperson, if called, will discuss the matter with the supervisor and, failing resolution, with higher supervision. If the matter is still not resolved, the Committeeperson may complete a "Health and Safety Complaint Form," as described in (a) above.
- c.** The member of higher supervision will give Management's answer promptly in writing on the "Complaint Form". The Committeeperson will give to higher supervision two (2) copies of the "Complaint Form" and transmit one (1) copy to the Union Representative of the Local Joint Health and Safety Committee.
- d.** The Local Joint Health and Safety Committee will within two (2) working days visit the area where the complaint arose and observe the conditions complained of. Within a maximum of three (3) working days from the day of their visit, the Local Joint Health and Safety Committee will answer the complaint in writing. A unanimous decision by the Local Joint Health and Safety Committee will settle the issue. Failing such unanimous decision, the complaint will be discussed at a special conference attended by the Union and Management members of the Local Committee, the Chairperson of the Shop Committee or the Chairperson's designated representative, and another member of Management. If the parties are unable to

resolve the complaint in the special conference, the complaint will be answered by Local Management within five (5) working days. Thereafter, Paragraph (37) of the Rolls-Royce Corporation-UAW Agreement will be applicable. There after, the regular Grievance Procedure of the Rolls-Royce Corporation-UAW Agreement will be applicable.

- e. Health and safety complaints affecting substantial groups of employees may be initiated by the Health and Safety Representative. To do so, the representative shall submit a completed "Health and Safety Complaint Form" to the Chairperson of the Shop Committee. Should the Chairperson of the Shop Committee, upon investigation of the complaint, determine that the complaint has merit, the Chairperson shall sign the form and present it to Management in a special conference as outlined in IV (d) above within five (5) working days.
- V. Nothing herein shall be construed to restrict any employee's rights under Section 502 of the Labor-Management Relations Act, 1947, as amended.
- VI. No provision herein will restrict the right of the Chairperson of the Shop Committee, Zone Committeepersons or District Committeepersons to perform their functions under the terms of the National Agreement and locally negotiated agreements.

A Health and Safety Representative, who is appointed by the International Union, shall have only the duties and functions as set forth in this Memorandum and attachments dealing with Health and Safety. Such representative shall be subject to the provisions of the following paragraphs of the Rolls-Royce Corporation-UAW Agreement: Paragraphs (17), (19), (20), (21a), (21b), (22), (22a), (22d), (23), (23a), (24), and (27). Although it is recognized that they are not Zone Committeepersons, during regular hours the Health and Safety Representatives shall be paid and shall be scheduled to report at the plant for Health and Safety representation purposes in the same manner as a Zone Committeeperson, with a designated Health and Safety representation area on the Representative's shift as the zone. During other than regular hours, the representative will be scheduled to report for Health and Safety representation purposes as follows:

- a. During overtime, part-time or temporary layoffs, or inventory when

three hundred (300) or more or fifty percent (50%) or more of the people on the representative's shift in the representative's Health and Safety representation area are scheduled to work. In addition, when new equipment and/or processes are being installed or tried out and one hundred (100) or more of the people on the representative's shift in the representative's Health and Safety representation area are scheduled to work.

- b. During shutdown for model change, or for plant rearrangement when one hundred (100) or more of the people on the representative's shift in the representative's Health and Safety representation area are working on model change or plant rearrangement work.
- c. During overtime hours, when less than three hundred (300) or less than fifty percent (50%) of the people on the representation area are scheduled to work, they will not function pursuant to this Memorandum of Understanding, but the representative will be considered for work in the representative's equalization group in accordance with Paragraph 71 of the National Agreement.

Finally, nothing in this Memorandum of Understanding, the attachment hereto, various policy letters on health and safety, or the joint health and safety training materials is intended nor should it be taken to impose upon the International Union, Local Unions, Union Health and Safety Committee, Union Officials, employees or agents, a legal or financial liability for either the Committee, Union Officials, employees or agents, a legal or financial liability for either the health and safety of Rolls-Royce Corporation employees or for work connected injuries, disabilities, diseases or related losses incurred by employees of Rolls-Royce Corporation or its subsidiaries or by third parties while on the property of Rolls-Royce Corporation or its subsidiaries.

**ATTACHMENT "A" TO THE
MEMORANDUM OF UNDERSTANDING
HEALTH AND SAFETY**

Rolls-Royce Corporation recognizes that employees are its most important asset. The health and safety of employees is vital for the effective and efficient operation of the Company.

In recognition of that principle, the parties agreed to the "Memorandum of Understanding on Health and Safety" during 2000 Negotiations. The

Memorandum provides an excellent framework for the joint efforts in health and safety within Rolls-Royce Corporation. The Local Joint Health and Safety Committee provided for in the Memorandum of Understanding is effective at resolving most health and safety concerns within Rolls-Royce Corporation plants. The Company and UAW have worked jointly in an innovative manner to identify and correct potential hazards.

The UAW and Rolls-Royce Corporation have entered into the following Memorandum of Understanding which embodies the spirit of the concern shared by the UAW and Rolls-Royce Corporation for the health and safety of employees. The parties have recommitted to jointly work toward a safer workplace through the joint involvement of all employees.

The Company shall continue to recognize its obligation to provide a safe and healthful working environment for employees during working hours. The Union will cooperate with the Company's efforts to fulfill its obligations. To implement and coordinate these principles, a National Joint Health and Safety Committee and a Local Joint Health and Safety Committee have been formed, trained and empowered to function dealing with a broad range of the subject matter. Included in this Attachment "A" to the Memorandum of Understanding is a Review Board process designed to enhance Health and Safety awareness and compliance across Rolls-Royce Corporation, review health and safety performance and monitor the implementation of its health and safety programs. The parties continue to recognize their roles and responsibilities, for assuring that all Rolls-Royce Corporation employees have safe and healthy work environments. The function of the National Local Joint Health and Safety Committees should be technically constructive and problem resolution oriented.

In keeping with the purpose and intent of this Memorandum of Understanding and other related health and safety documents contained herein, the Union reaffirmed its commitment to communicate to its members the need to utilize the internal processes available to resolve health and safety matters.

The parties recognize that a joint commitment must be directed toward achieving a safe and healthy workplace. Therefore, it shall be the responsibility of the National Joint Committee or the Servicing Department of the International Union, as the mechanism, to guide in an appropriate direction.

The parties have resolved the health and safety issues raised during these negotiations as follows:

FUNDING: HEALTH AND SAFETY ACTIVITIES

The Executive Review Board – Joint Activities will direct and support the joint health and safety activities of the Company. These shall include health and safety training for skilled and production/support employees, and expenses associated with the purchase and installation of equipment to improve communication of health and safety information between the Company and the International Union. To assure adequate funding for these activities, the Company will make available funding at four cents (4) per hour worked. These funds will be accumulated by and coordinated administratively on behalf of the Executive Review Board by the Key 4. In the event this Fund is depleted, subsequent funding for future reoccurring expenses, if approved, will be made available through Plant training funds.

CORRECTIVE COUNSELING

Rolls-Royce Corporation recognizes the responsibility of management to provide appropriate training, Leadership, counseling and corrective action as necessary to eliminate unsafe practices or conditions from the workplace. Management and the Local Joint Health and Safety Committee (LJC) shall provide appropriate technical resources, safe practice instructions, support training and counseling. Unsafe practices or conditions that are observed normally require prompt action. Management, so notified and/or observing such unsafe practices or conditions should take appropriate action promptly and document such action. The LJC will assist in counseling employees regarding audiometric testing, blood lead, pulmonary function testing, etc. Action taken to improve safety performance of employees should be documented and copies retained by the LJC on a permanent basis.

SPECIAL REVIEW BOARD

The parties are committed to preventing fatalities and serious injuries. In the event of such an incident, a Special Safety and Health Review Board will be convened at such time as appropriate upon the request of the National Joint Health and Safety Committee (NJC). The Special Review Board will consist of members of the NJC, UAW Servicing Representatives, the Local Chairperson and the Plant Manager. The LJC, and/or other officials or resources, as deemed appropriate by the NJC, may be invited to attend as observers. The Special Review Board will meet at a site designated by the NJC. The LJC will provide technical support for the special Review Board's

efforts. The Special Review Board will normally convene one week after notification by the NJC, and issue its recommendations within two weeks after concluding its review.

The purpose of the Special Review Board will be to recommend improvements in Safety and Health practices. The primary tool to accomplish this objective will be a complete safety hazard analysis of the job or operation at issue. This analysis will be conducted by a joint team designated by the NJC. An action plan will be developed by the Special Review Board. Senior Operating Management will access the implementation and progress of the action plan after an appropriate lapse of time as established by the Special Review Board.

VIDEO FILMING AND REPORTS

A video camera will be provided for use by the LJC. The operation or job site may be videotaped, without comment, for informational purposes. This equipment will be operated under the direction of the LJC. Any video tape made of a job or operation will not be copied or released except under the direction of the Special Review Board. A confidential copy edited to remove proprietary, and/or other restricted information will be provided to the Aerospace Department of the International Union upon request.

FINAL REPORT

A video taped report may be prepared at the request of the Special Review Board. The purpose of the report is to convey factual information and recommendations. The presiding Operating Manager on the Special Review Board will be responsible for arranging to have the interim written and/or video report presented to the next scheduled NJC meeting. All such information, video tapes, etc., shall remain the property of Rolls-Royce Corporation and will not be released without Rolls-Royce Corporation's expressed written permission.

JOINT RESEARCH AND OCCUPATIONAL HEALTH

The National Joint Health and Safety Committee will be responsible for evaluating the need for occupational health research based on its need, practicability and recognized benefits. The results of research conducted within Rolls-Royce Corporation facilities will only be used for purposes specifically authorized by the National Joint Committee or the Servicing Department of the International Union.

During the term of the 2008 Roll-Royce Corporation-UAW Agreement, the

NJC will, as necessary, institute, review and revise operating procedures and guidelines for research programs, and enhance communication pertaining to sponsored research. Included in the guidelines will be core criteria to access proposed research in terms of its potential impact on worker health and safety, the established need for such study, its practicability, as well as the recognized benefits and probability of success. Where warranted, and based on confirmed results of sponsored studies, the NJC will devise an action plan and make appropriate recommendations for implementation. The NJC will monitor research conducted at other UAW-represented facilities in an effort to use applicable findings to reduce exposure levels of any hazardous substance.

ERGONOMICS

Rolls-Royce Corporation and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America recognize that cumulative-trauma disorders (hereafter “CTDs”) are an occupational illness. The parties also recognize that the control of CTDs is a complex issue often requiring the application of a number of different control methods and technologies that may differ from operation to operation. These include ergonomically appropriate designs, which includes feasible engineering and administrative controls that materially reduce or eliminate job-related CTD stressors, employee and supervisory training and education, early recognition of the problem, early and proper medical diagnosis, treatment and care.

Rolls-Royce Corporation will continue to administer an Ergonomics Program for all UAW- represented employees utilizing guidelines established between The Company and the International Union, UAW. Rolls-Royce Corporation recognizes the accomplishments of the joint ergonomics process and realizes the need to improve the process to further reduce work-related CTD’s. The Company is committed to progressively pursue improving and enhancing the current process with the UAW. The purpose of the program is to deal cooperatively and constructively with the problem of CTDs in the workplace.

The Local Joint Health and Safety Committee (LJC) will assume responsibility for supervising and supporting the ergonomics program. The parties will establish a Joint Ergonomics Technician Team. The LJC will identify the resources who will be trained to perform the responsibilities of the Joint Ergonomics Technician Team, as needed, to administer the Ergonomics Program, based on the following formula:

# of UAW-Represented Employees	# of Full-Time Ergonomics Technicians
750-1999	1
2000 or more	2

If the level of ergonomic activity does not sustain the number of Joint Ergonomic Technicians assigned, the LJC can petition the NJC for a variance. In addition, the LJC can request additional interim resources if the ergonomic needs exceed the level the Joint Ergonomics Technician Team can be reasonably expected to accomplish in a timely manner. The LJC may refer unresolved issues or concerns to the NJC.

The NJC will establish selection criteria for the Joint Ergonomics Technicians. The UAW Technicians will be selected from the local work force and appointed to the position by the Aerospace Department of the International Union within three months of ratification of this Agreement.

The responsibilities of the Joint Ergonomics Technician Team will include, but not be limited to, the following:

- Conducting job analysis
- Providing recommendations for corrective action
- Monitoring the implementation of job improvements
- Conducting review and follow up
- Reporting monthly to the Local Health and Safety Committee

The Joint Ergonomics Technician Team will coordinate their efforts through the LJC and resources from appropriate departments, e.g. Medical, Engineering, Skilled Trades, and Production, will be made available to support the Joint Ergonomics Technician Team. The Joint Ergonomics Technicians Team will report monthly at each LJC meeting and keep minutes specific to ergonomics. Quarterly reports will be provided to the LJC. The status of the ergonomics process will be reviewed at the NJC meeting. Discussions concerning significant problems or roadblocks will take place at these meetings.

The parties agreed to use a jointly developed process for the use of outside consultants in situations where in-house efforts concerning reduction of job-related CTDs are not successful. The consultant's reports will be made available to both the Joint Ergonomics Technician Team and the co-chairs of the NJC.

Based on the results of the job analysis program, the Company shall implement feasible measures to control CTD risk factors. A good-faith effort will be made to accomplish correction of identified CTD hazards at a particular job or work station within six (6) months to make the proper correction, and the reasons need to be documented. The corrective action will include any combination of the following:

- Engineering controls such as design, selection, location and orientation of tools, parts and equipment.
- Administrative controls (e.g., job enlargement, job rotation, and appropriate job assignment) to be used in the following manner:

As interim abatement measures pending engineering changes.

When engineering changes are determined to be insufficient to significantly reduce the CTD stressors, and

In those instances when an administrative control is the most effective fix among the possible choices for corrective actions.

The LJC will monitor the corrective actions being implemented and any unresolved issues or concerns can be referred to the NJC.

The Company will inform and instruct affected employees on the controls implemented at their work stations and how they are to be used.

The Company will maintain documentation of modification activity, including, the job or work station identified for modification, number of employees affected, the nature of modification, the projected completion date, the actual completion date and, where available, the cost of the modification when completed.

The Company will include “ergonomics” in their planning process and this information will be available to the Joint Ergonomics Technician Team.

For the purpose of job analysis, ergonomic consideration will be given to jobs identified through the use of OSHA Injury and Illness records, medically confirmed symptoms questionnaires, Worker Compensation reports, and work-related sickness and accident data. Based upon the above data, a list of jobs requiring analysis will be maintained. The job analysis will be conducted using a jointly developed Risk Factor Checklist, as a first level screening

tool. The parties agree to develop objective and scientific methods to analyze the results of a Risk Factor Checklist completed on a job. A good-faith effort will be made to conduct the initial job analysis within two (2) months of when a job is identified as having a potential CTD risk factor. Job analysis and redesign will include input from employees whose jobs are affected. The original Risk Factor Checklist will be used, along with a Symptoms Questionnaire to re-evaluate the controls that were implemented to confirm their effectiveness.

The joint parties will provide appropriate training for the Joint Ergonomics Technician Team as well as other resources necessary for conducting the ergonomics process. This training may include Practical Ergonomic Training (PET), with the understanding that any person receiving PET may conduct a first level job analysis using the Risk Factor Checklist.

The UAW-Rolls-Royce Corporation Ergonomics Awareness Education and Training Program will continue to be provided for newly hired employees as well as employees returning to work from an extended leave, who have not received awareness education and training previously. All newly hired and transferred employees will be informed on the proper use of the tools and equipment required to be used in the performance of their assigned duties.

The Company shall annually review with employees the application of ergonomic principles to the prevention of CTDs on their jobs during regular safety talks.

The parties agree to continue to maintain a Medical Management Program for the early detection, evaluation, and treatment of CTDs at all UAW-Rolls-Royce Corporation facilities. The Medical Management Program will provide for common medical practice guidelines for patient evaluation and treatment, follow-up, workplace walk-through, and restricted work placement.

The Company agrees to continue implementation of a CTD Education and Training Program for medical physicians (including contract personnel) that render medical services related to CTDs. The introduction in this training includes the effect of poor job design, identifying problem jobs, and potential solutions based on ergonomic stressors. This training also includes medical instruction and early recognition, evaluation, treatment, and prevention of CTDs. All medical personnel (including contract personnel) will receive CTD education and training prior to rendering medical services related to

CTDs. The Company Medical Director will ensure that appropriate CTD training has been provided.

Employees will be encouraged by the Medical Department staff, departmental supervision, and Joint Ergonomics Technician Teams to report early signs and symptoms of CTDs to the Company's Medical Department. Symptoms Questionnaires will be conducted annually by the Medical Department, to look for early signs and symptoms of CTDs. An employee with a possible CTD, as indicated in the questionnaire, will be scheduled to report to the Medical Department. A brief non-invasive examination for the evaluation of the possible CTD will be performed by a physician or nurse. In instances where it has been determined that early signs and symptoms of CTDs are confirmed, the completed Symptoms Questionnaire and pertinent information from the medical evaluation will be referred to the Joint Ergonomics Technician Team.

Rolls-Royce Corporation will audit a random sample of medical records, Worker Compensation reports, and work-related sickness and accident data to verify the OSHA 200 log is correct.

The Company Medical Director is responsible for the quality, implementation, and compliance by the Medical Department with the Medical Management Program, as it applies to ergonomics. This program will be reviewed periodically for continuous improvement and elimination of unnecessary complexity.

The parties will continue to support this structure and process. New jobs requiring analysis will continue to be identified based on a review of OSHA Injury and Illness, Worker Compensation reports, and work-related sickness and accident data. The Company will continue to complete an analysis of the jobs on record plus any new jobs as previously defined.

The NJC will continue to monitor this process and consider changes for continuous improvement.

HEALTH AND SAFETY TRAINING

The Local Joint Committee (LJC) will be responsible for identifying employee job-related health and safety education and training needs which are mandated by the government or would be applicable across UAW-Rolls-Royce Corporation sites.

A training needs analysis will be conducted to identify health and safety training needs. Based on this analysis, a comprehensive training plan will be

developed, and the necessary resources will be identified to provide such training. The Plan will specify target audiences, recommendations for completion dates, class size, and methods of delivery. The Plan will be reviewed by the NJC, to ensure consistency with requirements. The LJC shall be responsible for monitoring the progress of their training plan.

The UAW-GM Health and Safety Center may continue to provide training resources for use by Rolls-Royce Corporation. The LJC will direct and oversee the development and administration of required training courses for use at Rolls-Royce Corporation. Alternatively, the LJC may approve the use of other commercially-developed courses. The LJC will establish the appropriate selection criteria for plant health and safety trainers. Trainers selected will receive necessary instruction in conducting the specific training. Hourly plant trainers will be selected by the Local Union.

Required Health and Safety training will be introduced to plants by top Union Leadership and Company Management.

LOCKOUT POLICY

During the current negotiations the UAW and Rolls-Royce Corporation discussed their mutual concern regarding fatalities and serious injuries to employees, including operators performing repair, service and maintenance activities on machinery and equipment. The parties agreed that, to be effective, the Lockout Energy Control program must be universally implemented and enforced throughout the Company. The parties reaffirmed that the elimination of the potential for injury from hazardous energy is critical to worker safety.

It is the policy of Roll-Royce Corporation and endorsed by the UAW that:

- Lockout is required where employees may be exposed to hazardous energy which could cause injury. Exposure means that the employee is in a position to be injured by released energy.
- Where an employee is exposed to potential injury from expected machine energy/motion, the exposure must be eliminated. If the exposure cannot be eliminated, the machine will be locked out.

The Company will maintain an effective Lockout – Energy Control program which will apply to all employees based on jointly developed implementation guidelines.

MONITORED POWER SYSTEMS

The UAW and Rolls-Royce Corporation recognize the importance of designing processes and equipment with effective health and safety controls. Therefore, during these discussions, the parties agreed to evaluate the results of pilots conducted in UAW-represented facilities to determine whether “Monitored Power Systems” could be integrated into the existing Lockout/Energy Control procedures. The Fundamental process to be followed starts with performing an initial risk assessment on any process where “Monitored Power Systems” may be appropriately used.

The use of these systems will be integrated into the existing Lockout/Energy Control procedures, when appropriate, to further reduce and eliminate the risk of exposure to employees. However, it is understood by the parties that Lockout must still be performed whenever the exposure cannot be controlled or eliminated as determined by the risk assessment.

UAW-ROLLS-ROYCE CORPORATION HEALTH PROMOTION

The UAW and Rolls-Royce Corporation will develop a health promotion program which will be made available for use by all UAW-represented employees. The program, to be supported by joint funds to the extent agreed upon by the Executive Review Board for Joint Activities, is designed to focus on leading factors such as hypertension (high blood pressure), high levels of fat (cholesterol) in the blood, overweight, cessation of tobacco smoking, prevention of the spread of AIDS, and certain other factors, which place employees at high risk of disease. Among other tools developed to accomplish this is a health assessment questionnaire to be completed by participating employees.

Consideration for the inclusion of additional diagnostics such as lung function and/or glucose tolerance will be determined by the NJC. The NJC will monitor the program and its usage and make necessary adjustments to encourage participation.

FITNESS CENTERS

The Parties recognize that Rolls-Royce Corporation and the UAW have developed a fitness center needs analysis for use by UAW represented facilities in determining the desirability of such a center at their location. In addition, guidelines for fitness center operation have been developed and will be made available to UAW-represented facilities that operate or are desirous of operating such centers. Should Rolls-Royce Corporation be desirous of

operating such a center, a needs analysis and plan will be submitted to National Joint Committee or the Servicing Department of the International Union for review to assure it is consistent with the above-referenced guidelines. Local Joint Health and Safety Funds may be used to establish this activity, subject to approval by the National Joint Committee or the Servicing Department of the International Union.

REFUSAL OF HAZARDOUS WORK

A worker who has a reasonable belief that their work assignment may result in serious physical injury, including illness, should immediately notify supervision. Failing resolution, the issue may be discussed with the District Committee person.

Should technical consultation be necessary, the LJC will be notified to respond. In line with the Memorandum of Understanding on Health and Safety, upon joint recommendation, the machine or operation will be taken out of service to perform any and all corrective action.

Failing resolution of the matter, it may be taken up in accordance with the Memorandum of Understanding on Health and Safety, Section IV, Complaint Procedure.

IMPROVEMENT OF MEDICAL AND INDUSTRIAL HYGIENE SERVICES

The Company reserves the right to select and hire appropriate consultants for health and safety services. The Union will be informed in advance and be provided an account based on specific legitimate requests regarding qualifications of the consultant(s) engaged by the Company to provide services. The Union may recommend consultants for Management's consideration. Included in such recommendation should be an account of the qualifications of the consultants recommended by the Union.

The LJC will be informed regarding the engagement of consultants to provide industrial hygiene and safety services. Qualifications of such consultants will be provided upon request. Reports prepared by such consultants will be provided to the LJC, who will provide a copy to the Industrial Hygiene Technician and the co-chairs of the NJC. Management in conjunction with the LJC will assess the need and where required, the Company will develop and implement an air sampling plan. Such a plan will be reviewed and implemented on an appropriately scheduled basis. Guidance in the preparation of such plan will be provided by the NJC. Based upon the air

sampling plan, an hourly employee selected by the Servicing Department of the International Union, working under the technical supervision of an Rolls-Royce Corporation Industrial Hygienist, may assist in the collection of air samples. Job function and key elements of the Industrial Hygienist, Technician will be established by the LJC and the appointee will demonstrate competency by successfully completing required training determined by the LJC. Reports of industrial hygiene and noise measurement surveys will be provided to the LJC who will provide it to the co-chairs of the NJC, when appropriate.

ENVIRONMENTAL CONTROL

Environmental information and reports, which are required to be reported to various governmental regulatory agencies, will be made available to the LJC on a regular basis. This information may include, for example, the local Toxic Release Inventory compiled to comply with the Superfund Amendments and Authorization Act, copies of environmental permits and compliance monitoring data. The Company will notify the LJC of significant environmental remediation projects, and spills or releases that are subject to government reporting requirements. The LJC will forward such information to the co-chairs of the NJC, when appropriate.

PERIODIC JOINT AUDITS OF PLANTS

The UAW and Rolls-Royce Corporation agree that a formal system of performance review is an effective means of obtaining and re-enforcing compliance with established Health and Safety Requirements. The parties, therefore, agree that the NJC will ensure that audits are conducted to evaluate each facility's health and safety performance. The purpose of the audits is to review the effectiveness of health and safety activities reaching the operations level and being implemented across the workplace. The parties also agree to develop methods to assure the process is consistently applied and delivers measurable results. Additionally, the parties agree to develop a method to address repeat audit findings for identically deficient conditions found on consecutive audits.

A plant visit itinerary will be established by the NJC which will be scheduled through appropriate channels. The team will meet with the Plant Manager, Shop Committee Chairperson and the LJC before beginning the performance review, and have a closing conference upon completion of the on-site review. The finalized report will be prepared and sent to the LJC within thirty (30) days of the review. Following the finalized report, the LJC

will review the findings with the Key 4, and will reply, addressing issues contained in the report. All such review information shall remain the confidential property of Rolls-Royce Corporation and will not be released without the expressed written permission of Rolls-Royce Corporation.

The parties agree that through the joint audit process, they will verify that all facilities have an effective emergency notification system and that it is periodically tested to achieve the best possible response time for the emergency involved.

NEW TECHNOLOGY/SPECIFICAITONS

Rolls-Royce Corporation and the UAW recognize the advantages of designing processes and equipment with effective health and safety controls. The parties will establish a joint team, under the direction of the LJC, to address health and safety concerns early in the development process. The main objective to this "Design-In" effort is to develop design specifications for application across the Company, in the manufacturing processes, that incorporate health and safety program requirements. The joint team will serve as a technical resource to work with the engineering group to assure that UAW-Rolls-Royce Corporation health and safety program requirements are incorporated into the common design specifications.

In an effort to promote improved communications regarding such matters, as early as possible and preferably in the zero phase of the planning process, a review of anticipated equipment and/or processes with the Shop Committee and the LJC will be held. The Union will have an opportunity to discuss health and safety concerns with Management and make recommendations designed to improve the equipment and/or process, consistent with the design specifications where they have been established by the "Design-In" activity. The LJC may be required to travel to vendors, plants or other locations to review such equipment and/or process.

Machinery, equipment or processes will not be released for production without the written approval of the Plant Safety Administrator. Where required, lockout placards will be posted for all applicable energy sources. The parties have committed themselves to continue the implementation of the UAW-Rolls-Royce Corporation Lockout Placard Guidelines. These placards will continue to be reviewed during a joint audit and should be reviewed during safety observation tours.

The LJC will consult with operators, skilled trades, engineers, supervisors or related personnel to ensure that required safeguards provide effective protec-

tion and do not interfere with their ability to perform their assigned tasks.

The NJC will oversee development of communications material regarding the “Design In” safety activity for the LJC. This material may include informational material, guidelines, standards checklists, or any other appropriate material to clearly communicate the design specifications.

The parties will continue their efforts to integrate health and safety in the 4-Phase Process and pursue the establishment of a Quality Network strategy to accomplish such integration.

CONTROL OF CHEMICAL EXPOSURES

The Parties recognize that future studies may be conducted by the Occupational Health Advisory Board (OHAB) focused on establishing exposure guidelines and controls for the use of machining fluids. As OHAB issues findings from the studies, the LJC will, to the extent possible, devise an action plan and make appropriate recommendations regarding machinery fluid exposures. Such action plan may include medical surveillance for respiratory effects of machining fluids for employees who regularly work in operations with machining fluids, including a standardized respiratory symptoms questionnaire and pulmonary function test.

The LJC will review process exhaust ventilation systems where air is recirculated. Such review will be in accordance with guidelines established by the NJC. Air testing will be performed when requested by the LJC. To the extent feasible, these tests will be incorporated in the previously described air sampling plan. Recirculation will not be permitted where employee health and safety cannot be assured.

Records of laboratory testing and coolant additions will be maintained and made available to the LJC upon request.

ACCESS TO DATA

The National Joint Committee or the Servicing Department of the International Union will implement a represented employees’ mortality registry to provide agreed upon information upon approval of necessary funding by the Executive Board – Joint Activities.

NOISE ABATEMENT PROGRAM

The Company will review with the Local Joint Health and Safety Committee and the Shop Committee insufficient detail the noise abatement programs currently in effect and those it is planning to undertake.

Management will supply this information in writing with the understanding that the Union will have ample opportunity to discuss the noise abatement program with management and make recommendations designed to improve upon it. The information will include the following:

- Copies of the plant's noise abatement program.
- Summary of audiometric tests.
- The number of employees that experienced standard threshold shift.
- The number of employees that are required to wear hearing protection.

PLANNED MAINTENANCE

The National Joint Committee or the Servicing Department of the International Union will jointly identify health and safety requirements to be integrated into the Quality Network "Planned Maintenance Action Strategy." These requirements will include both those that are regulated by government agencies and those established in UAW-Rolls-Royce Corporation programs. The Local Joint Health and Safety Committee will also review the "Planned Maintenance Action Strategy" to assure all regulations and/or practices currently in effect are included.

WORKING ALONE

The parties have discussed the Company's policy regarding the assignment of employees to tasks in isolated locations or confined entry spaces. The Company explained that when work assignments involve situations hazardous to an employee, appropriate precautions will be taken in accordance with safe work practices, including air sampling and ventilation when necessary, communications systems, personal surveillance arrangements and, as required, adequate support personnel. When an employee brings to Management's attention a situation where they are reasonably concerned that their safety is jeopardized because they are working alone, Management will provide a copy of an applicable written Safe Operating Practice to the employee detailing precautions to take to perform the task safely and within 24 hours make a written request to the LJC for the development of a Safe Operating Practice. Safe Operating Practices will be developed by the LJC within 5 working days.

NO HANDS IN DIES POLICY

The Company policy has been and continues to be "No Hands in Dies".

Implementation of “No Hands in Dies” in the plant requires provision for expendable hand feeding tools, slide feeds, sliding bolsters, automatic or semi-automatic operation, die cutouts or other means and procedures whereby the operators are not required to place their hands into the point of operation. In addition, well disciplined procedures for use of die blocks and safety lock-outs for maintenance and setup personnel are imperative. An intensive orientation program for operating supervisors, and process and facilities engineers may also be advisable.

CONTRACTOR SAFETY

It is the Company’s practice to provide outside contractors with Rolls-Royce Corporation Health and Safety policies and procedures and, where applicable, relevant site specific health and safety work practices. Additionally, Rolls-Royce Corporation requires that construction or maintenance contractors comply with applicable Federal, State, and Municipal Health and Safety regulations as stipulated in the Roll-Royce Corporation/contractor contract.

Where the nature of the construction or maintenance requires that the contractor’s employees work together with UAW-Rolls-Royce Corporation employees, the Company will require as a condition of the construction or maintenance contract the contractor’s commitment to abide by applicable UAW-Rolls-Royce Corporation plant/site health and safety work practices.

Sourcing

During the 2008 negotiations, the Rolls-Royce Corporation and the Union discussed the critical link between sourcing actions and the impact on employment opportunities and job security. To that end, the Company will work with and assist the Union at both the Local and International levels to preserve jobs, replace jobs which may be lost by outsourcing actions, and to create jobs for protected employees. It is an objective of the Company to grow the business and the employment opportunities of its UAW represented workforce and to continue to rely upon its employees and facilities as the source of its products.

During the life of the current agreement, the Company will advise, in writing, the appropriate Union members of the sourcing committee of any management outsourcing recommendations, including the number of potential jobs affected.

Additionally, data regarding incoming and outgoing work will be given to the International and Local Union in quarterly meetings. In addition, the Company will provide inquiry data access to the appropriate Union contact through the use of a computer terminal, if possible. In this manner, the parties can judge the success of mutual efforts toward improved job security. The Company agrees to incorporate the procedure and structure outlined herein when making sourcing determinations during the current agreement.

The rationale for sourcing actions will consider the criteria of quality, technology, cost, timing, statutory requirements, occupational and related health and safety issues, the impact on long-term job stability, the degree to which the Company's resources can be allocated to further capital expenditures, the overall financial stability of the Company and the impact on related Rolls-Royce Corporation/UAW represented facilities. Other factors considered by the Company before a final sourcing decision is made will include the effect on employment, and job and income security costs on both a short and long-term basis. Such criteria will give equal weight to the full impact of a sourcing action on Rolls-Royce Corporation /UAW represented employment levels and the job and income security of Rolls-Royce Corporation /UAW represented employees. The parties will jointly further develop the above criteria to be used to address sourcing issues. Transfer pricing profits will not be considered in making sourcing decisions. Only appropriate return on investment and burden will be considered.

Following development of the sourcing criteria, the parties may form a joint task force to ensure the full implementation of such criteria, and, on an as needed basis, to address any specific sourcing areas of concern identified by the Union. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability. The Union will be provided full and timely access to all appropriate data, including financial information, that is pertinent to evaluate product competitiveness and contemplated sourcing. The Union agrees to keep all such information confidential until the Company consents to its release. Further, in this regard, the plant Chairperson will designate in writing those Union representatives who will have access to the quote package and related information.

If the Local Committee cannot resolve a sourcing issue, it may file a grievance at the second step of the grievance procedure.

In addition, the following specific commitments have been made to address sourcing-relate job security concerns of the UAW members:

1. Insourcing

The Local JOBS Committee will discuss the practicality of insourcing, in whole or in part, work previously outsourced or new work which the Committee identifies as that which might be performed competitively within the location based on the criteria outlined above. To assist in this process, the Union will be furnished a complete master file of commodities which will be used to generate a list of parts similar to those currently manufactured by Rolls-Royce Corporation /UAW represented employees that have been (1) outsourced or (2) are currently manufactured by non-UAW / Rolls-Royce Corporation suppliers for Rolls-Royce Corporation. This list will be updated and expanded to include supplier expiration dates, supplier location (city and state), annual volume and Union affiliation if known and will be furnished quarterly or as otherwise agreed to by the parties. Thereafter, the parties will initiate efforts to insource particular work consistent with the aforementioned criteria to create prospects for growth and to provide jobs for protected employees and employees on layoff.

If it is established that certain work can be performed competitively, judged by the above criteria, management will adopt the Committee's proposal and barring unique or unforeseen circumstances, bring the work in-house. The Union shall thereafter obtain any necessary approval or ratification within 30 days of the decision to bring the work in-house.

2. Outsourcing

Outsourcing as used herein means the Company's sourcing of work from its facilities including work connected with current, new, or redesigned engines, fabricated and component parts.

When the quoting process begins, the Union will review and have access to the entire request for quotation package for this work along with the cost book information. Upon receipt of this package, the Chairperson and the Personnel Director will indicate on the accompanying notice (Notice of Potential Outsourcing) that the information has been received. This notice will include a description of the work involved and will be sent to the Vice President and Director of the Aerospace Department of the UAW or other International Representative designated by the same and to the appropriate Rolls-Royce Corporation manager.

Following the receipt of the request for a quotation package (or in the infrequent instances where a quote package is not utilized), the local parties will have the opportunity to jointly develop a plan to perform the work competitively, judged by the criteria listed earlier in this appendix. The Union will be provided full and timely access to all appropriate data including financial information that is pertinent to evaluate product competitiveness and the potential sourcing action. Prior to the submission of the initial quote response, the information contained therein will be reviewed by the local parties.

At the close of the quoting process, the local parties will be advised in writing of the most favorable quote response which best meets customer requirements and the terms and conditions therein. If this quote response is other than the one submitted by the local union, a written notice will be issued to the Chairperson which includes the reason for the potential outsourcing, the quote price from the affected location, if applicable the terms and conditions of the most favorable quote response, the potential jobs impact, and the anticipated impact date. Thereafter, the local parties will be given an additional 30 days, or longer when possible, to meet the terms and conditions of the quote response referenced above. A copy of this notice will be sent to the Vice President and Director of the Aerospace Department of the UAW or the International Representative designated by the same and the appropriate Rolls-Royce Corporation manager. The parties feel that this process of notification and discussion regarding sourcing issues provides sufficient time to evaluate sourcing issues to insure that opportunities exist to develop plans to retain the work. It is recognized that this process provides for earlier

involvement in sourcing decisions than the previous 1993 National Agreement (formerly Appendix L) and it is agreed that the Union will have as much time to evaluate methods to retain the work as the 150 day notification process provided in the 1993 National Agreement.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in this appendix, Management will, barring unique and unforeseen circumstances, keep the work in-house. The union shall thereafter obtain any necessary approvals or ratification within 30 days to keep the work in-house. The sourcing authority will not enter into a contractual relationship with a non-Rolls-Royce Corporation/UAW supplier until such time as the appropriate management representative provides written verification that the above notification procedure and discussion by the JOBS Committee has taken place.

Additionally International Union and Local Union input will be sought by Rolls-Royce Corporation as early as possible in the outsourcing decision-making process in order to allow for more thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of the employees and the financial viability of Rolls-Royce Corporation. The Company agrees to a full disclosure to the International and Local Union of the procedures utilized in the sourcing activities.

3. Future Product Sourcing

Union input into early sourcing decisions will be sought by the Company. In that regard, the Union will be notified in writing by the Company at the point when a Program Manager has been named (or sooner if possible) of its intent to proceed with any new or redesigned engine program.

On a quarterly basis or more frequently if business needs dictate, a confidential review will be held concerning future product programs in an effort to provide the Union with early input into sourcing decisions. These meetings will be attended by the Director of the Aerospace Department of the UAW or designee and top level management of the Rolls-Royce Corporation. Additionally, representatives from various corporate disciplines, e.g. Marketing, Engineering, and Product Planning, may be invited to attend these meetings. At these regularly scheduled meetings, the parties will review any new program which is being pursued by the Company or which has been approved during the preceding quarter as a new business venture for the Rolls-Royce Corporation.

Following the notification, a representative designated by the International

Union (currently functioning in an appointed capacity) will work with members of various organizations within the Company to gain information and knowledge into sourcing discussions and sourcing determinations for those organizations. When there is a need for this representative to interface with an organization relative to sourcing discussions, the contact should be made through the Manager of Hourly Human Resources.

The Company agrees not to use the results of such discussions to obtain more attractive contract terms from outside suppliers in lieu of keeping the work in-house.

If requested, higher level meetings or discussions on these matters will be scheduled.

The implementation of this process should provide the parties with the mechanism to take advantage of every opportunity to use internal resources and create jobs for protected employees.

The commitments expressed in this appendix are intended to contribute significantly to our cooperatively working together to provide Rolls-Royce Corporation employees improved job security by growing the business and employment opportunities.

Attachment A Doc. No. 2

Offset Requirements

During 2008 negotiations, the parties held extensive discussions regarding the competitive nature of the Aerospace industry and the fact that many of the industry competitors have been forced to reach innovative business arrangements in order to win and attract new business. Additionally the parties discussed the fact that many new Aerospace business opportunities exist in foreign countries. Often the governments of these foreign countries, through offset requirements, dictate that companies provide labor content within that country where the customer's business is domiciled.

Recognizing these unique aspects of the Aerospace industry, the parties agree that improving the competitive position of the Rolls-Royce Corporation within the Aerospace industry is an important factor contributing to the Company's ability to win and attract new work. The parties also recognize that issues such as offset requirements imposed by foreign governments and innovative business arrangements (i.e. partnering, risk sharing, teaming and joint ventures) will require cooperation to secure and increase new work and thereby increase employment opportunities and improve job security. Any sourcing decisions associated with innovative business arrangements and the fulfillment of offset requirements are intended to provide growth in the volume of manufacturing work within the Company and increased employment opportunities. In an effort to provide a clear and accurate view of what is meant by innovation business arrangements and offset requirements, the following definitions of the referred to business practices is offered:

Partnering- This occurs when two or more parties come together in a business venture and share the risk and rewards of the venture in the same proportion over a very broad set of business parameters.

Risk-Sharing- This occurs when a party joins a business venture and assumes a share of risk only on the portion of the program that they are responsible for.

Teaming- This occurs when two or more parties come together to achieve a specific objective that is well defined.

Joint Ventures- A term utilized to describe variations on the above terms and one that encompasses business arrangements like partnering, risk-sharing and teaming.

Offset Requirements- Requirements, often imposed by foreign governments, that requires a company to provide labor content within that country where the customer's business is domiciled. For example, in order to sell engines to a third work country, the country could impose a requirement that certain parts and/or the assembly and/or testing be performed in their country.

Attachment B Doc. No. 2

Rolls-Royce Work

At times, during the life of this agreement, Rolls-Royce Corporation may be identified as a viable source of work on Rolls Royce products in production or development at Rolls-Royce facilities. The parties discussed that such opportunities act to increase the job security and enhance the employment opportunities of the workforce even when the work is of a fixed duration.

The parties also discussed the fact that the transfer of work from Rolls Royce facilities to Rolls- Royce Corporation is governed by Foreign Ownership Control and Influence (FOCI) regulations imposed by the US government. These FOCI regulations and the terms of the Special Security Agreement (SSA) imposed by the US government when Rolls-Royce purchased Rolls-Royce Corporation, require that business relations conducted between the two corporate entities be at arms length.

In an effort to provide early input to the Union when Rolls-Royce work is being transferred into Rolls-Royce Corporation, the Company agrees to meet with the Union in advance of such work being transferred into a Rolls-Royce Corporation facility and share information including the type of work being transferred, the anticipated volume of the work, the duration of the work (or length of the purchase order), the standard hour volume impact associated with the work, and any employment growth anticipated as a result of the work being transferred in. Additionally, the Company agrees to notify the Union in advance of work being removed from the facility by Rolls-Royce. It is believed that these efforts of advance communication will act to improve the understanding by the workforce of the positive aspects of performing Rolls-Royce work on either a short or long term basis.

The parties reaffirm their understanding that the sourcing of prototype or development work on new or redesigned engines and products, which may include the sourcing of work to the Model Shop and Experimental Assembly and Test, by Rolls-Royce entities, shall not require or give rise to a claim that production work related to the new or redesigned engine or product must be performed at the Rolls-Royce Corporation, Indianapolis plants, nor will there be any obligation to source such production work at the Company's plants.

Any discussion or notification referenced in this attachment is separate and distinct from the formal notification and discussion requirements of Document 2.

WORKFORCE ADJUSTMENTS

During the discussions associated with the 2008 Rolls-Royce Corporation and UAW Collective Bargaining Negotiations, the parties discussed the competitive issues impacting the Indianapolis Operations. The following understandings and agreements have been reached which both parties believe are committed to enhancing the job security of Rolls-Royce Corporation employees. The parties further recognize that such job security can only be realized within a work environment, which promotes operational effectiveness, continuous improvement and competitiveness. The parties have pledged to openly address and discuss all issues, which impact the competitive position of the facility. In so doing, it is believed that with this commitment and the items set forth herein, the Indianapolis Operation and its employees will be positioned to look for opportunities to seek out and win new work to support the ongoing viability of the operation. Additionally, the parties mutually pledge themselves to communicate openly around the issues of plant volumes, plant productivity and overtime levels in order to sustain the competitive basis for the jobs that exist within the operation.

The general principle that the parties have agreed to is that the workforce is sized to the demand placed on the Operation by the Customer Businesses. In this regard, consideration needs to be given to the following:

- The size of the Production Workforce
- The size of the Skilled Trades Workforce
- The size of the Indirect Workforce (Production Support)
- Treatment afforded to employees impacted by volume declines in both voluntary and forced reduction terms
- Events triggering recall of employees from layoff

In order to establish a baseline for the size of the business and hence the size of the workforce for the next three year period the forecast demand as set out in the Executive SORB of February 5th 2005 will be used. Further ongoing revisions to the demand will be carried out Quarterly and shared with the UAW Local 933 Shop Committee Chairman (or designee), and adjustments to the corresponding workforce size will be made twice per year. In determining the workforce size against the projected volume, consideration will be given to the following parameters:

- Standard Hour Load
- Productivity
- Overtime Levels

During these negotiations the parties discussed the connectivity between Standard Hour Load, Productivity and Overtime Levels. In this regard, both management and the Union acknowledge that none of these parameters can be evaluated independently when assessing workforce re-sizing. For example, failure to meet budgeted productivity levels will tend to drive higher levels of overtime, this must be resisted and the motivator must be to improve productivity. Equally, higher levels of productivity would tend to drive down overtime and this would not give opportunity to reduce employee numbers without due consultation. In the event of sustained above budget levels of overtime, a review of manpower levels will be carried out. Such a review will be made at the OBU level (e.g. Turbines, Compressors, etc.). Where overtime is consistently above budgeted levels a first approach will be to rebalance the workforce by moving people from OBU's operating below budget to OBU's exceeding budget. In the event that internal moves are deemed to not address the issue and the overtime has exceeded the budgeted level on a sustained basis over a quarterly period, equivalent manpower will be added to offset the overtime level. The parties may also conclude that the reasons for the overtime are temporary or unavoidable and that there are no practical alternatives, such agreement would need to be a joint decision between management and the Union. It is agreed that operating to the budgeted levels of productivity is a key requirement. Hence the parties have mutually pledged themselves to take all necessary steps to ensure that budgeted levels of overtime and productivity are met. Further, the parties recognize that plant volumes are variable and driven by the conditions that exist in the external marketplace. As such, volume will be considered as a variable element that is primarily responsible for determining workforce size.

Adjustments to Workforce Size

During the Quarterly review with the local UAW Shop Committee, the Standard Hour Volume and subsequent shop load will be reviewed. Taking into consideration mix issues associated with the volume projections, the number of hourly employees required to support the shop load will be evaluated and adjusted (increased or decreased) on a semi-annual basis accordingly. Decisions contemplated regarding the adjustment of the workforce to the projected load will be dependent upon the planned hours per man (hours/man) calculation at the productivity and overtime levels planned.

Appendix A will be utilized for establishing the number of direct standard hour producing employees. Appendix A will be populated based on the calculation shown in the example below.

Any improvements to the overtime and productivity targets going forward would be shared with the UAW who would be advised of the adjustments.

In order to clarify the calculation of planned hours/man (hours/man), an example of the calculation is provided below:

Example (Hypothetical situation)

In order to determine the planned hours per man, the following baseline calculations are made:

52 weeks in a year x 40 hours per week	= 2080 possible hours/year
Less 13 Days holiday (13x8)	= - 104 hours
	= <u>1976 hours</u>
Less 18.4% Vacation and Absence	- 363 hours
	= <u>1613 hours</u>
Plus 18% overtime	+ 290 hours
	= <u>1903 hours</u>
Less 2% lost time	= 38 hours
TOTAL AVAILABLE PRODUCTIVE HOURS	= <u>1865</u>

Thus the total hours planned per man = 1865 total available productive hours x 63% productivity = 1175

In order to define the number of employees required to produce a shop load of 650,000 hours, you would simply divide total shop load by the total hours planned per man hence: 650,000 hours / 1175 = 553 total employees required

When considering a possible adjustment to the workforce size, the following calculation would be made:

If there was a 15,000 hour increase in shop load (and budgeted overtime levels and productivity levels had remained the same), the calculation that would be used to determine the potential increase in workforce size would be done as follows:

15,000 hours / 1175 planned hours per man = 13 additional employees

Adjustments to Workforce Size and the impact on Skilled Trades and Indirect Production Support

Consideration will need to be made at the time of each semi-annual review in regard to skilled trades and indirect support employees. Marginal changes to the Standard Hour Load (e.g. + or minus 5%) would not drive either reduction or increases in these two segments of the employee population.

However, changes larger than the plus or minus 5% noted herein would need to be considered in terms of employment levels. The primary driver in reviewing the workforce size in skilled trades and production support areas at times of increasing volume will be the proper balance between resource levels and overtime, in order to ensure that overtime levels are not unnecessarily driven higher than planned levels. Conversely, in times of reducing plant volumes, a balance must be struck between resource levels and maintaining a competitive cost rate for the end customer.

Recall and Rehire Issues

In all cases where there is a need to add employees as a result of changes in the standard hour load within the operation, the first source of employees will be from active recall/rehire lists of employees previously reduced as a part of an involuntary reduction in force per the provisions of the local seniority agreement. In the event that employees are not available from the recall/rehire list, the next source of manpower would be from new hires. Where the workforce has been determined at the semi-annual review, any subsequent loss of an employee due to normal attrition (quit, death or retirement) will be replaced on a one for one basis from the available recall or rehire population. In the event that employees are not available from the recall/rehire list, the next source of manpower would be from new hires. In situations where skilled trades are being recalled, it will be from the same classification. If no skilled trades are available from the recall/rehire list a new apprentice or new hire will be added.

Treatment for employees impacted by Reductions in Workforce Size

The parties have agreed to convert all of the provisions of the Supplemental Unemployment Benefit Plan into the provisions contained herein in order to simplify and clarify the treatment that will be afforded to eligible employees in the event of a qualifying layoff as defined above. An employee who has established seniority under the terms of the Collective Bargaining Agreement and who has accumulated at least one continuous year of service and who is subsequently impacted by virtue of their plant seniority date by a reduction in force that results in their involuntary removal from the work-force will receive (52) weeks of pay continuation pursuant to the following provisions:

- a. The regular benefit payable to an eligible employee for any week beginning on or after the effective date of this agreement shall be an amount which, when added to the employee's State Benefit and Other compensation, will equal 95% of the employee's Weekly After-Tax Pay (straight time only), minus \$20.00, to take into account work-related expenses not-incurred.
- b. In addition to the pay continuation benefit described in (a) above, each eligible employee who is involuntarily reduced as a result of a qualifying layoff will be provided medical, dental, vision and life insurance (excluding both Short and Long Term Disability) coverage pursuant to the provisions described below:

Years of Seniority	Months of Coverage
Less than 5 Years	12 Months
5 but less than 10 Years	13 Months
10 Years or greater	25 months

- c. If, after the effective date of this agreement, business circumstances result in a layoff of less than a 48 week duration, then the Unemployment Benefits provided to an eligible employee defined in (a) above will cease at the end of the layoff period upon the recall of the laid off employee to a job in accordance with the seniority recall provisions of the Local Seniority agreement.

Treatment in the Event of a Short Week

- (a). An Employee shall be eligible for an Automatic Short Week Benefit for any week beginning on or after the effective date of this agreement, if:
 - i. During such week the Employee had less than 40 Compensated or available hours and
 - 1. performed some work for the Company, or
 - 2. for such week received some jury duty pay, bereavement pay or military pay from the Company, or
 - 3. for such week, received only holiday pay from the Company and, for the immediately preceding week, either received an Automatic Short Week Benefit or had 40 or more Compensated or Available hours;
 - ii. the Employee had at least one year of seniority as of the last day of the week (or during some part of such week had at least one year of seniority and broke seniority by reason of death or

retirement under the provisions of the Rolls-Royce Corporation Hourly-Rate Employees Pension Plan);

iii. the Employee was on a layoff for some part of the week, or was ineligible as defined under the collective bargaining agreement for pay from the Company for all or part of the period of jury duty, bereavement or short term active duty of 30 days or less because the Employee was called to active service in the National Guard by state or federal authorities in case of public emergency during the week and during all or part of such period the Employee would otherwise have been on layoff under this section.

(b.) No application for an Automatic Short Week benefit will be required of an Employee. However, if an Employee believes an Automatic Short Week Benefit is payable for a week and such Employee does not receive a Benefit on the date when such benefits for such week are paid, the Employee may file written application therefore within 60 calendar days after such date.

(c.) An Automatic Short Week Benefit payable for a Week shall be in lieu of any other Benefit under the Plan for that Week.

Automatic Short Week Benefit

(a.) The Automatic Short Week Benefit payable to any eligible Employee for any Week beginning on or after the effective date of this agreement shall be an amount equal to the product of the number by which 40 exceeds the Employee's Compensated or Available hours, counted to the nearest tenth of an hour, multiplied by 80% of the Employee's Base Hourly Rate.

(b.) An Employee, who breaks Seniority during a week by reason of death or retirement under the provisions of the Rolls-Royce Corporation Hourly Rate Pension Plan and is eligible for an Automatic Short Week Benefit with respect to certain hours of layoff during the week prior to the date seniority is broken, will receive an amount computed as provided in subsection (a.) above (Automatic Short Week Benefit) based on the number by which the hours for which the Employee would regularly have been compensated exceeds the Employee's Compensated or Available hours with respect to that part of the week prior to the date Seniority is broken.

Voluntary Programs in the event of a Workforce Reduction

The Company and the Union have agreed in the event of a need to reduce the workforce size as a result of the conditions specified within this document the following voluntary program will be offered. Utilization and the application of this program will require the mutual agreement of the Company and the UAW Shop Committee.

The VTEP program will offer an eligible employee the ability to voluntarily terminate their employment relationship (and any/all associated seniority rights) with the company in exchange for a one time lump sum payment and base medical benefit continuation (Medical, Dental, Vision, not inclusive of short and long term disability) per the schedule below:

Years of Seniority as of Event Date	Amount of VTEP Payment
1 but less than 10 years	\$45,000
10 but less than 15 years	\$47,000
15 but less than 20 years	\$62,000
20 but less than 25 years	\$67,000
25 years or greater	\$72,000

Employees electing to participate in the VTEP will be provided with basic Medical, Dental, and Vision for a period of 12 months following the month in which the employee last worked. In no event will an employee be eligible for both the VTEP provisions and the enhanced service credits retirement program.

Application of the Voluntary Program during the term of this Collective Bargaining Agreement

During these negotiations the parties have discussed the volume declines, productivity improvements and manufacturing cost rate issues that have been forecasted by the businesses impacting the standard hour volume in the Operation and hence the required headcount. To the fullest extent possible it is the desire of both management and the Union to accomplish these reductions through voluntary means.

The balance of the difference between volunteers and required reductions will be accomplished through implementation of the forced reduction procedure defined herein.

The company may in agreement with the UAW Shop Committee offer additional programs which may be offered to all eligible employees or may be targeted at certain sections of the workforce.

Upon the conclusion of the reductions referenced in this document, the parties will assess the overall outcomes and discuss the lessons learned to ensure that the mutual interest of the business and the workforce have been met.

Document 3 – Appendix A

**Average Headcount Requirements
Load = 1000 hours**

	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	
<50%																					
50.0%																					
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The number of production employees required will be determined based on the above matrix of load, productivity and overtime. If productivity is less than 55%, or the prior year average, whichever is greater, overtime will not be restricted. If productivity is greater than 55%, or the prior year average, whichever is greater, and overtime is more than a 6 month average of 19%, we will recall or hire production employees provided that there is a sustainable 12 month lead forecast requirement for additional employees. The 6 month overtime average will be based on Quarter 4 + Quarter 1 or Quarter 2 + Quarter 3, and the SORB cycles will be aligned to this schedule. The population of the above chart will be based upon the calculation within the Hypothetical example as shown in this document and the Rolling forecast 12 month load from the Site SORB.

Memorandum of Understanding

Joint Activities

LOCAL JOINT ACTIVITIES COMMITTEE (LJAC)

During current negotiations, the parties discussed the need to focus the responsibility for all local joint activities on those individuals who have primary responsibility for their success and to enhance their effectiveness through improved information sharing, priority and goal setting, resource allocation and the elimination of duplication. The Rolls-Royce Corporation will retain access to all previously developed Joint UAW - Rolls-Royce Corporation programs, materials and resources. The Rolls-Royce Corporation will pay the appropriate UAW- Rolls-Royce Corporation Joint Program office for costs related to implement Joint UAW- Rolls-Royce Corporation programs at Rolls-Royce Corporation.

Accordingly, the parties agree that the appropriate local facilitating mechanism for all local joint activities is the Local Joint Activities Committee (LJAC) consisting of the President of the Local Union, Shop Committee Chairperson, and members of the Shop Committee, Vice-President of Operations, Director of Human Resources and other appropriate Management Representatives. The Local Joint Activities Committee is responsible for actively supporting and directing the Local Joint Skill Development and Training Program, Local Human Resource Development Process, Local J.O.B.S. activities and to provide coordination among all other local joint activities such as Health and Safety, EAP, Quality Network, etc. The UAW Regional Director and/or their representatives should be fully involved regarding joint activities including actions of the Local Joint Activities Committee.

The duties and responsibility of the Local Joint Activities Committee include the following:

- A. Provide structure for integrating all joint efforts.
- B. Set local policies/guidelines to enhance each joint activity.
- C. Integrate joint activities with business operations through a joint planning process.
- D. Allocate and monitor plant and local joint funds and other resources in accordance with this memorandum.

- E. Monitor and evaluate the performance and results of joint activities and provide positive recognition and/or corrective direction as required.
- F. Regularly exchange information on plant operations and communicate appropriate information to all employees.
- G. Keep UAW/International Union leadership and the Rolls-Royce Corporation Management informed of the status and progress of joint activities (via Annual Joint Activities Annual Summary due January 31st, each year).
- H. Review the need for new programs and jointly develop the programs, as required.

The Union will be fully involved in all phases of training including analysis and development that is directed at the UAW represented employees. When such employees will be impacted by training and manual specifications for equipment and manufacturing systems, Union input with respect to development and delivery of training will be obtained by either Local Management or plant training personnel prior to management signing off on the specifications.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and the year first above written.

Local 933, UAW

Rolls-Royce Corporation

Robert D. Woodcock

John Gallo

David Atwood

Megan Fowler

Mike Maraldo

Jeff Handy

Dean Farley

Kevin M. Johnson

John Morical

Shawn Alpers

Rick Berry

Harrison Havard III

J.R. Reese

Kent Duncan

International Union

Mike McKibbin

Ron Gettelfinger

Jennifer Settles

Jimmy Settles

Karen MacKay

Mo Davison

Sergio Gonzales

Date: _____

Doc. No. 5

Article I. Memorandum of Understanding February 26, 2008 (rev.3)

Section 1.01 Joint Training

During the 2005 Contract Negotiations the parties discussed the methods for funding the Joint UAW-Rolls-Royce Training Center. The parties have agreed to the following structure for budgeting and management oversight for the Training Center.

As part of the normal Rolls-Royce budgeting process a budget will be agreed to for the following year of operation. This will be jointly agreed to by the Key Four and incorporated into the Vice President – Business Operations annual budget. Throughout the year, at the normal Quarterly Review Process, the budget will be reviewed against actual performance and opportunities taken for any changes due to changing circumstances.

The budget will be formed to take care of all expenses incurred in the total running of the Training Operation and include:

- Tuition Assistance Plan (See Doc. 8 and Att. A)
- Scholarship Program for Dependant Children (Att. B)
- Retiree Tuition Assistance Plan (Att. C)
- Resource and Referral Services Work / Family Program (Doc. 37)
- Employee Assistance Program (Doc. 39)
- National Conferences (i.e. EAP, Training)
- Other requirements as detailed in Documents in the Collective Bargaining Agreement

In addition to the foregoing, program funds can also be used for specific studies, pilots and other activities agreed to by the Key Four.

Funding will also be available to provide training resources for active employees in job related skills, basic education enhancement, interpersonal skills and HRD. Some examples are:

- Reading, writing and basic math skills
- Communications skills training
- Problem solving programs
- Plant specific training, upgrading the skills of UAW represented Skilled Trades and Non-Skilled employees
- Needs / task analysis training
- Quality representatives attending CHP national and area center courses

- Local and National PEL studies
- Workplace violence
- Crisis intervention
- SPC training

As well as budgeting for training efforts the annual quarterly process will embody the following in the established and agreed budget:

- Salaries, wages and actual expenses of salary and hourly temporary instructors including the cost of training the instructors
- Consumable items to be used exclusively for training programs.
- Items of new equipment to upgrade or provide new technology in the pursuit of training as detailed in this agreement
- Catering expenses for training programs approved as part of this agreement
- Travel expenses incurred in pursuit of the aims and objectives embodied in this agreement
- Maintenance of the training equipment within the training center. This does not include maintenance to the fabric of the building or its utilities
- Other related expenses such as freight, transport, memberships and awards etc.

Advanced Approval

A local joint training fund authorization form must be submitted in advance and approved by Key Four members prior to expending training funds on the following items:

- Expenditures outside the three basic areas (job related skills, basic education enhancement, interpersonal skills and HRD)
- Use of anyone for consulting and or delivering training or organization development
- Purchase of materials where the total expenditure exceeds \$2000. The joint training fund authorization form must be used where expenses exceed \$2000 and for items in excess of \$10,000, 3 bids must accompany it.
- Travel and lodging
- Purchase, lease or rental of any equipment, such as furniture, computers etc. when the cost is in excess of \$2000
- When applicable, standard Rolls-Royce Corporation guidelines are to be used for all purchases i.e. purchasing procedures.

- In the event that operating cost exceed the agreed budget all expenses are to be referred to the Key Four
- Any external Training Program in excess of \$1000

Approval Process

Jointness is a critical factor in funding.

The Key Four must jointly approve requests for authorization to expend the agreed budget. Neither can access budgeted funds unless both the Union and Management (Key Four) jointly agree to such activities. Union involvement, along with management, is essential in the joint decision-making process regarding the development, implementation and monitoring of training funds.

In situations where mutual agreement cannot be reached by either party, Union or Management, may appeal the issue to the International UAW, Region 3 funding representative and the Vice President of Human Resources. This appeal procedure exists to resolve any disagreement between the parties, which relates to the budget setting process or expense associated with the training center.

Audit Process

The following attachments relate to this agreement;

- Document 8
- Attachment A to Document 8
- Attachment B to Document 8
- Attachment C to Document 8
- Document 37
- Document 39
- Document 43
- Document 51
- Document 101
- Document 102
- Document 106
- Document 109

Doc. No. 6 Deleted

Doc. No. 7 Deleted

Doc. No. 8

Memorandum Of Understanding

Tuition Assistance Plan

During current negotiations Rolls-Royce Corporation and the UAW reaffirmed the necessity of providing active and laid-off workers opportunities for education and training. These efforts will enable them to either re-enter the work force or enhance their development. Accordingly, the parties agree to continue the Tuition Assistance Plan for all qualifying workers who wish to pursue further education and training. The plan is designed to help workers:

- Who are laid off, improve their chances for re-employment.
- Or who are active, enhance their opportunities for advancement.

Under this Plan, qualified workers are able to receive assistance in the form of up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits workers to select virtually any type of vocational training or education, for their situation and goals, subject to approval by the Key 4.

TUITION ASSISTANCE PLAN FOR LAID OFF WORKERS

Eligibility

The participant must be a UAW represented Rolls-Royce Corporation-US, worker on indefinite layoff, who has recall or rehire rights under the terms of the current Rolls-Royce Corporation-UAW National Agreement, and who had at least one year seniority as of the last day worked prior to layoff.

Courses

Suitable courses are those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes.

Schools

Acceptable schools are those approved by the local UAW/Rolls-Royce Corporation including, but not limited to those generally recognized by accrediting agencies, or under governmental education agencies.

TYPE OF ASSISTANCE

The Plan will provide for tuition and compulsory fees to be paid directly to

the schools providing the course in which the applicants are enrolled. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,000 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

SENIORITY AS OF DATE OF LAYOFF

1 to 3 Years \$6,000 • 3 to 4 years \$7,000 • 4 or more Years \$8,000

The above specified amounts shall constitute an account upon which the worker may draw so long as the individual retains recall or rehire rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire rights are lost under the terms of the Rolls-Royce Corporation-UAW National Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at Rolls-Royce Corporation, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,000 in any four calendar year period.

TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS

Eligibility

The participant must be a UAW represented Rolls-Royce Corporation-US worker on the active employment rolls or on temporary layoff with seniority under the terms of the current Rolls-Royce Corporation-UAW National Agreement. Also included are union officials on leave under the provisions of Paragraph 109 who are functioning in positions at Rolls-Royce Corporation locations or special assigned Rolls-Royce Corporation-UAW employees on leave under the provisions of Paragraph 109(a) who are assigned at UAW-Rolls-Royce Corporation facilities. Additionally, the spouse or dependent children of a deceased, active employee will be entitled to utilize the remaining balance of the employee's current year's Tuition Assistance eligibility excluding any advance payment for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

Type of Assistance

The Plan will provide for tuition and/or compulsory fees to be paid directly to the schools providing the course in which the applicants are enrolled.

There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. The following courses shall entitle individuals to those benefit levels specified below:

- \$5,200 per year for courses and books (\$100 per course limit for books) at regionally accredited colleges or universities
- Advance Payment

Employees enrolled in college degree programs through accredited institutions, who exhaust their current year tuition eligibility, may utilize up to the present or next semester eligible expenses. This advance payment is provided only in conjunction with courses offered at regionally accredited colleges or universities on a semester or quarterly basis and is not available for job related or personal enhancement classes. Advance payment of up to \$1,000 will occur automatically when the employee's request for tuition assistance exceeds the current year eligibility.

Advance payment is not available in the last calendar year of Agreement, and does not expand total tuition assistance eligibility over the life of the present Agreement.

- \$2,100 per year for other job related courses
- \$ 1,450 per year for courses not related to the employee's current job assignment through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others. The UAW-Rolls-Royce Corporation will publish a listing of approved courses of study. In no event shall the total assistance to an employee exceed \$6,200 in a twelve month period. All courses are subject to approval by the UAW-Rolls-Royce Corporation.

Administration

The Plan will be jointly administered by the UAW-Rolls-Royce Corporation.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 26th day of February, 2008.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

Attachment A to Doc. No. 8

LABOR STUDIES

During these negotiations, the Union and Rolls-Royce Corporation agreed that eligible employees may use a portion of their Tuition Assistance Program allocation (which provides for the prepayment of tuition and compulsory fees up to certain dollar limits) for Key 4 - Joint Activities approved labor studies courses. These courses generally examine worker, workplace and union related subjects. To qualify for reimbursement courses must meet the following criteria:

- The courses must be available to an accredited college's/university's general student body and listed in its official course catalog.
- Tuition costs and compulsory fees must be within the generally accepted fee structure for such courses and be applicable to the accredited college's/university's general student body.
- Tuition costs and compulsory' fees will be directly reimbursed to the accredited college/university through the Tuition Assistance Plan.

Participant attendance is voluntary, and is not considered hours of work or employment and not subject to Rolls-Royce Corporation compensation.

The Grievance Procedure set forth in the Rolls-Royce Corporation-UAW Agreement has no application to, or jurisdiction over, any matter relating to this letter.

Attachment B to Doc. No. 8

Memorandum of Understanding

Scholarship Program for UAW/Rolls-Royce Corporation Represented Dependent Children

During these negotiations the parties discussed the importance of continuing education for school-aged dependent children of UAW represented employees. In this regard, the International Union and the Rolls-Royce Corporation have agreed to establish the UAW/Rolls-Royce Corporation Joint Scholarship Program for UAW Represented Dependent Children.

The Key 4 shall appoint a joint committee to develop a UAW/Rolls-Royce Corporation Joint Scholarship Program for UAW Represented Dependent Children per the UAW-ROLLS-ROYCE CORPORATION guidelines and procedures. This scholarship program will be funded by Plant Funds-C. The program will be established based on the following parameters:

- The Key 4 will establish the annual amount of scholarship funds to be awarded to eligible recipients based upon the guidelines established by the UAW/ROLLS-ROYCE CORPORATION HRC.
- The program will be open to dependent children of active Rolls-Royce Corporation retired or deceased UAW represented employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency. For purposes of this pro-gram, the definition of dependent children will be the same as defined in the UAW-Rolls-Royce Corporation Legal Services Plan.
- The maximum amount of award will be limited to \$1,250 per year per recipient and be distributed directly to the recipient's educational institution for tuition and/or compulsory fees.
- Payments under the UAW/Rolls-Royce Corporation Scholarship Program for UAW Represented Dependent Children will be subject to applicable federal, state, and local tax provisions.
- The Grievance procedure set forth in the current Rolls-Royce Corporation/UAW National Agreement has no application to, or jurisdiction over, any matter related to this program.

Attachment C to Doc. No. 8

Memorandum of Understanding

UAW-Rolls-Royce Corporation Retiree Tuition Assistance Plan

This will confirm the understanding reached during the present negotiations that a Retiree Tuition Assistance Plan (including personal enhancement courses approved by recognized accreditation agencies and those approved by government education or training programs) for retired UAW-represented Rolls-Royce Corporation employees shall be piloted and funded under the Tuition Assistance Program Plan A (Plant Funds). Retirees would be eligible to take classes approved on-site at the plant or local union hall at the location from which they retired. The courses offered to retirees must be those that are available to the active workforce.

The program provides up to \$1,000 per calendar year per retiree for the prepayment of tuition and compulsory fees for approved courses leading to credits or degrees only offered on-site by approved educational institutions, or courses included in a special range of approved competency based courses, including non credit and non degree courses or activities.

The pilot will be developed by the Key 4 and administered locally by the UAW and Rolls-Royce Corporation. The Key 4 has the authority and discretion to interpret the terms of the pilot including, but not limited to, school and course approval, location of courses and program guidelines.

In addition, the grievance procedure set forth in the UAW-Rolls-Royce Corporation Agreement has no application to or jurisdiction over any matter related to this joint program.

Doc. No. 9

Subcontracting of Skilled Trades Work

During these negotiations the Company discussed with the Union the reduced factory load and its effect on our cost rate, including the portion of cost driven by self-performing the current work scope with our own skilled trades classifications at Rolls-Royce Corp.

The type and load of the work associated with the skilled trades is irregular due to either product development cycles impacting Model Shop, Tool Room and, at times, Construction trades or Seasonal activities impacting the Construction trades. To achieve and maintain competitiveness, the Company can only utilize its own employees to support the normal average load of the business. Therefore, in order to handle the peaks in load, the Company must, as in the past, reserve the right to let the work to outside contractors.

In determining which activities will be sourced externally within the maintenance, construction, tool & die and engineering development skilled trades, the Company will consider among other things, the frequency; efficiencies and economies involved; the need for specialized tools, equipment and skills; and the necessity of meeting schedules, model change and plant rearrangement deadlines.

In our discussions, the Union expressed concern over the job security of its skilled trades members in this environment. The Company reiterated that the long-term security of employees may only be achieved through both competitive cost rates and sufficient orders for production hardware. The Company will however, as in the past, continue to utilize its seniority employees under circumstances in which it is reasonable and practicable to do so in the performance of work that has been agreed to constitute 'traditional' work.

Accordingly, the company states that it will make a reasonable effort to avoid contracting out work which adversely affects the job security of its employees and that it will utilize various training programs available to it, whenever practicable, to maintain employment opportunities for its employees consistent with the needs of the Company.

During the current negotiations the parties also discussed the special procedure for processing subcontracting grievances as provided in Paragraphs (42a) and (46).

The parties agreed that should the Director of the Aerospace Department of

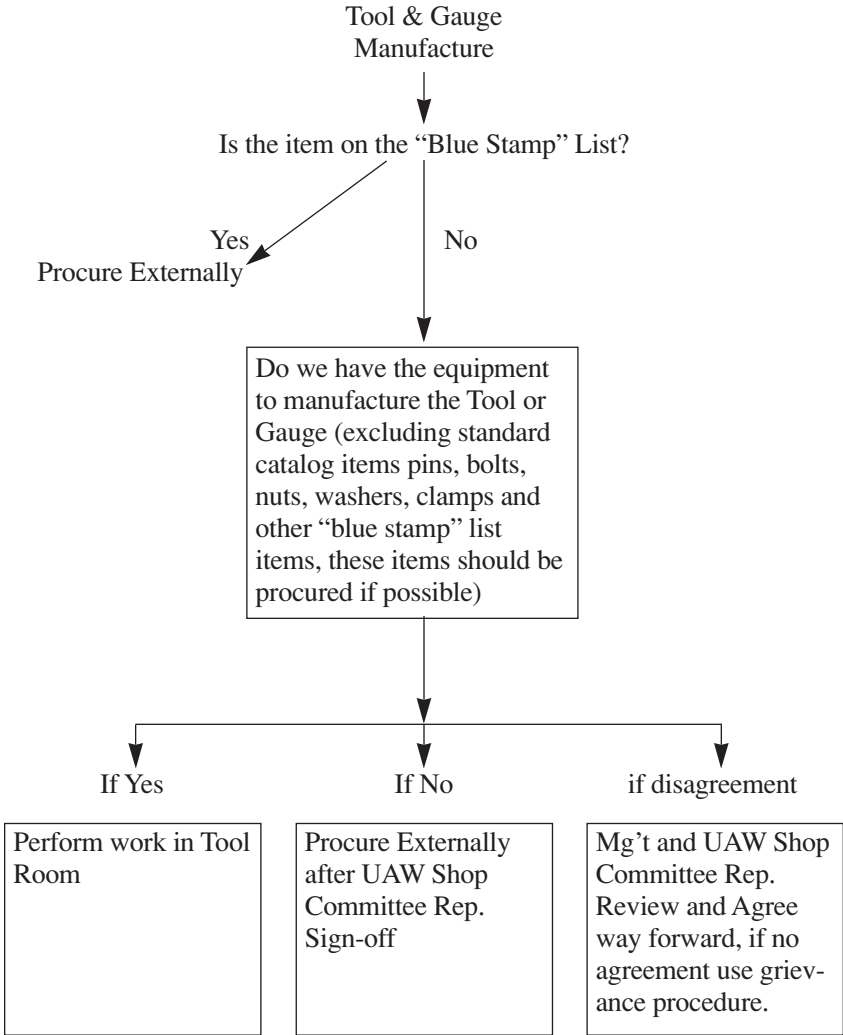
the International Union elect to handle such a case pursuant to Paragraph (42a)(2), and refer it back to the Appeal Committee for negotiation pursuant to Paragraph (117), such negotiations shall be limited to the issues defined in the written record of the case.

The attached flow-charts have been jointly developed to determine make/buy decisions within the skilled trades areas of work. These flow-charts have been designed to promote advance discussions, joint decision making and to review our overall competitiveness.

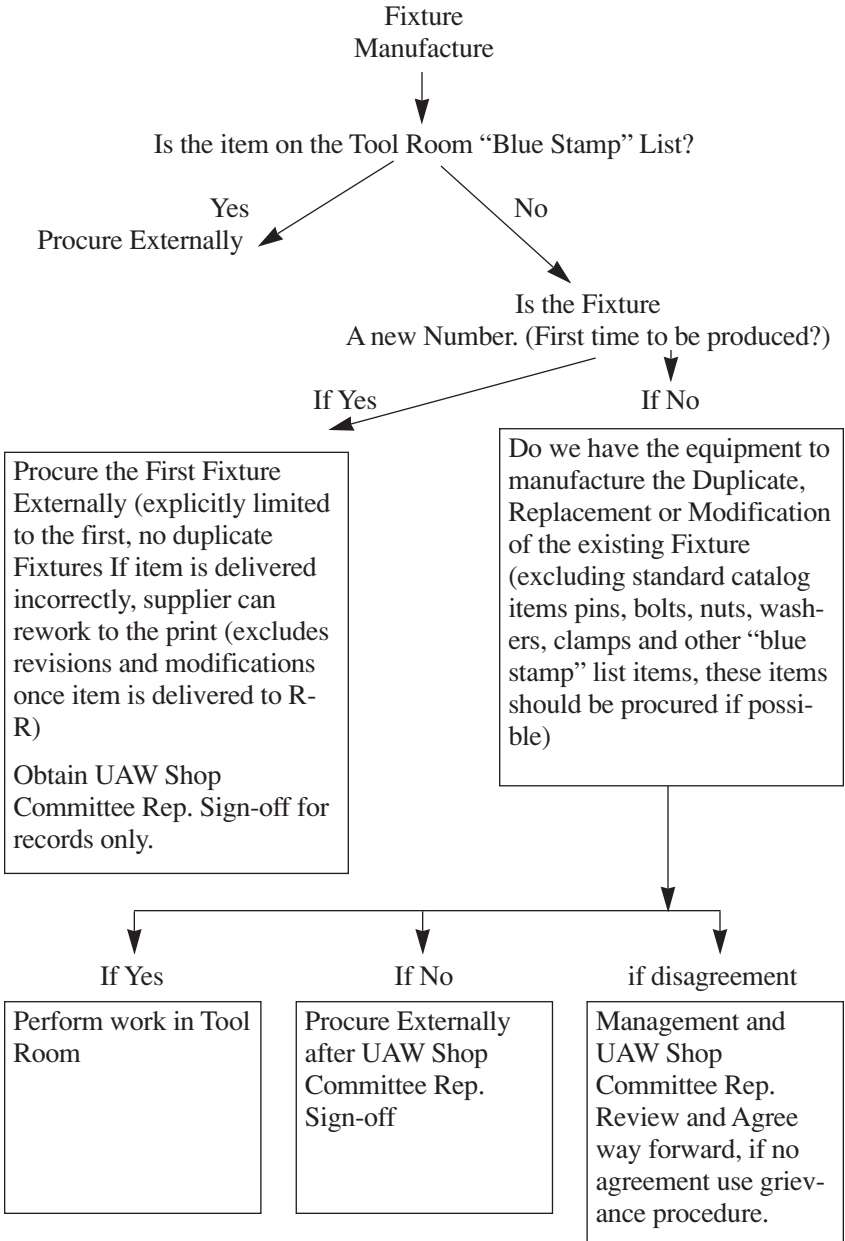
The existing coordinators/estimators for the Model Shop and the Maintenance Trades will continue to perform their duties, as they have during the 2000 Agreement.

In all cases where the Company does not deem it advisable to perform the work itself due to available labor, safety, skills, equipment, cost, quality or schedule, the Company must, as in the past, reserve the right to let the work to outside contractors.

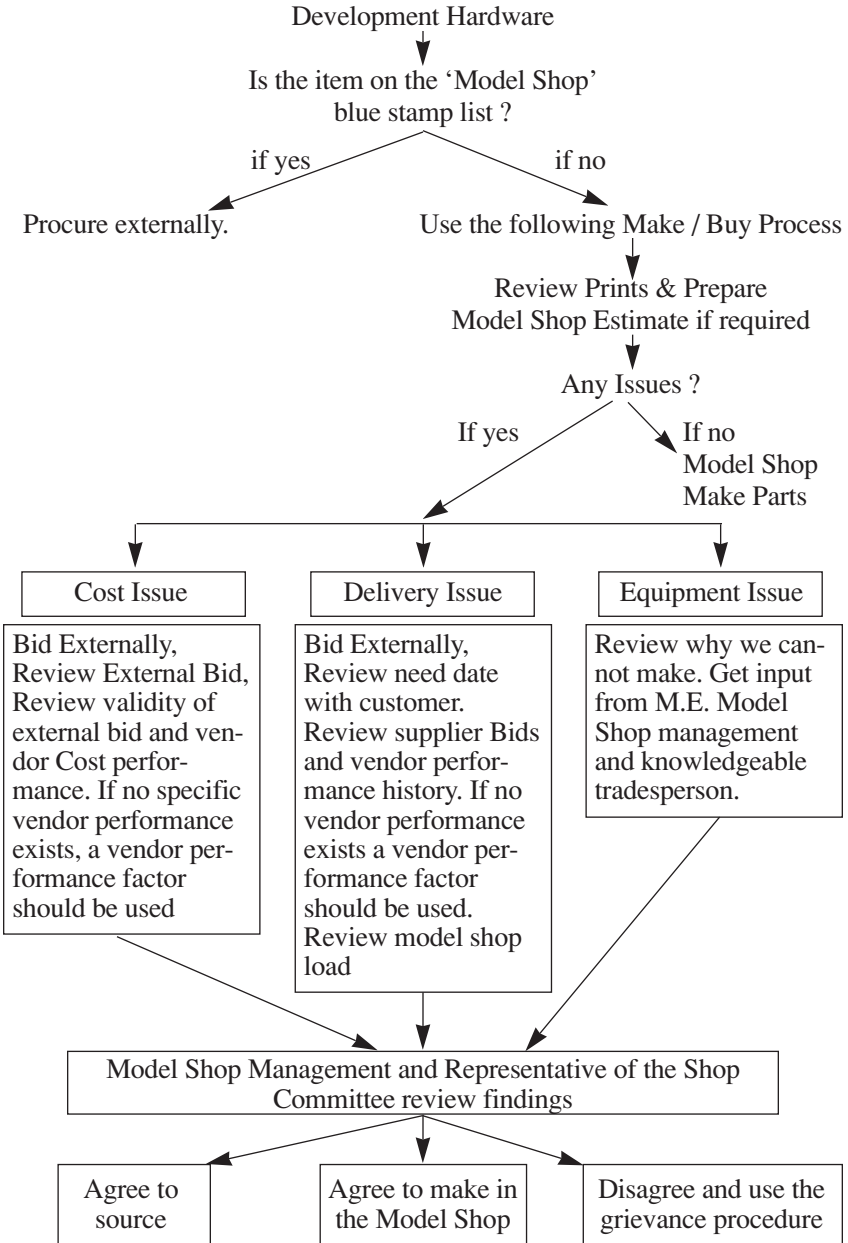
Article I Tool Room – Tools & Gauges



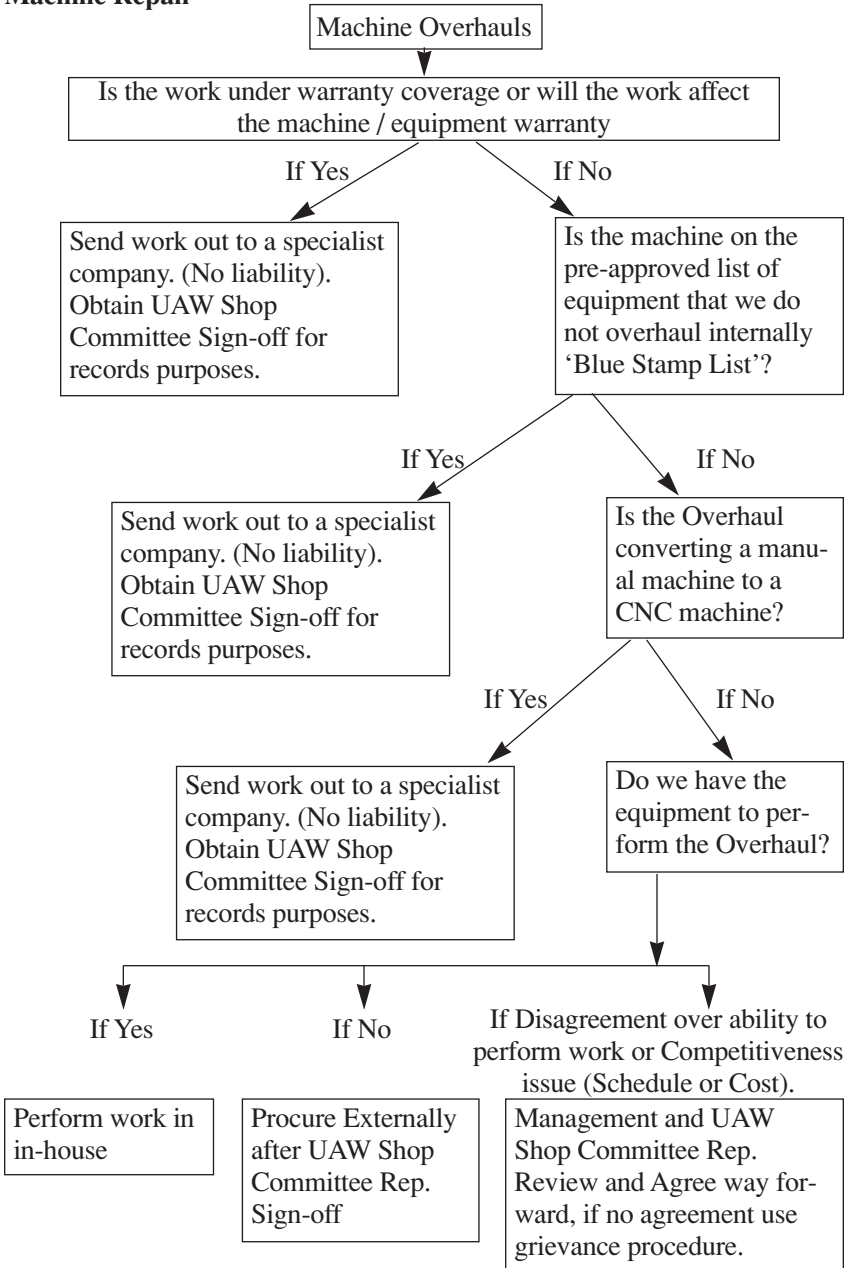
Article II Tool Room - Fixtures



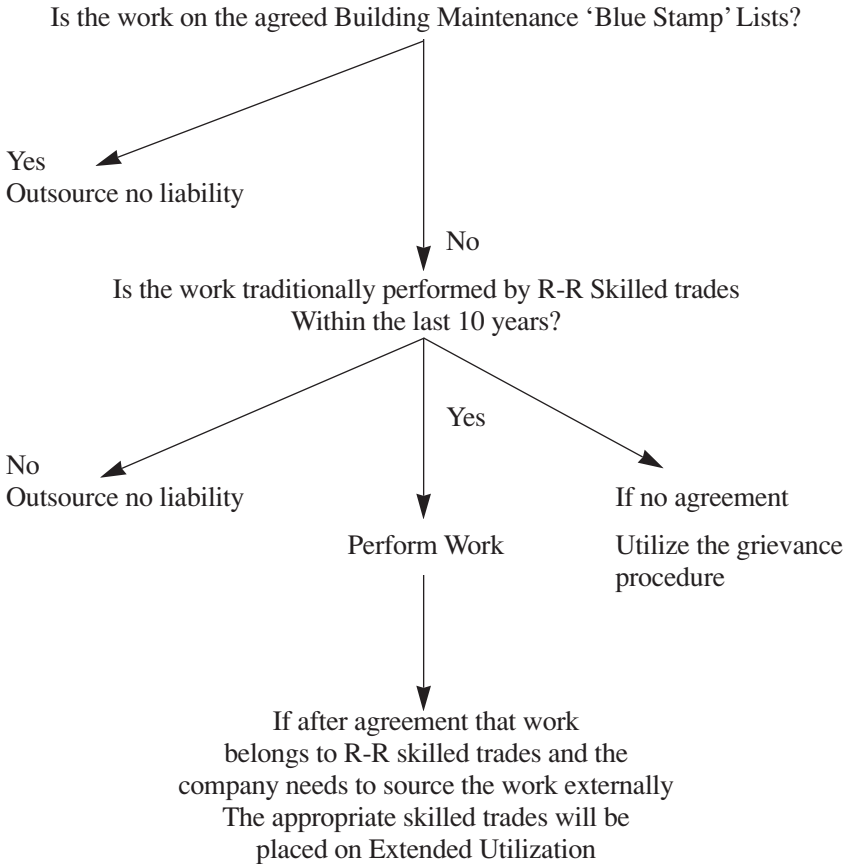
Article III Model Shop



Machine Repair



Building Maintenance:



Doc No. 10 Deleted

Doc No. 11 Deleted

Doc. No. 12

VOLUNTARY POLITICAL CONTRIBUTIONS

It is agreed between Rolls-Royce Corporation (Company) and the International Union. UAW (Union) that the following understandings have been reached in connection with the Union's request to make deductions for voluntary political contributions from the paychecks of Company employees represented by the Union.

1. The designated Financial Officer of each Local Union will furnish to Management for each employee for whom a deduction is to be made an Authorization Card signed by the employee containing the following information:
 - (a) Name and address
 - (b) Plant
 - (c) Department Number
 - (d) Social Security Number
 - (e) Local Union Number
 - (f) Amount to be deducted each period

Cards that cannot be processed will be returned to the designated Financial Officer of the Local Union for correction.

2. The Local Union may also elect to have Authorization Cards included in employees' packets to be distributed during Joint Orientation Programs for New Hires.
3. The Company will make such authorized deductions from checks for the first pay period ending in each deduction period, commencing March 2008, and continuing while such authorization is in effect for so long as the Company has an obligation to provide such procedure under the Federal Election Campaign Act. For hourly employees, where no regular payroll check is prepared for the first pay period in the month, the Company will make such authorized deductions from the check for the second, third, fourth or, if applicable, the fifth pay period ending, in that deduction period. Deductions will be made from any checks prepared for the employee through regular payroll processing but will not be made from checks prepared through special payroll processing.
4. A deduction not made in one period will not be carried forward to a subsequent month.
5. Each deduction period Local Management will issue a single check for hourly employees, or by electronic transfer where possible, payable to UAW V-CAP care of the International Union for deductions made in the preceding period. Deductions from checks issued subsequent to the first

pay period in a deduction period will be remitted to the Union in the following month's normal V-CAP remittance. Overpayment to the Union resulting from cancelled employee authorizations will be recovered in a subsequent period.

6. A computer-generated, machine readable where possible, listing will also be forwarded which will indicate the name, address, payroll location code, local union number, department number, full social security number, and the amount deducted for each employee that pay period. Year-to-date deduction totals for each employee will also be included in the report. The Union will pay the Company each six (6) months, on July 31 and January 31, for the term of the 2008 Rolls-Royce Corporation-UAW National Agreement the following:
 - (a) A fee of \$0.075 per participant each six (6) months calculated on the number of participants as of June for the July billing and December for the January billing.
7. The Union will pay the Company the actual costs of initial setup and programming, of general administration, computer and machine time, and of processing new authorization changes or cancellations. Provided however, the Union and Company must agree on these costs prior to the implementation or change in this program.
8. The Company will bill the International Union for the amounts owed pursuant to Paragraph 7 above, which bill shall be paid in the month following the month in which billed.
9. The amounts set forth in Paragraph 7 above may be increased or decreased by the Company from time to time as experience dictates, upon notice to the International Union.
10. Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.
11. The designated Financial Officer of the Local Union will collect and forward as one transmittal all signed Authorization Cards and Cancellation Cards for the initial processing and for each period to Management.
12. An Authorization Card that is not revoked by the employee shall continue in effect upon reinstatement to active status in the employing unit provided the employee's record is still being maintained by the employing unit's Payroll Department.
13. The Union will indemnify and hold harmless the Company from any and all liability or claims arising from administrative error resulting from the deductions provided for in this Agreement.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 26th day of February, 2008.

Local 933, UAW

Rolls-Royce Corporation

Robert D. Woodcock

John Gallo

David Atwood

Megan Fowler

Mike Maraldo

Jeff Handy

Dean Farley

Kevin M. Johnson

John Morical

Shawn Alpers

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Harrison Havard III

J.R. Reese

Kent Duncan

International Union

Mike McKibbin

Ron Gettelfinger

Jennifer Settles

Jimmy Settles

Karen MacKay

Mo Davison

Sergio Gonzales

Date: _____

Doc. No. 13

PLANT CLOSING MORATORIUM

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Mr. Woodcock:

Subject: Plant Closing Moratorium

As a result of your deep concern about job security in our negotiations and the many discussions which took place over it, this will confirm that during the term of the new Collective Bargaining Agreement the Company has no plans to close any plant, constituting a bargaining unit under the Agreement.

In making this commitment, it is understood that conditions may arise that are beyond the control of the Company, e.g. act of God, and could make compliance with this commitment impossible. Should such conditions occur, the Company will review both the conditions and their impact on the particular location with the Union.

Should it be necessary to close a plant constituting a bargaining unit consistent with our past practice, the Company will attempt to redeploy employees to other locations and, if necessary, utilize the "Special Programs" identified in Document 3 of the Rolls-Royce Corporation-UAW National Agreement or other incentivized attrition programs as agreed to by the parties.

Very truly yours.

Megan Fowler

Executive Vice President Human Resources

Doc. No. 14

SPECIAL SKILLED TRADES REPRESENTATION

Where there are 30 or more skilled trades employees (E.I.T., E.I.T.S., Journeyman) in any plant on a shift who are not represented by a District Committeeperson who is classified as a skilled trades employee, such employees shall be afforded the opportunity to meet with a Committeeperson who is classified as a skilled trades employee on specific skilled trades issues when they request such representation. The Shop Chairperson shall designate a Committeeperson who is classified as a skilled trades employee to handle specific skilled trades issues for these employees. The specific issues shall include agreements and memoranda on skilled trades, paragraphs 3, 102 or one of the provisions of paragraphs 152 through 183 of the Agreement.

Doc. No. 15

**FINANCIAL SECRETARIES - TEMPORARY DELAY OF DUES
CHECK-OFF**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed situations where the Local Union was required to refund union dues to a large number of employees. This occurred when employees were laid off after a dues deduction had been made but before they had worked sufficient hours to be liable for dues under the UAW Constitution for that month.

The Company advised the Union that in those situations where it is known in advance that a large number of employees (100 or more) are scheduled to be permanently laid off and are not anticipated to work the necessary hours to owe dues under the UAW Constitution, the Financial Secretary may request that the plant delay for one week the deduction of monthly dues. In similar situations where the number of employees being laid off is less than 100, the Financial Secretary may request that the regular deduction of monthly dues for these employees be suspended. These requests must be submitted to the plant one week prior to the payroll period that monthly dues deductions are made.

Upon request of the Manager, Employee Relations, the payroll department will initiate the required steps to accomplish this procedure.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (4k),(4o),(61c)]

Doc. No. 16

PURCHASING ACTIVITY COMMUNICATION

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of these negotiations, many discussions took place concerning the development of a more efficient communication process with the Rolls-Royce Corporation Purchasing activity, particularly with respect to its role in the sourcing process. To address the Union's concerns in this regard, the Company will provide an orientation meeting with the appropriate members of the Purchasing Activity within 30 days of the effective date of the new Agreement. The purpose of this orientation will be to educate the members of the purchasing organization on the requirements of Document 4 of this agreement and to identify experts within the purchasing organization who will be available to answer questions of the International Union as the provisions of the Sourcing language are implemented and applied.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 17 EXCHANGE OF VIEWS

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Mr. Robert Woodcock:

During current negotiations, the parties reaffirmed their recognition of the value of an open and candid exchange of views and ideas between officials of the UAW and Company management. Of particular importance to the Union is a timely exchange of information on major decisions that will significantly impact the employees it represents. As a result of these discussions, when requested, arrangements will be made for the Director of the Aerospace Department of the UAW or his designee to address the Company's top executive officers.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 18

**Interpretation of the Time and One-Half Provisions of the National Agreement
Paragraph (85)(a)
(Special Case Caused by Short Shift)**

In the event an employee works more than eight consecutive straight time hours on a shift (exclusive of an unpaid lunch period) under circumstances where the present daily overtime provisions and interpretations would make the time worked in excess of eight hours on that shift payable at straight time, such time worked in excess of eight hours on that shift will be paid for at time and one-half. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

WORKING HOURS

Example: Special Case
 Caused By
 Short Shift

D - Calendar Day
HW - Hours Worked
ST - Straight Time
T 1/2 - Time and One-Half
DT - Double Time PH - Pay Hours

D	FRO M	D	TO	H W	S T	TI/2	DT	P H	REMARKS
S	7:00 A		3:30 P	8			8	16	
M	6:00 A		3:30 P	9	8	6:00 A- 7:00 A		9.5	
T	6:00 A		11:30 0 A	5.5	4. 5	6:00 A- 7:00 A		6	(1)
W	6:00 A		3:30 P	9	8	2:30 P- 3:30 P		9.5	(2)

D	FRO M	D	TO	H W	S T	T1/2	DT	P H	REMARKS
T h	6:00 A		3:30 P	9	8	6:00 A-		9.5	
F	6:00 A		3:30	9	8	7:00 A 6:00		9.5	
			P			A- 7:00 A			

- (1) Sent home or excused by Management.
- (2) Under G-153 and G-208, all 9 hours would be at ST. Under the 1967 interpretation, the hour from 2:30 to 3:30 p.m. would be at T 1/2 but would be counted as a straight time hour for purposes of computing daily overtime for the 24-hour cycle from 7:00 a.m. Wednesday to 7:00 a.m. Thursday.

**Interpretation of
Working Hours Section**

(Delayed Starting Time on Sunday Night)

In negotiations, the Union has cited the following examples:

An employee is scheduled to start work at 12:01 a.m. on Monday and at 10:30 p.m. for the rest of the week. The first eight hours beginning at 12:01a.m. Monday were paid at straight time.

An employee starts a week at 10:30 p.m. Monday. This shift is also worked Tuesday night, Wednesday night, Thursday night and Friday night. The shift beginning 10:30 p.m. Saturday may or may not be worked. The employee is brought in Sunday night but instead of starting at the usual time of 10:30 p.m., the starting time is delayed until 12:01 a.m. Monday. The next week is then started at the usual time of 10:30 p.m. Monday. The first 8 hours beginning at 12:01 a.m. Monday were paid at straight time.

The Company advised the Union that in these and similar cases, the shift that starts at 12:01 a.m. on Monday will be considered a Sunday shift and paid at double time. The employee's 24-hour cycle shall be considered to have started at 10:30 p.m. Sunday night.

[See Par. (82),(86)]

**Interpretation of
Working Hours Section
(Special Double Time Case)**

During negotiations the Union has cited a situation in which a third shift employee worked seven shifts in the week and received no double time under the following circumstances.

Example #1

The employee worked the first five days of the week beginning each day at the regular shift starting time. The employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and the employee then worked eight hours. The seventh shift was advanced from 12:01 a.m. Sunday to 11:00 p.m. Saturday.

Example #2

The employee worked the first five days of the week beginning each day at the regular shift starting time. Then the employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and eight hours were then worked. The seventh shift was advanced from 12:01 a.m. Sunday to 3:30 p.m. Saturday.

The Company advised the Union that if this or other such cases occur where the starting time of the employee's seventh shift is advanced from Sunday to Saturday, the employee involved will be paid at double time for the hours worked by the employee on the seventh shift worked even though the shift starting time falls on Saturday.

[See Par. (86)]

**Interpretation of
Working Hours Section**

(Special Protracted Work Period Case)

During negotiations, the Union cited a situation in which an employee worked for a continuous period of more than twenty-four (24) consecutive hours where the hours worked in excess of twenty-four (24) were paid for at straight time.

The Company advised the Union that in such a case, those continuous hours worked in excess of twenty-four (24) will be paid for at the rate of time and one-half unless such hours would otherwise be paid for at a higher premium pursuant to the provisions of the Working Hours Section of the Agreement. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

[See Par. (85)(a)-(c),(86)]

Doc No. 22

**NOTICE TO LAID OFF EMPLOYEES OF
ANTICIPATED RECALL**

Date: February 26, 2008

Subject: Notice to Laid Off Employees of Anticipated Recall

To: All General Managers
All Human Resource Directors

As a part of current negotiations, Rolls-Royce Corporation informed the International Union, UAW that the following letter concerning Notice to Laid Off Employees of Anticipated Recall would be published. The text of that letter is as follows:

“During negotiations, the parties discussed at length the problems involved in recalling large masses of employees back to work from lay-off in situations such as the addition of a shift at a plant. Both parties recognized the mutual interest that would be served by the local management notifying laid off seniority employees in advance of such known mass recalls to facilitate the orderly recall when it in fact occurs.”

“Accordingly, when mass recalls are anticipated sufficiently in advance at a local plant, local management and the local union should discuss the matter of a pre-recall notification to employees in an attempt to arrive at a mutually satisfactory method to implement the notice.”

“It is mutually recognized that such notice or lack of notice will be without prejudice to either party in the application of any terms of the Agreement or any local agreements. Moreover, any agreement reached with respect to advanced notice of anticipated recall will not be cited or relied upon by an employee or the union or the management as a basis for a claim for or denial of back pay.”

[See Par. (64)(c)]

**RELIEVING EMPLOYEE FOR
COMMITTEEPERSON DISCUSSION**

Consistent with the purpose of the Grievance Procedure, a rule of reason should be applied in determining whether an employee should be excused from the job in order to confer with the Committeeperson handling the employee's grievance. A rule of reason should likewise be applied when, due to production difficulties, excessive absenteeism, or other emergencies, it will not be possible to immediately relieve the employee from the job. On many jobs discussion between the employee and the Committeeperson is entirely practical without the necessity for the employee being relieved. On the other hand, an employee working in an excessively noisy area should be permitted a reasonable period of time off the job and a suitable place in which to discuss the grievance with the Committeeperson. This shall not interfere with any local practice which is mutually satisfactory.

[See Par. (5),(19),(30)]

Doc. No. 24

REPRESENTATION DURING MANAGEMENT MEETINGS

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During current negotiations, the Union expressed concern that the increased requirements on the Committeepersons' time for attendance at management meetings was, on occasion, preventing employees from receiving representation in a timely manner.

In this regard, the Company and the Union agreed that when such a situation exists, the local parties will allow the Alternate District Committeeperson to handle current grievances until such time as the District Committeeperson becomes available. In the case of District Committeepersons who are also members of the Shop Committee pursuant to Paragraph (11) of the Agreement, the local parties will allow their Alternate District Committeepersons to handle current grievances during the period that such District Committeeperson is legitimately involved in meeting with Management at Step Two and Step Three of the Grievance Procedure or during other mutually agreed upon local contract negotiations meetings.

Any problems in this area should be raised with the International Union UAW or with the Labor Relations Staff.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (25)]

Doc. No. 25

UAW-ROLLS-ROYCE CORPORATION JOINT ADAPT (ACCOMMODATING DISABLED PEOPLE IN TRANSITION) (FORMERLY JOB PLACEMENT PROCESS)

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed issues regarding the UAW-Rolls-Royce Corporation Joint ADAPT (Accommodating Disabled People in Transition) Process (formerly Job Placement). The parties agree this process was designed to enable employees with disabilities to be retained at work or returned to work from a sick leave or worker's compensation leave and be placed on jobs within their physical restrictions, while complying with applicable provisions of the Local and National Agreements. The parties further agree that the ADAPT process will be used in returning employees to work who are able to do meaningful work.

The process will be administered at the plant level in accordance with existing National Guidelines. Problems not resolved at the plant level will be communicated to the National Parties for resolution.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc. No. 26

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of current negotiations, the parties discussed programs currently utilized in other UAW represented locations focused on the subjects of Workplace Violence Prevention and Critical Incident Response.

This letter is intended to document the understandings reached by the parties during these negotiations to jointly study and implement a process to address Workplace Violence Prevention and Critical Incident Response.

The starting point for implementing these initiatives is to assemble a local emergency planning committee to address both of these subjects. The Committee should be coordinated or chaired by a representative of the Company and include representatives from EAP, the plant medical staff and Security. This Committee will focus on methods of enhancing efforts to develop the protocol for dealing with risks and/or acts of violence.

It is believed that these efforts will reduce the risk of workplace violence and improve the response to critical incidents.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 27

Memorandum Of Understanding Regarding Drug Testing

During National Negotiations, the parties discussed at length the worsening drug problems in our country and the rising incidence of chemical dependence. Chemical dependence on the part of employees impacts the workplace in terms of quality, productivity, and effectiveness of operations, while threatening the safety and well-being of both the chemically-dependent employee and his/her co-workers. As a result, the parties agreed to institute a screening program and to periodically review it during the term of the agreement and make adjustments to it, deemed appropriate. This memorandum reflects such screening program and adjustments to it.

Process

Employees may be screened for substance abuse (alcohol and drugs) in the following instances:

1. As part of a return to work physical for employees returning from substance abuse related sick leaves of absence.
2. As required by law: such as, F.A.A., D.O.T. and D.O.D.

All testing and reporting will be conducted in accordance with the guidelines established by the Department of Health and Human Services.

Implications

An individual who tests positive will be handled in the following manner:

1. **FIRST POSITIVE:** The employee will be deferred from working for approximately two weeks and scheduled for follow testing. EAP services are to be offered to the employee and employee is to be referred to the CDR. The employee will automatically be subject to further unannounced screening for a period of three months.
2. **SECOND POSITIVE:** The employee will again be deferred from working for approximately two weeks and scheduled for follow-up testing. EAP services are to again be offered to the employee and the employee is to be referred to the CDR. The employee will automatically be subject to further unannounced screening for a period of six months.
3. **THIRD POSITIVE:** The employee will be discharged regardless of prior disciplinary record or length of service. Grievances protesting irregularities in the testing procedure may be taken through the grievances pro-

cedure: however, extent of penalties arguments are not subject to the Umpire's discretion.

All positive test results will be subject to a mutually agreed to third party evaluation upon request of either party. Problems selecting a third party may be referred to the National EAP Committee, Employees who refuse to be tested will be treated as though they had tested positive.

Once terminated, if the employee satisfactorily documents to local management and local union Six months continuous sobriety, within the 60 months following discharge, the employee will qualify for placement on the rehire list.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

Doc No. 28

DRUG TESTING- FEDERALLY MANDATED

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock;

Re: Federally Mandated Drug Testing

During these negotiations, the parties discussed the subject of drug testing mandated by the Department of Transportation, the Federal Aviation Administration, Department of Defense and the handling of positive drug test under this legislation.

It is the Company's intent to continue the practice of removing employees who test positive from the covered job.

If an employee who is required to be tested by law, tests positive then transfers to a non-covered classification, the employee will be removed from the drug testing pool and will not be subject to further drug testing except in the case of a return from substance abuse related sick leave. Such employees will not be returned to a covered job until submitting to a further drug screen and testing negative. The parties will discuss and develop a process for the placement of employees who have tested positive and wish to be placed in an assignment involving the use of motorized equipment requiring a license.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

PERSONNEL PRACTICES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the negotiations the subject of personnel practices with different application to hourly and salaried employees was again discussed as an area giving rise to the appearance of a “double standard” of treatment. To this end, it was agreed to republish the text of the following letter on the subject of such personnel practices:

“During these negotiations, the Union expressed concern regarding certain plant personnel practices that have different application to salaried and hourly employees. It was stated that such practices may adversely impact employee attitudes thereby affecting union-management efforts to improve local operations and the work environment.”

“The Company responded by describing the many innovative and varied approaches taken by the parties to address these issues.”

“Accordingly, it was agreed that such matters are more appropriate for discussion by the parties as part of their continuing efforts to establish a work environment and relationship characterized by mutual respect and trust.”

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 30

**ROLLS-ROYCE CORPORATION EQUAL OPPORTUNITY
EMPLOYMENT POLICY**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

The following is the text of the written and published policy of Rolls-Royce Corporation in employment:

“The policy of the Company is to extend employment opportunities to qualified applicants and employing on an equal basis regardless of an individual’s age, race, color, sex, religion, or national origin.”

“Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company Equal Opportunity Employment Policy.”

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

(See Preface. Par. (6a), (63),(153))

(See Doc. 31, 32, 33, 99)

Doc No. 31

EQUAL APPLICATION COMMITTEES-NATIONAL AND LOCAL

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

For many years the Company and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, handicap and sexual harassment and to this end the parties have expressly incorporated Paragraph (6) in their Agreement that both insures adherence to that principle in all aspects of employment at Rolls-Royce Corporation and provides the contractual grievance and arbitration procedure for the resolution of alleged violations of that principle.

The parties recognize the desirability of increased communication and cooperative effort on this subject (1) to encourage employees and grievance representatives to use the grievance and arbitration procedure as the exclusive method for prompt resolution of all claims of violations of Paragraph (6), (2) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (3) to maintain liaison with appropriate federal and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, nonproductive to relieving employee problems. (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange information, expertise and advice.

Accordingly, the parties agree to establish within thirty (30) days of the ratification of the Agreement dated today an Equal Application Committee.

The Equal Application Committee will be composed of two (2) representatives of the Union, one of whom will be a member of the International Union's Civil Rights Committee, or a designee, and two (2) representatives of the Company, one of whom will be active in the Company's equal

employment opportunity programs. The Committee will meet as frequently as is mutually deemed desirable or necessary and its functions shall be the following:

- a. Review and discuss ways and means of encouraging employees and grievance representatives to use the grievance and arbitration procedure as the exclusive method to resolve claims of violations of Paragraph (6).
- b. Conduct or arrange for investigations and /or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.
- c. Maintain liaison with appropriate federal and state agencies for purposes set forth in the second paragraph of this letter.
- d. Review and discuss ways and means of implementing Rolls-Royce Corporation's policy regarding employment of the handicapped.
- e. Recommend ways and means of promoting use of the grievance procedure as the exclusive method for resolving claims of violations of Paragraph (6a).
- f. Suggest guidelines for Union and Company representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.
- g. Recommend a means for determining the cause of equal employment opportunity and discrimination problems and tensions in the plant.

Where the Chairperson of the Civil Rights Committee of the Local Union is an employee of the Plant wages will be paid for time spent attending the quarterly meetings.

Copies of the minutes from these meetings will be made available to the Union.

The parties continue to recognize their legal and moral responsibility for assuring that all Rolls- Royce Corporation employees have equal employment opportunities and freedom from discrimination as set forth in Paragraph (6) of the Agreement. Consequently, the function of the Equal Application Committee shall be advisory, consultative and cooperative. While the Company and the Union will welcome the recommendations the

Committee may make, the Committee may not commit either party to a specific course of action. However, the Union agrees that it will encourage its members to utilize the grievance and arbitration procedure as the means of resolving claims or complaints against the Company which allege a violation of Paragraph (6).

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Doc. 30,32,33,99]

Doc No. 32

**ROLLS-ROYCE CORPORATION POLICY REGARDING
EMPLOYMENT OF THE HANDICAPPED**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

The following is the text of the written and published policy of Rolls-Royce Corporation regarding employment of the handicapped;

“The policy of the Company is to make reasonable accommodation to the limitations of qualified handicapped persons and to extend employment opportunities to such persons taking into account the needs of the business and financial cost and expenses.”

“Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company Policy Regarding Employment of the Handicapped.”

Consistent with the foregoing policy, the requirements of Section 503 of the Rehabilitation Act of 1973 and the Americans with Disability Act and the rules and regulations promulgated thereunder, Rolls-Royce Corporation represents that it will affirmatively act to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par, (6)]

[See Doc. 30,31,33,99,107]

Doc No. 33

**ROLLS-ROYCE CORPORATION POLICY REGARDING
EMPLOYMENT OF DISABLED VETERANS AND VETERANS OF
THE VIETNAM ERA**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

The following is the text of the written and published policy of Rolls-Royce Corporation regarding employment of disabled veterans of the Vietnam era:

“The policy of the Company is to make reasonable accommodation to the limitations of qualified disabled veterans and to extend employment opportunities to disabled veterans and veterans of the Vietnam era taking into account the needs of the business and financial cost and expense.”

“Hiring and employment practices and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be at all times, in conformity with the Company Policy Regarding Employment of the Disabled Veterans and Veterans of the Vietnam Era.”

Consistent with the foregoing policy, the requirements of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and the rules and regulations promulgated hereunder, Rolls- Royce Corporation represents that it will take affirmative action to employ, advance in employment and otherwise treat qualified disabled veterans of the Vietnam era without discrimination based upon their physical or mental handicap in all employment practices.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par.(6)]

[See Doc. 30,31,32,99]

Doc No. 34

REVIEW PERSONNEL RECORDS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the Union expressed concern regarding the rights of employees to review their personnel records.

This will confirm that the rights to review individual personnel records will be extended as a matter of policy to Rolls-Royce Corporation employees. It is also understood that employees must make an appointment through Hourly Human Resources to view their personnel file.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (76a)]

SELECTION OF EMPLOYEES-IN-TRAINING

The parties have as a mutual objective maximizing employment opportunities for minorities and women as employees-in-training in skilled trades classifications. The parties recognize the applicable laws governing the selection of individuals as employees-in-training in the skilled trades is undergoing continuing development and refinement.

The parties, therefore, agree as follows:

- a. The Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee shall review the utilization of minorities and women as employees-in-training in skilled trades classifications to determine whether obstacles exist to the achievement of a more representative utilization of such employees who are qualified and interested in skilled trades work.
- b. Where such obstacles are determined to exist, the Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee shall agree upon appropriate action to remedy particular situations or to establish various methods of selection including, where practicable, the establishment of special pre-EIT training programs to further equal employment opportunity for minorities and women in the employee-in-training program.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

Doc. No. 36 Deleted

Doc No. 37

**RESOURCE AND REFERRAL SERVICES- WORK/FAMILY
PROGRAM**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed matters relating to the Resource and Referral Services-Work/Family Program. The parties sought to integrate child care and elder care into a comprehensive program, and to make those resources available to active UAW-represented employees. To that end, the parties have agreed to a child care and elder care Resource and Referral Services-Work/Family Program for active employees.

This Program is designed to assist employees in finding and selecting quality child care, and elder care which meets their individual needs and provides information to make them more informed consumers of child care and elder care services.

Under the direction of the Executive Board-Joint Activities, the parties will be responsible for program development, determination of delivery methods, coordination and evaluation. Funding will be provided by Joint Training Funds.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

ORIENTATION PROGRAM

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of current negotiations Rolls-Royce Corporation and the International Union, UAW reaffirmed their commitment to the Rolls-Royce Corporation –UAW Orientation Program. The details of the orientation program are as follows:

“Men and women enter the work force today with little or no knowledge of what is expected of them as employees and as union members in a unionized, industrial plant community. Many of them have not been adequately prepared to cope with industrial situations in which they suddenly find themselves.”

“New employees come to Rolls-Royce Corporation with little or at best incomplete information about their employer and their union. They have little knowledge of the extensive economic benefits available to them as agreed upon in collective bargaining between the UAW and Rolls-Royce Corporation over a period of more than thirty years.”

“Many new employees may be unaware of the commitment of Rolls-Royce Corporation and the UAW to fair employment practices and to the application of the Agreement to all employees without regard to race, color, creed, age, sex or national origin. They are not familiar with basic contract provisions covering such subjects as transfers, promotions, shift preference and seniority. They may be unaware of the opportunities for advancement to highly paid skilled trades jobs through the Apprentice and EIT programs. They tend to be unfamiliar with the obligations of the employee to his job, to the union and to his employer. Many are unaware of the importance of regular attendance, quality workmanship and the need for cooperation by all in getting the job done. Too often they are unacquainted with the various procedural matters related to their job and their relationship to their union and their employer.”

“New employees usually have little knowledge of the long history of the UAW and of the administrative structure of the UAW at the International and local union levels. They do not understand about their relationship to the union, about the initiation fees and dues requirements and their rights within the union contained in the UAW Constitution and guaranteed by right of appeal to the Union’s Public Review Board.”

“Frequently, they have never seen the inside of a manufacturing plant before and are unfamiliar with the operations, the nature of the product and how it is used.”

“You have underscored these realistic considerations in our recent discussions. You have indicated that this may explain to some extent the high turnover and absenteeism being experienced in industry today among the new work force. And you have suggested that a properly developed and conducted orientation procedure designed to create an ‘awareness of the dynamics of the labor-management relationship, and the years long effort to build a community of interest in resolving labor-management problems through orderly procedures...’ might serve the best interest of the employees, the UAW and Rolls-Royce Corporation.”

“Accordingly, pursuant to the Union’s suggestion, the Company will, in cooperation with the International Union, undertake development of a joint pilot orientation program to be presented to new job applicants prior to the time they start their new jobs.”

“The content of the orientation program would be developed by the Company and the International Union and utilized when significant numbers of new employees are being hired.”

“The Company and the International Union would determine how the various portions of the orientation program would be implemented. Some subjects might most appropriately be presented by a Management representative, some by a Union representative, and others by both Management and Union representatives.”

“The orientation program would not be subject to the grievance procedure and could be terminated at any plant by either the International Union or the Company, in the event that the program at the plant was not being carried on in a manner consistent with the purpose and intent of the program as established by the national parties. The joint orientation program would be limited to those subjects agreed to by the Company and the International Union and the establishment of such a

program would not limit any other communication by Management with its employees or by the Union with its members.”

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

**MEMORANDUM OF UNDERSTANDING
EMPLOYEE ASSISTANCE PROGRAM**

Rolls-Royce Corporation and the International Union express their determination to work jointly with personal problems including substance abuse and mental health among Rolls-Royce Corporation workers and their families.

Alcoholism and drug dependency is recognized by medical, public health authorities, Rolls-Royce Corporation and the UAW as a disease. These diseases can impair workers' ability to function in their lives and on their jobs. Alcoholism and drug dependency as well as other personal problems contribute to increased absenteeism and tardiness and deterioration of job performance. This in turn disrupts work schedules with consequent dissatisfaction among the majority of workers who are sincerely trying to do conscientious jobs. The combination of factors is recognized as having a potentially damaging effect on plant efficiency and endangers the job security of the worker.

The causes of personal problems including alcoholism, drug dependency and mental health are not well understood and cures are difficult. Nonetheless, Rolls-Royce Corporation and the UAW believe that constructive measures are possible to deal with these problems which can be a major cause of family breakdown and violence in the community.

Rolls-Royce Corporation and the International Union agree that the UAW-Rolls-Royce Corporation Employee Assistance Program should be used to provide all EAP services for all UAW represented employees.

I. Objective

The objectives of this joint effort are to help employees and their family members develop healthier life styles and enhance the effectiveness of the workforce. Further, the purpose of this program is designed to help prevent the development of personal problems and provide access for treatment and after care for those already affected.

Rolls-Royce Corporation and the International Union acknowledge that neither local management nor the local union working alone can always provide the level of motivation required by employees experiencing personal problems. As a result, joint efforts are imperative in encouraging the employee to seek EAP services, as needed, to respond successfully to treatment, and to maintain a resolve to avoid further personal problems.

II. Guidelines for Administration

Responsibility for directing and coordinating these efforts will be the principle function of the Rolls-Royce Corporation/UAW Employee Assistance Program Committee. The Committee will be comprised of an equal number of representatives from the respective organizations and will be co-chaired by the Vice President, Human Resources of Rolls-Royce Corporation and the Vice President and Director of the Aerospace Department of the UAW, or their designated representative(s). This Committee will engage in joint efforts and function administratively in consultation with an EAP Committee comprised of local management and local union personnel which will review the efforts of the local EAP team on a regular basis. The Committee will meet regularly for the purpose of reviewing the administration and operation of the UAW-Rolls-Royce Corporation Employee Assistance Program, resolving issues not otherwise resolved and providing direction and consultation to the local EAP Committee. In this regard it is important to:

1. Generate a climate at the plant level which will eliminate the effects of the social stigma associated with mental disorders, alcoholism and drug dependency, and other personal problems which act as a barrier to employees seeking help to resolve personal problems;
2. Exercise their best efforts toward the objective of earlier identification and motivation of the employee to accept EAP services;
3. Assure confidentiality in working with the employee;
4. Develop and disseminate educational and informational materials for use at the plant level.

III. Local Employee Assistance Program Administration

The local EAP Committee consists of Key Four. It will be the responsibility of this Committee to review on a periodic basis the local Employee Assistance Program.

Rolls-Royce Corporation and the International Union will designate representatives of local management and representatives of the local union to work jointly on these problems. Among the responsibilities of the local EAP team are:

1. Work with providers to identify community resources for inclusion

in the referral network. Where facilities are inadequate or unavailable, undertake efforts to improve the situation.

2. Help employees and family members understand that they may consult on a confidential basis with the local EAP team, or a provider or treatment facility within the providers network concerning their problem.
3. Arrange for the local union benefits representative to be available to explain to the employee and others who may be involved the extent to which recommended treatment qualifies for payment under the Rolls-Royce Corporation Health Care Program.
4. Establish and maintain active aftercare and follow-up programs. Help employees understand the therapeutic benefits of self-help groups and engage EAP participants in these group activities.
5. Monitor program use and assist in the evaluation of Vendor's performance .

Rolls-Royce Corporation and the International Union acknowledge that:

1. Nothing in this statement is to be interpreted as constituting any waiver of Management's responsibility to maintain discipline or the right to invoke disciplinary measures in the case of misconduct which may result from or be associated with the use of alcohol or drugs or personal problems. The union may exercise its right to process grievances concerning such matters in accordance with the Rolls-Royce Corporation-UAW National Agreement;
2. During or following treatment the employee should not expect any special privileges or exemptions from standard personnel practices; and
3. When a leave of absence is necessary so that an employee may undergo medical treatment for alcoholism or drug dependence or personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted to such treatment and provided the employee has unbroken seniority, sick leave of absence will be granted pursuant to the National Agreement and the employee will be eligible for benefits in accordance with the Rolls-Royce Corporation Health Care and Life Disability Benefits Programs as negotiated with the International Union.

IV. Additional Understandings

During the course of 2008 Negotiations, the parties held extensive discussions over a wide range of EAP subjects. The following represents the highlights of those discussions and the commitments arrived at between the parties:

1. A key ingredient in combating personal problems lies in education, early identification and early intervention. Accordingly, the National Employee Assistance Program Committee has developed a comprehensive education and training program directed at all levels of local management, local union, and the work force. Administrative costs of the program will be funded by the Executive Board-Joint Activities (Key 4).
2. The UAW-ROLLS-ROYCE CORPORATION Employee Assistance Program and its standards were used as templates for the Rolls-Royce Corporation-UAW EAP Program. Those standards are incorporated by reference into the terms of this Memorandum, including revisions or modifications the parties may make in the future. Problems related to the implementation of these standards will be brought to the attention of the UAW-Rolls-Royce Corporation Employee Assistance Committee for resolution.
3. The Employee Assistance Program Committee will continue efforts towards facilitating the professional development of individual plant EAP Representatives. In line with professional development, the parties commit to expand professional development efforts to include mandating certifications of EAP Representatives.

V. Drug Testing

Because of the recent emergence of a substantial body of legislation requiring drug testing of many of the Company's employees, both represented and non-represented, the parties have had extensive discussions surrounding drug testing and have agreed to the following:

1. All drug testing performed will be conducted in accordance with applicable laws mandating or regulating such testing; such as, Federal Aviation Administration, Department of Transportation, or Department of Defense.

VI. Conditions of Employment Guidelines-For those Employees in the Employee Assistance Program Whose Seniority has been Broken

When Employee Assistance Program participants or other employees suspected of being in need of EAP services return to work, the following can be agreed upon between the bargaining unit representative, Labor Relations, the EAP team.

The specific items to be included will depend on the individual case and should be developed to meet the particular circumstances. Accordingly, items one through five may be recommended for inclusion in a condition of continued employment by the joint EAP team.

1. Participation in in-plant self-help meetings. Length of participation that will be required and frequency of meetings can be either specified in advance or left up to the discretion of the EAP team.
2. Participation in outside self-help groups and mandatory completion of an aftercare plan which might include antabuse recommended by a treatment facility and monitored by the EAP team.
3. Mandatory cooperation in follow-up and monitoring for a period of time specified by EAP team members.
4. Periodic scheduled urine screening when it is felt this procedure could be of value in monitoring and encouraging abstinence. In cases of positive findings, the results must be confirmed by a second testing method.
5. A specific period of total non-use of alcohol or other drugs can be agreed to between the parties. The EAP team must concur with this probationary period which is defined as not less than six months nor more than two years and it must be understood by all parties that resumed use could result in termination of employment during this period.

The above items (one through five) will be administered jointly by the EAP team for those employees returning under these conditions. Any conditions of continued employment agreed to by Management, the Union and the employee are considered contractually binding and non-compliance could result in disciplinary action up to and including discharge. The employee's previous disciplinary record and action which may be taken for further misconduct will be matters reserved to the actual settlement of any grievance(s)

involved and/or will be resolved between the bargaining unit representative and Labor Relations.

The seniority status of the employee must be specified as either a new hire or reinstatement of former seniority. If seniority is reinstated, all rights and privileges which would normally accrue in line with the reinstated seniority under the terms of the national or local agreement must be granted.

QUALITY NETWORK

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of 2008 negotiations, Rolls-Royce Corporation and the International Union, UAW held extensive discussions about the subject of product quality. There is ongoing recognition on the part of both parties to the Agreement that the cornerstone of job security for all Rolls-Royce Corporation employees is the production of highest quality, customer-valued products. This is reflected in the extensive efforts both parties have devoted to the subject of quality both on the national and local level, exemplified by the formation and institution of the UAW-ROLLS-ROYCE CORPORATION jointly developed Quality Network, which the parties have determined to be applicable in its basic form to Rolls-Royce Corporation, with revisions where it is mutually determined to be necessary.

The parties also discussed employees having an opportunity to raise product quality concerns in the course of carrying out their required work assignments. It is recognized that such concerns require proper attention and response in the spirit of being potentially valuable contributions to product quality improvement.

During the term of the 2008 Rolls-Royce Corporation-UAW negotiations, the parties recommitted themselves to the successful implementation of the Quality Network, a jointly developed quality strategy emphasizing customer satisfaction and enthusiasm, continuous quality improvement and elimination of waste in the manufacture of products and services provided serving to enhance job security for all employees.

During the term of the 2008 Rolls-Royce Corporation-UAW Agreement, the parties recognized the need to focus the Quality Network to immediately improve product quality to become “best in class” in all products and services. As a result, the parties, at the direction of the National Rolls-Royce Corporation/UAW Quality Council, restructured the process and implement-

ed, or are in the process of implementing the following:

- A Rolls-Royce Corporation/UAW Quality Council co-chaired by the President of Rolls-Royce Corporation and the Vice President and Director of the UAW Aerospace Department or his designee was established. The Quality Council membership includes the Rolls-Royce Corporation Operating Committee and designated UAW Leadership. The Rolls-Royce Corporation/UAW Quality Council will meet as often as mutually determined by the co-chairmen. The Rolls-Royce Corporation/UAW Quality Council, in addition to providing direction and support for Quality Network activities, will review Rolls-Royce-wide new management quality or productivity improvement programs potentially involving UAW represented employees. This review will provide the UAW with opportunity to comment on management's plans and to discuss the Union's support and involvement. It is Management's desire to implement all such quality improvement processes cooperatively with UAW leadership at all levels.

Similar reviews and opportunities for involvement in Management quality or productivity improvement programs involving UAW represented employees will be provided at appropriate Rolls-Royce Corporation Key 4 meetings. This review will assure the UAW opportunity to comment on management's plans and to discuss the Union's support and involvement.

- Such new quality or productivity improvement programs implemented which potentially have company-wide application will be forwarded to the Rolls-Royce Corporation/UAW Quality Council co-chairs for review and approval at the next scheduled Quality Council meeting. If approved as a Company-wide program, training and/or instructional materials will be evaluated and finalized by such co-directors for inclusion in the UAW/Rolls Royce Corporation Quality Network training materials.

In order to provide for meaningful discussions, regular meetings as set forth below will be scheduled by the Quality Council co-chairs at the Local Quality Council consistent with the direction provided by the Rolls-Royce Corporation/UAW Quality Council. Attendance by both co-chairs is required in order to maintain organizational focus on continuous quality improvement and on-going communications.

- The Rolls-Royce Corporation/UAW Quality Council will determine the appropriate composition of the Local Quality Council so as to

provide opportunities for interaction and exchange between Rolls-Royce Corporation and UAW leadership around the issues governed by the Quality Network.

- The Local Quality Council will meet a minimum of four times per year. The Roll-Royce Corporation Executive Vice President of Business Operations, along with the assigned UAW International Servicing Representative from the Aerospace Department will co-chair these scheduled meetings. The co-chairs will determine the membership for such Quality Council meetings.
- The Operations Quality Council will meet a minimum of once per month and shall consist of the following: President of the Local Union, Shop Committee Chairperson and members of the Shop Committee, UAW Regional Servicing Representative, Vice President of Operations, Director of Human Resources, Vice President of Quality and other appropriate Management Representatives, the UAW Joint Activities Representative, and UAW representative performing the UAW Quality Network functions, who has been appointed by the Vice President and Director of the UAW Aerospace Department. Management representatives will be assigned and have authority to perform the required management Quality Network representatives. It is recognized that the duties of the person performing Quality Network Representative functions are to assist in the implementation of the Quality Network process and related action strategies as directed by the Operations Quality Council. Additionally, the Quality Network Representatives will support the principle that all employees have a responsibility for product quality by exercising due care and diligence in performing their duties.
- Minutes of all meetings will be taken and distributed to members of the Quality Council.
- Quality Network Representatives Workshops may be scheduled during the term of this Agreement as determined by the Vice President and Director of the UAW-Aerospace Department and the Vice President of Human Resources.
- The Operations Quality Council will implement a process for employees to voice their product quality concern(s), independent of the grievance procedure, for timely resolution of such concerns based on the following:

- Employee/Supervisor discussion to attempt to resolve concern, consulting as required with plant quality resources.
- If unresolved, the District Committeeperson, if requested, will assist in the resolution of the employee's concern.
- The supervisor and/or District Committeeperson may request the assistance of the Quality Network Representatives to participate in the resolution of the concern.
- Thereafter, if unresolved, the concern will be discussed with the Operations Quality Council at the next meeting. If unresolved, either Operations Quality Council Co-chair will request the issue to be referred to the Co-chairs of Rolls-Royce Corporation/UAW Quality Council, for discussion.
- The Quality Network Representatives will advise the Operations Quality Council on the status of quality concerns referred to them. Feedback regarding the status of the employee concern will be provided to the originating supervisor and the employee on a regular basis by the plant Quality Network representatives until the concern is resolved.
- The Quality Network Representatives will receive appropriate training necessary to effectively perform the above duties. Each Quality Network Representative will be provided an opportunity to attend appropriate personal skill enhancement training sessions. Guidelines for such training and method of delivery will be established and communicated to Quality Network representatives.
- During overtime hours, such Quality Network Representatives will be scheduled to perform Quality Network related activities if they would otherwise have work available in their equalization group.
- Any issues related to the foregoing may be referred to the co-directors for the Rolls-Royce Corporation/UAW-Quality Council for resolution, including unresolved Quality Council concerns requiring cross-organization involvement.

Finally, during these negotiations the parties discussed the necessity that all Rolls-Royce Corporation employees must take individual responsibility for product quality. Management will provide employees with the appropriate training, methods and systems, materials, and equipment in an appropriate environment to perform their work. It is then incumbent upon employees to

exercise diligence and properly perform their work to produce the highest customer-valued products. It is only through personal commitment from every Rolls-Royce Corporation employee to provide the highest quality customer-valued products that we will satisfy our customers and maintain job security for all.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Doc. 41,46,119]

PRODUCT QUALITY

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the 2008 Negotiations, the Union expressed a desire for UAW members who have contributed significantly to improved product quality to be permitted to display on completed assembled engines and packaging and shipping containers a joint label or decal certifying that the product is proudly built by Rolls-Royce Corporation workers who are members of the UAW. During 2008 Negotiations, the Company agreed to continue this approach to employee recognition.

During these negotiations, the Company informed the Union that Management will continue to support the suggestion program based upon the Quality Network principles within six (6) months of the effective date of this agreement. The parties recognize the necessity for joint leadership involvement at the plant and staff level in order to achieve this commitment and to gain the support and confidence from employees to submit their ideas. The purpose of the suggestion plan is to provide employee recognition, and encourage continuous improvement, thereby enhancing long term job security. It is not the purpose of the suggestion plan to reduce employment levels.

The Rolls-Royce Corporation/UAW Quality Council will review the Planned Maintenance Action Strategy and determine an implementation strategy for Rolls-Royce Corporation within the first six (6) months following ratification of the 2008 Rolls-Royce Corporation/UAW National Agreement. The purpose of planned maintenance is to improve safety, quality, throughput and reduce cost thereby enhancing overall job security. The parties further agreed that the Rolls-Royce Corporation/UAW Quality Council will continually measure and guide progress toward full implementation during the life of this agreement.

During the term of the 2008 Rolls-Royce Corporation-UAW Agreement, the

parties discussed the desire of the UAW representatives to provide an opportunity to input into Company marketing campaigns. It is the Company's intent to provide opportunities for such input in the future as a part of the Rolls-Royce Corporation/UAW Quality Council process.

Further, the parties discussed at length the importance of Rolls-Royce Corporation advertising campaigns involving or depicting UAW represented Rolls-Royce Corporation employees, the positive impact the message of such campaigns can have on our employees and customers. The Company Informed the Union that a mutually agreed to process would be developed to provide opportunity for UAW representatives to preview for input purposes such future Rolls-Royce Corporation advertising campaigns involving or depicting UAW represented Rolls-Royce Corporation employees.

The parties recognize the benefits of providing the Union the opportunity for input to the development and implementation of sales promotion activities, providing for joint participation by bargaining unit and salaried employees. Management informed the Union that a process would be developed to insure UAW representatives input to such programs in the future. Similar local initiatives will be discussed by the Operations Quality Council.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Doc. 40,119]

SUPPLIER CORPORATE CITIZENSHIP

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations, the UAW stated its interest in having the Company continue to recognize the importance of using suppliers which are good corporate citizens and which can be relied upon for quality products and reliable delivery. The UAW further pointed out that the Company's selection of and relationship with suppliers have a significant bearing on its relationship with the Union. In this regard, the Union stressed repeatedly, with respect to work which cannot be produced in-house, the importance of increasing significantly the Company's use of high quality, reliable suppliers which maintain good, fair and equitable relations with their employees.

Rolls-Royce Corporation fully understands the Union's concerns in these matters, because quality products, uninterrupted delivery and good corporate citizenship—by the Company and its suppliers—contribute significantly to the Company's success in the marketplace, and all of these factors have a direct bearing on the job and income security of UAW members.

Rolls-Royce Corporation agrees that its relationship with the Union is of paramount importance to the Company's long-term success. The Company has told its suppliers and the business community in the past of the positive aspects of its relationship with the UAW and will continue to do so in the future. Rolls-Royce Corporation, therefore, has no interest in embarking on a purchasing strategy that would detract from that relationship.

Correspondingly, the Union has, from time to time, expressed to the Corporation its concern about certain aspects of the Company's relationship with particular suppliers in the area of quality, continuity of supply, and overall performance as a supplier including the maintenance of good relations by the supplier with its employees. The Union recognized that the Company has expressed its views and made suggestions to its suppliers as a result of the Union's concern's, all within the bounds of applicable legal principles.

The parties recognize that instances in which these matters arise are inherently dependent upon the particular facts that are present in each situation and plan to continue to deal with these matters on a case-by-case basis as they have in the past, and in compliance with applicable laws.

In particular, the Company will continue to urge its suppliers to treat their employees in a good, fair and equitable manner and to avoid conduct which violates national or state labor and employment laws. In addition, the Company will, in a manner which is in compliance with applicable laws, notify suppliers of the importance the Company places on harmonious relationships between suppliers, their employees and any union that may represent them.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

CAREER DEVELOPMENT PROGRAM

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

The UAW and Rolls-Royce Corporation recognize the need for a focused career development process for active employees as a key element in competitiveness and employment security. The career development process must address both internal career needs of individual employees and critical skill needs of the company. A focused approach beginning early in each employee's career could provide the employee with the skills and knowledge required by changing business conditions.

The parties have, therefore, agreed to the following:

1. Voluntary individual employee assessments to determine interests, abilities and career development needs which may be met internally through a broader variety of on-the-job training, classroom technical training, training in basic computational skills and reading and writing, classroom training leading to a special certification, associate or baccalaureate degree.
2. An internal career development process for hourly employees which may provide for broad job experience.
3. Cooperation with community college, college, university and other educational and training facilities in the community in the development of career focused classroom and cooperative training programs for active workers.
4. In the event that it should ever become necessary in the future, the parties may explore the development of career focused classroom and cooperative work programs for dislocated workers which would lead to comparable employment.

This program will be supported by a combination of joint training funds and

will be administered jointly by the Executive Board for Joint Activities and the Local Joint Training Committee.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Doc. No. 44

**EXPEDITIOUS GRIEVANCE HANDLING-
ROLLS-ROYCE CORPORATION TO UAW**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

“During negotiations, Rolls-Royce Corporation and the International Union discussed at length problems encountered in the administration of the Grievance Procedure. The parties reaffirmed their mutual determination that the purpose of the Agreement as stated in Paragraph (5) is ‘to provide orderly collective bargaining relations between the Company and the Union, to secure a prompt and fair disposition of grievances, to eliminate interruptions of work and interference with the efficient operation of the Company’s business.’ In addition, the Union and the Company agreed that the delaying or holding of grievances at any step of the Grievance Procedure was contrary to the best interests of the employees and the parties.”

“The parties reaffirmed their mutual desire and intention to assure that grievances will not be allowed to accumulate at any step or steps in the Grievance Procedure in any plant.”

“The Company asserted that Paragraph (35) together with the other relevant provisions of the Grievance Procedure if closely administered make it impossible for committeemen unilaterally to stall any grievance from consideration or decision at the next step of the Grievance Procedure and to delay the processing of grievances in the procedure. The Company stated further that the current language provides Management with the right after a lapse of reasonable time to initiate answers to grievances in order to prevent them from being delayed at any step in the Grievance Procedure.”

Very Truly Yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (19), (79)]
[See Doc. 45, 48, 95]

Doc No. 45

**EXPEDITIOUS GRIEVANCE HANDLING-
UAW-ROLLS-ROYCE CORPORATION**

**UAW INTERNATIONAL UNION, UNITED AUTOMOBILE, AERO-
SPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA**

December 16, 1996

Mr. Barry D. Smith
Vice President
Rolls-Royce Corporation
P.O. Box 420
Indianapolis, Indiana 46206-0420

Dear Mr. Smith:

During the current negotiations the International Union, UAW, informed the Allison Engine Company that Leonard Woodcock's letter of December 14, 1967 regarding expeditious grievance handling was again being published as a position of the International Union, UAW. The text of that letter is as follows:

“During negotiations, Allison complained that at certain locations some Committeemen made little or no effort to resolve grievances they have written or to process them from one step of the procedure to the next in an expeditious manner. The Union pointed out to the Company that grievances accumulate under the circumstances complained of in some instances because the Management takes no independent actions to answer grievances or to move them from one step of the procedure to the next.”

“The International Union advised the Company that it fully subscribes to the principle set forth in Paragraph (19) that ‘...the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and the Management.’”

“Grievances should not be unduly delayed at any step of the procedure, whether such delay is occasioned by a Committeeman or his supervisor refusing or failing to meet his responsibility.”

Very Truly Yours,

/S/ LEONARD WOODCOCK
Vice President Director General Motors Department

[See Par. (5), (34), (79)][See Doc. 44, 48, 95]

**JOINT PROGRAM REPRESENTATIVES
ROLLS-ROYCE CORPORATION**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations the parties discussed at length the need to focus our current joint program representatives on specific programs designed to assist our employees and the management in implementation of an improved working environment.

Over the years, we have agreed to a number of different joint program representatives appointed by the Vice President and Director of the Aerospace Department, UAW, and, in some cases, by the local management and union leadership at the direction of the Co-Chairman, Executive Board Joint Activities to carry out and administer certain negotiated agreement programs in the following functions:

- Health and Safety
- Joint Activities
- Accommodating Dis/Abled People in Transition (ADAPT)
- Employee Assistance Program
- Human Resource Development
- Joint Training
- Quality Network
- Local Apprentice Committee

Rolls-Royce Corporation, depending on employee population, may have employees assigned to the above functions. Each time new programs have been negotiated, people were assigned to perform the tasks associated with each program to the extent that we now have several well-trained experts in those fields. The parties recognize that over the years priorities have shifted and, as a result, there is a need to carefully analyze the programs that currently require increased emphasis, such as, employee assistance, health and safety, etc. As a result, the parties have

concluded that these well-trained resources can now be deployed or reassigned to programs requiring special attention.

It is recognized that each plant location has its own unique culture and needs: therefore, the local joint leadership group (Vice-President of Operations, Director of Human Resources, Local Union President and Chairperson of the Shop Committee) will determine where their current full time representatives will be allocated to best serve the employees of the organization. It is recognized that at some locations additional representatives may be required to perform tasks associated with the newly determined local focus and at others less. In any event, the total number of new and current full time joint program representatives shall not exceed the number provided for below:

Number of Plant Population	Representatives
Up to 200	1
201 to 400	2
401 to 600	3
601 to 1,000	4
1,001 to 5,000	Ratio of 1:250

In the case of bargaining units between 1,001 to 5,000 and 5,001 and above, the number of representatives in a given bargaining unit will be determined by the number of represented employees (active, temporary layoff and Protected) divided by the appropriate ratio number. Where the fraction of the result is .5 and above, the number will be rounded up to the next highest whole number and where the fraction is less than .5, rounded down to the whole number.

Nothing in this agreement limits or is intended to interfere with any local mutually agreed upon projects or initiatives falling outside the scope of this document that may provide additional staff resources to meet the specific objectives of the local parties.

The local parties will review their plan for deployment of these resources in accordance with specific guidelines issued by the National parties. All such representatives will be appointed by the Vice President and Director of the Aerospace Department, UAW. Such plan will include the names and assignments for each of the local representatives assigned to Joint Programs and will be forwarded to the National parties for approval prior to implementation. Likewise, as individual plant needs and priorities change, the local par-

ties are afforded the flexibility to submit revised plans for National approval.

When plant population changes occur which would increase or decrease the number of representatives, such population changes must be in effect for a period of six consecutive months before such adjustment is made in the number of representatives, in which case such adjustment will be made at the conclusion of the six month period. In the event such population change results from the discontinuance or addition of a shift, the opening of a plant, or the cessation of a plant's operations, the adjustment in the number of representatives will be made within the first twenty working days following the first day such population change occurs. Other situations involving a sudden significant change in the number of employees at a location may be discussed by the Company and the Aerospace Department of the International Union.

When a reduction or increase in plant population calls for a change in the number of representatives, the local parties will be required to submit a revised deployment of resources plan for approval. All representatives in either case will also be appointed by the Vice President and Director of the Aerospace Department, UAW.

It is understood that the Representatives re-deployed in these locally determined areas of special focus and attention may require additional training. It is agreed that such training will be provided through sources mutually selected by the parties-subject to the approval of the Executive Board Joint Activities.

It is agreed that such representatives shall function in accordance with governing provisions of the Rolls-Royce Corporation-UAW National Agreement germane to their area of focus.

During overtime hours, joint program representatives in the areas of Joint Activities, Accommodating Dis/Abled People in Transition (ADAPT), Human Resources Development, Employee Assistance Program, Quality Network, Local Apprenticeship, Industrial Hygienists and Joint Training will be scheduled to perform joint program-related activities if they would otherwise have work available in their equalization group.

Longer range, the Executive Board Joint Activities will establish a joint process aimed at effectively consolidating, simplifying, integrating, focusing and achieving better utilization of joint programs at the plant level.

The spirit and intent of this document is to provide increased focus on joint

employee programs and to more fully utilize the experience and talents of the representatives assigned to joint programs. The parties are committed to working together in a spirit of cooperation to improve our relationship and the effectiveness of our joint programs. The result of such cooperation will improve the working environment in our plants for all Rolls-Royce Corporation employees.

Any problems relating to the implementation of this document may be raised by either party and it is understood that any necessary modifications may be made by mutual agreement between the Company and the International Union.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

[See Par (19e)]

[See Memo-Joint Activities]

[See Memo-Training; Par. 77]

[See Memo-Human Resource Development]

[See Doc. 1, 39, 40, 105]

[See Par. (23)]

Doc No. 47

PARAGRAPH 76- TEMPORARY EMPLOYEES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During current negotiations, the parties clarified their interpretation regarding Paragraph (76) expressed in the following letter:

“As a result of a series of discussions between the International Union, UAW, and the Company, it has been agreed that the provisions of Paragraph (76) of the Rolls-Royce Corporation-UAW Agreement will be applicable to temporary employees with more than forty-five (45) days’ of employment who are released or discharged. This provision, of course, is not applicable to any employee laid off due to fluctuations in manpower requirements.”

“The parties also agreed that this interpretation is not retroactive. Accordingly, cases currently in the procedure involving temporary employees should be processed on their merits without regard to the procedural requirements of Paragraph (76).”

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

ARBITRATION LETTER

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of the current negotiations, the parties reviewed the Grievance Procedure provisions of the Agreement for the purpose of identifying certain problems that have been encountered under those provisions in processing grievances to arbitration. Generally, it was recognized that the procedure, as currently constituted, has worked well. The Union stated that some instances have occurred wherein grievances protesting an employee's loss of seniority, discharge or a series of disciplinary layoffs leading to a discharge, have met with delay in the procedure following their consideration at the Third Step and their resolution at the Umpire Step.

In view of the above, the Company agreed to provide the Union with a monthly summary of appeal cases open on the Umpire's docket protesting the loss of seniority, the discharge of employees and also those protesting progressive disciplinary actions which involve an employee whose discharge is also under protest in an open appeal case. This information will enable both the International Union and the Company Umpire Staffs to monitor the number of such cases on appeal to the Umpire at any given time and take remedial action on any particular cases which may be subject to undue delay.

The parties further agree that in the event the Company and the Union could not agree upon an impartial umpire to hear the case, the parties will request a panel of five (5) umpires from the Federal Mediation and Conciliation Service. The parties will strike alternatively from the agreed upon panel with the final remaining umpire selected to serve as the impartial umpire to hear that case. The cost of the umpire will be shared equally by the Company and the Local Union.

In addition, the parties agreed to schedule regular meetings between the respective Umpire Staffs to establish future scheduling, to explore alterna-

tives that could increase the frequency with which plant appeal cases are addressed and to review other problems of mutual concern.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (5), (19), (43)]

[See Doc. 44, 45]

Doc No. 49

**MANAGEMENT REPRESENTATIVES IN
DISCIPLINARY INTERVIEW**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed the Union's concern over the number of Management representatives present during some disciplinary interviews. The Union recognized that there are times when more than the customary number of Management representatives may be required because of their knowledge of the matter under discussion. The Union stated, however, that their concern was directed at other Management representatives who attended interviews solely as witnesses to the interview itself.

As a result of these discussions, the Company advised the Union that, as a matter of policy, Management personnel beyond those referred to above would not attend such interviews solely for the purpose of serving as potential witnesses to the interview itself. Additionally, should Management representatives in excess of the customary number be present in the interview, the district committeeperson may request, during that period of time, the presence of the zone committeeperson for that zone, or in the event that the zone committeeperson is absent or no at large committeeperson is assigned to that zone, another member of the shop committee present in the plant, provided the request would not result in undue delay of the disciplinary interview.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (76)]

Doc No. 50

HOLIDAY PAY AND DISCIPLINARY LAYOFFS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed the situation where the duration of an impending disciplinary layoff would encompass or abut a specified holiday.

To insure uniformity in the administration of discipline in such situations, the Company advised the Union that, as a matter of policy, loss of holiday pay will not be included as part of the disciplinary penalty assessed.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par,(76a),(203)]

Doc No. 51

**UAW-ROLLS-ROYCE CORPORATION COLLECTIVE
BARGAINING AGREEMENT TRAINING**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiation, the parties discussed training of representatives responsible for administration of the Collective Bargaining Agreement (Agreement) and related understandings. Both parties recognize the benefits that can be achieved when Company and Union representatives are knowledgeable concerning the administration of the collective bargaining process and how that affects their respective roles and responsibilities.

Following ratification of the 2008 Agreement the Company and appropriate representatives of the UAW Aerospace Department will coordinate the development of a training program which will address the administration of the collective bargaining process at Rolls-Royce Corporation utilizing a variety of external or UAW/ROLLS-ROYCE CORPORATION developed resources. Candidates for participation in the training may include Operations Managers and Supervisors who's responsibilities include administering the collective bargaining relationship at Rolls-Royce Corporation, as well as elected and appointed Union representatives, and Human Resources personnel. Participants in this training will be designated by the Company and the International Union.

Funding for this training, including development costs (if any), travel, lodging and wages of participants, shall come from the existing Joint Training funds. The Grievance Procedure has no application to, or jurisdiction over, any matter relating to this training program.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

REINSTATEMENT OF GRIEVANCES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current National negotiations, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of employee grievances. The parties also recognized that the maintenance of a stable, affective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

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 International Union may inform the Company's Labor Relations Staff in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company 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 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 reinstatement of 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 Company 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 Company and such grievance shall not be subject to reinstatement.

This letter is not to be considered as modifying in any way either the rights or obligations of the parties under the terms of the 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 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.

It is agreed that none of the above provisions will be applicable to any case settled prior to December 13, 1976.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par.(38),(53),(79i)]

Doc No. 53

**FURNISHING WORK ELEMENTS
STANDARDS CASES**

Inter-Organization

Date: February 26, 2008

Subject: Furnishing Work Elements-
Standards Cases

To: All General Managers
All Human Resource Directors

During current negotiations, Rolls-Royce Corporation informed the International Union, UAW that it was its intention to republish the Company's letter concerning Furnishing Work Elements-Standards Cases. The text of that letter is as follows:

“During past negotiations the parties discussed at length the Union’s charges that there were occasions when the work elements of a job requested by the Committeeman pursuant to Paragraph (79) were not furnished in a timely manner.”

“The Company and the Union have reaffirmed their mutual determination to adhere to the spirit and intent of Paragraph (79). In addition, there is agreement that in nearly all cases a more expeditious settlement of grievances can be reached when there is prompt and full exchange of pertinent information. In this regard the text of Paragraph (79) of the Rolls-Royce Corporation-UAW Agreement provides that the work elements of a job in dispute will be furnished ‘without undue delay.’ It is recognized by the Union that there will be occasions when due to production acceleration, volume of production standards grievances filed, etc., the information requested by the Committeeman cannot be furnished as promptly as under normal circumstances.”

“We have advised the Union that the words ‘without undue delay’ mean as soon as reasonably possible under circumstances existing at the time the request is made for the work elements of the job.”

Very truly your,

Megan Fowler

Executive Vice President Human Resources

POW/MIA FLAGS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the Union requested that Rolls-Royce Corporation facilities fly POW/MIA flags. As discussed, flying of flags at Rolls- Royce Corporation locations is a matter of Company policy.

In view of the special sensitivity associated with Vietnam era MIA and POW issues, the Company indicated a willingness to consider exceptions to its normal policy on flags when so requested by a Local Union. These exceptions may include; individual special requests, special days recognized by the U.S. government to honor or remember POWs or MIAs, or other appropriate holidays such as Memorial Day and Veteran's Day.

It is understood that this matter is one of Company policy and if revisions to the policy are made the Union will be notified.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 55

**IMPLEMENTATION OF PRODUCTION STANDARDS
SETTLEMENTS**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, Rolls-Royce Corporation and the International Union, UAW have affirmed the informal procedure dealing with the implementation of production standards settlements as outlined in the text of the following letter:

“In the course of current negotiations the Union has alleged that in some cases the solution agreed upon in settlement of production standards grievances was not implemented in a timely fashion. The Union has also alleged that in certain cases settlements agreed upon were violated.”

“In the course of these negotiations we have reaffirmed our mutual determination to avoid misunderstandings in this area in the future. In that connection, we have adopted the following informal procedure for use in cases in which it is alleged that a settlement of a work standards grievance, reached during negotiations in which a member of the International UAW Staff and a representative of the Company Labor Relations Staff participated, has not been implemented in a timely manner, or that after implementation the settlement has been violated:

1. The complaint may be reviewed by the Chairperson of the Shop Committee and Director of Human Resources.
2. If not resolved, the Chairperson may submit his statement of the case in writing to the Director of Human Resources spelling out the details of the complaint.
3. The Director of Human Resources shall submit a written reply within one (1) working day of receipt of the written statement.
4. If the matter is not resolved within three (3) working days after the

Human Resource Director's written reply, the Chairperson of the Shop Committee may submit a written report of the disputed case to the International UAW.

5. If these parties are unable to resolve the dispute, it may then be reviewed by the International UAW with the Rolls-Royce Corporation Labor Relations Staff where it will be resolved."

"This letter and this procedure are not intended to prejudice any contractual position either Rolls-Royce Corporation or the UAW may take in any case arising under the Agreement."

It was agreed between the parties as a result of current negotiations that similar complaints regarding work standards grievance settlements that are resolved without the assistance of Company personnel may also be processed under this informal procedure.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (79),(79i)]

Doc No. 56

RELIEF TIME-CERTAIN OPERATIONS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

The relief time in Rolls-Royce Corporation shall be 18 minutes before lunch and 18 minutes after lunch on a regular scheduled shift, making a total of 36 minutes paid. In addition, lunch will be extended by 12 minutes from 30 minutes unpaid to a total of 42 minutes with 30 minutes unpaid and 12 minutes paid. Set break times will be determined by the Operations Directors of individual Cells or Departments. The amount of such relief shall be modified accordingly for a shift other than a regular shift. The Plant Management may, by mutual agreement with the Local Union, allocate the relief before and after lunch to not more than two (2) periods before lunch and two (2) periods after lunch.

Sufficient labor will be provided to enable employees to obtain the above relief taking into consideration that the first hour at the start of the shift and the first one-half hour after lunch are not ordinarily required for relief except in emergencies.

The parties have agreed to continue the following informal procedure to address complaints regarding this subject.

1. The complaint may be raised by the Chairperson of the Shop Committee directly with the Director of Human Resources.
2. If not resolved, the Chairperson may refer the problem to a representative of the Aerospace Department of the International Union who may request a meeting with a representative of the Company's Labor Relations Department to discuss the complaint and take appropriate action.

This letter and this informal procedure are not intended to prejudice the position of either Rolls-Royce Corporation or the UAW.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

**QUALITY NETWORK IMPLEMENTATION
REDEPLOYMENT AND MEANINGFUL WORK**

During the term of the 1990 GM-UAW National Agreement and through the direction of the North American Operations (NOA) UAW-GM Quality Council, the focus of the Quality Network evolved and changed from development to implementation. During this same period, GM North American Operations experienced operating losses requiring more efficient practices and a renewed focus on product quality.

Implementation of Synchronous Workshops, Accelerated Workshops (i.e., PICOS), Lean Manufacturing and other quality improvement activities, such as, best practices, resulted in health and safety, ergonomic, and operational improvements affecting quality and the cost of GM products and services. In many cases, these activities resulted in UAW represented GM employees being placed in a JOBS Bank under the terms of the 1990 GM-UAW National Agreement. The Union leadership felt they could not be party to asking their members to assist in “working themselves out of a job” by supporting these efforts. In any joint effort, job security and “people issues” had to be considered so that people would be redeployed to meaningful work. The issue was discussed at the January 13, 1992, GM Quality Council meeting resulting in specific commitments to integrate synchronous efforts into the joint Quality Network Process and explore ways to employ people more effectively with meaningful work and help improve the business.

When funding for the JOBS Bank was exhausted and the program disconnected, Management recognized that employee support and involvement in plant quality and productivity improvement activities were essential. As a result, on March 2, 1993 after JOBS funding was exhausted and employees in the JOBS Bank were laid off (although no Allison employees were so impacted), an “Employment Policy” was made effective which resulted in employees being retained at work and not laid off when such employees were impacted by jointly initiated product quality and operational effectiveness improvement efforts.

During the 1993 negotiations, General Motors and the UAW discussed the above events and the Union provided examples of successful redeployment processes. These redeployment processes, implemented at divisions and plants, resulted in people being retained at work and redeployed to meaningful assignments after they had been made available as a result of quality and

productivity improvements and other initiatives.

Following 1993 negotiations, General Motors and the UAW agreed to jointly develop guidelines for redeployment processes, similar to those reviewed by the parties, to assist plant and staff locations with planning for redeployment opportunities. Such guidelines were intended to assist the local parties with the development of plans that put first emphasis on redeployment of employees to meaningful assignments, which included regular productive assignments and “non-traditional” work, as well as efforts to competitively retain or insource new work.

Accordingly during these negotiations, Rolls-Royce Corporation and the UAW stated their intent to not place employees in underutilized or unproductive assignments. Further, the parties agreed to review the UAW/ROLLS-ROYCE CORPORATION developed document “Guidelines for Redeployment and Meaningful Work” (QN#2251) and evaluate its applicability to Rolls-Royce Corporation in developing redeployment plans.

Doc No. 58 Deleted

February 26, 2008

Coordination of Sourcing Evaluation

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations, the National Parties had extensive discussions regarding the implementation of Document 2. In this regard, it was recognized that effective implementation is dependent in large part on the efforts of the local parties.

Both parties to this agreement acknowledge and commit that these matters should be viewed as high priority at the local level. Access to confidential information such as quote packages and pertinent financial data is essential. Therefore, in order to facilitate the sourcing evaluation process and the effective preparation of a quote response, the Manager of Employee Relations will assign coordination responsibility and authority to a designated local management representative. Such responsibilities may include identification of the appropriate management resources to respond to Union inquires, in a timely basis, and the scheduling of meetings, as required.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 60

PRE-APPRENTICE TRAINING

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations the parties discussed pre-apprentice training as one method of achieving our common goal or bringing a greater number of members of minority groups and females into the apprentice training program. It is evident that we share a serious concern about the establishment of effective methods of achieving this desirable goal.

Accordingly, the Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee will consider matters pertaining to pre-apprentice training as it relates to achieving the above objective as well as approve any such training program for which points can be awarded under the Rolls-Royce Corporation-UAW Apprentice Selection Procedure.

Very Truly Yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (123)(g)]

Doc No. 61

**APPRENTICE COMMITTEE MEMBERS-MANAGEMENT
EXPERTISE**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these Negotiations, the Union expressed concern that in some instances in other UAW represented locations the Management members of the Local Apprentice Committee did not possess sufficient skilled trades knowledge or experience to adequately discuss Apprentice Training concerns. The Company advised the union that the Rolls-Royce Corporation Local Apprentice Committee has historically contained a Management member who has skilled trades experience. If a situation arises where this is not the case and a problem arises as a result, the problem may be brought to the attention of Manager of Hourly Human Resources by the Chairperson of the Shop Committee for review and correction, as necessary.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 62

**SUBJECT: UAW-ROLLS-ROYCE CORPORATION
JOINT ACTIVITIES**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

We have managed to find common ground on many of the issues involved in these negotiations. Nowhere has that been more evident than in our mutual treatment of issues involving education and training and other programs of joint interest to better our employees and enhance their job security by strengthening the competitive position of Rolls-Royce Corporation. Our deliberations in this area in step with congressional and private sector initiatives toward a new era of cooperative labor relations.

In this regard, cooperative labor relations with respect to the joint arena can be accomplished only when activities are jointly approved, developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels of administration which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of common goals.

In these negotiations, we have provided funding for our joint programs which reflect this national policy of cooperative labor relations. We should continue to ensure that the projects, programs and events which are supported in whole or in part with these joint funds do in fact keep us communicating on all levels, consistent with this objective.

We agree these funds will continue to be used to help solve mutual problems which may not be collective bargaining problems. They will continue to be used to make Rolls-Royce Corporation and its employees more competitive in a global economy. In this regard, we jointly sponsor conferences, workshops, seminars, and meetings to promote cooperative efforts on related subjects, and where appropriate, invite academic, professional, government, labor and industry representatives to attend and participate. In addition, we

understand that while these funds are intended for education, training and development of UAW bargaining unit employees, there are situations where it will be natural for some salaried employees to receive the same training or participate in the same program. Such expenses for non-bargaining unit employees may be funded with joint funds provided the parties agree.

Further, the jointly sponsored projects, programs and activities are designed to promote public awareness of Rolls-Royce Corporation products (including the quality and reliability of such products), Rolls-Royce Corporation workforce and its role in producing high quality products, and the relationship between Rolls-Royce Corporation and the collective bargaining representatives for Rolls-Royce Corporation employees.

We also recognize that as representatives of organizations such as the UAW and Rolls-Royce Corporation, which are viewed by most as key to the vibrancy of local economies where our plants are located as well as the national economy, we are expected to be responsible citizens and caring neighbors. Therefore, from time to time we have agreed to use these funds to assist the victims of disaster or the less fortunate in the communities where our employees live and work. We have also supported research projects or efforts by other training, educational or cultural institutions which will through education and exposure promote our goals of labor and management cooperation in the workplace.

We have pledged that these joint funds will continue to be used to enhance all our employees involvement in, and appreciation for, decisions that affect their lives. We look to the UAW's continued cooperation in that regard in identifying and developing with us, meaningful projects which will assist their members, and our employees, in reaching that objective.

The parties further agree that new programs and activities designed to enhance the welfare and job security of UAW-represented employees may be funded by the Rolls-Royce Corporation Joint Funds, when authorized by the Company and the International Union under the provisions of the Memorandum of Understanding Joint Activities contained in the Agreement between Rolls-Royce Corporation and the UAW.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations, the Union and the Company acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the apprenticeable trades through training and retraining will permit the Union and the Company to pursue the critical objective of continuous improvement in quality, flexibility, operational effectiveness and, in turn, enhance job security.

Consistent with these discussions, the Company continues to be committed to the development and utilization of the Rolls-Royce Corporation-UAW Apprentice Program to help meet the demand for flexibility within our skilled trades ranks.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 64

APPRENTICE WORK ASSIGNMENTS

Inter-Organization

DATE: February 26, 2008

Subject: Apprentice Work Assignments

During the current negotiations, the Union raised the question of apprentices being assigned to work alone. The parties agreed that good judgment and a rule of reason should be used when making these assignments.

As a result of these discussions it was concluded that, consistent with existing training methods and facilities in the plant, apprentices should not be assigned to perform work without a journeyman being present unless the apprentice has been trained to do the job; has been instructed in the proper safety procedures; and is considered competent to perform the assignment. Experienced journeyman will generally be available to assist the apprentice in many of the normal floor assignments until that level of competence has been reached. This will not change or restrict any mutually satisfactory local practices. Problems in this regard are a matter for review by the Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee.

RELATED TRAINING BONUS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

This will confirm the understanding reached during the current negotiations that within a reasonable period after a laid off apprentice, Employee-In-Training or Employee-In-Training-Seniority has been recalled to work at any Rolls-Royce Corporation Plant, such employee will be paid an incentive bonus in recognition of satisfactory completion of any related training courses, required pursuant to Paragraphs (145) and (180), in which the employee was enrolled at the time of layoff. In the event the employee is not recalled within a reasonable period of time, such employee may apply to the home plant for the related training bonus.

In addition, with prior Management approval and arrangements with the school, apprentices whom Management anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis.

This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the employee's straight-time hourly rate less the amount, if any, paid to the employee for such related training prior to layoff.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (138), (139), (146), (180)(c)]

Doc No. 66

**LAYOFFS—APPRENTICES AND EMPLOYEES-IN-TRAINING
ROLLS-ROYCE CORPORATION**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations the parties discussed at length a problem encountered at some plant locations where employees-in-training and apprentices are in training to become journeypersons in the same skilled trades classification and there is either a need for a reduction or increase in the number of such employees in a skilled trades classification.

The parties recognize the desirability of providing opportunities and training for employees through both the Rolls-Royce Corporation-UAW Standard Apprentice Program and the Employee-In-Training Program consistent with the needs of the business. To preserve the continuity of the Apprentice Program, which has generally been viewed as the long run source of skilled trades personnel in the apprenticeable classifications, the parties have negotiated appropriate provisions in the Agreement to avoid unnecessary interruptions of the program. The Employee-In-Training Program is equally necessary and has been continued by the parties to supplement the journeyperson work force at times of increased work load and during shortages of skilled trades personnel. Importantly, the Employee-In-Training Program also provides opportunities for persons to upgrade their skills and provisions and have been negotiated enabling employees-in-training to continue their training and achieve journeyperson status.

Employees-in-training may be reduced due to a reduction in force or displaced by a journeyperson in accordance with Paragraph (174) or by an employee-in-training-seniority in accordance with Paragraph (175). Apprentices may be reduced due to a reduction in force or displaced by journeypersons in accordance with Paragraph (138). In addition, Paragraph (139) provides that in the event of a drastic reduction in the level of work resulting in a heavy reduction in the skilled trades work force, additional apprentices may be reduced pursuant to a mutually acceptable layoff and recall plan agreed upon by the local parties. Likewise, temporary layoff situ-

ations are governed by locally negotiated provisions pursuant to Paragraph (177).

Except for those situations covered by Agreement provisions, the following procedure will apply to the reduction of employees-in-training and/or apprentices when neither journeypersons nor employees-in-training-seniority are reduced from the classifications.

- Employees-in-training who have accumulated less than (2) years credited work experience in the classification in that plant will be reduced before any apprentice is reduced:
- Employees-in-training who have accumulated (2) or more years of credited work experience in the classification in that plant will not be reduced before all apprentices who have not completed (4) periods of the shop training schedule have been reduced from that classification;
- All employees-in-training in the classification will be reduced before any apprentice who has completed (4) periods of the shop training schedule is reduced.

The completion of (4) periods of the shop training schedule for apprentices and the credited work experience in the classification in that plant for employees-in-training for purposes of this procedure shall be based on a calculation made as of the last Monday of the month preceding the month during which such a reduction occurs.

Similar consideration is to occur when there is a need to recall a number of employees to a classification where there are both employees-in-training and apprentices reduced from the classification.

Any complaints regarding the application of this procedure in any plant may be taken up with Local Management of that plant by the Local Shop Committee and if not resolved may be reviewed by the appropriate section of the International Union with the Company.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (122),(135),(161),(175)]

Doc No. 67

ADMINISTRATION OF PARAGRAPH (178)

DATE: February 26, 2008

SUBJECT: Administration of Paragraph (178)

During the current negotiations the Union complained about improper administration of Paragraph (178) by local management.

These complaints centered around the hiring of skilled trades employees as journeymen without sufficient checking by local Management of the documents presented by the applicants to assure they qualify for such status in accordance with the provisions of Paragraph (178). They also complained that in some instances Management shifted the blame to the Union when such an employee had to be released because, upon further investigation, the information upon which Management relied to hire the individual did not meet the criteria of Paragraph (178).

In response to these complaints, the Company stated it would provide such documentation to the Local Joint Skilled Trades and Apprentice Committee and the matter will be thoroughly investigated before an employee is hired. In this regard, it was observed that establishment of such proof of status is often expedited when the applicant is a laid off bona fide UAW journeyman. Additionally, the Company assured the Union that any explanation concerning the reasons a newly hired journeyman employee must be terminated because of failure to meet the requirements of Paragraph (178) is to be based on those factual reasons and not on the fact that the Local Union may have questioned the matter.

The parties mutually agreed that both the local Management and the local Union must exercise fair but sound judgment when considering matters relative to Paragraph (178).

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 68

**TRANSFERS AND PROMOTIONS—LOCAL
SUSPENSION OF PROVISIONS**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, Rolls-Royce Corporation and the International Union, UAW discussed the problem of the movement of people through transfers and promotions during critical periods in plant operations.

Accordingly, this letter is to confirm the agreement reached that the local parties are delegated the authority to mutually agree on the suspension of the application of the Agreement and local agreement provisions relating to transfers and promotions, all or in part, during periods of model build out, model startup, plant rearrangement, major line speed change, product change, addition or elimination of a shift, or other mutually recognized problem period. Further, such local agreements shall be reduced to writing and signed by the local parties.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par, (59), (63)]

FEDERAL INCOME TAX WITHHOLDING

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

This will describe the methods to be used by the Rolls-Royce Corporation Payroll Department in regard to withholding of Federal income tax from employee's wages attributable to grievance awards, vacation pay and pay in lieu of vacation from employee's wages.

Grievance awards in excess of \$500.00, but involving periods less than one calendar year, will be treated as supplemental wages and income tax withholding will be calculated using the Federal income tax regulations regarding supplemental earnings.

Likewise, pay in lieu of vacation also will be treated as supplemental wages and income tax withholding will be withheld using the Federal income tax regulations regarding supplemental earnings.

It should be noted that the tax withholding referenced above only covers the Federal withholding amount. An amount of FICA taxes and state or local income taxes, where applicable, will be in addition to the amount withheld for Federal income tax.

Grievance awards which are less than \$500.00 will be aggregated with the regular payroll and the income tax withholding will be calculated on the total amount.

If a grievance award is made for a period of more than one calendar year, the income tax withholding will be calculated as if the payment were for a single annual period. Thus, in such situations, Rolls-Royce Corporation Payroll will use the annual percentage table to calculate the income tax withholding for such awards. This method would be the same as considering the award as having been paid equally over the preceding 52 weeks.

For vacation payments made for time away from work, such payments will continue to be treated as a regular wage payment; i.e., income tax withhold-

ing will be calculated as if the vacation payment represented a regular weekly wage payment.

The above methods are dictated by Federal Income Tax Regulations. Therefore, any change or amendment to such Regulations will, of necessity, have to be reviewed for compliance with the above changes.

Formal procedures to effect these changes are being communicated to Rolls-Royce Corporation Payroll by copy of this letter, with instructions to make these changes as soon as practical.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 70

PROCEDURE TO CORRECT PAY SHORTAGES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

This will confirm our understanding that the following procedure for correcting pay shortages due to Management error, of four (4.0) pay hours or more, will be utilized. It is further understood that all current local agreements regarding this subject will be rendered null and void upon implementation of this procedure.

- Upon employee request, Rolls-Royce Corporation Payroll will be notified of the shortage.
- Rolls-Royce Corporation Payroll will prepare a check with the employee's normal tax deductions.
- The check will be available to the employee at the plant by the end of the next workday (excluding weekends and holidays).

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 71

EMPLOYEE SOCIAL SECURITY NUMBERS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During 2008 Negotiations, the parties discussed the posting of computer reports with complete social security numbers at Company locations. As soon as practical following these negotiations, a systems change will be implemented whereby posted reports generated via the Human Resources System reflect no more than the last five numbers of an employee's social security number. Locally generated reports, which are posted, will be modified in the same manner.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

**EXCERPT FROM THE MINUTES OF THE
WAGE MATTERS SUB-COMMITTEE**

During the course of negotiations, the Union raised concern about situations in which employees had deductions from their paychecks to recover over-payments of wages made in error without having been properly notified per Paragraph 49 of the Rolls-Royce Corporation-UAW National Agreement.

The Company responded that following the conclusion of these negotiations it would reiterate to appropriate plant personnel its commitment to properly notify an employee prior to the end of the month following the month in which the check (or payroll order) in question is delivered to the employee.

Doc No. 73

RETIREE USE OF FITNESS CENTER

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations, the parties discussed allowing retired UAW-represented Rolls-Royce Corporation employees to use an in-plant fitness center, if one is developed at some time in the future. Rolls-Royce Corporation retirees will be eligible to utilize any such in-plant fitness center on a space available basis, at non-peak usage periods, when the local fitness center is in operation. The schedule of usage will be determined by the local joint parties based on factors such as location of the fitness center, present hours of operation, present plant employee usage, and other criteria as determined by the local joint parties.

Retirees will be required to complete the proper registration process (physician consent form, liability waiver, etc) that active employees are required to complete in line with UAW-Rolls-Royce Corporation fitness center guidelines.

It is also understood that nothing contained herein or in existing or future statements concerning employee fitness centers or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Company's or the Union's rights or responsibilities under the National Agreement, nor are the centers intended in any way to create for any employee or retiree an enforceable obligation against the Company, the Union, or their representatives.

In addition, it is the parties' intent that any program or related services provided in or through employee fitness centers are not to be construed as benefits or insurance programs. Finally, the Grievance Procedure set forth in the National Agreement shall not apply to, or have jurisdiction over, any matters related to the employee fitness centers.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 74

**CENTER FOR BENEFIT PLANS AND
HEALTH AND SAFETY REPRESENTATIVES**

DATE; February 26, 2008

SUBJECT; Center for Benefit Plans and
Health and Safety
Representatives

“During the negotiations, the Union indicated that the increased complexities of the Benefit Plans Representatives’ duties and the function that the Health and Safety Representatives will be expected to perform make it desirable for these Representatives to be provided a Center from which to conduct their important activities. Such a Center would provide these Representatives a place to carry out their respective duties in a professional manner and to retain orderly records necessary to their functions.”

“The Company agreed that such a Center is desirable for the internal use of the Benefit Plans and Health and Safety Representatives in the larger manufacturing and assembly plants.”

“The Company and the Union, realizing the value of proper administration in these areas, agree that the Center shall be used only by the Benefit Plans and Health and Safety Representatives.”

[See Memo-Work Centers]

[See Doc 75, 76]

Doc No. 75

**FACILITIES FOR UNION MEMBERS
OF LOCAL APPRENTICE COMMITTEE**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of the current negotiations, the Union cited the problem Union members of the Local Apprentice Committee have relative to keeping necessary records and preparing written materials.

To meet this problem, each location employing less than 50 apprentices is requested to furnish a file or a cabinet which will provide the Union members of the Local Apprentice Committee a place to store their records and do their records and do their necessary writing. This file or cabinet should be similar to that which has been furnished District Committeepersons in the plant and should be placed in an appropriate and secure location near their work area.

In addition, the Union requested and the Company agreed that at plants employing 50 or more apprentices, the Union members of the Local Apprentice Committee will be furnished a desk and chair for their use in the Center for Benefit Plans and Health and Safety Representatives to perform legitimate clerical functions which are related to their duties as provided in the Rolls-Royce Corporation-UAW Agreement.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par (121)]

[See Memo-Work Centers]

[See Doc 74,76]

Doc No. 76

**SPACE AND FURNISHINGS PROVIDED FOR UNION BENEFITS
PLAN AND HEALTH SAFETY REPRESENTATIVES AND THE
UNION MEMBERS OF THE LOCAL APPRENTICE COMMITTEE**

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed the matter of space and furnishings provided for union representatives with responsibility for benefit plans, health and safety and apprentice matters.

We are as interested as you are in providing facilities which enable all of these representatives to carry out their responsibilities. As soon as practical after the effective date of this agreement, in the locations where there is insufficient room to accommodate these union representatives in the present facility local Management will expand it to make this accommodation. It is understood that at some of these locations where plant layout considerations are involved local Management may accommodate the need for additional room by relocating the facility or by providing a separate space in a suitable location for some of these union representatives. In that regard, at locations employing 600 or more employees a second desk and chair will be provided for benefit plans representatives. We will work with you and our divisions on any problems in this regard brought to our attention.

The specifications of such new or expanded facilities will be consistent with the specifications originally established as a result of the George B. Morris, JR. letter to the International UAW, dated November 19, 1973, regarding the Centers for Benefit Plans and Health and Safety Representatives.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources
[See Par. (124)]
[See Memo-Work Centers]
[See Doc. 73,74,75]

LOCAL UNION PRESIDENTS

December 16, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations, the parties discussed the duties of the Local Union President in Allison plants. The parties agreed that the president's function includes, in addition to administrative duties as the Local Union's Chief Executive Officer, certain elements of Agreement administration.

Accordingly, the Company agreed that in plants employing 500 or more employees where the Local Union President is a full time employee, such president will be allowed to perform legitimate administrative functions without loss of pay up to a total of forty (40) straight time hours per week. Moreover, in those same plants such president, as a portion of the forty (40) hours will be permitted to leave the plant in accordance with Paragraph (24) of the Allison-UAW Agreement and will be paid for up to six (6) hours per day Monday through Friday to perform legitimate administrative functions.

Such Local Union President shall notify the designated Management representative, when leaving and returning to the plant during working hours.

Moreover in those same plants when such Local Presidents are absent for at least one full working day for reasons other than those provided herein, Management will recognize a temporary replacement from among the full-time employees. Notification of such replacement shall be submitted in writing at least twenty-four hours in advance to Local Management's designated representative. In the event such a replacement is made, the Local President shall not be paid and the replacement will be permitted to utilize out of the plant with pay pursuant to the provisions herein.

In as much as Allison Engine Company employees are represented by Local 933, UAW, which is an amalgamated Local Union also representing employees of Allison Transmission Division of General Motors

Corporation, the current circumstances of the President of Local Union not being an employee of the Company may exist. In such circumstances the procedure by which the President's presence in Allison Engine Company can be documented and the information transmitted to his home unit for payment and subsequent reimbursement by the Company will be established by mutual agreement between the President of Local 933, UAW and the Manager of Hourly Personnel Administration.

Any problems associated with the implementation or administration of this letter will be reviewed between representatives of the Vice President of the GM Department of the International Union, UAW or his designee and the Company.

Very truly yours,

Barry D. Smith
Vice President

ANTICIPATED TERMINATION OF SICK LEAVES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During these negotiations, the parties discussed at length the Union's concern that certain employees on sick leaves of absence were not made aware of the anticipated return to work date supplied to Management by the employee's personal physician.

As a result of those discussions the Company advised the International Union that as a matter of policy it would, effective immediately initiate a procedure whereby, in those instances where such information was submitted directly to Management by the employee's attending physician, an employee on a sick leave of absence would be provided written notification of the most current anticipated return to work date designated by his attending physician. A copy of this notification will be provided the Chairperson of the Shop Committee.

In establishing such a procedure it is mutually recognized that providing or not providing such information will be without prejudice to either part in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

[See Par. (106), (111)(b)]

Doc No. 79

CHANGE IN ESTABLISHED SHIFT HOURS OR LUNCH PERIODS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During the current negotiations the International Union raised the contention that certain local managements had failed to hold the advance discussion specified in Paragraph (88), regarding change in the established shift hours or lunch period.

Accordingly, the Company informed the union that it would advise its Local Plant Management that the matter of a change in established shift hours or lunch periods will be discussed as far in advance as possible with the Shop Committee.

A record of that discussion, which includes the position of the local Union regarding the change, will be published in the minutes of the second step meeting.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 80

HEALTH AND SAFETY ROLES AND RESPONSIBILITIES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During these negotiations, the parties discussed the roles and responsibilities of Rolls-Royce Corporation Management in the Joint Health and Safety Process. The parties agreed that leadership direction, whether Management or Union, must always be consistent with the Joint Health and Safety Process.

The parties agree to utilize the joint health and safety programs to help support our efforts to achieve a healthy and injury-free workplace. The Management group identified to oversee our health and safety improvement efforts at Rolls-Royce Corporation is committed to and desirous of using the Joint Health and Safety process in our facilities covered by this agreement.

Therefore, the parties agreed that members of Rolls-Royce Corporation Management and representatives of the Union will support and operate within the policies and procedures established in the Joint Health and Safety Process.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 81

**HEALTH AND SAFETY REPRESENTATIVES ROLES AND
RESPONSIBILITIES**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During the 2008 negotiations, the parties discussed at length the role and responsibility of the Local Joint Health and Safety Committee. The parties agreed that the role and responsibility of the Local Committee is primarily to serve as a technical resource and consulting team to the local Management and Union in matters regarding employee health and safety. In the performance of this role, the Local Joint Health and Safety Committee should coordinate joint activities directly related to employee health and safety and prevention of occupational injuries and illnesses. Among these activities are job related health and safety training, hazard communication, industrial hygiene technician sampling and ergonomics. Hourly employees assigned to perform joint health and safety activities shall be appointed by the Union.

In recognition of the desirability of maintaining the professional standards established for employees assigned to health and safety activities, the local parties will establish a system to encourage and recognize the professional development of joint local health and safety representatives and other employees assigned to such activities.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 82

**REDUCTION IN EMPLOYEE EXPOSURE
TO METAL REMOVAL FLUIDS**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During the 2008 negotiations, the parties discussed the applicability of a reduction in employee exposure to metal removal fluids.

Rolls-Royce Corporation will continue to assess employee exposures at operations using metal removal fluids and, on the basis of the most recent scientific studies, will comply with an Occupational Exposure Guideline of 1.0 mg/m³ or less (expressed as Machining Fluid Total Particulate, MFTP) on existing equipment in our existing facilities.

In addition, Rolls-Royce Corporation will specify that new equipment be engineered and designed to attain a level of 0.5 mg/m³ (expressed as Machining Fluid Total Particulate, MF-TP). Also, we agree to jointly develop a procedure to verify that this level has been attained at initial production start-up, and efforts will be made to maintain this level after production start-up.

Furthermore, Rolls-Royce Corporation recognizes that efforts are under way in the scientific community on many fronts to develop an appropriate sampling and analytical method to assess employee exposure to metal removal fluids. However, until this is accomplished, Rolls-Royce Corporation will continue to utilize its interim MF-TP procedure.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

OVERTIME POLICIES

Inter-Organization

Date: February 26, 2008

Subject: Overtime Policies

To: BU Managers
Human Resource Managers

As part of the current negotiations, Rolls-Royce Corporation informed the International Union, UAW that it is the Company's intention to continue its previous policy regarding overtime practices. This policy will be applicable only to those employees who are not covered by the provisions of Paragraph (71a) of the 2008 National Agreement.

There was considerable discussion in these negotiations about the claims of the International Union, UAW that too many employees who are required to work overtime over extended periods are not excused from overtime work assignments even though they have legitimate reasons to be excused.

The Company pointed out that overtime serves a number of functions essential to the effective operation of Rolls-Royce Corporation's tightly integrated and interdependent manufacturing system. In many instances overtime must be working in order to permit the plant to meet schedules. Emergency overtime to repair breakdowns in essential equipment is often necessary to prevent or minimize interruptions in plant operations and resultant short work weeks for many employees. Overtime is also necessary on bottleneck jobs and also during certain times of the year in order to meet various deadlines and to satisfy fluctuations in customer demand for Rolls-Royce Corporation products.

Both the International Union and the Company recognized that the nature of the business requires overtime work assignments. In many instances, however, less than a full complement in a supervisor's group is needed to fill the jobs which are working overtime. When less than a full complement of employees is needed it is usually practicable for the supervisor to excuse employees who do not wish to work and confine the overtime assignments to those employees who do wish to work.

In situations where there are sufficient employees available who wish to work overtime and who are capable of doing the overtime work assign-

ments, employees who do not wish to work overtime are to be excused from doing so, insofar as practicable.

Employees who are required to work overtime should be given as much advance notice as is practicable so that they can make any personal arrangements that may be necessary.

An individual employee's personal problems in connection with working overtime should be given careful consideration and such individual needs should be recognized. The individual employee's request to be excused from an overtime work assignment, when made a reasonable period of time in advance, should receive every possible consideration. When the request is granted the employee will be notified as far in advance as possible so that the employee can make personal plans accordingly. Thereafter, any cancellation or change in the arrangements to excuse the employee will only be made by mutual consent.

Except in situations of an emergency or crisis nature, an employee who is not assigned to a necessary continuous seven-day operation and who has worked thirteen consecutive calendar days will be excused from work on the next following Sunday provided the request for the day off has been made before the end of the employee's shift on the previous Friday.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (71)]

[See Memo-Overtime]

[See Doc. 116]

WEATHER CONDITIONS LETTER

Date: February 26, 2008

To: All BU Managers

All Human Resource Managers

Subject: Failure to Work Forty Hours as a Consequence of Severe Weather Conditions

The following is intended to address situations where employees fail to work forty (40) hours as a consequence of severe weather conditions. In general the following determinations will apply with respect to a plant shut-down or less than a simple majority of employees showing up on any given shift in an area in which severe weather has occurred.

1. In situations where the Company, by virtue of the declaration of a public emergency by a governmental body gives notification by public announcement (radio, TV, Newspaper) that it will not be open for operations, a maximum payment of eight (8) hours will be made to employees regularly scheduled to work during the period of the declared shutdown for each day of the declared shutdown. Such payments will be calculated based on the employee's assigned rate of record and will include any applicable shift premiums and COLA. In order to be eligible for such payment the employee must be considered a seniority employee under the relevant section of this Agreement.
2. In situations where the Company has attempted to operate but has been forced to shut down due to the absenteeism of its employees, and such absenteeism is deemed by the parties to be attributable to severe weather conditions, a payment, calculated as the payment referenced in Paragraph 1 above, and reflective of the period for which they lost wages, will be made to employees who reported to work and were sent home without having received a full eight (8) hours pay for the day in question due to the declaration of a shut-down, in light of employee absenteeism. Employees who were scheduled to report on the day such a situation occurs will be eligible to receive a maximum payment of eight (8) hours for such an occurrence if they can demonstrate, through third party substantiation, that they were precluded from reporting to work due to a

“ban” on driving in their city or county of residence. The term “ban” means that under a local law/ordinance being enforced, if caught driving in a specified area, through which employees had no alternative but to travel to get to work on their regular shift, employees would be ticketed, fined and/or jailed. Documentation of such enforcement is required from, and on behalf of, the employees involved. Employees who do not report on such a day, and do so for reasons other than a documented “ban” on driving, will be permitted to cover their absence with available Vacation Time-off.”

3. In the calculation of any payments identified in 1, or 2, above, such payment will be offset on an hour for hour basis for any overtime hours (on a straight-time basis) made available to an eligible employee before the occurrence of the severe weather situation during the payroll week within which the severe weather situation occurs.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par (80), (224)]

[SeeDoc. 3]

INNOVATIVE WAGE STRUCTURE

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

During these negotiations, the parties discussed at length issues that have arisen regarding the application of the Local Wage Agreement in the Company's plants. Historical differences have resulted in some wage rate variations which the parties have attempted to address in previous negotiations. Likewise, the plant is engaged in various manufacturing operations having histories which resulted in classification structures that are not compatible with modern manufacturing methods and organizational structures.

In recognition that continuing improvements in the employee's quality of work life, quality of the product, and operational efficiencies are necessary and desirable, the parties have explored various methods to improve the wage structure within the Company's manufacturing operations.

The parties agreed that innovative wage agreements could be instrumental in attaining these objectives and accordingly, the National parties have agreed to work with and support any plant where there exists a mutual desire to explore such a concept.

Although not meant to restrict the full range of ideas and concepts which could be explored, the parties examined the concept of establishing three (3) non-skilled rates in a plant; sanitation/maintenance, production, and utility. It was understood that appropriate transfer, seniority, shift preference, and other modifications are desirable and necessary to support such an innovative wage structure. This concept would be only one of the options available to a plant that desired to explore innovative wage structures. "Levels of Learning" or "Pay For Knowledge" systems would also be options to be considered.

There is a mutual desire on the part of Management and Union to explore any such innovative wage agreement concepts, they are specifically encour-

aged and authorized to discuss and propose such modifications. The National parties will provide any necessary assistance to the local Union and the local Plant Management. Any final agreement shall continue to be subject to the approval of the International Union and the Company, who will review these proposals in line with the concepts outlined in this letter.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par (89a), (97)]

[See CSA #11]

CHRISTMAS HOLIDAY PERIOD

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

This is to confirm our understanding concerning the Christmas holiday periods provided under our 2008 Agreement.

The new agreement is intended to continue the concept of an unbroken Christmas Holiday Period from the day before Christmas through New Year's Day (inclusive); a period that encompasses two weekends.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (66),(203)(3),(203c)]

COLA CALCULATION

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dr. Mr. Woodcock:

This letter is to confirm certain agreements reached by Rolls-Royce Corporation and the International Union, UAW, regarding the calculation of the Cost of Living Allowance pursuant to Paragraph (101)(c) through (101)(k) of the Agreement.

The table in Paragraph (101)(g) has been constructed to provide that 1¢ adjustments in the Cost of Living Allowance shall become payable, sequentially, for each .08, .08, .08, .08, .08 and .09 change in the Index, and so forth, with that sequence of the six changes being repeated thereafter in the table so as to produce an average adjustment over time of 1¢ for each .08159 change in the Index.

If the Union claims that the Company's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may pursue such claim in accordance with the provisions of Paragraph (55) of the new National Agreement.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Attachment

[See Par. (98), (101)(d), (101)(g), (101)(h), (181c)]

COLA CALCULATION

Attachment

ENGINEERING METHOD OF ROUNDING

The following rules of rounding shall apply to the determination of the Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130,646 becomes 130.6.
2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits, 130,557 becomes 130.6.
3. If the leftmost of the digits discarded is 5, followed by zero's, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130,5500 becomes 130.6 and 130,6500 becomes 130.6.

CAR DISCOUNTS

January 7, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the 1997 negotiations the parties discussed the desire of Allison employees to be able to purchase new American made vehicles at a discount. The parties agreed that a joint team would be formed to discuss with "Big 3" car dealers within Indianapolis and the surrounding communities the possibilities of obtaining Allison employee discounts for new car purchases from such dealers.

Very truly yours,

Barry D. Smith
Vice President

Doc. No. 89 Deleted

Doc No. 90

PERSONAL PRIVACY

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During these negotiations the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning employees and/or their conduct in the workplace.

The Company reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Company will continue to protect and respect the confidential nature of all personal information. Both the Company and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 91

SALE OF BUSINESS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During these negotiations, the Union requested the Company to agree that any sale of an operation as an ongoing business would require the buyer to assume the 2008 Rolls-Royce Corporation-UAW Collective Bargaining Agreement. The Company agreed to do so in the case of any such sale during the term of the 2008 Agreement.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

LUMP SUM PAYMENTS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the current negotiations, the parties agreed to provide a lump sum payment of \$1,500.00 for 2008, 2009 and 2010 to each eligible employee. There will be a one-time up-front lump sum bonus of \$750.00 paid to each eligible employee paid on the normal pay cycle fourteen days following the ratification date of the agreement. Eligible employees are defined as those employees whose status on the payment date of each of the above lump sum payments is one of the following:

- Active
- On one of the following leaves of absence not greater than ninety (90) days:
 - Informal (Paragraph 103)
 - Formal (Paragraph 104)
 - Sickness and Accident (Paragraphs 106/108)
 - Pursuant to Family and Medical Leave Act
 - Military (Paragraph 112)
 - Educational (Paragraph 113)
- Employees otherwise eligible with retirements processed for an effective date of March 1, 2008 will be eligible for the up-front lump sum bonus and the 2008 lump sum payment (will not be eligible for the 2009 or 2010 lump sum payment).

In addition, should the International Union raise any question of equity in application regarding specific employees, the Company agrees to meet on such cases in order to review the facts.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc. No 93

BEREAVEMENT VACATION WITH PAY

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the current negotiations, the parties discussed the possibility of a death of an immediate family member as defined in Paragraph (218b) the Rolls-Royce Corporation-UAW Agreement occurring during a period in which an employee is on vacation time off with pay.

This confirms our understanding that if such circumstances occur where the employee has satisfied the requirements of Paragraph (218b), the employee will be entitled to three additional days of vacation time off during the employee's vacation eligibility year. If an employee does not use these days by the employee's next vacation eligibility date, the employee shall be compensated for these days at a rate of pay established in accordance with Paragraph (192) of the Rolls-Royce Corporation-UAW Agreement. Recovery of overpayments made pursuant to this understanding will be made in accordance with Paragraph (202d).

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 94

HOLIDAYS OCCURRING DURING AN APPROVED VACATION

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the current negotiations the parties discussed the situation where an employee has applied for and been granted a vacation for a calendar week which contains a holiday as defined by Paragraph (203) of the Rolls-Royce Corporation-UAW Agreement. The Union was concerned that if an employee was credited with a full week of vacation time off under this situation, the employee would not be able to receive the employee's full vacation time off as contemplated in the Vacation Entitlement Section.

The Company recognizes the desirability of providing vacation time off up to the employee's eligibility for vacation entitlement as of the end of the current eligibility year. Accordingly, the Union was advised that in situations described above an employee would be eligible for an additional day of absence for vacation purposes to be scheduled in accordance with local practice. This would not apply to holidays falling within the Christmas Holiday Period as defined in Paragraph (203).

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

GRIEVANCE PROCEDURE

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the discussions that led to the 2008 Collective Bargaining Agreement, the parties held lengthy discussions regarding the grievance procedure and its proper implementation. Both parties acknowledged that the Grievance Procedure has worked well over the years in resolving problems when it was properly administered as outlined in the National Agreement.

The Union claimed that in some instances, the Grievance Procedure provisions have not been properly applied relative to the intent of the National Agreement. Specifically, the Union remarked that at some locations, grievances were allowed to accumulate at the various steps of the Grievance Procedure and/or were not answered in a timely manner at the lower steps of the procedure. The Union further claimed that in some cases Management representatives were not available for or were unwilling to schedule regular grievance meetings. The Company stated their concern that at times, Union Representatives demanded answers to grievances before Management had an opportunity to investigate the charges contained in the grievance.

As a result of the foregoing, the parties reviewed the contents of Document No. 44 and Document No. 45 and reaffirmed their mutual desire and intention to assure that grievances will not be unduly delayed nor allowed to accumulate at any step in the Grievance Procedure in any plant.

Furthermore, it was recognized that both parties have the responsibility to meet regularly on grievances in accordance with the terms of the Agreement and that such meetings should not be postponed or delayed unnecessarily. In this regard, the parties agreed that complaints in this area will be handled under the provisions of Paragraph (5a) of the Agreement. Before such problems are referred from the plant, however, the situation will be discussed between the Chairperson of the Shop Committee, the President of the Local

Union and the Regional Servicing Representative, and the Director of Human Resources and Employee Relations Manager.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

“COOLING OFF” PERIOD

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the course of the current negotiations, the Union expressed concern that some disciplinary interviews escalated into confrontations because tempers flared. The Union suggested that in these situations a “Cooling Off” period would be beneficial to all concerned.

The Company and the International Union agreed that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. In those situations where emotions preclude this from happening, the parties agreed that as a matter of practice and when possible such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing the parties recognized that certain actions such as assault, or other serious acts of misconduct would render the “cooling off” period totally inappropriate.

Additionally, it was mutually recognized that providing a “cooling off” period will be without prejudice to either party in the application of any terms of the National Agreement and will not be cited or relied upon by an employee, the Union, or Management as a basis for any claim.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources,

[See Par. (76)]

Doc No. 97 Deleted

Doc No. 98 Deleted

Doc. No. 99

**ROLLS-ROYCE CORPORATION POLICY
REGARDING SEXUAL HARASSMENT**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

The following is the text of Rolls-Royce Corporation written and published policy regarding sexual harassment.

“Rolls-Royce Corporation has had, for many years, a written and widely distributed policy on equal opportunity employment. Sexual harassment, as in the case of harassment based on age, race, color, religion or national origin, has long been regarded as a violation of this policy.”

“All employees are expected to deal fairly and honestly with one another to ensure a work environment free of intimidation and harassment. Abuse of the dignity of anyone, through ethnic, racist or sexist slurs or through other derogatory or objectionable conduct, is offensive employee behavior. Sexual harassment also includes unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature.”

“All Rolls-Royce Corporation employees are entitled to a work environment in which words and actions do not have even the appearance of disrespect. Sexually-oriented jokes, cartoons, pictures, language, certain gestures and touching may be offensive to people and, therefore, may result in a hostile work environment. This type of conduct will not be tolerated in the workplace. Rolls-Royce Corporation facilities must be free of hostility resulting from sexually-oriented behavior. It is the responsibility of management and each employee to maintain an environment free of hostility.”

“As in the case of other unfair employment practices, if you believe you have been subjected to sexual harassment, you may bring your concerns to the attention of either your immediate supervisor, personnel director or representative, or you may utilize appropriate and existing internal complaint procedures.”

Rolls-Royce Corporation and the UAW are in agreement that complaints of sexual harassment should be dealt with promptly and fairly under existing internal procedures as provided under Paragraph (6a) of the Agreement.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

WARRANTIES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations the Union complained there has been inconsistent administration of the “normal warranty” provisions of Paragraph 183(b) of the Agreement. The Union indicated that plant management insists on warranties beyond normal periods of time and that our skilled employees are not assigned to the new equipment or machinery until long after it has been in the plant. This does not provide the opportunity for our own skilled trades to learn how to keep such equipment operating effectively.

The Company informed the Union that good business practice includes the use of warranty arrangements sufficient to assure that the equipment purchased by the Company performs according to specifications required by the purchase contract.

The parties agreed that many locations through cooperative efforts such as assigning UAW-Rolls-Royce Corporation employees with vendors during installation and servicing, progressive training arrangements both onsite and offsite, etc, have resolved all their problems attendant to this issue. The Company and the International Union encourage each local union and local management to pursue such reasonable working agreements.

Instances that are not resolved may be handled under the subcontracting provisions of this agreement.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

Doc No. 101

EDUCATIONAL AND CAREER COUNSELING

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of national negotiations, the parties discussed matters relating to the Tuition Assistance Program and the shared concern that eligible employees may be using available tuition assistance funds for courses or programs that do not maximize their educational potential. As a result, it was mutually agreed it would be desirable and potentially cost effective to continue to make available competent educational counseling to such employees when educational decisions are being contemplated.

Accordingly, following negotiations, the parties jointly commit to review the experience of the Educational Development Counselor (EDC) Program currently underway. Following such review, the parties will seek authority and funding from the Executive Review Board to further implement cost effective methods of providing such counseling, including utilization of public and private resources, where practicable.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Memo-Tuition Assistance]

**TUITION ASSISTANCE PROGRAM
COLLEGE RECOGNITION**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the course of national negotiations, the parties held extensive discussions on issues involving the Tuition Assistance Program (TAP). One of the issues discussed concerned utilization of TAP benefits to obtain educational credit for certain in-plant training. In this regard the parties agreed as follow:

In instances where employees, by virtue of their job assignment, are being provided with technical or professional training, the parties will jointly work with local recognized degree granting institutions to determine the possibility of obtaining credit for such training. Such credit would be applied toward recognized degree requirements only if the employee so desires.

Additionally it is anticipated that costs for such credits will not normally equate to full credit hour charges at the institutions involved. Some examples of circumstances under which this understanding would be utilized are training programs associated with Health and Safety or Employee Assistance Program assignments and applicable Human Resource Center Developed Training Courses.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

[See Memo-Tuition Assistance]

[See Doc 8, 39]

Doc No. 103 Deleted

Doc No. 104

MOVEMENT OF WORK-ADVANCE NOTICE

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the Union expressed concern regarding changes which affect the movement of work after a Paragraph (96a) has been agreed upon and/or employees transferred. Also, the Union indicated a need for improved advance notification of pending transfers of work.

The Company informed the Union of its interest in providing advance information as soon as is practicable to do so regarding the transfer of operations. Also, once a Paragraph (96a) has been agreed upon, barring any unforeseen circumstances, the work will move.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

December 17, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During our discussions regarding a continuation of the Independence Week Shutdown as a part of the 1997 Allison/UAW National Agreement, we explained that it had not been a practice at Allison to utilize the Independence Week as a time for discontinuing operations within our facilities and we did not anticipate using it as such in the foreseeable future. On that basis the parties agreed to make the time available as additional “vacation time off” as specifically provided for in Paragraph (202c) of the 1997 Allison/UAW National Agreement.

As a result of the discontinuance of the Independence Week Shutdown at Rolls-Royce Corporation, the following Paragraphs were not carried over from the 1993 National Agreement to the 1997 National Agreement.

- (98) reference to Independence Week Shutdown
- (189) reference to Independence Week Shutdown
 - (202a)
 - (202b)
 - (202c)
 - (202d)
 - (202d)(1)
 - (202d)(2)
 - (202d)(3)
 - (202e)
 - (202f)(1)
 - (202f)(2)
 - (202f)(3)
 - (202g)
 - (202j)

Barry D. Smith,
Vice President

SKILL CENTERS-TRAINING IN PLANT

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the negotiations the parties discussed the need for basic educational opportunities and training through existing in-plant or other dedicated, accessible and adequate facilities approved by the Local Joint Activities Committee. The parties agreed to increase their emphasis on basic educational opportunities and training while ensuring that employees and their spouses continue to have access to education and training opportunities for basic skills in areas such as math, reading, problem solving or language. The parties are expressly interested in assisting employees and their spouses who want to master new skills and achieve personal goals in basic education. In this regard, it was agreed that the Joint Skill Development and Training Committee will develop a basic education curriculum in six main areas of educational counseling and learning opportunities:

- Adult basic Education-provides an emphasis on skill building in the areas of reading, writing, language and mathematics.
- General Education Development-provides the opportunity to prepare for a high school equivalency exam for those who have not earned a high school diploma.
- Educational Enrichment Services- provides the opportunity to sharpen skills in areas such as math, writing, reading comprehension, communication, problem solving and science, which can assist participants in technical training, college courses, or other personal goals.
- High School Completion- provides the necessary instruction in subject areas required to complete a high school diploma.
- English as a Second Language- provides instruction in speaking and writing the English language for participants whose native tongue is not English.

- Academic Advising Services- provides individualized academic advising services to participants to assist them in identifying and pursuing basic education goals through project educational staffs and Educational Development Counselors.

The basic education curriculum and any enhancements would continue to be developed through the coordinated efforts of Local Joint Activities Committees (LJAC) along with local education providers and approved by the Key 4.

Additionally, the parties agreed to develop curriculum changes and /or enhanced curriculum insuring that employees and spouses have access to education and training opportunities to meet the challenges of the coming information age. To assist in this process the parties will solicit input from local educational agencies and other external sources regarding what changes are deemed appropriate in the Skill Center curriculum and administration.

The program design generally will focus on the individuals, adapting to the different interests, abilities, and work schedules of the participants including:

- Individual Needs Assessments
- Individual Instructional Plan
- Individual and Small Group Instruction
- Computer-Aided and Computer-Managed Instruction
- Instruction in Diverse Subject Area, and
- Participant Anonymity

Hardware, software and training materials used in the above mentioned computer-aided and computer-managed instruction are subject to approval by the Key 4.

This Skill Center is intended to create an environment which allows educational opportunities to be more accessible within a positive environment. Project services would be integrated and coordinated with other personal development, educational and training activities. Project staff will be made available at times that are convenient for workers including before and after shifts, breaks and lunchtimes.

The above educational pursuits will be supported by training funds and will be administered by the Local Joint Activities Committee with oversight by

the Key 4. In addition, these facilities may be used for other appropriate training approved by the Local Joint Activities Committee.

If a plant constituting a local bargaining unit is scheduled to be idled or closed, the local parties will notify the Shop Committee of their proposed plan to alter Skill Center services for participants enrolled in the plant's Skill Center.

The notice will include a projected date for alternative arrangements, the numbers of participants enrolled and a brief description of the alternative arrangements. Thereafter, the national parties will discuss the matter and resolve any issues by mutual agreement of the Company and the International Union.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Memo-Joint Activities]

Doc No 107

**TRAINING OF INDIVIDUALS WITH DISABILITIES
ROLLS-ROYCE CORPORATION**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During negotiations, the parties discussed the need to provide training to all employees, including individuals with disabilities as required by appropriate state and federal law.

Recognizing that providing training to individuals with disabilities may require specialized instruction, the Company agrees to provide appropriate resources that allow individuals with disabilities to receive necessary training opportunities afforded other employees.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par, (6a)]

[See Doc. 32]

**Memorandum of Understanding
Child Care Program**

During the course of negotiations the parties agreed to review and evaluate the operating status of existing Child Care and Child Development Centers, and report on the viability of such a program locally.

Per this agreement the LJAC (Local Joint Activities Committee) will evaluate the existing child care programs and make recommendations as to whether a local child care program is viable at the Company, how the program would be funded, and where the center would be located.

If a Child Care Program is found to be viable, plans for the center will be jointly developed to ensure the plan will meet the needs of the employees.

PRE AND POST RETIREMENT PROGRAMS

This will confirm our understanding that the parties have agreed to continue their support of the Pre-Retirement Program “Design Your Successful Tomorrow” for UAW-represented Rolls-Royce Corporation employees and their spouses. In addition, the parties have agreed to continue to support the Post Retirement Program implemented during the term of the 1990 Agreement. In this regard the parties have discussed at length the Union’s concerns relative to the availability and participation of both Management and Union personnel involved in the implementation of the Programs. The parties renewed their commitment to continue their support for the implementation of and the participation in these programs. Following these negotiations, joint efforts will be required to explore and analyze the various options available in order to address these concerns.

Any problems coordinating the scheduling/facilitating of pre-retirement sessions should be raised with the Key 4.

The programs will be supported by national training funds and will be jointly administered under the direction of the Key 4.

Doc No. 110

GENERAL MOTORS, ALLISON ENGINE COMPANY, UAW MOU

January 10, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During the current negotiations the parties discussed the Memorandum of Understanding between General Motors Corporation, Allison Engine Company and the UAW dated May 24th, 1994, pertaining to Allison Engine Company bargaining unit employees who were employed by Allison Gas Turbine Division of General Motors Corporation as of December 1, 1993.

Provisions regarding STATUS WITH GM are found in Paragraph 5 of the attached MOU.

Provision concerning REEMPLOYMENT BY GM are found in Paragraph 6 of the MOU.

Provisions pertaining to CESSATION OF BUSINESS are found in Paragraph 16 of the MOU.

Very truly yours,

Barry D. Smith

Vice President

**MEMORANDUM OF UNDERSTANDING
REGARDING THE IMPACT ON EMPLOYEES OF THE SALE OF
ALLISON GAS TURBINE DIVISION**

MEMORANDUM OF UNDERSTANDING entered into this 24th day of May 1994 between General Motors Corporation, hereinafter referred to as GM, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter referred to as the UAW and Allison Engine Company, hereinafter referred to as the Buyer.

WHEREAS, on September 14, 1993, Buyer executed an Agreement with GM to purchase as an ongoing business the Allison Gas Turbine Division, Indianapolis Plant, (hereinafter referred to as AGT) and the Closing Date for this transaction was December 1, 1993; and

WHEREAS, pursuant to the "Sale of Business" letter attached to the 1993 GM-UAW National Agreement as Document No 91, Buyer is required to assume applicable terms of the 1993 GM-UAW National Agreement; and

WHEREAS, GM and the UAW have discussed the impact of the sale on the UAW represented employees at AGT, including the specific application of the provisions of the GM-UAW National Agreement to such AGT employees; and

WHEREAS, the UAW is the certified collective bargaining representative for AGT hourly employees who transferred to Buyer where the UAW will also be the certified collective bargaining representative for such employees; and

WHEREAS, it is the intent of the parties, and the purpose of this Memorandum to resolve all GM-UAW issues to complete the transition of hourly employees from AGT to Buyer' operations;

NOW THEREFORE, it is mutually understood that any other provisions of the 1993 GM-UAW National Agreement, Supplements and Exhibits attached thereto and the local agreement between AGT and Local 933 UAW, to the contrary notwithstanding, the parties hereby agree as follows;

1. ASSUMPTION OF AGREEMENT

- a. GM's contract Buyer provides that Buyer will assume the applicable terms of the 1993 GM-UAW National Agreement constituting the 1993 Buyer-UAW Agreement, except as other-wise provided

herein, as of the effective date of the sale, hereinafter referred to as the Effective Date.

- b. Buyer hereby agrees to assume the applicable terms of the 1993 GM-UAW National Agreement and the terms of the recently negotiated Local Agreement.

2. EMPLOYEES RETAINED

GM will continue to be responsible for up to 489 active hourly AGT employees separated from the AGT workforce prior to the Effective Date in accordance with the applicable lay-off procedures in effect at AGT under the GM-UAW National Agreement and the local agreement between AGT and Local 933, UAW. Further, the costs of these employees will not be chargeable to caps established under the GM-UAW National Agreement.

3. EMPLOYMENT WITH BUYER

- a. GM's contract with Buyer provides that, as of the Effective Date, Buyer will employ all other active hourly represented AGT employees who have unbroken seniority. It is understood that after the adjustment required to accommodate the employees in (2) above, Buyers will be obligated to employ 2000 active hourly represented former AGT employees who have unbroken seniority.
- b. GM's contract with Buyer provides that, as of the Effective Date, Buyer will also employ all hourly employees on short-term leave of absence status from AGT, who, based upon the reason underlying each such employee's leave status, are reasonably expected by GM to return to active employment within the one (1) year period following the Effective Date. As of the first anniversary of the Effective Date, any such employees, who have not become eligible to return to active employment with Buyer, shall return to employment with GM benefit plans and Appendix "A" of the GM-UAW National Agreement.
- c. As of the Effective Date, any AGT hourly employees on a leave of absence, who GM does not reasonably expect to return to active employment within the one (1) year period following the Effective Date, shall remain GM employees and shall receive coverage, if otherwise eligible, under the applicable GM benefit plans and provides that, if any such employee becomes eligible to return to active

- employment during the (1) year period following the Effective Date, Buyer shall offer employment to such individuals as of such date.
- d. In the event any AGT hourly employee declines employment with Buyer, such employee will be placed on a GM Formal Leave Absence with eligibility for any GM paid benefits. Such employees will be eligible for Appendix “A” of the GM-UAW National Agreement.
 - e. Any AGT hourly employee retained by GM pursuant to (2) above as of the Effective Date, who is offered employment by Buyer within a two (2) year period following the Effective Date and refuses such job offer while not actively at work at GM will be placed on a GM Formal Leave of Absence without eligibility for any GM paid benefits. Unless recalled to AGT, employees will remain on such leave until seniority has broken at all GM plants. The refusal of a job offer from buyer by any such former AGT hourly employee actively at work at GM at the time of the offer will have no impact on the employee’s status at GM.

4. SENIORITY

GM’s contract with Buyer provides that Buyer will assume the GM seniority status of AGT hourly employees on the Effective Date, who are transferred as of the Effective Date or are other-wise employed by Buyer as provided for in subsection 3 c above, for purposes of continued employment with Buyer and seniority standing under the Buyer-UAW Agreement.

5. STATUS WITH GM

Upon Buyer assuming the GM seniority status of AGT hourly employees, their status with GM will be on “indefinite layoff” with rights as defined in this Memorandum. Such employees will be hereinafter referred to as transferred employees.

6. REEMPLOYMENT BY GM

- a. Any transferred employee, who makes written application to GM during the term of the 1993 GM-UAW National Agreement, will be eligible for future employment at GM plants on the same basis as laid-off GM-UAW employees pursuant to the provisions of Appendix “A” of the GM-UAW National Agreement. Applicants

will be offered opportunities for meaningful employment within General Motors in a manner that protects the effectiveness of the on-going operations for the Buyer and GM in accordance with the discussions between the parties, as openings occur.

- b. In the event the Buyer or its successor company ceases doing business, transferred employees who retain GM seniority pursuant to Paragraph (64)(e) of the GM-UAW National Agreement may make application to return to GM under Appendix "A" of the GM-UAW National Agreement.

7. SUB/GIS AND JOBS PROGRAM

- a. Transferred employees will not be entitled to any benefits under the GM SUB Plan, GIS Program, or JOBS Program except as provided in (d) below. Entitlement shall be governed by the terms of the Buyer-UAW Agreement.
- b. The maximum liabilities for the SUB Plan, GIS Plan and JOBS Program under the 1993 Buyer-UAW Agreement will be pro-rated based on the portion that the number of transferred employees bears to the sum of all GM-UAW employees plus transferred employees as of the Effective Date.
- c. The maximum liabilities for the SUB Plan, GIS Plan and JOBS Program under the GM-UAW Agreement will not be reduced as a result of the sale and transfer on employees from GM to Buyer.
- d. If the Buyer exhausts the SUB or GIS cap(s), GM will be secondarily liable for payment of such benefit(s) for the duration of the 1993 GM-UAW Agreement.

8. REPLACEMENT PENSION PLAN

- a. GM's contract with Buyer will provide that Buyer will establish a new defined benefit pension plan (hereinafter referred to as the "Replacement Plan"), effective as of the Effective Date, covering all transferred employees which, consistent with Buyer's obligation under the Buyer-UAW Agreement, will contain terms identical to the GM Pension Plan, except for those provisions required to be changed as a result of a new plan sponsor and the provisions addressed in this Memorandum. The intent of the parties is to provide transferred employees with benefits from the Replacement Plan and 318 the GM Pension Plan which, apart from any differ-

- ence that may result from future bargaining, in aggregate, will equal the benefits that would have been provided had the sale not occurred and the employees had continued working for GM.
- b. The Replacement Pension Plan will provide that all prior periods of credited service (as such term is used in the 1993 GM-UAW National Agreement) of transferred employees as of the Effective Date, or with respect to any employee who becomes a transferred employee after the Effective Date, the date such employee commences active employment with Buyer (hereinafter referred to as the Transfer Date), under the GM Pension Plan will be considered as credited service and will be taken into account under the Replacement Pension Plan for purposes of determining benefit entitlement amounts and eligibility to receive benefits under the Replacement Pension Plans, except for those transferred employees who retire on or before 10-1-96
 - c. The Replacement Pension Plan will further provide for an off-set to the accrued benefits of each transferred employee under the Replacement Pension Plan, only with respect to those benefits provided by GM credited service under the Replacement Pension Plan, equal to the sum of : (i) the nonforfeitable benefit payable at normal retirement age as determined by GM (actuarially reduced for early commencement where appropriate) of each such transferred employee who is vested under the GM Pension Plan calculated as of the Effective/Transfer Date, and (ii) an amount equal to all subsidies and supplements payable to each such transferred employee under the GM Pension Plan as of the date of each such transferred employee were then retiring from GM and by taking into account solely for eligibility purposes the attained age (but not any additional service from and after the Effective Date, other than service recognized pursuant to Section 1(b)(1) of Article III of the GM Pension Plan) of the transferred employee as of the date of their retirement from Buyer under the GM Pension Plan.
 - d. If, subsequent to the retirement of a transferred employee, the amount of any social security supplement, within the meaning of Treasury Regulation 1.411 (a)-7(c)(4), payable to such transferred employee under the GM Pension Plan is reduced in compliance with Section 411(d)(6) of the Code, the amount of such reduction shall no longer be subject to the offset described herein.

- e. Transferred employees will accumulate credited service under the Replacement Pension Plan in accordance with its terms.
- f. Transferred employees who retire from Buyer on or before 10-1-96 on a normal or early voluntary basis, or other retirement as approved by GM, will not vest benefits under the Replacement Pension Plan; such transferred employees will receive benefits solely from the GM Pension Plan.

9. GM PENSION PLAN

- a. No other credited service will be granted under the GM Pension Plan after the Effective/Transfer Date, except for transferred employees who retire from the Buyer on or before 10-1-96 on a normal or early voluntary basis, or other retirement as approved by GM, will receive credited service under the GM Pension Plan for a period equal to service accrued with Buyer from the Effective/Transfer Date through date of retirement. Payment of benefits to such transferred employees shall be based on the benefit rates and credited service in effect at date of retirement.
- b. Transferred employees not covered by 9(a) above shall retain live credited service in the GM Pension Plan and, upon retirement from Buyer, each transferred employee, who was vested in the GM Pension Plan as of the Effective/Transfer Date, shall be entitled to payment from the GM Pension Plan calculated pursuant to Section 8.c. of this Memorandum.
- c. Unless otherwise payable from the Replacement Pension plan, the surviving spouse of a transferred employee, who is vested under the GM Pension Plan as of the Effective/Transfer Date, and who dies while employed by the Buyer, shall be eligible for payment from the GM Pension Plan of a survivor benefit based on credited service accumulated under the GM Pension Plan and the GM benefit levels in effect at the time of death. All other GM Pension Plan terms shall apply, including but not limited to those regarding eligibility and duration of surviving spouse benefits.
- d. Any other break in service under the Replacement Pension Plan shall also break the employee's service under the GM Pension Plan with entitlement only to accrued retirement benefits (i.e. deferred vested pension if not otherwise eligible to retire at that time) at the benefit levels in effect as of the Effective/Transfer Date pursuant to 8.c. Further, a job offer of suitable work by GM in the same labor

market area under the GM Pension Plan Standards for Application of Provisions Regarding Retirement Under Mutually Satisfactory Conditions.

- e. If any transferred employee retires under the GM Pension Plan and is subsequently reemployed by either GM or the Buyer on a regular, contract or other basis, then, consistent with treatment for all GM retirees, payments being made to such employee by the GM Pension Plan and /or Replacement Pension Plan shall be suspended until such employment ceases and the employee again retires.
- f. If any transferred employee is reemployed by GM, upon such employee's subsequent retirement from GM, the GM Pension Plan shall (1) consider credited service accrued under the Replacement Pension plan after Effective/Transfer Date solely for the purpose of determining eligibility to receive benefits under the GM Pension Plan, and (2) offset any benefits the transferred employee is eligible to receive from the Replacement Pension Plan in respect to GM credited service take into account under the Replacement Pension Plan in accordance with Section 8(b) plus any service credited under the GM Pension Plan under Section 9(a) determined as if the Transferred Employee were than also retiring from Buyer.
- g. It is understood that credited service will not accrue at both Buyer and GM for the same period of time.

10. HEALTH CARE AND LIFE AND DISABILITY BENEFIT PROGRAMS

- a. Coverage under the GM Health Care Program and Life and Disability Benefits Program will cease for all transferred employees as of the Effective/Transfer Date, except as provided below.
- b. GM's contract with Buyer provides that consistent with Buyer assuming the 1993 GM-UAW Agreement under Section 1, Buyer will establish Buyer health care and life and disability program, except for the provisions required to be changed as a result of a new plan sponsor and the provisions addressed in this Memorandum.
- c. Upon retirement from Buyer and GM, GM shall provide postretirement health care and life and disability insurance coverage to the following transferred employees as if retiring from GM:
 - i) All transferred employees with unbroken seniority at AGT as

of the Effective Date, who are eligible to retire on a normal or early voluntary basis with post-retirement health care and basic life insurance coverage on the Effective/Transfer Date, and

- ii) All transferred employees who retire from GM and Buyer on a normal or early voluntary basis, or other retirement as approved by GM, under GM Pension Plan on or before 10-1-96 and are otherwise eligible for post-retirement health care and basic life insurance coverage by GM-UAW Agreement.
 - iii) The provision of post-retirement health care and basic life insurance coverage by GM is subject to all applicable benefit plan terms.
- d. GM will reinstate Basic Life Insurance coverage in retirement for transferred employees who are eligible for such coverage under the provisions of Paragraph 10(c)(i) or 10(c)(ii) immediately above. In determining the amount of Basic Life Insurance and Continuing Life Insurance in retirement for such employees, credited service accumulated while employed at GM and Buyer will be included under the GM Life and Disability Benefits Program. In addition, the base hourly rate in effect on the date of retirement from GM Basic Life Insurance and Continuing Life Insurance.
 - e. Post-retirement health care and life insurance coverage for all other transferred employees shall be pursuant to the terms of the Buyer-UAW Agreement and Buyer's health care and life and disability benefits program.

11. SAVINGS PLAN

- a. A transferred employee who retains assets in the Personal Savings Plan will be treated identically to laid-off GM employees.
- b. GM's contract with Buyer will provide that, consistent with Buyer assuming the 1993 GM-UAW Agreement under Section 1 above, Buyer will establish a Buyer personal savings plan, effective as of the Effective Date, that duplicates the terms and conditions provided for under the GM Personal Savings Plan, except for the provisions required to be changed as a result of a new sponsor plan. Buyer's plan shall also allow for a rollover from the GM Plan to the extent permissible by law.

12. LEGAL SERVICES PLAN

- a. Files open as of the Effective/Transfer Date with respect to transferred employees and current retirees of the AGT facility and their surviving spouses will be covered by the GM-UAW Legal Services Plan. Files opened with respect to transferred employees and their surviving spouses on or after the Effective/Transfer Date will be covered by the Buyer's legal services plan except That transferred employees who retire from GM under (8.f.) above will be covered by the GM-UAW Legal Services Plan.
- b. The Buyer will provide legal services through the GM-UAW Legal Services Plan for the duration of the 1993 GM-UAW Agreement, including funding as required by that Agreement.

13. PROFIT SHARING

Transferred employees shall be eligible for the GM Profit Sharing Plan for the 1993 calendar year per the terms and conditions of the GM-UAW Profit Sharing Plan in effect for calendar year 1993. Buyer will provide that, effective January 1, 1994, all transferred employees shall be covered by the Buyer's profit sharing plan which will use the same formula as the GM Profit Sharing Plan applied to the Buyer business conditions for the duration of the 1993 GM-UAW Agreement.

14. TRAINING

- a. The Buyer will continue to participate in joint activities through the UAW-GM Human Resource Center in the same manner as provided prior to the Effective Date for the duration of the 1993 GM-UAW Agreement. This includes funding levels, the funding approval process, and full participation in jointly developed and negotiated programs.
- b. Buyer's Joint Program Representatives will be appointed by the Director of the UAW- General Motors Department for the duration of 1993 GM-UAW Agreement.
- c. Individuals who are performing activities for the UAW-GM HRC will continue to do so for the duration of the 1993 GM-UAW Agreement unless notified to the contrary by the Director of the UAW-GM Department.

15. NEW VEHICLE PURCHASE PROGRAM

Transferred employees will continue to be eligible under the GM's New Vehicle Purchase Program, including the tagging/purchase of the PEP vehicles, in accordance with policies in effect for GM hourly employees, for the duration of the 1993 GM-UAW Agreement.

16. CESSATION OF BUSINESS

In the event that Buyer or its successor company has ceased doing business on or before September 14, 2001, it is agreed as follows:

- a. Transferred employees will be entitled to layoff available to laid-off GM employees under the GM-UAW National Agreement and Supplement Agreements. Further, any such benefits provided by GM shall be secondary to benefits provided by Buyer or its successor company.
- b. GM will provide the benefits and coverage's described in sub-sections (c) and (d) below, for eligible former AGT Hourly employees who are retired, or otherwise eligible to retire, from Buyer or its successor company at the time it ceases to do business, and who on the Effective/Transfer Date had age plus credited service equal to 55 or more.
- c. GM shall guarantee such eligible former AGT hourly employees described in subsection (b) above with post-retirement health care at the level and scope in any such coverage provided by GM shall be secondary to coverage, if any, provided by Buyer or its successor company. However, in no event shall GM provide health care coverage at a level and scope that exceeds that being provided to hourly retirees of GM.
- d. GM shall guarantee the level of basic life insurance coverage to employees described in subsection (b) above upon their retirement equal to the amount provided by Buyer or its successor company at the time it ceases doing business. However, in no event shall such coverage exceed that being provided to GM retirees under the GM Life and Disability Benefits Program. Further, such insurance shall be subject to reduction in accordance with provisions of the plan in effect at the time business is ceased, but not below the level provided for under the GM Life and Disability Benefits Program based solely on GM credited service.

- e. GM will provide up to 5.0 years of credited service at the level and scope in effect at Buyer at the time Buyer or its successor company ceased doing business. Further, any such benefits provided by GM shall be secondary to benefits provided by Buyer or its successor company or the PBGC. However, in no event shall GM provide pension benefits on such credited service at a level and scope that exceeds that being provided to hourly retirees of GM.

17. OTHER

Eligibility for any GM employee benefit plan/program shall be determined solely by the written provisions of such plan/program.

It is understood that this Memorandum of Understanding is applicable solely to employees of the former Allison Gas Turbine Division, Indianapolis Plant, and is without prejudice to any future position that either GM or the UAW may take the respect to the extent of coverage provided in connection with the sale of a business as an ongoing operation.

Further, the parties agree that if unusual circumstances occur that were not contemplated at the time this Memorandum was negotiated and agreed upon, said parties may discuss and resolve such circumstance.

International Union, UAW

General Motors Corp.

Date: 3-3-97

Allison Engine Company

Doc No. 111

**VACATION REPLACEMENTS AND OTHER EMPLOYEES HIRED
FOR TEMPORARY WORK/SPECIAL ASSIGNMENT—OVERTIME**

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these negotiations the parties discussed the hiring of employees as vacation replacements and for other temporary work and agreed that employees hired for such work shall be employed in accordance with the following:

- A. An employee may be hired as a vacation replacement or to fill other job openings of a temporary nature.
- B. Vacation replacements may be employed under the provisions of this Memorandum commencing the second Monday in May each year and ending no later than 120 days thereafter. The utilization of vacation replacements and other employees hired for temporary work shall be discussed in advance with the Local JOBS Committee. Requests for vacation replacements and other employees hired for temporary work shall be made in writing to the Executive Review Board for approval.
- C. In the event of permanent job openings which involve the relocation of employees, the Executive Review Board may agree to hire temporary employees under the provisions of this Section to enable plants to operate effectively while permanent seniority employees are being identified or relocated at the new location.
- D. Time worked by a vacation replacement or other temporary employee who is hired pursuant to this Memorandum will not be included in the computation for acquiring seniority pursuant to Paragraph (57) and (58a).
- E. All other provisions of the national Agreement and its Exhibits shall apply to employees hired pursuant to this Memorandum.

- F. This procedure does not apply to permanent job openings.
- G. The National Parties are authorized to make modifications and adjustments as necessary.

During current negotiations, discussions also occurred regarding the eligibility for overtime of employees working on temporary assignments in accordance with the above. The parties agreed that such employees are entitled to consideration for overtime scheduling as if they were entering the plant as a permanent employee.

The parties also agreed that eligibility for overtime consideration will be in accordance with the local administrative rules of the plant to which they are temporarily assigned and that the local parties cannot enter into any local agreement which would supersede this letter and/or the provisions of the Agreement.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (71)]

[See Memo-Overtime]

WORK ASSIGNMENTS- SKILLED TRADES

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During these National negotiations, the parties discussed at length the necessity for the Company to become competitive in all aspects of the business. Among the issues discussed were the existing skilled trades classification structure, work rules, and past practices.

With regard to the skilled trades classification structure, the Union expressed concern over basic skilled trades classifications being consolidated. The Company advised, however, that they intend to rely on the currently apprenticeable skilled trades classifications as the basis for our skilled classifications structure moving forward. Competitive advantages of a review of skilled trades classifications at Rolls-Royce Corporation must be weighed and determined by the local parties in view of all attendant circumstances at this location. Appropriate training plans necessary to accomplish any consolidations must be submitted in a timely manner for approval by the appropriate section of the International Union.

With regard to work rules and past practice, the Company stated that many plants feel hampered in their efforts to enhance competitiveness in today's environment by historically restrictive parties which originated at a time when competition was less threatening. Given recent improvements in the area of job security, the need for such stringent work rules and delineation of job responsibilities has been reduced.

Therefore, the National parties concur that Management and the Local Union should review existing work rules and practices, especially in the area of Lines of Demarcation, to insure that only those necessary to protect the safety of employees, the integrity of the basic trades, and the efficiency of operation in today's competitive environment are carried forward. Incidental, overlapping, and other minor access type work are encouraged and should be discussed and handled locally consistent with sound business judgment.

If either of the local parties feel that abuses of the spirit and intent of this document exist, they may request the issue be reviewed via plant entry by appropriate representatives of the Aerospace Department of the International Union, UAW and the Company.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (182)]

[See CSA #12]

EDS WORK ASSIGNMENTS

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

Rolls-Royce Corporation and Electronic Data Systems entered into a contractual agreement which defines the business relationship between the two entities. Under the terms of this agreement, EDS has assumed responsibility for the management, operation, provision and maintenance of computer and information processing services and communication services. EDS is an independent supplier to Rolls-Royce Corporation. It is also the intent of the parties that the Rolls-Royce Corporation User Organization continues to be customer of EDS.

As such, it is of particular importance to bear in mind that EDS, under the terms of this business agreement, remains separate and distinct. It becomes, in part, our responsibility to offer assistance in the successful operation of this relationship. Specifically, this relates to our acknowledging the fact that EDS is not a party to our National and Local agreement with the Union representing Rolls-Royce Corporation employees. EDS does recognize the historical nature of Rolls-Royce Corporation job functions and agrees that those job functions associated with manufacturing processes, which have been historically performed by Rolls-Royce Corporation hourly personnel, should continue to be performed by bargaining unit employees.

We can relate this to a case in point-the installation and maintenance of the new voice communication system. The role that EDS plays in this situation is the traditional role of the local telephone company. Structural preparation remains the responsibility of Rolls-Royce Corporation and is most often accomplished utilizing bargaining unit employees. The other job functions associated with this voice communications system, in most cases, are not functions historically performed by our bargaining unit and are, therefore, the responsibility of EDS.

Also, our understanding concerning bargaining unit work does not limit the

fulfillment of warranty obligations by vendors. Such warranty obligations and/or other work performed by employees of an outside contractor, including EDS employees will be handled pursuant to the provisions of the collective bargaining agreements pertaining to outside contracting, where applicable.

In summary, we have met with EDS to discuss our mutual concerns. We have arrived at an understanding assuring the continuation of historical practices as they relate to Rolls-Royce Corporation job functions associated with manufacturing processes. We feel that this position is fair and will best accomplish our joint goals and recognized the traditional role of bargaining unit employees.

As always, I appreciate your comments and suggestions. Please refer any questions to Labor Relations.

During the 1993 Negotiations, the Union raised several instances wherein they felt that EDS misapplied the concepts outlined in the above letter, oftentimes when there was a change in local Account Managers, and specifically with regard to the applicable notification requirements outlined in the subcontracting provisions of the Agreement. The Company observed that much of the work at issue is non-core in nature, but reiterated its intent to continue the concepts outlined above.

Furthermore, necessary arrangements will be made to review these concepts and contractual commitments with the Rolls-Royce Corporation EDS Account Manager.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[See Par. (183)]

EAP-EARLY INTERVENTION

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the current negotiations, the parties discussed and noted that in many instances the early indicators of an employee suffering from medical and personal problems such as those associated with substance abuse, for example, are manifested in disciplinary situations involving violations of the Shop Rules. In those initial stages it is generally the first line supervisor and the district committeeperson who are first exposed to the potential of such underlying causes behind employee behavioral problems.

Although the parties acknowledge Management's responsibility to maintain discipline and to invoke disciplinary measures where violations of the Shop Rules occur, it is also recognized that local management and union representatives at all levels are necessarily charged with the responsibility to exercise their best efforts toward the objective of early identification of employees whose behavioral problems may be linked to medical and personal causes and to strongly encourage them to seek assistance. In many cases this could be accomplished through referral to the local Employee Assistance Program Committee.

Very truly yours,

Megan Fowler
Executive Vice President Human Resources

[See Doc 39]

December 12, 1996

Mr. Richard Shoemaker
Vice President and Director
General Motors Department
International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Shoemaker:

During our discussions regarding the content of the new 1997 Allison/UAW National Agreement we found that several paragraphs and appendices of the 1993 GM/UAW National Agreement apply to situations pertaining to multiple bargaining unit locations. Since Allison Engine Company hourly employees are currently represented only by Local 933 of the UAW, those paragraphs are not applicable to our present circumstances and are not being included in the 1997 Allison/UAW National Agreement.

However, if these circumstances change in the future, we have agreed that the paragraphs and appendices listed below should be reviewed by the parties to determine their relevancy to the then existing circumstances.

Following are the applicable paragraphs, appendices and Documents which were not carried over from the 1993 GM/UAW National Agreement to the 1997 Allison/UAW National Agreement for the above stated reasons.

(96a)(1)	(96a)(3)	Appendix A
(96a)(1)(a)	(96a)(4)(a)	Appendix J
(96a)(1)(b)	(96a)(4)(b)	(61b)(5), reference to Appendix A
(96a)(a)(c)	(96a)(5)	Document 15
(96a)(2)	(96a)(6)	Document 23
(96a)(2)(a)	(99a)	
(96a)(2)(b)		

Sincerely,

B.D. Smith, Vice President
Human Resources

OVERTIME

February 26, 2008

Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

During the 2008 negotiations the parties discussed both the Union's and Management's concerns about the scheduling of overtime work in Rolls-Royce Corporation.

On the one hand Management recognized the legitimacy of the Union's concern that production not be scheduled on a sustained basis on overtime rather than recalling laid off employees or hiring new employees. On the other hand, the Union recognized that the scheduling of overtime serves an essential purpose in many situations in order to meet temporary or seasonal increases in sales, at new model start-up, and to make up for production lost due to factors beyond the parties' control, such as interruptions in the supply of parts. Also the parties recognize the need for overtime on vital tooling and maintenance projects which often must be accomplished quickly on tight time schedules in order to avoid interruptions or delays in production and layoffs of production employees.

As a result of these discussions, the parties agreed to establish a procedure for regularly reviewing overtime work schedules. This review will be accomplished between representatives of Rolls-Royce Corporation and International Union, UAW. The review is intended to assure that overtime work is not scheduled at a plant on an ongoing basis in cases where there are practical and economical alternatives. The alternatives to overtime considered by the parties may include employment increases, innovative shift arrangements, or improvements or additions to the plant's equipment which could eliminate a bottleneck; or the parties may conclude that the reasons for the overtime are temporary or unavoidable and that there are no practical or economical alternatives.

The purpose of this review procedure is to assure a timely and thorough

review of overtime work schedules and provide for a balanced consideration of the interests of both parties.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

[Para. 71a]

[See Doc 83]

[See CSA #11]

Doc No 117

**JOBS PROGRAM
VOLUNTARY RETIREMENT LEAVES**

February 26, 2008
Mr. Robert Woodcock
Chairman
Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock:

This is to confirm our understanding that the Pre-Retirement Leave Program set forth in Document No. 117 in the National Agreement and as implemented in the March 25, 1991 implementation document, shall be renewed for the duration of the 2008 Collective Bargaining Agreement. The renewal shall be on the same terms and conditions except that eligibility shall be limited to employees who would be eligible for a regular early retirement based on attaining 30 years of service within twenty-four (24) months of participating in a pre-retirement leave. Upon attainment of 30 years of service, the participating employee will retire. The National parties are authorized to make jointly approved modifications to the program, as necessary.

Employees on pre-retirement leaves are considered to be Protected employees under the JOBS Program and will receive the same insurance benefits.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Doc No. 118 Deleted

**UAW-ROLLS-ROYCE-CORPORATION MEMORANDUM OF
COMMITMENT TO PRODUCT QUALITY**

During the past several years, the Company in cooperation with UAW leadership, together with the men and women of Rolls-Royce Corporation, have worked together in a spirit of teamwork to improve product quality. The spirit of cooperation has resulted in substantial improvement in the quality of the Company's products and services.

Further, the parties recognize that the production of the highest quality, customer-valued products is essential to secure the Company's position in the market and assure job security. The Company stated that high quality products have to be the result of a total quality process if Rolls-Royce Corporation is to continue to be the world leader in the production of gas turbine engines and components.

The Rolls-Royce Corporation process for total quality management is the Quality Network—the one process for total customer satisfaction and enthusiasm. Although Management has the ultimate responsibility for the Quality Network, it is recognized that UAW leaders and members are valuable partners in the development of the process, the action strategies, and its implementation plans.

Such participation is reflected in the extensive efforts both parties have devoted to the subject of quality, both on the national and local levels, exemplified by the institution of quality councils at the Company and Operations level. Further, the parties during discussion of this document have restated their commitment of the Quality Network process and to the successful implementation of this jointly developed quality strategy. This process includes continuously improving the quality of everything we do and eliminating waste in the manufacture of products and in services provided, and as a result, will serve to enhance the job security of all Rolls-Royce Corporation employees.

It is recognized that the point where product design, technology, process and materials come together and must work in harmony is at the worker/supervisor level in the organization. High quality products result from a well managed process that motivates employees to work together within a spirit of teamwork to continuously improve customer satisfaction. It is acknowledged that it is ultimately management's responsibility to establish and assure product quality requirements and provide the processes for continu-

ous quality improvement that support all employees and are based on the Beliefs and Values.

It is recognized that performance of high quality work is everyone's responsibility, and as a result, it is intended that the Quality Network Representatives and UAW leadership working together with local management will reinforce other ongoing quality improvement activities.

Finally, the parties discussed the necessity for all Rolls-Royce Corporation employees to take individual responsibility for product quality. Management's business planning process will include the necessity for providing employees with the appropriate training, methods and systems, materials, and equipment in an appropriate environment to perform their work. It is then incumbent upon employees to exercise diligence and properly perform their work to produce the highest quality, customer-valued products.

The general guidelines for the parties to provide additional support to employees in this quality improvement process are set forth in the letters dated February 26, 2008, and entitled "Quality Network" and "Product Quality", and published as Documents 40 and 41 respectively in this Agreement. It is only through personal commitment from every Rolls-Royce Corporation employee to provide the highest quality, customer-valued products that we will satisfy our customers and maintain job security for all.

In witness whereof, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives on this 26th day of February, 2008.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

[See Doc. 40,41]

2008 Rolls-Royce Corporation-UAW Contract Settlement Agreement

Agreement dated this February 26, 2008 between Rolls-Royce Corporation, hereinafter called the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, hereinafter called the Union.

The parties hereto agree as follows:

1. New National Agreement

A new National Agreement to be dated February 26, 2008 and to become effective as hereinafter provided in Paragraph 24 of this Agreement has been negotiated by the parties hereto and consists of the provisions of the National Agreement between the parties dated February 26, 2008 and the documents, memorandums of understanding and letters initialed by the parties and attached to the National Agreement among the International Union, UAW, Rolls-Royce Corporation and the Rolls-Royce Corporation, except for the changes hereinafter noted.

2. National Agreement Paragraphs

A. The following paragraphs of the February 26, 2008 Agreement have been initialed by the parties and attached hereto and shall be included in the new Agreement. The intent of the following paragraphs have not changed:

Introduction	4h - Form	4q	16	22d	37
Preface	4i	4r	16(1)	23	38
Agreement	4i1	4s	16(2)	23a	38(1)
1	4i1(a)	5	16(3)	24	38(2)
2	4i1(b)	6	16(4)	24a	38(3)
3	4j	6a	18	25	38(4)
4	4k	7	19	26	38(4)(a)
4a	4l	8	20	27	38(4)(b)
4b	4l(a)	9	21	28	38(4)(c)
4c	4l(b)	10	21(1)	29	38(4)(d)
4d	4l(c)	11	21(2)	30	38(4)(e)
4e	4l(d)	12	21a	31	38(4)(f)
4f	4l(e)	13	21b	32	39
4g	4m	14	22	33	40
4g1	4n	15	22a	34	41
4g2	4o	15a	22b	35	42
4h	4p	15b	22c	36	42a

42a(1)	61a(3)	72	84(c)	99	113a
42a(2)	61a(4)	73	85	100	114
43	61b	73a	85(a)	101b	115
43a	61b(1)	73a1	85(b)	101c	116
43b(1)	61b(2)	74	85(c)	101d	117
43b(a)	61b(3)	74a	86	101e	118
43b(2)	61b(3)(A)	75	87	101f	119
43b(3)	61b(3)(B)	76	87(1)	101g	120
44	61b(4)	76a	87(1)(A)	101h	121
45	61b(5)	76b	87(1)(B)	101i	122
46	61b(6)	76c	87(1)(C)	101j	123
46(1)	61b(7)	77	87(1)(D)	102	123(a)
46a	61c	77(a)	87(1)(E)	102a	123(b)(1)
47	62	77(b)	87(1)(F)	103	123(b)(2)
48	63a	77(c)	87(2)	104	123(c)
48(1)	63b	77(d)	88	105	123(d)(1)
48(2)	64	77(e)	89	105a	123(d)(2)
50	64a	77(f)	89a	106	123(d)(3)
50(a)	64b	78	90	107	123(e)
50(b)	64c	78a	90(1)	108	123(f)
51	64d	78b	90(2)	109	123(g)
52	65	79	90(3)	109a	123(h)
53	65(1)	79a	90(4)	110	123(i)
54	65(2)	79a(1)	91	110a	123(j)
55	65(3)	79a(2)	91(1)	110b	123(k)
56	66	79b	91(2)	111	123(l)
57	67	79c	91(3)	111(a)	124
58	67(1)	79d	91(4)	111(b)	125
58a	67(2)	79e	91(5)	111(c)	126
58a(1)	67a	79f	91(6)	112	127
58a(2)	68	79g	91a	112(1)	128
58a(3)	69(a)	79h	92	112(2)	129
58a(4)	69(b)	79i	93	112(3)	130
58a(5)	69(c)	80	94	112a	131
59	70	81	95	112b	132
60	71	82	96	112c	133
61	71a	83	96a	112d	134
61a	71a(1)	84	97	112d(1)	134(a)
61a(1)	71a(2)	84(a)	98a	112d(2)	134(b)
61a(2)	71a(3)	84(b)	98b	113	134(c)(1)

134(c)(2)	149a(2)	169	180(b)	191	208
134(d)	150	170	180(c)	192	209
135	152	171	180(d)	193	210
135(a)	153	171(1)	181a	194	211
135(b)	154	171(2)	181b	196	212
135(c)	155	171(3)	182(a)	197	213
136	156	171(4)	182(b)	198	213a
137	156a	172	182(c)	199	214
138	156a(1)	173	182(d)	200	215
139	156a(2)	174	183(a)	201	216
140	156a(3)	175	183(b)	202	217
141	156a(4)	175(1)	183(c)	202(a)	218a
141(a)	157	175(2)	183(d)	202(b)	218b
141(b)	157(a)	175(3)	183(e)	202(c)	219
142	158	175(4)	183(f)	202(d)	220
144	159	176	183(g)	203	221
145	160	176(1)	184	203a	222
146	161	176(2)	185	203b	223
147	162	177	186	203c	224
148	165	178	187	204	225
149	166	178a	188	205	226
149a	167	179	189	206	227
149a(1)	168	180(a)	190	207	

B. The intent of the following paragraphs has been changed and initialed by the parties for the February 26, 2008 Agreement.

17	98	151	195
49	101	163	
63	101a	164	
96b	143	194a	

C. The following paragraphs for the February 26, 2008 have been added and initialed by the parties:

181c

D. The following paragraphs have been deleted from the 2005 National Agreement:

101

3. Documents, Memorandums of Understanding and Letters

A. The following are documents, memorandums of understanding and letters of the February 26, 2008 Agreement. The intent of the following documents, memorandums of understanding and letters has not changed:

1	Health and Safety
Att. A to 1	Health and Safety
2	Sourcing
Att. A. to 2	Offset Requirements
4	Joint Activities
5	Funding and Training
6	Previously Deleted
7	Previously Deleted
Att. A to 8	Labor Studies
Att. B to 8	Scholarship for UAW Children
Att. C to 8	Retiree Tuition Assistance Plan
9	Skilled Trades Subcontracting
10	Previously Deleted
11	Previously Deleted
12	Voluntary Political Contributions
13	Plant Closing Moratorium
14	Skilled Trades Representation
15	Temporary Delay of Dues Check off
16	Purchasing Activity Communication
17	Exchange of Views
18	Para. 85a Interpretation
19	Delayed Starting Time on Sunday Night
20	Special Double Time Case
21	Special Protracted Work Case

22	Notice to Laid Off Employees of Recall
23	Relieving Employees for Committeeman
24	Representation During Management Meetings
25	ADAPT Process
26	Workplace Violence & Critical Incident Response
27	Drug Testing MOU
28	Federally Mandated Drug Testing
29	Personnel Practices
30	EEO Policy
31	EAP Committee
32	Employment of Handicapped
33	Employment of Disabled and Viet Nam Veterans
34	Review of Personnel Records
35	Selection of EIT'S
36	Previously Deleted
37	Work/Family Resource and Referral
38	Orientation Program
39	Employee Assistance Program
40	Quality Network
41	Product Quality
42	Supplier Corporate Citizenship
43	Career Development Program
44	Expeditious Grievance Handling—Rolls-Royce to UAW
45	Expeditious Grievance Handling—UAW to Rolls-Royce
46	Joint Program Representatives
47	Temporary Employees
48	Arbitration Letter
49	Management Representative In Disciplinary Interview
50	Holiday Pay and DLO
51	Collective Bargaining Agreement Training
52	Reinstatement of Grievances
53	Furnishing Work Elements-Standard Cases

54	POW/MIA Flags
55	Implementation of Production Standards Settlements
57	QN Implement.-Redeployment and Meaningful Work
58	Previously Deleted
59	Coordination of Sourcing Evaluations
60	Pre-Apprentice Training
61	Apprentice Committee Members—Mgmt. Experience
62	Joint Activities
63	Job Security—Apprentice Training And J Development
64	Apprentice Work Assignments
65	Related Training Bonus
66	Layoffs – Apprentices and EIT’s
67	Administration of Paragraph (178)
68	Transfers and Promotions – Suspension of Provisions
69	Federal Income Tax Withholding
70	Procedure to Correct Pay Shortages
71	Employee Social Security Numbers
72	Deductions to Recover Overpayments
73	Retiree Use of Fitness Center
74	Benefit Plans and Health and Safety Center
75	Facilities for Local Apprentice Committee
76	Furnishings for Benefit and H&S Centers
77	Local Union Presidents
78	Anticipated Termination of Sick Leaves
79	Change in Shift Hours or Lunch Periods
80	Management Health and Safety Roles/Responsibilities
81	UAW Health and Service
82	Reduction in Exposure to Metal Removal Fluids
83	Overtime Policies
84	Weather Conditions
85	Innovative Wage Structures

86	Christmas Holiday Period
87	COLA Calculation
88	Car Discounts
89	Previously Deleted
90	Personal Privacy
91	Sale of Business
93	Bereavement Vacation with Pay
94	Holidays During Approved Vacation
95	Grievance Procedure
96	Cooling off Period
97	Promotions – Paragraph (63)
98	Subcontracting Communications
99	Policy Regarding Sexual Harassment
100	Warranties
101	Educational and Career Counseling
102	TAP College Recognition
103	Previously Deleted
104	Movement of Work – Advance Notice
105	Independence Week
106	Skills Center – Training in Plant
107	Training of Individuals with Disabilities
108	Child Care Program
109	Pre and Post Retirement Programs
110	GM, Allison. UAW MOU
111	Overtime for Vacation Replacements
112	Work Assignments Skilled Trades
113	EDS Work Assignments
114	EAP Early Intervention
115	Deleted Paragraphs
116	Overtime
117	JOBS Program – Voluntary Retirement Leaves

- 118 Previously Deleted
- 119 Commitment to Product Quality
- Direct Deposit
 - Smoke Free Plant Transition
 - Federal Election Day
 - Excerpts from the minutes of the EAP Subcommittee
 - Excerpts from the minutes of the Pre/Post Retirement Subcommittee
 - Excerpts from the minutes of the Skilled Trades/Apprentice Subcommittee
 - Excerpts from the minutes of the Training Committee
 - Excerpts from the minutes of the Apprenticeship Subcommittee
 - Excerpts from the Promotions and Overtime Subcommittee
 - Excerpts from the minutes of the Skilled Trades Subcommittees
 - Relationship with UAW
 - Updates of personal data
 - Diversity Training Initiatives
 - Stimulating the sales of Rolls-Royce Corporation Products
 - Excerpts from the minutes of the Quality Network
 - Sexual Orientation
 - TAP Benefits Onsite Facility or Local Union Hall
 - Excerpt from the Skilled Trades Subcommittee
 - Joint Skilled Development and Training
 - Transition Centers
 - Excerpts from the minutes from the Subcommittee on Document 91/ Sale of the Business
 - Alternate Shift Pattern

B. The intent of the following documents, memorandums of understanding and letters has been changed and initialed by the parties for the February 26, 2008 Agreement:

Att. B to 2	Rolls-Royce Work
3	Workforce Adjustments
8	MOU – Tuition Assistance Plan
56	Relief Time – Certain Operations
92	Lump Sum Payments

C. The following documents, memorandums of understanding and letters for the February 26, 2008 have been added and initialed by the parties:

- **Focused Factory Supplemental Agreement**

D. **The following documents, memorandums of understanding and letters for the February 26, 2008 have been deleted and initialed by the parties:**

- Condition One and Two Employees
- Excerpts from the Minutes of the Funding Committee
- Lump Sum Bonus

4. Union Bulletin Boards and Publication Racks

The Union agrees to indemnify the Company against any and all actions, charges, claims, damages or losses of any kind or nature whatsoever resulting from, arising out of, based upon, or attributable to (1) any material posted or displayed on Union Bulletin boards bearing the written approval of the President of the Local Union or the Chairperson of the shop Committee, or (2) the display and/or distribution through the Union Publication Racks of publications of the local Union and International Union which have been certified to Management as official by the President of the Local Union, the Chairperson of the Shop Committee or the International Union Representative.

5. Grievances Under Old Agreement

Grievances filed with Management prior to the effective date of the new Agreement, may be appealed to the Umpire and considered by him under the provisions of the February 26, 2005 Agreement as though that Agreement were in effect until the effective date of the new Agreement.

6. Local Agreements

It is agreed that any written local agreements, including but not limited to, the local wage agreement, local seniority agreement and local shift preference agreement, entered into by the Shop Committee and Local Management, currently in effect, shall continue as local agreements between

the respective local Management and Shop Committee subject to their respective terminal provisions, if any, and subject to the provisions of the new Agreement, for the life of the new Agreement. Any local agreement without a termination clause shall terminate without further action by either party to such local agreement, with the effective termination of the new Agreement, and such local agreement shall not be terminated otherwise except as the parties to such local agreement may agree hereafter in writing.

7. Local Issues Strikes

The Company will waive the provisions of the National Agreement prohibiting the right to strike with respect to each plant in which the International Union, UAW, authorizes a strike arising out of current negotiations of local issues, demands and supplemental agreements for the duration of the continuance of such strike. At such plant, no such strike shall be authorized or called, however, without at least 5 working days prior written notice by the Union to the Company of the intention to authorize any such strike.

8. Related Supplemental Agreements

The following are modified or changed supplemental agreements for the 2008 National Agreement as initialed by the parties:

- Exhibit A and A1 – Pension Plan
- Exhibit B and B1 – Life and Disability Benefits
- Exhibit C and C1 – Health Care Program
- Exhibit F and F1 – Profit Sharing Plan
- Exhibit G and G1 – Personal Savings Plan
- Exhibit I – Legal Services Plan

9. Statement on Technological Progress

A statement, entitled “Statement on Technological Progress,” as initialed by the parties, is attached here to and made a part thereof.

[See Statement on Technological Progress]

10. Apprentice Safety Training

During the 2005 negotiations the parties agreed to a revised Basic Safety Training Guide covering all approved Rolls-Royce Corporation-UAW Apprentice Training schedules except design classifications which reads as follows:

“The approximately 80 hours of safety instruction provided for will be

incorporated into the shop or related training schedules or a combination of both. The total shop training shall remain 7,328 hours and the total related training shall remain 576 hours. The portion of the 80 hours to be provided as shop training shall be subtracted from existing 'Optional Hours.' The portion of the 80 hours to be provided as related training shall be subtracted from 'Unassigned' related training hours.

“When the method of providing this safety training has been jointly established locally it shall be reviewed by the Local Apprentice Committee and the Local Joint Committee on Health and Safety and a copy of each revised schedule shall be forwarded to the appropriate section of the International Union for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice.”

11. Paragraph 69-Supervisors Returning to the Bargaining Unit

During the 2005 negotiations, the parties revised the language of Paragraph 69 of the 1997 National Agreement. This revised language provides for hourly employees transferring to a salaried position after the effective date of the 2005 National Agreement to serve a one year probationary status and then make a formal decision to either retain the salaried position and sever all future return rights to the bargaining unit or return to hourly status. Salaried employees who had bargaining unit status and were transferred to a salaried supervisory position prior to the effective date of this 2005 Agreement will be governed by the provisions of Paragraph 69 of the 1997 National Agreement with regard to their return to the bargaining unit.

12. Ratification and Effective Date

A. The new Agreement shall become effective on February 26, 2008 providing the Company receives satisfactory notice from the Union that the new Agreement has been ratified by the Union membership within two weeks of reaching a tentative agreement or as mutually agreed by the parties.

B. No provision of the new Agreement shall be retroactive prior to the date such Agreement becomes effective, unless otherwise specifically stated therein.

13. Counterpart Signatures

The signatures hereon shall be applicable to each of the various written agreements to which each party has committed itself in the same manner and with the same effect as if physically subscribed thereon.

The parties hereto, each by its duly authorized officials and representatives hereby accept this Contract Settlement Agreement and each and all terms and conditions thereof.

Local 933, UAW

Robert D. Woodcock

David Atwood

Mike Maraldo

Dean Farley

John Morical

Rick Berry

J.R. Reese

International Union

Ron Gettelfinger

Jimmy Settles

Mo Davison

Sergio Gonzales

Date: _____

Rolls-Royce Corporation

John Gallo

Megan Fowler

Jeff Handy

Kevin M. Johnson

Shawn Alpers

Harrison Havard III

Kent Duncan

Mike McKibbin

Jennifer Settles

Karen MacKay

CSA Attachment

STATEMENT ON TECHNOLOGICAL PROGRESS

During negotiations the International Union has claimed that certain work which is performed at some plant locations where the UAW is the certified bargaining representative of certain employees has been improperly assigned to non-represented employees of Rolls-Royce Corporation.

The Company is mindful of the Union's concern regarding the scope and work content of job classifications of employees in the UAW bargaining unit and how such may be affected by advancing technology. Accordingly, the Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee will meet periodically to discuss matters concerning new or advanced technology that cannot be resolved locally and are referred to it by local unions or local managements as well as claims of erosion of the bargaining unit.

Since the first National Agreement of June 24, 1940, many necessary changes in methods and processes have had an impact upon the scope and work content of job classifications of both represented and non-represented employees.

Advancing technology has created, and will continue to create, new and more complex problems bearing upon the work content of job classifications of employees represented by the Union.

It is not the Company's policy to assign to non-represented employees work which comes within the scope and content of that normally assigned to represented employees at a particular plant location. The Company recognizes that mere novelty or the sophistication of new technology alone is not grounds for withdrawing work from represented employees. Similarly, the Company does not believe that the perimeters of the bargaining unit at a particular plant location should be expanded simply by the introduction of new technology.

It is recognized that advances in technology may alter, modify or otherwise change the job responsibilities of represented employees at plant locations and that a change in the means, method or process of performing a work function including the introduction of computers, energy management systems, modem, art to part, tool cutting paths and fiber optics or other new or advanced technology will not serve to shift the work function from represented to non-represented employees. Therefore:

1. Where a work function at a plant location preceded the certification of

the Union, the work function will be assigned as it was assigned at the time of certification, unless there has been a written agreement otherwise.

2. Where a work function was introduced at a plant location following the certification of the Union, the work function will be assigned as it was originally assigned, unless there has been a written agreement otherwise.

The Company and the International Union are in agreement that the assignment of represented or non-represented employees depends upon the work function involved and not necessarily upon the work tasks required to accomplish such work function.

Notice and Discussion

The Company agrees to advanced written notification to local unions at locations planning the introduction of new or advanced technology so as to permit meaningful discussion of its impact, if any, upon skilled or non-skilled employees.

The Management will describe for the Shop Committee the extent to which such technological changes may affect the work performed by represented employees at the plant location involved. The Chairperson of the Shop Committee and the International Union will be provided a written description of the technology involved, the equipment being introduced, its intended use and the anticipated installation date(s). During the discussions the Chairperson of the Shop Committee may include other Local Union representatives such as the Health and Safety Representative, a representative from the Local Joint Skill Development and Training Committee, a member of the Local Apprentice Committee, or other employees, as necessary, in order to review the various matters of concern relative to the introduction of the new technology involved. Accordingly, the parties agreed upon the following examples of situations where notification should be given:

- A) The first introduction of a technology as compared to previously existing plant technology.
- B) Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.
- C) Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

The parties also highlighted that the National Agreement provides for notification to take place as far in advance of implementation of the technological change as is practicable. This is not only to enable the Shop Committee to discuss the impact such introduction of technology has on the bargaining unit, but also to discuss timely implementation of employee training to prepare them to perform their appropriate functions.

Training

The Union has also voiced concern about the possibility that new, technologically impacted bargaining unit work will not be awarded to represented employees because they are insufficiently trained to perform it. In view of the parties' interest in affording maximum opportunity for employees to progress with advancing technology, as part of the advanced discussion, the parties shall seek to identify appropriate specialized training programs so that employees will be capable of performing new or changed work normally performed by represented personnel.

Dispute Resolution

The following paragraphs set forth a means of resolving disputes concerning particular problems occasioned by advancing technology.

Where the initial introduction of new or advanced technology at a plant location occasions a question of whether:

- 1) certain new work should be assigned to represented employees,
- 2) affects the job responsibilities of represented employees, or
- 3) otherwise impacts the scope of the bargaining unit,

Management and the Shop Committee will attempt to resolve the matter without resorting to the grievance procedure. Management will cooperate in the Shop Committee's investigation and evaluation of impact issues raised due to the introduction of new or advanced technology. Comments by the Shop Committee will be carefully evaluated by the Management in accordance with the Company's policy relative to the assignment of work which comes within the scope and content of that normally assigned to represented employees at the plant location. If the issue remains unresolved, it may be introduced into the second step of the grievance procedure as provided in Paragraph (31) of the National Agreement.

Settlements made by the local parties concerning the assignment of work functions as between represented and non-represented employees in relation

to the new or advanced technology discussed will be forwarded to the International Union and will be reviewed by the Rolls-Royce Corporation-UAW Skilled Trades & Apprentice Committee within thirty (30) days of receipt of the settlement. In the event either the Company or the International Union does not approve the settlement following the review by the National Committee, the subject matter in dispute will be referred to the Management-Shop Committee Step of the Grievance Procedure and be processed in accordance with the applicable provisions of the Grievance Procedure.

[See CSA #9]

February 17, 2005

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Direct Deposit

Dear Mr. Woodcock:

During the current negotiations the company and the union examined ways of reducing cost. With that in mind, the company informed the union that effective July 1, 2005 Rolls-Royce Corporation will discontinue issuing hard copy check. Employees will have two options available in lieu of payroll checks: 1) direct deposit, 2) debit cards or a combination of both. The debit card option is viewed by the Indiana Department of Labor as an acceptable replacement for payroll checks.

Employees will have until May 31st to furnish the payroll department with a bank account number for direct deposit. Employees, who have not supplied the payroll department with an account number, will default to the debit card option.

If an employee chooses direct deposit, they can have earnings deposited in up to three accounts. Employees can have payroll advices mailed to the address of record or an address strictly for payroll purposes. Employees may also choose to waive their right to an advice by signing the appropriate forms in the payroll department.

If an employee chooses a debit card, they will have the same options as an employee on direct deposit as related to payroll advices. The debit card can be used in unlimited amounts at any J.P. Morgan Chase/Bank One institutions with no user fee. Employees can use the debit card one time per week at no expense to them at any banking institution. There after the employee will be responsible for any fees incurred with the use of the debit card at other institutions.

During the month of June employees either choosing or defaulted to debit cards, will have the ability to attend a training/familiarization class relating to the use of debit cards.

Very Truly Yours,

Kevin M. Johnson
Manager, Labor Relations

February 17, 2005

Mr. Robert Woodcock
Chairman
Local 933, UAW

Re: Smoke Free Plant Transition

Dear Mr. Woodcock:

During the 2005 negotiations, the parties discussed at length the need for moving the facility towards a non-smoking environment, for reasons of improving the overall health of the workforce, house keeping and potential FOD (foreign object damage) throughout the facility.

Smoking areas will be designated throughout the plant. Once areas are designated within the plant as smoking, all other areas of the plant will be smoke free.

Effective six months after designated smoking areas are established, smoking will be prohibited within the buildings and will be limited to designated areas outside of the physical plant.

The company will assist its employees through this transition: by providing medically supervised smoking cessation programs through 2006.

Very Truly Yours,

Kevin M. Johnson
Manager, Labor Relations

February 26, 2008

Mr. Robert D. Woodcock
Chairman, Bargaining Committee
Local 933, UAW

Re: Federal Election Day

Dear Mr. Woodcock:

Tuesday, November 4, 2008, Federal Election Day, shall be added to the list of Holidays under Paragraph (203) of the Agreement.

Sincerely,

Megan Fowler
Vice President, HR
Rolls-Royce Corporation

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From The Minutes Of The EAP Subcommittee

During the course of the current negotiations, the parties discussed numerous issues and concerns relating to the administration of the EAP as follows:

- EAP Representative professional development
- Training Needs
- Program Promotion
- Lending Libraries
- Self Assessment Completion Requirements
- EAP Representative Role in Follow-up
- Date Collection and Analysis Process
- Outreach Programs

It was agreed that, in light of the parties' comprehensive audit of the EAP process currently underway, upon the completion of such audit the parties will discuss the recommendations contained therein and take appropriate action.

Moreover, the Local EAP Team will be responsible for monitoring and administering ongoing training for newly hired employees or as employees assume new leadership roles.

The parties discussed at length the Union's concern relative to the consistent application of drug testing guidelines developed under the 1993 Agreement including:

- MRO training.
- Drug testing guideline training.
- Date selection for scheduled unannounced testing for employees who test positive upon return from a substance abuse related sick leave.
- Need for an audit of Rolls-Royce Corporation drug testing procedures.

Management advised the Union that MRO and drug testing guideline training would be provided to Labor Relations and other professional medical

personnel, as appropriate, and that a common process for determining drug test dates would be developed.

Furthermore, the parties discussed the application of the “falling rate theory of marijuana” in circumstances in which an employee is subject to drug testing and has established a positive baseline test for marijuana through a NIDA certified lab using Gas Chromatography/Mass Spectrometry and is thereafter subject to further testing and again tests positive.

In such a case, Rolls-Royce Corporation reaffirmed the applicability of the falling rate theory before indicating a positive test for that substance.

Very truly yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpt For The Minutes Of The Pre-Post Retirement
Subcommittee

During the current negotiations, the UAW requested that when Rolls-Royce Corporation-UAW represented employees are designated to conduct local pre/post-retirement programs that they be paid from local joint funds at their current rate for all time spent in the preparation and delivery of all pre/post-retirement training classes, facilitator training activities, conferences, etc. during and after working hours.

Management responded that in situations where at the direction of the Local Joint Activities Committee, individuals are assigned to conduct a Pre/Post-Retirement Training Program activity that under current funding guidelines, trainer wages are an appropriate expenditure consistent with UAW-Rolls-Royce Corporation Funding Guidelines. Additionally, the Union raised the issue that on occasion adequate facilities were not provided for the preparation of the Pre/Post-Retirement Program. In those instances that are brought to the attention of the Local Joint Activities Committee they will work together to resolve this matter.

Very Truly Yours,

Megan Fowler
Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpt From The Minutes Of The Skilled Trades/Apprentice
Subcommittee

During the 2008 Negotiations the parties discussed extensively the need for continued emphasis on both fundamental skills and advanced technology training for our skilled trades workforce. In support of this initiative, the Rolls-Royce Corporation-UAW Skilled Trades and Apprentice Committee will receive favorable consideration to its mutually agreed upon requests for the use of Joint Funds for such purposes.

At the current time the parties have discussed using Joint Funds for the following:

- Expenses associated with the establishing of a joint committee, appointed by the Company and the appropriate section of the International Union, for the purpose of reviewing current apprentice training schedules of selected classifications and making recommendations, where necessary, to revise and implement modifications to such schedules that have been impacted significantly by technological advancement.
- Expenses associated with an appropriate apprentice conference for the purpose of educating/updating Local Apprentice Committees on revisions to the Standard Apprentice Plan, including the Selection Process, Program Administration and Standardized Shop Related Training Schedules.
- Expenses associated with the establishment of a joint technology committee as discussed by the national parties.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From Minutes Of Training Subcommittee

It was agreed Rolls-Royce Corporation Key 4 meetings will be scheduled to discuss items such as:

- Training objectives
- Specific problems
- New product training involving UAW represented employees including the role of outside vendors contracted to support such training
- How to best work together for successful new product introductions
- Mutual understandings and commitments to work cooperatively in the joint process

In line with the spirit and intent of the Memorandum of Understanding-Joint Skill Development and Training.

Any circumstances or issues that may arise which cannot be addressed by the local parties should be brought to the attention of the Joint Skill Development and Training Committee.

The parties discussed the issues of technical training and training course evaluation that apply to UAW-represented Rolls-Royce Corporation employees. In this regard, it was mutually agreed that the Joint Skill Development and Training Committee would be responsible for addressing the following issues:

- Improving technical training processes and methods
- Evaluation of internal/external courses prior to insertion on the Common Training Information System (CITS)
- The parties discussed the use of electronic bulletin board and the world wide web site to provide training information and two way communication to Human Resource Development Representatives (HDR's), Joint Training Representatives (JTR's), and Joint Activity Representatives (JAR's). The parties agreed to continue to evaluate the feasibility of implementing this system.

- Appointed Document 46 HDR's, JTR's, and JAR's will be required to complete a curriculum within three years after the effective date of the Agreement or three years from their appointment, whichever is first. Certification will be granted upon completion of the curriculum. This curriculum could be developed in conjunction with colleges and universities or developed by utilizing existing CHR courses or a combination of both.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpt For The Minutes Of The Apprentice Subcommittee

During the 2008 negotiations the parties agreed to a Planned/Predictive Maintenance Training Guide covering all approved Rolls-Royce Corporation-UAW Apprentice Training schedules except design and engineering classifications which reads as follows:

“The 104 hours of Planned/Predictive Maintenance technologies instruction provided for will be incorporated into the shop or related schedules or a combination of both. The total shop training shall remain 7,328 hours and the total related training shall remain 576 hours. The portion of the 104 hours to be provided as shop training shall be subtracted from existing ‘Optional Hours’. The portion of the 104 hours to be provided as related training shall be subtracted from ‘Unassigned’ related training hours.”

“When the method of providing the applicable maintenance technologies training has been jointly established locally it shall be reviewed by the Local Apprentice Committee and a copy of each revised schedule shall be forwarded to the appropriate section of the International Union for approval. The schedules revised in accordance with this agreement will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice.”

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From The Minutes Of The Promotions And Overtime
Subcommittee

During the current negotiations, the parties discussed the situation that may occur when an employee, for reasons of discharge, contractual release or voluntary quit, does not have plant seniority at the end of the vacation entitlement eligibility year.

In some circumstances a discharged employee's seniority and/or vacation entitlement may be impacted by the settlement of an associated grievance.

The parties agreed that if an employee's seniority and/or lost wages are reinstated by a grievance settlement, the employee will be eligible for all vacation entitlement earned during the affected period. Plant Management will notify the Rolls-Royce Corporation Payroll Department of any relevant situations.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From The Minutes Of The Skilled Trades Subcommittee

- The parties agreed to jointly pursue the understanding/resolution of issues involving and changes to federal, state or local ordinances with regard to licensing or certification of skilled trades employees. Currently, the local Management is empowered to reimburse skilled trades employees for any fees associated with licenses required to perform tasks normally and historically assigned to them at the plant.
- It was understood between the parties that Training Guides developed for Health and Safety and Planned/Predictive Maintenance Technologies, for application to approved Rolls-Royce Corporation-UAW Apprentice Training Schedules is to be under the direction of, and approved by, the appropriate section of the International Union.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Relationship With UAW

During current negotiations, the Union has clearly stated its view that Rolls-Royce Corporation needs to relate positively to the UAW as a total institution. The Union also urges the Company to understand the concerns of the entire UAW community.

In this regard, the Company acknowledged the significant contributions the Union and its members have made to Rolls-Royce Corporation's past successes and the crucial role they play in its future well being. The Company likewise affirmed its intention to match those contributions with a commitment to its own to acknowledge the institutional interests of the UAW.

By way of example, concerning the large number of companies with which Rolls-Royce Corporation does business either as a customer or a supplier, or both, which are UAW represented, it was agreed that it would not be in either parties best interest to reach an agreement which discriminates against these companies or their employees.

It was also agreed that the Company will, when requested by the Union, inform companies involved in UAW organizing campaigns of the positive aspects of its relationship with the UAW and the importance to Rolls-Royce Corporation of utilizing suppliers who maintain equally positive relationships with their employees. Of courses, the commitments if the Company and Union in these regards will be implemented within the bounds of applicable legal principles.

If, during the course of the present agreement, there are any matters that affect the welfare and interests of the UAW as an institution, be assured the Company will be fully receptive to having these matters brought to out attention. Your concerns are our concerns and they will receive our full and prompt attention.

Very Truly Yours,

Megan Fowler
Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Updates of Personal Data

During these negotiations, the Union expressed concern with the process by which information is given to Financial Secretaries concerning updates of personal data on members whose status or information has changed.

This will confirm that representatives of the Company will continue to work with representatives from the Local and International Union to identify alternative means for transmitting, in accordance with legal requirements and limitations, the information in a more usable format for the local Financial Secretaries' data processing requirements.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the current negotiations, the parties discussed the issue of diversity and their joint commitment to the development of an appropriate training program to facilitate UAW-Rolls-Royce Corporation diversity training initiatives for the workforce.

The Company and International Union, UAW are committed to a process that creates and maintains an environment that naturally enables the parties to contribute to the overall success of Rolls-Royce Corporation and to the job security of UAW represented employees. By diversity, we mean much more than race and gender. Diversity also includes such factors as family status, military service, ethnicity, religious beliefs, education, age, and physical disabilities. Working with others of different backgrounds and perspectives helps us learn that diversity is a competitive advantage which incorporates the contributions of a multi-race, multi-ethnic, multi-cultural workforce.

Our challenge is to create a work environment free of hostility; cultural and physical insensitivity and discrimination and Rolls-Royce Corporation and UAW-represented employees within the global marketplace.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Stimulating the sales of Rolls-Royce Corporation products is a major interest of both Rolls-Royce Corporation and the UAW. Involving bargaining unit employees in the marketing of our products and interfacing with our customers can prove to be beneficial to everyone involved. Therefore, the parties will jointly investigate methods by which Rolls-Royce Corporation/UAW represented employees may become more involved with our customers and with the marketing of our products, where it is appropriate to do so.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From The Minutes of the Quality Network

During these negotiations, the Union discussed at length concern that management representatives assigned to Quality Network responsibilities have, in some cases, not been given appropriate authority and/or necessary time to perform their required joint tasks. Management assured the Union that when those circumstances arise and cannot be resolved by the Quality Council, the UAW representatives may raise the issue with the company Executive Director for Quality Network activities who will discuss the situation with the appropriate management leadership for resolution.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During recent negotiations, the International Union, UAW, requested that the Company clarify its position regarding sexual orientation.

In Rolls-Royce Corporation, we have had an on going commitment to maintenance of a workplace that is challenging and productive for all employees. Our focus also is to treat all employees equitably and not to allow discrimination of any kind within our facilities. This letter is to assure you that the Company has policies in place that prohibit discrimination in employment on the basis of sexual orientation.

Rolls-Royce Corporation's long standing policy statement covering Equal Employment Opportunity reads as follows:

"The policy of Rolls-Royce Corporation is to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, or national origin.

"Hiring and employment practice and procedures implementing this policy are the responsibility of the employing units. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company's Equal Opportunity Employment Policy."

In summary, Rolls-Royce Corporation's policy on Equal Opportunity Employment requires that we treat all people with dignity and respect and prohibit discrimination of any kind, including discrimination based on sexual orientation.

All employees are expected to deal fairly and honestly with one another to ensure a work environment free of intimidation and harassment. Abuse of the dignity of anyone through slurs or other derogatory or objectionable conduct, including that based on sexual orientation, is offensive employee behavior and has no place in Rolls-Royce Corporation. Additionally, any claim of harassment having its basis as sexual orientation may be taken up

as a grievance under the appropriate provisions of the Rolls-Royce Corporation-UAW National Agreement.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: TAP Benefits- Onsite Facility or Local Union Hall

During the 2008 Negotiations, the parties discussed the applicability of Tuition Assistance benefits as they pertain to training or educational courses taught by qualified educational providers on site at our plant facility or at the local union hall. In this regard the parties agreed that TAP benefits for such training would be approved under the following conditions:

- The training in question would, under normal circumstances, be eligible for TAP participation if conducted by a recognized educational provider at some other facility.
- The cost for such training will not exceed costs associated with similar training at a recognized educational facility such as a nearby public institution.
- Written requests for approval of TAP benefit utilization will be made in advance to the Key 4 by appropriate local management and union representatives before training or classes are conducted and training will not commence until approval is given.

The information will be jointly communicated to the local parties shortly following the conclusion of the negotiations.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpt From the Minutes of The Skilled Trades Subcommittee

During the 2008 Negotiations, the parties discussed the fact that the GM/UAW Skilled Trades and Apprentice Committee has committed to prepare an “Outside Contracting Checklist” for use by GM/UAW locations during discussions of potential outside contracts for the performance of skilled maintenance and construction work.

The “Checklist” will include the relevant considerations to be reviewed by local parties, as outlined in the applicable provisions of the 1997 GM/UAW National Agreements, during the advance discussions of such contemplated outside contracting.

Once the “Checklist is completed, Rolls-Royce Corporation Labor Relations Staff and the Shop Committee will review the “Checklist” to determine its applicability for use during our discussion of contemplated outside contracting issues and modify the form where necessary to improve its usefulness at Rolls-Royce Corporation.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During these negotiations the parties discussed the application of the Memorandum of Understanding Joint Skill Development and Training and the Memorandum of Understanding Human Resources Development. While there is not a disagreement with the focus of these memoranda, the subjects are primarily concerned with studies and activities which are being pursued by the International Union and Rolls-Royce Corporation at the national level. The parties agree that the UAW/Rolls-Royce Corporation Joint Activity Committee will monitor the activities relating to these subjects and adopt and implement those features which are applicable to our operations.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2008

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

During the 2008 Negotiations, the parties discussed the concept of Transition Centers. These centers and their corresponding programs are made available to employees who are affected by a plant closing or a reduction in the workforce where recall is unlikely.

The parties have agreed that should a large number of employees be impacted by a plant closing or workforce reduction, with little chance of recall, a plan will be put in place to provide programs focused on Basic Skill Enhancement, College/Vocational Skill Enhancement, Financial Planning, Pre/Post Retirement, Employability Skills and Layoff Services.

At such time as this, should such programs become necessary, a joint team would be formed comprised of Local Management, Local Union Representatives, and the International UAW to develop a plan for implementation.

Costs for these programs will be provided through government funding, if available, and/or Joint Funds where appropriate.

Very Truly Yours,

Megan Fowler

Executive Vice President Human Resources

February 26, 2005

Mr. Robert Woodcock
Chairman Local 933
2320 South Tibbs
Indianapolis, Indiana 46241

Dear Mr. Woodcock,

Subject: Excerpts From the Minutes of The Subcommittee on Document 91/Sale of the Business

During the current National negotiations the parties discussed the application of Document 91, Sale of the Business to the Allison Engine Repair Operation (AERO), and Rolls Royce Power Parts.

The parties have agreed that should AERO be sold during the term of the 2000 Rolls-Royce Corporation/UAW agreement and the buyer of the operation leave it within the Indianapolis area, then the terms of the 2000 Rolls-Royce Corporation/UAW agreement would be applicable to the operation under its new ownership.

The parties have further agreed that should AERO be sold during the term of the 2000 Rolls-Royce Corporation/UAW agreement and the buyer of the operation relocate the business outside of the Indianapolis area, then the provisions of Document 91, Sale of the Business, would not apply.

Very Truly Yours,

Robert M. Plummer

Executive Vice President Human Resources

February 26th, 2008

Mr. Robert Woodcock
Chairman
Local 933, UAW
Rolls-Royce Corporation
2001 South Tibbs Avenue
Indianapolis, IN 46254

Memorandum of Understanding - Alternate Shift Pattern

During the 2005 Rolls-Royce Corporation and UAW Collective Bargaining Negotiations and consistent with the 2000 Rolls-Royce UAW Contract Settlement Agreement; Section 11, the parties have agreed that an alternate shift pattern may be advantageous to both the company and its employees once the company has managed the levels of manpower, overtime and productivity to its committed targets.

The schedule of alternative shift patterns was developed and agreed to by both parties during negotiations of the 2005 Rolls-Royce- UAW Collective Bargaining Agreement. Aspects related to the mechanics of certain Collective Bargaining Agreement provisions will need to be addressed prior to implementation.

Implementation of this schedule will be subject to either party giving notice to the other that it wishes to enter discussions to implement the alternate shift pattern on a given date. Such notification will normally be upon sustained performance levels at the committed targets. This notice may be given throughout the term of the contract agreement. It is further understood that prior to implementation of the agreed upon alternative work schedule, it will be subject to a vote of the bargaining unit members. A simple majority will be utilized to determine the outcome of said vote.

Sincerely,

Megan Fowler

Executive Vice President Human Resources

ROLLS-ROYCE CORPORATION

INDIANAPOLIS, INDIANA

FOCUSED FACTORY (FF)

SUPPLEMENT

2008 NATIONAL AGREEMENT

During the 2008 negotiations, the parties discussed at length the importance of developing competitive manufacturing operations to compete globally for future work. As such, the parties have committed to implement the terms and conditions of this supplement to bid for future work and operate under these terms for work awarded.

- A. The terms and conditions of this supplement shall be implemented based on the introduction of new work in a Rolls-Royce Corporation operation with the establishment of a separate facility within the Indianapolis area represented by UAW Local 933.
- B. The Supplemental Agreement will go into effect with the agreed establishment of the FF. The terms and conditions identified in this Supplemental Agreement shall be the exclusive terms and conditions for the FF operation.
- C. Bargaining unit employees assigned to the FF will have wages and benefits as outlined under the terms and conditions.
- D. Terms and Conditions:

1. **Wages**

The starting wages for employees in the FF will be set at the wage rate in force for New Hires as described in the 2008 National Agreement when the decision to establish the FF is made, at their current progression scale.

Wages, GWI, COLA and lump sum payments will be consistent with the application of the 2008 National Agreement.

2. **Benefits**

Employees in the FF will be entitled to medical benefits under the Anthem Core Care (or current provider) plan with a HSA (Health Savings Account) option, as applicable for New Hires.

Employees in the FF will be provided with eligibility to participate in a 401(k) retirement savings plan, as applicable for New Hires.

3. Performance Bonus Plan

The plan includes an All Employee Bonus Scheme (AEBS) portion as well as a facility bonus as detailed below. The bonus plan described below is in lieu of any bonus/profit share plan associated with the legacy factory.

a. AEBS

The performance bonus plan calculation shall have an initial requirement of attaining a Cash Flow target and an Average Cash Balance target for plc and RRC. Targets are established on an annual basis and will be the same as those set for operations salary employees to achieve same goals. These targets must be achieved for consideration of any payout based upon the following factors:

Profits for plc and RRC targets are set each year. There are two separate profit streams (one for plc and one for RRC). Within each stream, there are two separate profit targets which are set to provide a combined maximum of 5% of the employee’s base pay. If the first profit targets for both plc and RRC are met, the employee will receive 2.5% of their base pay. In the case where RRC meets and plc doesn’t meet the first target there will be no payout. If plc meets but RRC doesn’t meet the first target, the employee will be paid 1.875% of their base wages. If both plc and RRC meet the second profit targets, the employee will receive the additional 2.5%.

AEBS Bonus Payouts (% of pay)				
Target Level	plc (75%) *	RRC (25%)	Total Payout	Cumulative
1st Target Level	1.875%	0.625%	2.5%	2.5%
2nd Target Level	1.875%	0.625%	2.5%	5.0%

* In order for any payout at each level to be made, plc must meet the minimum targets at each level.

Employees will be paid based on total compensated hours (not to exceed 1850 hours) in the calendar year. The employee will be entitled to a 100% share of any earned AEBS if they work 1850 hours. Any employee who works less than 1850 hours, will receive a bonus which is prorated based on the compensated hours.

b. Facility Bonus

In addition to the AEBS, the employee will be eligible to earn a bonus based on Operations performance (Facility Bonus). The Facility Bonus will be eligible for payment following the evaluation of performance at the end of each quarter. Any payment earned will be paid no later than 30 calendar days after the end of the quarter. Payment will be based on achieving agreed improvement targets for quality, productivity, overtime and delivery, paid at 25% for each target achieved. Qualification for Facility Bonus payout for each year of this agreement will follow the schedule below and will be evaluated at the end of each quarter. At the time of population of the facility, the targets for each year will be agreed by both parties. The payout is not cumulative and loss of the bonus in an earlier quarter cannot be made up in the following quarters, however exceeding the target in one quarter can be applied to the following quarter. The Facility Bonus will be funded at \$4,000 per year per employee, or \$1,000 per quarter. Employees will be paid based on total compensated hours (not to exceed 463 hours per quarter) in each quarter. Any employee who works less than 463 hours per quarter, will receive a bonus which is prorated based on their compensated hours for that quarter only.

Year 1	Scrap as a percent of Sales	Productivity	Overtime	Delivery
Quarter 1	TBD	TBD	TBD	TBD
Quarter 2	TBD	TBD	TBD	TBD
Quarter 3	TBD	TBD	TBD	TBD
Quarter 4	TBD	TBD	TBD	TBD
Year 2	Scrap as a percent of Sales	Productivity	Overtime	Delivery
Quarter 1	TBD	TBD	TBD	TBD
Quarter 2	TBD	TBD	TBD	TBD
Quarter 3	TBD	TBD	TBD	TBD
Quarter 4	TBD	TBD	TBD	TBD
Year 3	Scrap as a percent of Sales	Productivity	Overtime	Delivery
Quarter 1	TBD	TBD	TBD	TBD
Quarter 2	TBD	TBD	TBD	TBD
Quarter 3	TBD	TBD	TBD	TBD
Quarter 4	TBD	TBD	TBD	TBD

4. **Work Rules**

- a. Setting up and operating numerically controlled and conventional machines and special processes directly associated with the cell. This set up includes setting up for other employees should the need arise.
- b. Accepting sign-off responsibility for the quality of the parts they are producing either on an in-process basis or on a final inspection basis. This sign-off responsibility includes inspecting parts for other employees should the need arise. Operators will utilize all relevant inspection equipment. Where technology allows, the parties will discuss the implementation and use of CMM programs that can be produced by an automated means.
- c. Performing preventative maintenance and lubrication of machinery during normal operations. This paragraph is intended to address minor preventative maintenance. Where major repairs are necessary, the appropriate personnel will be utilized. These operator duties include:
 - Oil and lube machines
 - Air/Oil filter changes
 - Changing light bulbs
 - Localized pump-out and fill-out
 - Ability to remove and replace guards to clean machines
 - Clean oil pans
 - Pulling samples for coolant condition monitoring of machines
- d. Training other operators for all FF manufacturing responsibilities.
- e. Any bargaining unit employee may be assigned the task of controlling the inventory, including movement of parts and material within the FF using an appropriate conveyance device, tracking inventory and work in progress (WIP).
- f. Any bargaining unit employee may be assigned the task of maintaining and dispersing supplies of perishable tooling and other work related supplies within the FF.
- g. Any bargaining unit employee may be assigned the task maintaining a clean and orderly work area.
- h. Prior to the implementation of the Focused Factory, the parties will

evaluate the cost effectiveness of self performing outside truck driver and custodial services and source on a competitive basis.

5. Skilled Trades Work Scope

Machine/Equipment Repair

The FF will employ bargaining unit employees to perform the maintenance of production machinery and production equipment. The following classifications will be responsible for all work associated with this task:

- Electrician
- Machine Repair/Equipment Builder

The above trades will incorporate responsibilities traditionally performed by other legacy trades at Rolls-Royce Corporation.

In instances where the personnel listed above do not have the necessary skills / equipment or training to complete the assigned repair tasks, management may utilize outside resources to complete the tasks, without any overtime / utilization obligations. The intent of this language is not to use temporary outsourcing as a basis for reducing headcount.

Calibration

It is management's intent to self perform calibration, this may be achieved by either sending gauging back to another plant, having personnel come from another plant to complete the task or having the classification of Inspector T,D,F&G populated at the plant. In certain instances the calibration of specialized pieces of equipment (some CMM's etc.) will require outside resources be utilized. In these instances there will be no overtime / utilization obligations.

At the inception of the FF, all other skilled trades services will be evaluated and sourced on a competitive basis. The Focused Factory has no impact on and receives no impact from utilization in any other Rolls-Royce Corporation facilities.

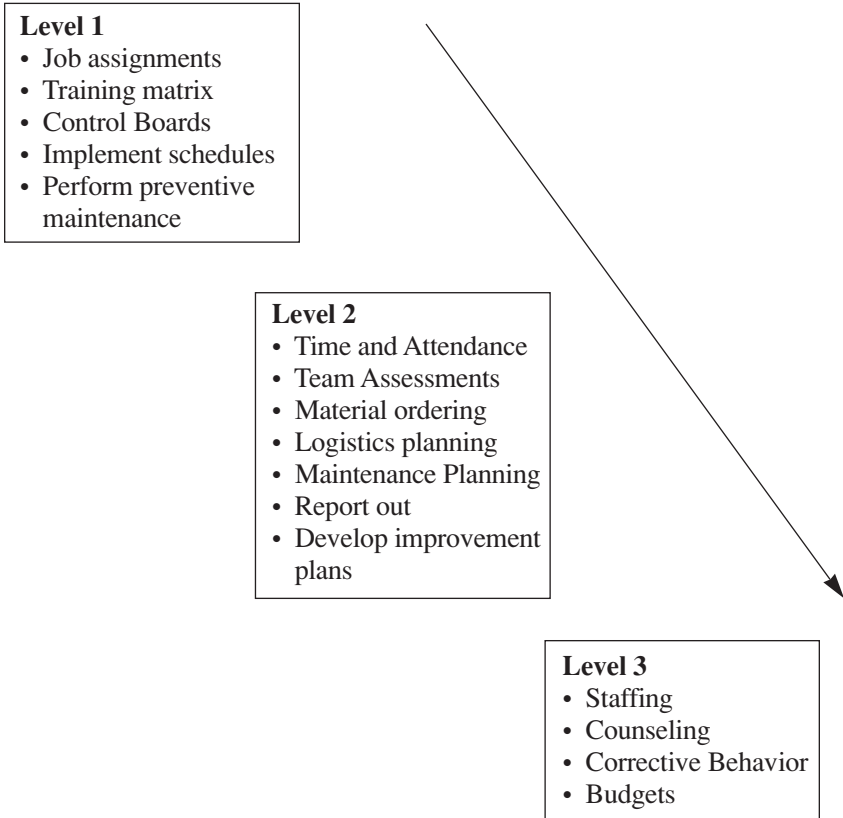
6. Self-Directed Work Teams

The purpose of Self Directed work teams is to effectively utilize the talents and skills of all employees while reducing redundancy of operations to lower costs. In the below example, there is a progression of increased responsibility in the levels. While there is limited impact to the collective bargaining agreement, it is understood the parties recognize the potential

skills of bargaining unit employees and better utilize those skills.

Both parties agree that it will be important to consider the appropriate level of training required prior to implementing Self Directed Teams at each of the levels 1, 2 and 3

Path of implementation



7. FF Transfers

Initial Transfers

Employees may apply for openings within the FF consistent with the Local Transfer Agreement. Employees transferring into the FF will assume all of the terms and conditions of this Supplemental Agreement. After a two week probationary period, the employee may, at the employee's discretion, return

to their original plant under their original terms and conditions.

Openings not populated by employees will be filled with new hires under the terms and conditions of this Supplemental Agreement.

Layoffs

For the purposes of plant seniority, the FF will be included. In the event of a layoff, eligible employees will receive the benefit treatment as described in Document 3 of the 2008 National Agreement.

Additionally, employees will have the option to transfer to the FF (seniority permitting) under all of the terms and conditions of this Supplemental Agreement.

The options for employees in the event of a layoff are (in no particular order):

- VTEP
- Layoff
- Flow to FF – seniority permitting
- Flow to Custodial Services - seniority permitting

Transfers to and from Plant 5, 8 and SCO operations

For the purpose of transfers, the FF will be included. Employees transferring into the FF will assume all of the terms and conditions of this Supplemental Agreement. Employees transferring from the FF to the legacy plant will maintain the wages and benefits treatment of this Supplemental Agreement and will assume the bonus/profit share plan and working conditions of Plant 5, 8 and SCO operations.

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