

COLLECTIVE BARGAINING AGREEMENT

between

Spirit AeroSystems, Inc.

and

SOCIETY of PROFESSIONAL ENGINEERING EMPLOYEES in  
AEROSPACE - Wichita Technical and Professional Unit



## PREAMBLE

THIS AGREEMENT, dated as of the ~~11<sup>th</sup> day of July 2005~~[current date], is made and entered into by and between Spirit-AeroSystems, Inc. (hereinafter referred to as "the Company"), and the Society of Professional Engineering Employees in Aerospace – Wichita Professional and Technical Unit (hereinafter referred to jointly as "the Union").

## PREFACE

### Company and Union Cooperation

This agreement is a reflection of the parties' commitment to these shared principles:

- To maintain a respectful, cooperative relationship; recognizing that the employees are the most valued resource the Company has.
- To work together to further the mutual success of both parties; so that the Company will continue to have a productive, flexible, competitive business with a highly-motivated, skilled and involved workforce while enabling the Union to best represent and serve its members.
- To resolve issues to the greatest extent possible through a collaborative process marked by open communication and respect for the employees, the Company and the Union.
- To appreciate what the Union and the Company bring to our business.

## ARTICLE 1 - BARGAINING UNIT

### Section 1.1. Recognition

For the purposes of collective bargaining with respect to rates of pay and other conditions of employment, the Company recognizes the Union as the exclusive bargaining agent for the collective bargaining unit described as follows:

**1.1(a) Non-engineering.** All full-time and regular part-time nonexempt employees and exempt salaried non-engineering employees (except the Occupation/Family

codes included below) primarily employed and working in the Company's plants in Sedgwick County, Kansas, including persons who are on travel status from such plants, but excluding all full-time and regular part-time employees designated as being in the professional unit in the agreement with the Company, the Union and the National Labor Relations Board in the Occupation/Family codes 6ANB, BBAQ, BBAP, 7BTP, BCCK, 7BTN, 7BTR and the 7BTY employed within the SHEA Medical Organization, confidential employees [(1.1(c) below)], managerial employees, guards and supervisors as defined in the National Labor Relations Act, and all other employees.

**1.1(b)** The Company and the Union agree that a number of employees are excluded from the bargaining unit because of their job functions and/or organizations. The following is a list of categories of work that these employees do and/or the organizations they are in:

**1.1(b)(1)** Employees who work with confidential personnel information. The people in this group include (a) all individuals working in human resource functions including employment, organizational personnel representatives, compensation and benefits, equal employment opportunity/workforce diversity, staffing and workforce, union relations, people systems and management development; (b) all individuals working in the Employee Assistance Program; (c) all individuals in the Law and Ethics organizations; and (d) all individuals in the Security and Fire protection organization. Not included in this group of confidential employees are those employees who coordinate and provide training programs.

**1.1(b)(2)** Employees who work with confidential business information. The people in this group include all individuals in the Business Operations, in Internal Audit, in Communications and Public Affairs, in State and Local

Government Relations and all Executive Office Administrators. Additionally, certain employees in the Finance Organizations in payroll, payment services, insurance, estimating/pricing, investment analysis, cost management, contracts, financial planning, overhead, tax specialists, sales accounting/billings and finance/business management as further described in Appendix A are confidential. These employees work regularly with data and information that is confidential because it includes one or more of these elements: forward pricing, confidential information regarding litigation with employees, employee personnel data, strategic business plans, decisions analysis and labor forecasting.

~~1.1(b)(3) Employees in Information Technology who have systems level root authority. "Systems level root authority" is defined as privileged access allowing employees to install, update and upgrade restricted system software and parameters at the operating system level. "Systems level root authority" also includes unlimited access to operating system passwords, user passwords, and system data. "Unlimited access" is defined as the ability to inquire, update, and/or delete information at operating system and/or database levels. The functions and job codes included in the three groups described above are listed in Appendix A hereto which may be updated from time to time by mutual agreement of the parties. Upon request, the Company will provide the Union with job classification information sufficient to allow the Union to ensure compliance with this Article.~~

## **Section 1.2. Employees**

For purposes of the remaining articles of this Agreement, the term "employees" shall include only those persons who are a part of the unit as described in Section 1.1.

## **ARTICLE 2 - RIGHTS OF MANAGEMENT**

### **Section 2.1. Management of Company**

Except as expressly modified or restricted by a specific provision of this Agreement, all statutory, common law, and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the Company, including, but not limited to, the rights in accordance with its sole and exclusive judgment and discretion to: establish reasonable rules and regulations; manage the operation; direct the workforce; promote, demote, transfer and/or assign its employees; discipline (up to and including discharge) employees for just cause; determine the number of employees to be employed; and hire employees, determine their qualifications and assign their work and work locations.

**2.1(a)** Company and the Union agree that due to the nature of the work performed by employees represented by the Union, management employees may from time to time, perform work that would otherwise be performed by bargaining unit members for the purposes of product development, process improvement, employee training or emergencies.

**2.1(b)** The terms and conditions of this Agreement are minimum and the Company shall be free to grant more favorable terms and conditions to any employee at its discretion.

## **ARTICLE 3 - DETERMINATION OF DISPUTES**

### **Section 3.1. Establishment of Procedure**

Definition: The term "grievance" shall mean a written complaint involving the interpretation or application of this Agreement. A grievance may include a complaint about an act, communication or omission which occurs after the termination of this Agreement, but no such grievance shall be subject to arbitration.

### **Section 3.2. Just Cause Requirement**

Employees shall not be disciplined or discharged without just cause. For grievances involving a layoff, discharge, suspension, or involuntary resignation employees shall have the right to begin the grievance process at Step 3 of this procedure, with the designated Company representative within ten (10) workdays after the date of such layoff, discharge, suspension, or involuntary resignation.

### **Section 3.3. Grievance Steps**

Step 1 - Oral. Any employee having a complaint shall first bring it to the attention of his immediate supervisor. A Union Representative shall be present if requested by the Company or the employee. The decision in this Step will be final and binding unless, within ten (10) workdays of the decision, the employee proceeds to Step 2 of this procedure.

Step 2 - Documented. Any complaint not resolved in Step 1 – Oral, must be documented and signed by the employee specified with alleged facts giving rise to the complaint, the Article or Sections of this Agreement alleged to have been violated, and the remedy requested. The grievance must be submitted to the employee's supervisor within ten (10) working days of the Step 1 – Oral decision. Within fifteen (15) calendar days of the manager's receipt of a grievance, the supervisor or his designee will meet with the employee and the Council Representative or designee in an effort to resolve the grievance. A written answer shall be given to the employee with a copy to the Union within three (3) workdays after the meeting.

Step 3 - Pre-Arbitration. The employee's manager's decision will be final and binding unless, within ten (10) workdays of the issuance of that decision, the

grievance is appealed in writing to Human Resources. Within fifteen (15) calendar days of Human Resources' receipt of appeal, a Human Resource representative will meet with the employee and Union representative. The Human Resources representative will give a written decision to the employee with a copy to the Union within five (5) workdays from the date of such meeting. The parties attending such meetings shall have full authority to make final and binding settlements.

- (a). Settlements. Grievances settled by the parties at any stage shall not be precedential for any purpose.

Step 4 - Arbitration. The decision of Human Resources will be final and binding unless, within ten (10) workdays of the issuance of the decision, the grievance is appealed in writing to arbitration. Such appeal shall be directed to Human Resources. An impartial arbitrator shall then be appointed by mutual agreement of the parties. Failing such agreement, a request shall be initiated by the parties to the Federal Mediation and Conciliation Service to submit a panel of seven (7) names from which a selection shall be made within fourteen (14) calendar days by the parties alternately striking one person on the panel. The fees and expenses of the arbitrator and any other joint expense incurred in connection with the arbitration proceedings shall be paid by the loser. The decision of the arbitrator will be final and binding on the Company and the Union.

#### **Section 3.4. Agreement Not To Be Altered**

The jurisdiction and authority of the arbitrator shall be confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at issue between the Union and the Company. The arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of this Agreement, or impose on any party a limitation or obligation not explicitly provided for in this Agreement. The arbitrator shall have no authority or power to limit or impair any right that Article 2 of this Agreement

reserves to Management as a Management prerogative.

~~The arbitrator shall not consider as a past practice any other event, policy, or grievance resolution that occurred before the Effective Date of this Agreement.~~

### **Section 3.5. Time Limit to Process Grievance**

The Company shall not be required to consider or process any Step 1 – Oral grievance not presented within ten (10) workdays after the occurrence which gave rise to the grievance, or any grievance which is not processed within the other time limits established in this Article. Upon mutual agreement the parties may extend time limits.

Should Management not act within any prescribed time limit, the grievance shall automatically proceed to the next step.

### **Section 3.6. Arbitration Proceeding**

Unless otherwise agreed by the parties, each grievance appealed to arbitration shall be the subject of a separate and distinct arbitration hearing and decision, and no arbitrator shall be selected by the parties to hear or decide more than one (1) grievance in any one (1) arbitration proceeding.

### **Section 3.7. Investigatory Interviews**

Each employee ~~has~~ shall be informed of the right, during an investigatory interview, which ~~the employee reasonably believes~~ may result in discipline, to request the presence of ~~his a~~ union representative, ~~if the union representative is available. If his union representative is not available, such employee may request the presence of another immediately available union representative.~~ The union representative shall not obstruct or interfere with the purpose or timely completion of the interview. Reasonable delays will be accommodated to assure representation is available.

### **Section 3.8. Time Limitation as to Back Pay Compensation**

Grievance claims regarding retroactive compensation / overpayment shall be limited to



thirty (30) calendar days prior to the written submission of the grievance; ~~to the Company;~~ provided, however, that this thirty (30)-day limitation may be waived by mutual consent of the parties. The parties commit to make every effort to resolve arbitration cases as expeditiously as possible.

### **Section 3.9. Conferences During Working Hours**

All conferences resulting from the application of provisions of this Article shall be held during working hours.

## **ARTICLE 4 - EMPLOYEE PERFORMANCE**

### **Section 4.1. Employee Performance Process**

The Union and the Company agree that many factors contribute to performance. The Company will establish, modify and continuously improve the employee performance and evaluation process. The process will provide a documented means for the employee and the manager to assess performance and an option to build ~~Employee Improvement Action Plans (ref Article Performance Improvement Plan 7.10(b))~~. The Union and the Company will discuss and the Company will consider in good faith any changes to the current process.

**4.1(a)** Both the employee and the manager are responsible for the completion of this process annually. A copy of the completed final review shall be placed in the employee's Personnel file.

**4.1(b)** It is expected that occasional disagreement over Performance Evaluation content will be resolved at the lowest possible level. A skip-level manager may be involved in the process for this purpose. However, in those few instances where such resolution is not possible, the Union may involve the Human Resource Director (or designee).

## ARTICLE 5 - HOLIDAYS

### Section 5.1. Dates Observed

There will be twelve (12) scheduled paid holidays each calendar year. The following holidays shall be observed by the Company for the purpose set forth in this Article:

[Same as IAM Holiday calendar and add MLK Day]

<b>2005 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
Memorial Day	Monday	May 30, 2005
Independence Day	Monday	July 4, 2005
Labor Day	Monday	September 5, 2005
Thanksgiving Day	Thursday	November 24, 2005
Day following Thanksgiving	Friday	November 25, 2005
Winter Break	Friday	December 23, 2005
Winter Break	Monday	December 26, 2005
Winter Break	Tuesday	December 27, 2005
Winter Break	Wednesday	December 28, 2005
Winter Break	Thursday	December 29, 2005
Winter Break	Friday	December 30, 2005

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<b>2006 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day Observed	Monday	January 2, 2006
Memorial Day	Monday	May 29, 2006
Day before Independence Day	Monday	July 3, 2006
Independence Day	Tuesday	July 4, 2006
Labor Day	Monday	September 4, 2006
Thanksgiving Day	Thursday	November 23, 2006
Day following Thanksgiving	Friday	November 24, 2006
Winter Break	Monday	December 25, 2006
Winter Break	Tuesday	December 26, 2006
Winter Break	Wednesday	December 27, 2006
Winter Break	Thursday	December 28, 2006
Winter Break	Friday	December 29, 2006

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<b>2007 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Monday	January 1, 2007
Memorial Day	Monday	May 28, 2007
Independence Day	Wednesday	July 4, 2007
Labor Day	Monday	September 3, 2007
Thanksgiving Day	Thursday	November 22, 2007
Day following Thanksgiving	Friday	November 23, 2007
Winter Break	Monday	December 24, 2007
Winter Break	Tuesday	December 25, 2007
Winter Break	Wednesday	December 26, 2007
Winter Break	Thursday	December 27, 2007
Winter Break	Friday	December 28, 2007
Winter Break	Monday	December 31, 2007

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<b>2008 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Tuesday	January 1, 2008
Memorial Day	Monday	May 26, 2008
Independence Day	Friday	July 4, 2008
Labor Day	Monday	September 1, 2008
Thanksgiving Day	Thursday	November 27, 2008
Day following Thanksgiving	Friday	November 28, 2008
Winter Break	Wednesday	December 24, 2008
Winter Break	Thursday	December 25, 2008
Winter Break	Friday	December 26, 2008
Winter Break	Monday	December 29, 2008
Winter Break	Tuesday	December 30, 2008
Winter Break	Wednesday	December 31, 2008

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<b>2009 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Thursday	January 1, 2009
Memorial Day	Monday	May 25, 2009
Independence Day	Friday	July 3, 2009
Labor Day	Monday	September 7, 2009

Thanksgiving Day	Thursday	November 26, 2009
Day following Thanksgiving	Friday	November 27, 2009
Winter Break	Thursday	December 24, 2009
Winter Break	Friday	December 25, 2009
Winter Break	Monday	December 28, 2009
Winter Break	Tuesday	December 29, 2009
Winter Break	Wednesday	December 30, 2009
Winter Break	Thursday	December 31, 2009

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<b>2010 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Friday	January 1, 2010
Memorial Day	Monday	May 31, 2010
Independence Day Observed	Monday	July 5, 2010
Labor Day	Monday	September 6, 2010
Thanksgiving Day	Thursday	November 25, 2010
Day following Thanksgiving	Friday	November 26, 2010
Winter Break	Friday	December 24, 2010
Winter Break	Monday	December 27, 2010
Winter Break	Tuesday	December 28, 2010
Winter Break	Wednesday	December 29, 2010
Winter Break	Thursday	December 30, 2010
Winter Break	Friday	December 31, 2010

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<b>2011 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day Observed	Monday	January 3, 2011

## **Section 5.2. Unworked Holidays**

Employees shall receive eight (8) hours pay for unworked holidays (those holidays designated above), at their Base Rate in effect at the time the holiday occurs, plus shift premiums where applicable, provided, however the employee works his last full working day prior to and after the holiday(s), unless excused by supervisor.

## **Section 5.3. Worked Holidays**

**5.3(a)** Non-exempt employees who are required to work on their designated holidays shall receive the pay due them for the holiday, plus double their Base Rate for all hours worked on such holiday plus shift premiums where applicable.

**5.3(b)** Exempt employees shall receive the pay due them for the holiday, plus their Base Rate plus ~~\$6.50~~15.00 per hour for all hours worked on such holiday plus shift premiums where applicable.

## **Section 5.4 Holidays During Earned Time Off**

Holidays occurring while an employee is on earned time off are not deducted from earned time off credits.

## **Section 5.5 Employees Prevented from Working Because of Local Holidays**

Employees assigned to a non-Company facility who are prevented from working their assigned shift because a holiday not listed in this Article is recognized at that facility shall be paid for such assigned shift unless the Company, at its option, modifies the work schedule for the week in which the holiday falls so that the employees are able to work a full work week. In all cases, hours worked on scheduled days of rest will be treated as overtime under Section 10.

## ARTICLE 6 - EARNED TIME OFF

### Section 6.1. Computation of Credit

All earned time off must be approved in advance by one's supervisor excluding illnesses. The amount of earned time off depends on the amount of continuous service and hire date. Years of service for Boeing employees hired on or before the Effective Date shall apply. Earned time off will be accrued per pay period.

[Add 5 days to each]

Complete Years of Service	Earned Time Off Days	Earned Time Off Hours
0 – 4	<u>1621</u>	<u>128168</u>
5 – 9	<u>1823</u>	<u>144184</u>
10 – 11	<u>2126</u>	<u>168208</u>
12 – 13	<u>2227</u>	<u>176216</u>
14 – 15	<u>2328</u>	<u>184224</u>
16 – 17	<u>2429</u>	<u>192232</u>
18+	<u>2530</u>	<u>200240</u>

Shift differential and work schedule premium pay will be paid where applicable in addition to Base Rate.

6.1(a) During a shortened workweek employees may borrow against their accrued Earned Time Off (ETO) to maintain a full paycheck. To rebuild the ETO account, members may utilize one of the following options:

1. Pay back full ETO as it is normally accrued
2. Pay back half of ETO and retain half ETO.

### Section 6.2. Unused Credit

~~6.2(a) All earned time off must be taken before the expiration of twelve (12) months after the date the earned time off day is earned. However, dayshours~~ earned up to the maximum accrual during an anniversary year may be carried over into the succeeding anniversary year. At no time shall an employee carry a balance of

more than ~~two (2)~~three (3) times their annual accrual.

**6.2(b)** An employee may choose to be paid, upon written request, for up to five (5) earned time off days on their ~~anniversary-service~~ date and five (5) days earned time off days on a date of the employee's choosing.

### **Section 6.3. Use of Credit**

All earned time off shall be taken at a time as to not seriously interfere with scheduled operations. So far as practicable, the Company will ~~attempt to schedule~~permit all earned time off for the period for which employees express a preference. Employees, including exempt employees, may take earned time off in one tenth (.10) hour increments up to a maximum accrual per the appropriate schedule.

### **Section 6.4. Bereavement Leave**

Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his immediate family, takes time off from work during his normal work schedule as such term is defined in Section 10 of this Agreement. Such pay shall be at the employee's straight time base rate, including shift differential and cost of living adjustment where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section 6.4 the "immediate family" as defined by the Employee.

*is defined as follows: spouse, mother, father, mother-in-law, father-in-law, children, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, nephew, niece, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half brother, half sister and spouse's grandparents or equivalent*

thereof.

In addition, an employee will be granted bereavement leave for a stillborn child ~~if the employee provides a certificate of fetal death, which has been certified by the attending physician.~~

## ARTICLE 7- WORKFORCE

### Section 7.1. Objective

The parties agree that it is in their mutual interest to ensure that appropriate employment, advancement, retention, redeployment, and layoff practices are implemented.

### Section 7.2. Surplus

The term refers to a condition in which the Company determines that the assigned number of individuals exceeds the needs of the activity, project, program or organization to which the individuals are assigned. A surplus may or may not result in layoffs. To the extent deemed practicable by the Company, surpluses will be resolved by placing individuals in other assignments.

### Section 7.3. Layoffs / Redeployment

The general objective of the procedure stated in this 7.3 is to provide for the accomplishment of layoffs / redeployment for business reasons, to the end that insofar as practicable the layoffs will be made equitably, expeditiously and economically, and at the same time will result in retention on the payroll of those employees regarded by management as comprising the workforce that is best able to maintain or improve the efficiency of the Company, further its progress and success and contribute to the successful accomplishment of the Company's current and future business. The occurrence and existence of any condition necessitating a layoff, and the number of employees involved, will be determined exclusively by the Company. Following such



determination, the Company will notify the Union of the anticipated layoff and, the affected retention groups and numbers of employees apt to be affected.

#### **Section 7.4. Procedure Relating to the Filling of Positions**

**7.4(a)** The parties are agreed that it is in their mutual interest to assure that favorable promotional and retention consideration is granted to those individuals who are best able to maintain or improve the efficiency of the Company, further its progress and contribute to the successful accomplishment of current and future business. Accordingly, in the filling of positions, particular attention will be given to the development, advancement and retention of the existing workforce.

**7.4(b)** ~~Re~~Priority re-assignments and transfers of the following kinds to employees considered capable of performing the assignment may be made by the Company without regard to the provisions of 7.4(e). Positions so filled shall not be regarded as open positions.

**7.4(b)(1)** Reassignments of surplus employees within the unit.

~~**7.4(b)(2)** Return of bargaining unit employees from layoff status or from leaves of absence.~~

~~and surplus individuals from management, engineering, or other salaried payrolls.~~

~~**7.4(b)(2)** Non-promotional reassignments of non-surplus employees (as, for example, to staff new programs or to avoid surpluses).~~

~~**7.4(b)(3)** Surplus individuals from management, engineering, or other salaried payrolls.~~

~~7.4(b)(4) To staff new programs.~~

~~7.4(b)(3) Return of employees from layoff status or from leaves of absence.~~

7.4(b)(4~~5~~) Transfers ~~into the bargaining unit~~ of individuals who at some previous time were assigned to a Job Classification currently within the bargaining unit.

7.4(c) An "in-place" promotion is the promotion of an employee to a higher level within the same Job Classification. This promotion results from expansion of the employee's own work assignment and is not for the purpose of filling a position vacated by another employee. Such an in-place promotion does not constitute the filling of a position within the meaning of 7.4, and the Company may make such in-place promotions without limitations.

7.4(d) All vacant positions other than those filled as described in 7.4(b) and 7.4(c) shall be designated as open positions.

7.4(e) The Company will seek candidates from within the existing workforce for all positions that are designated by the Company as open positions. Employees on the active payroll who have been declared surplus in the deployment process, and/or who have been previously downgraded shall have priority rights to open positions as described in 7.4(e)(1) and 7.4(e)(2), respectively. For open positions remaining after the provisions of 7.4(e)(1) and 7.4(e)(2) have been met, other candidates shall receive consideration as described in 7.4(e)(3).

7.4(e)(1) If an open position occurs for a Job Classification level in which layoffs are authorized, an employee already assigned to that Job Classification shall be selected for the open position.

**7.4(e)(2)** If, after application of 7.4(e)(1), the open position still exists, first consideration shall be given to an employee who meets all the following conditions:

**7.4(e)(2)a** Was, within six (6) years preceding the date on which the open position is designated, while on the active payroll, downgraded for other than performance reasons from the same Job Classification as the open position, or from a higher level of that Job Classification, or from a directly related management, engineering, or other payroll position.

**7.4(e)(2)b** Has not declined a Company offer of return to the Job Classification from which downgraded.

**7.4(e)(3)** If the open position still exists following application of 7.4(e)(1) and 7.4(e)(2), other candidates will receive consideration in the following order:

**7.4(e)(3)a** Individuals on file for recall as described in 7.9(b) and candidates who make timely application for the open position through the Company's Employee Requested Transfer system.

**7.4(e)(3)b** Others.

The Company will select for the open position whichever of the considered candidates it determines will best achieve the purposes set forth in 7.4(a).

**7.4(f) Employee Requests for Transfer.** The Company will maintain an environment in which employees can make known their interest in transferring to other positions for which they are qualified to perform and which may satisfy their personal needs. A job posting and transfer process will be maintained which will allow employees, without fear of reprisal, to make application for transfer and

receive consideration as a candidate for open positions for which they are qualified. All employees, including those involved in surpluses, shall have full access to the Company staffing process. The Company will provide the Union with a copy of the request for transfer procedure and any changes thereto.

### **Section 7.5. Reductions-in-Force**

Should reductions-in-force become necessary, the Company will retain employees with the best performance or as warranted by business need in each job classification.

**7.5(a) Retention Rating:** The Company will establish and communicate to the employees and the Union, a retention rating process consisting of three (3) categories. Employees will be given written notification of their rating.

- i. ~~\_\_\_\_\_~~ Category A shall represent the employees rated in the top ~~70~~40% of the employees in each classification.
- ii. ~~\_\_\_\_\_~~ Category B shall represent the employees rated in the next ~~20~~30% of the employees in each classification.
- iii. ~~\_\_\_\_\_~~ Category C shall represent the employees rated in the ~~lowest~~ next 40~~20~~% of the employees in each classification.
- iv. Category D shall represent the employees rated in the lowest 10% of the employees in each classification. Employees rated in Category ~~DC~~ will be notified of their vulnerability to layoff during a reduction-in-force.

**7.5(a)(1) Adjustments for Company Service.** Employees with twenty (20) or more years of Company service (including service with the Boeing Company) ~~who are ranked in the Category C~~ will be adjusted ~~to a Category B retention rating, and employees with twenty (20) or more years of Company service who are rated in Category B will be adjusted to a Category A retention rating~~ to the next higher category. Such

adjustments will be reflected in the written notification to each employee.

**7.5(a)(2) Retention Rating Appeals.** An employee who feels the assigned retention rating is inappropriate may at any time discuss the matter with his or her immediate supervisor. If within thirty (30) calendar days following notification of the assigned retention rating the employee elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:

**7.5(a)(2)a** Employees ranked in Category ~~C-D~~ will be allowed to appeal the rating.

**7.5(a)(2)b** Any employee experiencing a drop in assigned rating will be allowed to appeal the rating.

**7.5(a)(3)** Final Appeal will reside with the Workforce Skill Team Strategist or HR Generalist, the Labor Relations Representative, and the Union Representative who will resolve the appeal by majority decision at the meeting or within five workdays thereafter. In the event the Union considers the decision to be inappropriate to the facts of the case, the Union may advance its appeal to the Site Union Relations Manager whose decision will be final and binding and will conclude the appeal process. Pertinent information may be obtained from meeting with the employee, the immediate supervisor and/or the appropriate management representative.

**7.5(a)(4) Retention Rating Frequency.** Retention ratings will occur at least ~~every eighteen (18) months~~annually, in parallel with the employee performance evaluation. A retention rating may be conducted in any retention

groups in advance of any contemplated surplus.

**7.5(a)(5) Employee Notification.** Following each periodic retention index review, the Company will provide each employee with a written notification of the employee's retention rating prior to the effective date, except where such is made impracticable due to the unavailability of the employee or the supervisor occasioned by vacations, travel assignments, etc. In such circumstance the notification will be given as soon as practicable. In addition, management will discuss the new retention rating with employees. The written notification will contain:

**7.5(a)(5)a** The employee's Job Classification,

**7.5(a)(5)b** The employee's retention rating prior to and following any adjustment under 7.5(a)(1),

**7.5(a)(5)c** The number of employees in each of the three retention index categories [both before and as adjusted under 7.5(a)(1)], within the employee's retention index group,

~~**7.5(a)(6)d** The effective date, and~~

**7.5(a)(75)e-d** A description of the jobs and levels included in the retention group.

~~**7.5(a)(5)e** "Designation" status, in accordance with Section 7.10~~

~~**7.5(a)(5)f** Manager signature and date the notification was presented to the employee~~

**7.5(b) Out-of-Sequence Retention Rating.** The retention rating of an employee who is reclassified between periodic retention rating reviews will be sustained or revised as defined in 7.5(b)(3).

**7.5(b)(1)** With downward movement between sequenced rating groups, the employee will become a Category A until the next periodic retention rating review.

**7.5(b)(2)** With an upward movement between sequenced groups, the employee will automatically receive a retention rating of Category C until the next periodic retention rating review.

**7.5(b)(3)** When no level sequencing between groups is involved, the employee will retain the same retention rating as before the reclassification until the next periodic retention rating review.

**7.5(b)(4)** An employee who returns from leave of absence between periodic retention rating reviews shall retain the same rank until the next periodic retention rating review.

**7.5(b)(5)** An individual who enters the bargaining unit between periodic retention rating reviews shall automatically be assigned a retention rating of Category C until the next periodic retention rating review.

**7.5(b)(6)** An individual who returns from layoff shall be assigned the retention rating of record at the time of layoff, providing there has not been a retention rating review during the layoff period. The individual will automatically be assigned a retention rating of Category C if a retention rating review has been conducted during the layoff period.

**7.5(b)(7)** The out-of-sequence retention rating assigned under the provisions of 7.5(b)(1) through 7.5(b)(7) will be reaffirmed or superseded by the rank assigned during the next periodic retention rating review.

**7.5(c) Retention Rating Group Makeup.** Management will assign the retention rating by Job Classification for each employee to whom this Article applies, with the basic objective of identifying those employees who in the opinion of Management, are best able to maintain or improve the efficiency of the Company, further its progress and success and contribute to the successful accomplishment of the Company's current and future business. Each retention group will consist of all the employees in the appropriate identified Job Classification. Exempt and non-exempt employees will not be in the same retention group.

**7.5(d) Application.** When a workforce reduction is determined by management to be necessary within one or more retention rating groups, management will follow the applicable provisions of Article 8 and designate for layoff the required number of employees within such retention rating groups, beginning with the lowest rating index.

**7.5(d)(1) Exceptions.** Exceptions to the designation for layoff may be made by the Company where it desires to retain a maximum of ~~40~~45% of employees who are Category ~~CD~~, ~~40~~45% of employees who are Category ~~BC~~, and ~~40~~45% of employees who are Category ~~A-B~~ within an affected Retention Index Group as of the time of the most recent retention index review. Exceptions will be identified in writing to the Union representative.

**7.5(d)(1)a** One (1) employee may be subject to the ~~40~~45% exception if there are one (1) to ~~fourteen-twenty-nine~~ (~~1429~~) employees in the retention rating group;



**7.5(d)(1)b** Two (2) employees may be subject to the ~~105~~% exception if there are ~~fifteen-thirty (1530)~~ to ~~twenty-fourforty-nine (2449)~~ employees in the retention rating group;

**7.5(d)(1)c** Three (3) employees may be subject to the ~~105~~% exception if there are ~~twenty-fivefifty (2550)~~ to ~~thirty-four-sixty-nine (3469)~~ employees in the retention rating group;

**7.5(d)(1)d** Higher numbered retention rating groups may be rounded similarly.

**7.5(d)(2)** Employees designated for layoff in a retention rating group that is sequenced by levels with a group that has lower levels and which is populated will be allowed a downgrade in lieu of layoff.

~~**7.5(d)(3)** Employees on travel status may not be laid off while on such status. Such employees shall not be counted among or reduce the number of exceptions permitted by the provisions of Section 7.5 nor shall their rating prevent the layoff or downgrade of employees with a higher rating who are otherwise subject to such action.~~

**7.5(d)(43)** Employees selected by management to participate in a program of formal training in a field outside their current Job Classification, which training is conducted or approved by the Company, and employees who at management's request transfer from one major functional area to another for a Company-sponsored skill transition and retraining program will be assigned a unique job code upon entering the training program or upon transfer to the new functional area respectively. The trainee shall retain this unique code for

a period of six (6) months following completion of training or transfer to the new functional area, as the case may be, in order to allow time for the trainee to demonstrate his or her adaptability to the new assignment. During the period in which the trainee is assigned the unique code, he or she will retain the retention rating held at the time of assignment to the unique code. In the event a surplus is declared in the trainee's new assignment and if the trainee's rating would cause him or her to be an individual surplus, the trainee will be returned for assignment to an area under his or her last held regular assigned Job Classification and the retention rating of record.

**7.5(d)(~~54~~)** Employees laid off after refusing less than equivalent job offers made as a result of re-deployment activities will be coded as a layoff and will be regarded for all Company purposes as a laid off employee.

**7.5(d)(~~65~~)** The Company and the Union agree that, any provision in the parties' Collective Bargaining Agreements to the contrary notwithstanding, an employee may request that he or she be voluntarily laid off without regard to assigned rating or adjustments for company service. If the request is approved by management, the employee will be coded as a layoff and will be regarded for all Company purposes as a laid off employee. The Union will be advised of all employees approved for voluntary layoff.

#### **Section 7.6. Temporary Layoff / Short Workweek**

**7.6(a)** Management, with bona fide requirements, can conduct temporary layoffs without regard to retention, provided the number of such layoffs per month does not exceed 5% of the total number of employees employed in the bargaining unit on the first day of that month. Temporary layoffs will be voluntary whenever practical and will not exceed ninety (90) days. Employees on a temporary lay off will receive

health and welfare benefits as specified by the Plan during such layoff. Contract personnel shall be terminated prior to implementing temporary layoffs. The union shall be notified of plans for temporary layoff as early in the process as practicable.

**7.6(b)** If deemed necessary to avoid a layoff, management will ask for volunteers but may in its discretion schedule short workweeks of not less than 24 hours for a period not to exceed 180 consecutive calendar days. Health and welfare benefits will not be prorated during this time period. Contract personnel shall be terminated prior to implementing short workweeks. The union shall be notified of plans for temporary layoff as early in the process as practicable.

#### **Section 7.7 Exceptions to Foregoing Procedures.**

**7.7(a)** The Company may lay off employees without regard to the provisions of the layoff procedures set forth in this section, provided the number of such layoffs per month does not exceed 0.25% (one quarter of one percent) of the total number of employees employed in the bargaining unit on the first day of that month.

**7.7(b)** In instances where in the opinion of the Company the layoff procedures set forth in this section do not achieve the objectives stated in 7.3, exceptions thereto, without any limitation as to the number, may be made not more than one time during the contract term when approved by the Chief Executive Officer or designated representative. It will be the responsibility of any supervisor who recommends such an exception to prepare and transmit, a detailed report of the proposed exception(s) and the reasons therefore. An explanation, prior to implementation, will be provided to the Union.

## **Section 7.8. Layoff Notice**

The Company will attempt to give at least two (2) weeks notice prior to layoff to the employees affected, except when the layoff is caused by unexpected events (WARN Act definition), termination of a Government or other production contract, or when the affected employees are absent.

## **Section 7.9. Layoff Status**

### **7.9(a) Maintenance of Layoff Status**

**7.9(a)(1)** Each employee laid off under the provisions of this Article will remain on layoff status for a total period of ~~three (3)~~five (5) years from the date the layoff was effective, subject to 7.9(a)(2).

**7.9(a)(2)** An employee shall remain on layoff status in accordance with Section 7.5, provided he or she does not:

**7.9(a)(2)a** Fail to respond to a formal offer from the Company of a job within ten (10) workdays after it is extended or by such later date as may be stipulated by the Company, or

**7.9(a)(2)b** Refuse a formal offer from the Company for a full-time job within the bargaining unit or in the same labor market area from which laid off, for which the salary or level offered is equal to or greater than the employee's salary at the time of layoff plus the inflation adjustment in effect at the time of layoff, or

**7.9(a)(2)c** Fail to report to work within ten (10) workdays following acceptance of a formal Company offer or on such later date as may be stipulated in the Company offer, or

**7.9(a)(2)d** Elect retirement thereby removing themselves permanently from layoff status.

**7.9(a)(3)** Employees removed from layoff status for any reason other than retirement or expiration of the ~~three (3)~~five (5) year period following layoff will be notified in writing of such removal, and the reasons therefore, by the Company.

**7.9(a)(4)** Laid off employees who are prevented from meeting the conditions described in 7.9(a)(2)a, 7.9(a)(2)b or 7.9(a)(2)c solely due to medical disability, verified to the Company's satisfaction by their personal physician, shall upon request be granted a waiver for the missed requirement(s).

### **7.9(b) Return to Active Employment**

**7.9(b)(1)** It is a mutual objective of the Company and the Union that laid off employees who have not been determined ineligible be recalled to active employment, and a mutual desire that such recall into the Company the laid off employee be offered in approximate reverse order, within a 60-day range, from the Job Classification from which the employee was laid off

**7.9(b)(2)** At the time of layoff, the Company automatically will place in the file for priority consideration return to active employment the names of all laid-off employees. In order to maintain such recall status, the employee must keep the Company informed of his or her interest in returning to active employment by submitting a letter so stating. The employee must register by letter at time of layoff and no later than December 31<sup>st</sup> of each calendar year following the year in which the layoff occurs. Such letter must contain the individual's name, employee identification number, address, and telephone number. The Company's ~~sole~~ obligation to provide notice of recall shall be to (1) send a certified written notice to the last mailing address provided by the employee and (2) notify the Union of the employees to be recalled.

**7.9(b)(3)** Prior to hiring from outside the Company, the Company shall extend job offers to those eligible on the recall list. Nothing in Article 7.9 will preclude the Company from hiring from sources outside the Company when projected requirements exceed the number of employees in applicable job classifications eligible to be recalled from the priority recall list.

**7.9(b)(4)** If any employee on layoff status disputes his or her recall status as reflected in Company records, Company records shall prevail unless rebutted by either (a) a Company receipt, or (b) a properly addressed U.S. Postal Service return receipt evidencing filing of the salaried payroll employment availability form (or letter) during the calendar period in question.

**7.9(c) Salary and Level of Returning Laid-Off Employees.** Company offers extended to laid-off employees for return to active employment in the same area will be, at a minimum, the salary and level from which laid off. The Company will review salary on a case by case basis and make adjustments as appropriate. Rejection of a formal Company offer for a position outside the bargaining unit or in a labor market area other than from which laid off will not be cause for removal from layoff status.

**7.9(d) Retiree Medical eligibility.** Employees who are on layoff status may credit up to 30 months of time spent on layoff towards eligibility for retiree medical benefits.

**7.9(e) Record maintenance.** The Company will maintain a record of all laid-off employees who are on layoff status under the above provisions.

## **Section 7.10. Designated Employees**

**7.10(a)** The Company may designate employees who either will be declared ineligible for first consideration recall rights or will not receive a service adjustment or both. Any such designation shall be subject to the following requirements:

**7.10(a)(1)** Designated employees will be identified as part of the retention rating process and advised in writing that, in the event of layoff during the period of time between ~~performance reviews~~retention ratings, either they will have no first consideration recall rights or will not receive a service adjustment or both.

**7.10(a)(2)** Designated employees must have an assigned Category C retention rating.

**7.10(a)(3)** Designated employees will be identified by skill teams.

#### **7.10(b) Employee Improvement Action Plan**

Employees who have been identified as “designated” will be provided with an Employee Improvement Action Plan within thirty (30) calendar days of the designation, which will identify the specific conditions leading to the designation and improvements necessary to avoid such designations in the future. Management and the employee will have on-going, scheduled discussions about the employee's progress in achieving the objectives outlined in the action plan. The Company will promptly notify the Union of the identities of designated employees. The identification of designated employees shall not be subject to Article 3 (grievance and arbitration); however, designated employees may appeal the designation regardless of their previous retention index rating in accordance with Section 7.5(a)(2). Designations pursuant to this section will remain in effect until the next scheduled retention rating review exercise or until the employee satisfactorily completes the Improvement Action Plan and has been removed from designation. The employee and union will be informed of the removal of the designation.

**7.10(b)(1)** All employees have the opportunity to request an Employee Improvement Action Plan within (30) calendar days of their retention rating.

### **Section 7.11. Temporary Recall**

**7.11(a)** The parties acknowledge that Article 8 limits the use of contract personnel during workforce reductions or when employees are on active recall status. The parties acknowledge further that occasionally situations arise when short-term assignments of no more than six (6) months require additional staffing. The Company could choose to contract out these work packages. The Company in its sole discretion has from time to time preferred to have this work performed by employees on active layoff status. In recognition of the fact that the work under discussion involves short-term assignments, the parties agree to the implementation of the process described immediately below.

**7.11(b)** The process shall be known as Temporary Recall and shall be defined as the temporary re-employment of individuals on active layoff status (hereinafter "employees").

**7.11(c)** Temporary Recall assignments may be designated for specific programs or projects whose normal maximum will be six (6) months. Assignments will normally be full time (average eighty (80) hours in a pay period).

**7.11(d)** The Company will determine which employees will be offered Temporary Recall assignments. Temporary Recall will be strictly voluntary on the part of the employee. Refusing to consider an employee for Temporary Recall or an employee's rejection of an offer of Temporary Recall will not affect the employee's active layoff status.



**7.11(e)** Temporarily-recalled employees will receive the same salary they were receiving prior to layoff.

**7.11(f)** Eligibility for coverage for medical/dental insurance, life insurance, accidental death and dismemberment insurance, business travel accident insurance, long-term and short-term disability insurance, and voluntary personal accident insurance begins on the first day which the re-employment commences.

**7.11(g)** With regard to the Retirement Plan, unused sick leave, and Earned Time Off, employees on Temporary Recall will be set up in the system based on their respective layoff/recall circumstances. This will include the reactivation of unused but earned credits and the generation of future benefits consistent with standard policies. 401(k) Plan contributions ~~may~~shall be resumed, beginning upon recall.

**7.11(h)** Company service will be earned beginning the first day back on the active payroll.

**7.11(i)** Active layoff status will not be interrupted. Filing requirements once during each year for first consideration recall status will remain.

**7.11(j)** Employees on Temporary Recall will not receive a retention index based on Temporary Recall assignments.

**7.11(k)** Employees on Temporary Recall will generate funds for a selective adjustment exercise if they meet contractual criteria.

**7.11(l)** Employees on Temporary Recall will not be eligible for additional layoff benefits when their Temporary Recall assignment ends.

7.11(m) Employees on Temporary Recall are not eligible to apply for internal job postings.

## **Section 7.12. General Provisions**

7.12(a) **Compensable Injuries.** Any employee who has been wholly or partially incapacitated for that employee's regular work by compensable injury or compensable occupational disease while in the employ of the Company may, while so incapacitated, be employed in ~~an equivalent job work~~ which the employee can do without regard to the provisions of this Agreement. The Union shall be notified of persons to whom this waiver applies and the effective dates of such waiver.

7.12(b) **Veterans.** The Company and the Union, recognizing that the reemployment rights of employees entering or inducted into the Armed Forces of the United States are the subject matter of legislation, agree that nothing contained in this Agreement will preclude the Company from reemploying such employees in compliance with provisions of applicable laws.

7.12(c) **Transfer Return Rights.** An employee who is transferred by the Company from the bargaining unit described in Article 1 of this Agreement to another SPEEA-represented bargaining unit, and at the time of such transfer is accorded return rights by the Company in writing, will not be laid off while assigned at such other unit, but will be transferred back to the original unit in accordance with the return rights previously accorded by the Company. An exception will be made if the employee elects to be laid off in which case the employee will waive transfer return rights.

## **Section 7.13. Reclassification to a Lower Level at Employee's Request or in Lieu of Layoff**

7.13(a) The Company may at the employee's request effect a reclassification to a

lower level.

**7.13(b)** The Company may offer an employee a reclassification to a lower level in lieu of layoff.

#### **Section 7.14. Acting Supervisors**

The Company agrees to inform the Union in a timely manner when it intends to use a member of the bargaining unit as an acting supervisor. If the employee remains as an acting supervisor for more than six (6) consecutive months, the employee shall be reclassified to management or returned to his or her bargaining unit position. Deviations shall require the consent of the Union.

#### ~~Section 7.15 — Probationary Period~~

~~Employees hired after the Effective Date that do not have Boeing job rights, may be terminated within the first ninety (90) days for any reason deemed appropriate by management.~~

## **ARTICLE 8 - CONTRACT LABOR AND SUBCONTRACTING**

### **Section 8.1. Contract Labor**

- A. **Purpose.** The Company and the Union recognize that Contract personnel are a practical source of skilled temporary labor that allows the Company to acquire skilled professional and technical support in a timely manner. The Company and Union recognize that requirements for experienced Contract personnel must be balanced with the need to build and maintain the experience base and to support our mutual objective of workforce stabilization by minimizing employee layoffs.

B. **Definition.** The term, contract personnel, refers to temporary personnel supplied by another business entity to perform work ~~on Company premises~~ under the daily control and supervision of Company management. The business entities that provide contract personnel normally are in the business of providing temporary services (such as temporary employment agencies and staffing firms). Sources of contract personnel may also include businesses in the aerospace or related fields that make their personnel available for temporary labor ~~\_(so called 'industry assist' arrangements)\_~~. Excluded from the definition of contract personnel are consultants and their employees and employees of subcontractors or vendors.

## **Section 8.2. Procedures and Limitations**

**8.2(a)** The Company shall notify the Union of the basis for the need, the approximate number of Contract personnel required and the Job Classification normally held by employees performing the type of work involved during the quarterly Labor/Management business meeting.

**8.2(b)** If based on a variety of factors (including but not limited to the nature of the assignment, the status of the program, the overall need for the skills at issue, and the purpose of using Contract personnel described above) the Company needs the skills supplied by Contract personnel on a long-term basis, the position shall be made available in accordance with the Company job posting process. Individual contract personnel may not perform work for the Company for more than eighteen (18) consecutive months.

**8.2(c)** The Company and the Union agree that it is normally inappropriate to hire Contract personnel as direct hires in periods of surplus activity within a Job Classification. Deviations will be subject to approval by the appropriate senior-level

executive and provided, in writing, to the Union. ~~The granting of a deviation to allow such hiring shall not be subject to the grievance and arbitration process.~~

**8.2(d)** Contract personnel shall not be authorized to make decisions normally associated with management responsibility including salary determination, retention and discipline. They shall not be assigned lead positions ~~for a period in excess of six months. Individual contract personnel may not perform work for the Company for more than eighteen (18) consecutive months without the written approval of the appropriate senior level executive.~~

**8.2(e)** No employee shall be laid off while Contract personnel are still employed in the Skill Classification, except when the Company determines that it needs to retain any contract labor while surplus employees in order to avoid significant disruption or impact on the committed packages of work. In such cases, the approval of the Human Resource leader and the appropriate senior level executive shall be required. Notification of such decision will be provided to the Union as soon as practicable.

**8.2(f)** Employees will not be laid off until their skills have been reviewed to determine if they can replace contract personnel in other than their job classifications.

### **Section 8.3. Data**

On request, the Company shall supply the Union with data that displays the number of contract personnel utilized by Job Code, so that compliance with all limitations identified in 8.2 can be monitored. The data shall include names, Job Classifications as applicable, organizations, and start dates.

#### **Section 8.4. Subcontracting / Sourcing**

The Company and the Union agree that subcontracting, market access/offset agreements or other assignments of work may be a part of the Company's business strategies. The Company will provide the Union with ~~advance~~ notification and opportunity for discussion concerning any significant movement of customer work and the reasons for the movement prior to the outsourcing RFP.

### **ARTICLE 9 - JOINT MEETINGS**

#### **Section 9.1. Joint Meetings**

**9.1(a)** Should either party desire to discuss with the other any matter affecting generally the relationship of the parties, a meeting of Union and management representatives shall be arranged upon request of either party. Such meeting shall take place at a time mutually convenient to both parties. Any use of Company time for attendance at such meetings shall be arranged in advance by mutual agreement.

**9.1(b)** This Article is intended to provide an open avenue of communication between the Union and the Company, and suggestions, complaints, or other matters may be presented by either party, provided that neither party shall be required to discuss any item brought up by the other party nor be bound to act upon any item presented. However, both parties agree to discuss informal grievances and complaints.

#### **Section 9.2 Business overviews**

Regularly scheduled quarterly meetings will be held between the Company and the Union to share information about Company business plans such as workforce planning, business outlook, facility and safety issues, subcontracting, surplus activity, employment

of contract engineers, and other areas of interest as agreed to by the parties. Meetings shall be attended by appropriate Union, Human Resources and Business Unit Representatives.

### **Section 9.3 Joint Oversight Committee (JOC) for Labor-Management Cooperative Initiatives**

The parties will establish a joint committee to oversee labor management initiatives the parties undertake. These joint initiatives are intended to enhance and develop employees as the Company's key resource. The oversight function can include: (1) establishing subcommittees to handle the initiatives; (2) reviewing, expanding where appropriate, and resolving issues related to ongoing initiatives; and (3) formulating future labor-management cooperative initiatives. The Company –at its sole discretion will provide administrative staff and appropriate funding to support the initiatives. To create a proper environment for the committee's work, no aspect of the committee's proceedings shall be used as the basis for, or as evidence in, any proceedings under Article 3.

**9.3(a)** Committee membership: Joint Committee with ~~WEU,~~ WTPU and the Company. The Joint Union-Company Oversight Committee shall consist of up to four persons representing the Company and up to 4 persons representing the Union, ~~2 persons from each unit.~~ The Company representatives will be appointed from the Business Unit(s) and Human Resources management. The Union representatives will be selected from the bargaining unit's membership. Each party shall appoint a chairperson of its group.

**9.3(b)** The Joint Oversight Committee may oversee initiatives:

- ~~•~~ Review proposed changes to the job descriptions and job structure.
- ~~•~~ Monitoring and exploring developments in the areas of education and training, skill utilization and application, and career development as

those link to emerging technologies.

- • — Monitoring developments in the areas of use of compensatory time off, child and elder care, Drug and Alcohol-Free Workplace Program, and the Employee Assistance Program.
- • — Exploring alternate forms of compensation and delivery methods, salary planning process, market relationships and compensation philosophy.
- • — Discussion groups on topics of mutual interest.
- • — Exploring healthcare costs and plan details.
- • — Career Enhancement, including:
  - • — Programs to provide employees the information, training, and opportunity to influence their career direction.
  - • — A program to provide a meaningful career alternative for those employees who choose to remain on a technically oriented career path (as opposed to a managerial track).
  - • — Coordination with related activities to maximize efficiency and involve appropriate people and viewpoints as required.
- • — Discuss the potential Company employee transfer process.
- • — Conducting briefings on the Company's plans for the introduction of new technological change that may affect employees, including schedules of introduction and areas of skill impacts.
- • — Planning, developing, implementing and evaluating pilot projects involving innovative approaches in the workplace aimed at improving the quality of work life and productivity.
- • — Reviewing on a quarterly basis, if requested, data regarding overtime worked by employees.

**9.3(c)** The Joint Oversight Committee shall meet as often as its members agree, but in no event less than quarterly. The Company and Union chairpersons will



establish committee meeting locations, agendas and procedures.

## ARTICLE 10 - HOURS OF LABOR

### Section 10.1. Regular Hours

**10.1(a)** A regular work day and work shift shall be eight (8) hours and a regular work week shall be forty (40) hours. The regular schedule of hours shall be as follows: First (daylight) Shift: start time will be from 4:00 A.M. to 11:59 A.M.; Second Shift: start time will be from 12:00 P.M. to 7:59 P.M.; Third Shift: start time will be from 8:00 P.M. to 3:59 A.M., (seven (7) hour shift, thirty (30) minute unpaid lunch) on Monday, Tuesday, Wednesday, Thursday, and Friday. The Company shall assign the initial start times as stated above.

**10.1(b)** Variable work schedules can be established to meet business requirements. Any such change in work schedules will be reviewed with the Union.

**10.1(c)** Management may allow employees to volunteer for variable work schedules (e.g., four (4) 10-hour days; Thursday through Monday work week) as warranted by business need.

### Section 10.2. Shift Premiums

An employee who works second and third shift shall be paid a shift premium of ~~seventy-five cents one dollar~~ (\$~~.75~~1.00) per hour. An employee who works third shift of six and one-half (6 ½) hours will receive an adjustment equivalent to one and one-half hours' pay at his base rate. A prorated portion of that adjustment will be paid when the employee works less than six and one-half hours on a regular third shift.

### Section 10.3. Work Schedule Premiums

**10.3(a)** An employee assigned to either Saturday or Sunday as a regular day of

work will receive two dollars fifty cents (\$2.50) per hour in addition to Base Rate \_\_\_\_\_ of pay for hours worked on Saturday and/or Sunday

**10.3(b)** Employees may, at their request and with management approval, work any variable work week schedule. Employees working schedules at their request, and in the absence of a company requirement for such a schedule, will not be eligible for the work schedule premiums.

#### **Section 10.4. Shift Preference or Variable Work Week Schedule**

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

**10.4(b)** Where appropriate, the employee and management shall agree to flexible work schedules to accommodate personal or business needs.

#### **Section 10.5. Overtime Rate**

**10.5(a)** Non-exempt Employees. Time worked in excess of forty (40) hours in one (1) work week shall be paid at one and one-half (1½) times employee's statutory regular hourly rate. All overtime worked in excess of 12 hours in a workweek will be paid at double his or her base rate. Time worked on one's scheduled second day of rest will be paid at a rate of two (2) times one's Base Rate if the employee also worked on first scheduled day of rest.

**10.5(b)** Exempt Employees. The hourly rate to be paid for scheduled overtime worked by employees will be straight time plus \$~~610.00~~.50 per hour.

### **Section 10.6. Reporting Pay**

If a non-exempt employee reports for work in accordance with instructions, he shall receive a minimum of eight (8) hours pay at his Base Rate plus shift premiums where applicable. This will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of actual hours worked during that day. An employee who leaves work because of incapacity due to industrial injury will be paid eight (8) hours pay at his Base Rate plus shift premiums where applicable.

### **Section 10.7. Call Back / On Call Pay**

A minimum of four (4) hours pay at the applicable overtime rate will be paid for any call back work performed outside of one's regularly scheduled hours. An employee who leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day.

Employees on call shall receive a premium of four (4) hours of pay at his Base Rate plus shift premiums where applicable for each day serving on call., less hours actually worked~~An employee, who leaves work after call back, will be paid only for the number of hours actually worked unless authorized by management~~

### **Section 10.8 Overtime Scheduling**

It is the intent of the Company to distribute overtime as equally as reasonably practicable in light of the work to be performed by shift, classification, and skill. Both the Union and the Company recognize that the employees who are assigned the work must be qualified to perform the specific work. The Company will strive to meet its overtime

requirements on a voluntary basis when practical. Volunteers will be first requested from the direct workforce, then from contractors. In the event there are insufficient qualified volunteers to meet the requirement, Management may designate and require the necessary number of employees to work overtime.

**10.8(a)(1)** Accordingly, the Company and the Union agree, ~~subject to the exceptions noted below,~~ that no employee shall normally be required, and need not be permitted, to work more than ~~144-96~~ overtime hours in any budget quarter, more than ~~576-384~~ overtime hours in a twelve-month period, more than ~~three (3)~~two (2) weekends consecutively without the next weekend off, or more than eight (8) hours on a Saturday or a Sunday or other regularly-scheduled day of rest. Overtime work on ~~either a Saturday and a Sunday, or a Saturday or a Sunday~~the first or second day of scheduled rest, shall constitute a weekend worked. All overtime on a holiday as set forth in the Agreement or on ~~the a weekend worked weekend~~ which immediately precedes a **Monday** holiday or immediately follows a **Friday** holiday shall be voluntary, ~~for those on weekday work schedules.~~

~~10.8(a)(2) All overtime in excess of the above limits shall be strictly on a voluntary basis and no employee shall suffer retribution for his refusal or failure to volunteer. An employee may be required to perform overtime work beyond the above limitations where necessary for delivery of Company products to a customer, where necessary for the timely submission of proposals where related to customer-requested emergency repair of delivered products, or for Government DX or Government DO rated orders.~~

## **10.9\_ Meal Periods**

Non-exempt employees will work schedules which provide a fixed unpaid meal period to

start not more than five (5) hours after start time, consisting of a forty (40) minute lunch period, ten minutes of which shall be paid time and thirty (30) minutes of which shall be unpaid. Non-exempt employees working in excess of an eleven (11) hour shift are entitled to a second unpaid meal period, to start not more than eight (8) hours after start time, consisting of a minimum of thirty (30) minutes. Meal periods will be paid if the employee is not fully relieved of his or her duties.

## **ARTICLE 11 - LEAVES OF ABSENCE AND JURY/WITNESS DUTY**

### **Section 11.1. Authorized Leaves of Absence**

Leaves of Absence will be granted in accordance with the Family and Medical Leave Act (FMLA) and the Company local policy. ~~Employees are required to use available earned time off concurrently with their FMLA absence. In such cases, all employees shall be entitled to retain up to eighty (80) hours of earned time off for other use.~~ Other leaves of absence may be granted to any employee with a minimum of ninety (90) days active service for any reason deemed satisfactory to the Company or as required by law. Where practical, a request for a leave of absence must be made in writing to one's supervisor five (5) working days prior to the beginning of the leave.

### **Section 11.2. Leave of Absence Condition**

An employee, while on leave of absence, shall be deemed to have voluntarily resigned from the Company upon accepting other employment, or engaged in business for himself that prevents his return from leave, or is inconsistent with the medical or other limitations that provide the basis for the employees leave of absence from the Company.

### **Section 11.3. Military Leave of Absence**

An employee who is a member of a reserve component of the United States Armed

Forces or a State's National Guard, who is absent due to required active annual training duty or temporary special services duty, shall be paid Base Rate plus shift premiums where applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two (2) training periods in one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be placed on unpaid authorized leave of absence. The amount due the employee under this Section shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government. Members of a reserve component of a uniformed service ordered to temporary special duty under Military U.S. Code Title 10 or mobilized by the applicable state agency are eligible for military differential pay up to a maximum of (ninety) 90 calendar days for each occurrence.

#### **Section 11.4. Jury/Witness Duty**

When an employee is required to report for jury duty, or compelled to testify in a case brought by someone other than the employee or on his behalf, on his regularly scheduled workday, the employee shall receive eight (8) hours pay at his Base Rate plus shift premiums where applicable. Employees who report for jury/witness duty but are excused, are expected to return to work if more than one-half ( $\frac{1}{2}$ ) of their shift remains. Employees shall receive holiday pay if a holiday occurs while on jury/witness duty. Proof of such service satisfactory to the Company must be given before this Section shall apply. Time spent on jury/witness duty is not to be counted as absenteeism for purposes of disciplinary action.

## ARTICLE 12 - JOB CLASSIFICATIONS AND SALARIES

### Section 12.1. Job Classifications

It is agreed that it is the right and responsibility of Management to establish new job classifications, or eliminate existing classifications, and, Management and the union will establish the appropriate pay rate for such classifications. Any such change in classifications will be reviewed and discussed with the Union at least thirty (30) days in advance of its establishment.

**12.1(a)** Definition: The term "Job Classification" shall be used to classify similar or related work activities that constitute a position of employment based on primary assignment, common products or processes, and employee skills. There will be elements of the job classification that from time to time the Company may use for varying purpose.

**12.1(b)** Individual Employee's Job Classification or Skills Management Code Review. An individual employee may request a review of his or her job classification or level based on the contention the work assigned by the Company differs from the job classification or skills management code to the extent and in such a manner as to warrant reclassifying the employee to a different existing job classification or skills management code. Employees will attempt to resolve classification first by discussion with first-line management. In the absence of a resolution mutually agreeable to both management and the employee, the following steps will be utilized in the review process: the review process shall not exceed 60 days:

**12.1(b)(1)** If the employee contends that a classification or level issue still exists, he or she along with his or her Union Representative will notify the Skill Team Manager to request a review.

**12.1(b)(2)** The Skill Team Manager will meet with the employee and the Union Representative to fully discuss the employee's issue in an effort to reach mutual resolution.

**12.1(b)(3)** If the employee and Union Representative do not agree with the Skill Team decision, the Skill Team Manager, the appropriate Human Resources Representative and the Union Representative will meet to resolve the matter by a majority decision.

### **Section 12.2. Base Rate**

"Base rate" is an employee's hourly rate of pay, excluding all, allowances, awards, bonuses, and premiums.

### **Section 12.3. Salaries**

Salaries are set forth by Job Family, Job Title and Rate Table in the Company's compensation web site or other accessible means.

### **Section 12.4. Rate Range and Discretionary Salary Increases**

The Company will establish and fully distribute salary adjustment funds in accordance with the dates set forth below. No increase adjustments to base pay will exceed the established Base Rate Range maximum. Employees at rate maximums may receive lump sums in lieu of base salary increases. These lump sum increases will charge to the salary adjustment fund.



**TABLE I**  
**SELECTIVE SALARY ADJUSTMENT FUND COMPUTATION DATES, EFFECTIVE**  
**DATES, AND INCREASED PERCENTAGES**

Review Period	Fund Computation Date	Increase Effective Date from Date of Close <u>Ratification</u>	Increase Percentage	Minimum <input type="checkbox"/> Increase
1	<del>10 months</del> <u>1 month</u>	<del>12</del> <u>2</u> months	3.5%	\$750.
2	<del>22</del> <u>12</u> months	<del>24</del> <u>12</u> months	3.5%	\$750.
3	<del>34</del> <u>24</u> months	<del>36</del> <u>24</u> months	3.5%	\$750.
4	<del>36</del> <u>46</u> months	<del>48</del> <u>36</u> months	3.5%	\$750.
5	<del>58</del> months	<del>60</del> months	<del>3.5%</del>	<del>\$750.</del>

**Section 12.5. Eligibility**

Eligible employees are those who were in the bargaining unit and on the active payroll on both the fund computation date and the increase effective date.

**Section 12.6. Performance Bonus Plan**

**12.6(a)** The Company intends to pay a performance bonus when financial performance equals or exceeds the established targets.

**12.6(b)** Employees in the bargaining unit will share, proportionately to their headcount relative to total Company headcount, in fifty (50) percent of the amount by which ~~operating income (EBIT)~~ Total Segment Operating Margins in any year for Wichita segments exceeds twelve (12) percent of revenues, as determined by the Company and its accountants and excluding unusual and non-cash items, to a maximum of three (3) weeks pay.

**12.6(c)** The Company intends to make the first payout, assuming it is earned, not later than the first quarter of ~~2007-2012~~ based on full year ~~2006-2011~~ performance.

**12.6(d)** Nothing will prevent the Company from making payments in excess of

those provided, or where none is provided, for in this section, including maximums set out in 12.6(b), or from making improvements to the plan.

## **Section 12.7 Cost of Living Adjustments**

12.7(a) Employees covered by this Agreement shall receive an annual Cost of Living Lump Sum Payment to the extent such Payments become effective under and in accordance with all of the terms, conditions and limitations stated in this Section 5.10.

### 12.7(b). Determination of Cost of Living Lump Sum Payment

1. Determination of the potential Cost of Living Lump Sum Payment shall be made in reference to the new series "All City Average of the Consumer Price Index for Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-84 = 100, such index being referred to herein as the BLS Index.

2. During the life of this Agreement, subject to the provision stated below, an annual Cost of Living Lump Sum Payment shall be computed by using (1) 213.34 (the three-month average of the BLS Index for February, March, April, 2010) as the base and (2) an Annual Adjustment Multiplier using the formula 1 cent = .075 percent change in the appropriate average (May through October 2010, November through October thereafter), and (3) the Annual Adjustment Multiplier shall be capped at 1.5% of average base rate as of November 30 in 2010, and 2011, 1.75% of average base rate as of November 30 in 2012 and 2013, 2.0% of average base rate as of November 30 in 2014 and 2015, 2.5% of average base rate as of November 30 in 2016, 3.0% of average base rate as of November 30 in 2017, 4.0% of average base rate as of November 30 in 2018, 6.0% of average base rate as of November 30 in 2019, and (4) the Cost of Living Lump Sum Payment for each eligible employee shall equal the cents per hour adjustment (the Annual Adjustment Multiplier) multiplied by the number of straight-time hours worked in the applicable year plus 1.5 times the cents per hour adjustment multiplied by the number of overtime hours worked in the applicable twelve month period (December 1 through November 30). For 2010, the period will be straight- time and overtime hours worked between July 1 and November 30, 2010.

3. Any Annual Adjustment Multiplier shall be cumulative up to the level of each year's cap and shall not decrease. A Cost of Living Lump Sum Payment in any particular year shall be payable only to those employees who, on a Date of Potential Adjustment, are on the active payroll or on leave of absence for less than ninety (90) days. The Date of Potential Adjustment shall be November 30th of each year. The payment will be made before December 31st of the same year. If the BLS Index is revised or discontinued, the parties shall attempt to determine an appropriate Index figure by agreement and, if agreement is not reached, the parties shall request the Bureau of Labor Statistics to make available a BLS Index in its present form for the appropriate date or dates and calculated on a comparable basis.

12.7(c). Cost of Living Adjustments shall be added to the employee's base rate on a quarterly basis.

~~12.7(a)(1) Employees eligible to participate in the selective adjustment funds under 12.5(a) may also receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in the Section 12.7. The terms, definitions, and limitations stated in 12.7 also apply to such adjustments. Cost of Living Adjustments would be delivered to each eligible employee separately from these selective adjustment funds derived in 12.4. Cost of Living Adjustments would be effective on the dates specified in Table I.~~

~~12.7(a)(2) Determination of Cost of Living Adjustments shall be made in reference to the series U.S. city average "Consumer Price Index Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-1984 = 100, such Index being referred to herein as the BLS Index.~~

~~12.7(a)(3) Computations will be made using the three (3) month average of the BLS Index for February, March, April 2005 (188.7) as the base period.~~

~~12.7(a)(4) During the life of this Agreement, Cost of Living Adjustments shall be computed using the three-month average of the BLS Index for the periods specified in Table II and the corresponding BLS Index threshold values expressed as percentage increases over the base period. The formula will be: percentage of Cost of Living Adjustment equals fifty percent (50%) of the percentage increase in the BLS Index, from the base period to the BLS Index Comparison Quarter, that exceeds the BLS Index Threshold Percentage shown in Table II. In order to preclude recognition, on more than one effective date, of the same percentage increase in the BLS Index, any recognition on~~

~~one effective date of a percentage increase over the applicable BLS Index Threshold Percentage will cause that percentage to be set aside and disregarded in ensuing computations. [e.g., if the BLS Index for February, March, April 2006 represented a 13.0 percent increase over the base period (yielding a 2.5 percent Cost of Living Adjustment effective June 16, 2006), no Cost of Living Adjustment would result for the June 15, 2007 effective date unless, and to the extent, the BLS Index for February, March, April 2007 represented an increase in excess of 21.3 percent (21.3%) over the base period.] BLS Index three (3) month averages, BLS Index increase percentages, and salary increase percentages will be rounded to the nearest tenth, with five hundredths rounded upward to the nearest tenth.~~

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**TABLE II**

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<del>Effective Date</del> <del>of Adjustment</del>	<del>BLS Index</del> <del>Comparison Quarter</del>	<del>BLS Index</del> <del>Threshold Percentage</del>
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<del>6/16/2006</del>	<del>Feb, Mar, Apr 2006</del>	<del>8.0%</del>
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-

<del>6/15/2007</del>	<del>Feb, Mar, Apr 2007</del>	<del>16.3%</del>
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-

<del>6/13/2008</del>	<del>Feb, Mar, Apr 2008</del>	<del>25.0%</del>
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-

<del>6/12/2009</del>	<del>Feb, Mar, Apr 2009</del>	<del>34.0%</del>
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-

<del>6/18/2010</del>	<del>Feb, Mar, Apr 2010</del>	<del>43.3%</del>
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-

<del>6/17/2011</del>	<del>Feb, Mar, Apr 2011</del>	<del>53.1%</del>
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**ARTICLE 13 - UNION OFFICIALS**

**Section 13.1. Union to Furnish List of Officials**

The Union shall inform the Company in writing of the names of its officials (not more

than one (1) council representative per ~~two-one~~ hundred (~~200~~100) employees, or major fraction thereof) who are accredited to represent it, which information shall be kept up to date at all times. Only persons so designated will be accepted by the Company as representatives of the Union.

### **Section 13.2. Union Officials - Access to Plant**

The Union Leadership and Staff Representatives, not employed by Company, will be permitted access to the Company's facility during normal working hours. The Union will provide advance notification to the Company of such visits. Such visits shall be subject to such regulations as may be made from time to time by any governmental or government affiliated agency of the United States, other customers, or the Company. The Company will not impose regulations that are designed to exclude the Union Leadership and Staff Representatives from the plant or render ineffective the intent of this provision. ~~No union meetings involving more than forty (40) will occur on company property without express written permission.~~

### **Section 13.3. Union Activity During Working Hours**

The Company agrees not to discriminate in any way against any employee for Union activity, but such activity shall not be carried on during working time, except as specifically allowed ~~by the provisions of this Agreement~~below.

Each employee, before leaving his or her assigned work on Union business, shall have authorization from the Union and shall notify his or her supervisor prior to taking such leave. The Union shall provide to the designated Company Representative oral confirmation of such authorization at least one day prior to such leave and written confirmation immediately thereafter.

13.3(a) SPEEA-paid Time. Time worked for union-related issues, limited to regular working hours, shall be charged to a special charge account number and the Union agrees to reimburse the Company at the employee's regular

hourly rate for all such time so spent.

**13.3(b) Employer-paid Time.** Time worked for contract-related issues, limited to regular working hours, shall be charged to an employer charge account number that identifies the organization in which the contract-related issue is worked.

#### **Section 13.4. Bulletin Boards**

The Union shall have the right to use designated bulletin boards on the Company property for the purpose of posting notices of Union meetings and other activities which are officially approved by the Union prior to posting.

**IRENUMBER SECTIONS!**

#### ~~**Section 13.5. Time Working Union Issues**~~

~~Each employee, before leaving his or her assigned work on Union business, shall have authorization from the Union and shall notify his or her supervisor prior to taking such leave. The Union shall provide to the designated Company Representative oral confirmation of such authorization at least one day prior to such leave and written confirmation immediately thereafter.~~

~~**13.5(a) SPEEA-paid Time.** Time worked for union-related issues, limited to regular working hours, shall be charged to a special charge account number and the Union agrees to reimburse the Company at the employee's regular hourly rate for all such time so spent.~~

~~**13.5(b) Employer-paid Time.** Time worked for contract-related issues, limited to regular working hours, shall be charged to an employer charge~~

~~account number that identifies the organization in which the contract-related issue is worked.~~

## **Section 13.65. Grievance and Contract Administration**

~~13.65(a)~~—The Union shall investigate and adjust grievances, perform contract administration, support employee disciplinary hearings and conduct information sharing meetings with bargaining unit members in the work area, exclusively through Executive Board members and Council Representatives, who shall be employees, and Union Staff Representatives.

~~13.65(b)~~—Each Executive Board Member and Council Representative shall notify and obtain permission from his or her supervisor before leaving the work assignment for the purpose of investigating complaints or claims of grievance on the part of employees in his or her work area. Such permission shall be granted except where the supervisor considers such absence would seriously interfere with the performance of the group of which the representative is a part. Time spent on such approved investigations and discussions shall be considered work time provided such activity does not extend beyond the time that the supervisor considers reasonable under the circumstances. Any Executive Board Member and Council Representative in the conduct of his or her investigation, and before contacting an employee, shall obtain permission of the supervisor of such employee and advise the supervisor of the nature of the complaint or grievance and the estimated time required for the discussion. Such permission shall be granted except where the visit would seriously interfere with the work of the group.

## **Section 13.7-6 Leaves of Absence**

~~13.76(a)~~ **Duration.** Leaves of absence of at least thirty (30) days without pay

shall be granted for the following reasons:

- -Full-time employment by the Union or its national organization.
- -Union business authorized by the Executive Board and approved in writing by the designated Company Representative, which approval shall not be withheld absent legitimate business circumstances.

**13.76(b) Return from Leave of Absence.** The Company will reinstate employees on such leaves at not less than his or her former grade level and salary. The Company will review salary on a case by case basis and make adjustments as appropriate.

**Section 13.87. Substitute Council Representative**

In the absence of a Council Representative for any reason, the Union may designate a temporary substitute.

**Section 13.98. Protection of Union Officials**

**13.98(a)** Executive Board members and Council Representatives shall not be laid off during their respective terms of office except as described herein.

**13.98(a)(1)** Executive Board members and Council Representatives will be given a retention rating while serving during their term of office that will be adjusted to indicate that the employee is at the top of the highest retention rating in the applicable skill or job activity code. So rated, the Representatives will be subject to all terms and conditions of Article 7 of the parties' Agreements. Once the Representatives are no longer in office, the retention rating will be readjusted to the otherwise applicable rating.

**13.98(a)(2)** If Council Representatives are relocated, due to transfer or otherwise, out of the district in which they were elected, the Representatives will continue to be protected from layoff for the balance of their term of office



so long as they remain recognized members of the Council. Each designated Council position can be filled by only one member.

**13.98(a)(3)** Nothing herein precludes an Executive Board Member or Council Representative from requesting a voluntary or accelerated layoff.

**13.98(a)(4)** Layoff protection does not apply to Executive Board members and Council Representatives who, at the time of election or appointment, have received an active advance notice of potential layoff, unless the Board of Members or Council Representative is running for reelection to a consecutive term of office.

**13.8 (b)** In the event management deems it necessary to involuntarily transfer or loan a Council Representative, and other employees then represented by the Council Representative would remain in the same skill code, when practicable the Company will inform the Union of the proposed transfer or loan thirty (30) days prior to its effective date and will discuss with the Union the feasibility of transferring or loaning another employee.

**Section 13.409. Union Requests for Employer Data**

The Company will provide the data to the Union which is listed in the memorandum from the Union to the Company effective June 30, 2005, subject to such revisions in the future as may be made by mutual agreement of the parties. Nothing herein is intended to waive any right the Union may have to receive additional data.

**Section 13.410. SPEEA Access to the Web**

The parties hereby agree that SPEEA shall have access to the Company's internal Web page. To that effect, the parties agree as follows:

**13.4410(a)** SPEEA shall maintain the confidentiality of all information, data and computer programs ('Information Assets') to which SPEEA has access, along with any passwords or access procedures given to facilitate access to 'authorized SPEEA users'.

**13.4410(b)** SPEEA shall only access the Information Assets specified by the Company Computing Access Focal Point, and then only in accordance with the access procedures.

**13.4410(c)** SPEEA shall not access any other Information Assets not approved by the Company Computing Access Focal Point.

**13.4410(d)** SPEEA shall not remove any Information Assets from Company computing systems, or delete, change or otherwise modify any Information Assets.

**13.4410(e)** Access to Information Assets marked 'Company Limited' or bearing Government classified markings is strictly prohibited. The Company may re-evaluate access at any time. Any decision by the Company to withdraw access shall not be subject to the provisions of Article 3.

## **ARTICLE 14 - PAYROLL DEDUCTION FOR UNION DUES**

### **Section 14.1. Payroll Deduction for Union Dues**

Whenever an employee shall appropriately request in writing, the Company will deduct from such employee's pay each month dues payable to the Union. The Union will promptly notify the Company of any changes in the rate of dues during the term of this Agreement. The agreed forms for use by employees in making a request for deduction,

as well as form of notice of withdrawal, will be furnished by the Union. The Company will not deduct dues or discontinue dues deductions absent authorization from the employee. In no circumstances shall the Company be held liable for the payment of any dues to the Union. The Company agrees to recognize all current and new authorization cards on file.

## **ARTICLE 15 ~~□~~ STRIKES AND LOCKOUTS**

### **Section 15.1. ~~Strikes and Lockouts~~**

~~15.1(a) During the term of this Agreement neither the Union (including its officers, agents, representatives, and members) nor any employee covered by this Agreement shall in any way, directly or indirectly, authorize, cause, assist, encourage, participate in, ratify or condone any strike (whether it be an economic strike, sympathy strike, unfair labor practice strike or otherwise) slow down, walk out, boycott, picketing, or any other interference with the Company's operations by bargaining unit members, including any refusal to cross any other labor organization's or other party's picket line. Nothing in 15.1 shall require employees to work in an unsafe environment. Any employee who violates this Article may be subject to disciplinary action.~~

~~Consistent with the foregoing, during the term of the Agreement, the Union has the right to engage in informational picketing provided that such picketing does not have an effect of inducing any individual employed by any person in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services.~~

~~15.1(b) The Union will make every effort to stop and discourage any action prohibited by Section 15.1. if it should occur and will keep the Company advised of its actions.~~

~~15.1(c) The Company agrees that there shall be no form of lockout during the term of this Agreement.~~

~~15.1(d) The Parties agree that violations of the no strike/no lockout provisions of this Article will cause irreparable harm and therefore they agree that either party may enforce the obligations of this Article by injunction action in the courts without any requirement that the grievance and arbitration procedure of this Agreement be invoked or exhausted. The parties further agree that the Company, at its option, may file a grievance alleging a violation of the no strike obligation of this article and the Union, at its option, may file a grievance alleging violation of the no-lockout obligation at Step 3 — Pre-Arbitration of the Grievance Procedure in Article 3.2.~~

## **ARTICLE ~~16~~15 - GROUP INSURANCE & RETIREMENT PLANS**

As defined in the Summary Plan Description and described in the summary. The Summary Plan Description will be printed at a later date.

## **ARTICLE ~~17~~16 - HEALTH AND SAFETY**

### **Section ~~17~~16.1. Mutual Objective**

It is the desire of both parties to this Agreement to maintain high standards of safety and health in order to eliminate, as far as possible, industrial accidents and illness. Both parties will continue to establish proactive, customer-driven programs and systems to support this mutual objective.

### **Section ~~17~~16.2. Health and Safety In The Workplace**

**4716.2(a)** The Company shall maintain on all full shifts, an emergency first aid station.

**4716.2(b)** The Company will furnish personal protective equipment as deemed necessary.

**4716.2(c)** The Company is committed to a tobacco-free work environment based on the evidence that tobacco smoke and second-hand smoke is detrimental to employee health. Accordingly the interior spaces of all Company facilities are tobacco-free. The Company shall designate exterior spaces for smoking and use of other tobacco products. There shall be no use of tobacco products except in designated areas.

**Section 4716.3. Drug and Alcohol-Free Workplace**

**4716.3(a)** The Union and the Company recognize the value of working together to maintain the Drug and Alcohol-Free Workplace Program. This program has been established to promote a safe, healthy, and productive work environment. This program is intended to help prevent substance abuse through drug and alcohol/drug testing and enhanced employee communication that emphasizes the importance of awareness and rehabilitation. By complying with state/federal laws, regulations and enforcing the Company prohibition against drugs and alcohol in the workplace, public confidence in Company products and services is maintained. Both parties commit to work together to create an environment which promotes a drug and alcohol-free workplace and adhere to the Company's established policy.

**4716.3(b)** For reasonable suspicion and post-accident testing only, the employee has the right to request the presence of a Union Representative at the collection

site. The Union Representative shall not in any way interfere with or otherwise obstruct the collection process. The parties agree that the collection may be delayed a reasonable period, not to exceed thirty (30) minutes, to await the arrival of the Union Representative. The thirty (30)-minute period will commence when the Union, to include a Union Representative, is notified.

## **ARTICLE ~~18-17~~ - NON-DISCRIMINATION**

### **Section ~~1817~~.1. Non-Discrimination**

~~1817~~.1(a) All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Viet Nam era veteran, age, sex, sexual preference, marital status, or the presence of a disability except in those instances where age, sex or the absence of a disability may constitute a bona fide occupational qualification.

~~1817.21~~(b) Administration and application of the Agreement that is not in contravention of federal or state law shall not be considered discrimination under this Article. The parties recognize that the Company is required to comply with applicable federal and state disability discrimination laws, and agree that the Company may take actions necessary to stay in compliance. The Company agrees to notify the Union in advance in the event that compliance with such laws affects the employee rights set forth in this Agreement.

### **Section ~~1817~~.2. Non-Discrimination Grievances**

Notwithstanding any other provision of Article 3, a grievance alleging a violation of this Article 18 shall be subject to the grievance and arbitration procedure of Article 3 only if it is filed on behalf of and pertains to a single employee. Class grievances under Article 18 shall not be subject to the grievance and arbitration procedure under this Agreement.

## **ARTICLE ~~19~~18 - SCOPE OF AGREEMENT**

### **Section ~~19~~18.1. Complete Agreement**

This Agreement constitutes the entire contract between the parties hereto and supersedes and replaces any and all prior obligations and/or agreements, whether written, oral, expressed or implied between or concerning employees and/or the Union and the Company. No amendment, modification or addition to this Agreement shall be effective unless it is reduced in writing and duly executed by the parties. Nothing herein limits the parties obligation to bargain mandatory subjects arising during the term of this agreement.

### **Section ~~19~~18.2. Severability**

If any term or provision of this Agreement is, at any time during the life of this Agreement, adjudged by a court or administrative body of competent jurisdiction to be in conflict with any law, such term or provision shall become invalid and unenforceable, but such invalidity or unenforceability shall not impair or affect any other term or provision of this Agreement.

## **ARTICLE ~~20~~19 - MISCELLANEOUS**

### **Section ~~20~~19.1. Child and Elder Care Referral**

The Company will maintain a child and elder-care referral program consisting of referrals of employees to licensed care facilities, consultation with employees to determine individual needs, and providing educational materials and programs.

### **Section ~~20~~19.2. Printing of Contracts**

The parties agree, in the spirit of labor/management cooperation, that they will equally

share the costs of printing the labor agreement.

## ARTICLE ~~21~~20 - PERIOD OF AGREEMENT

### Section ~~21~~20.1. Duration

This Agreement shall be effective for a ~~six-three~~ (63)-year period from the date of contract ratification ~~July 11, 2005~~, and shall remain in force through the sixth anniversary thereof. This Agreement shall remain in force from year to year thereafter, unless either party shall notify the other, in writing by registered mail, not more than ninety (90) calendar days nor less than sixty (60) calendar days prior to the anniversary of the Effective Date in the year in which contract termination is desired. Unless terminated, this Agreement shall remain in full force and effect from year to year thereafter.

### Section ~~21~~20.2. Notification

Notice under Section 21.1 above shall be served on the senior Human Resources manager for the Company and the designated representative for the Union.

### ~~Section 21.3. ————— Contract Review~~

~~The parties agree to reopen the collective bargaining agreement for the sole purpose of negotiating over bargaining unit structure, a wage increase, health care, pension and/or other economic items for the contract years after the 36th month. The Parties will meet sixty (60) days prior to the contract's third anniversary date for this purpose, but in no event shall any changes occur until after the third anniversary of the Effective Date. The parties shall not propose lesser terms than the current agreement. The parties further agree that they will expressly reaffirm the Agreement for its duration with any modifications agreed to during the re-opener. In the event that the parties cannot reach agreement on new terms, the parties shall expressly reaffirm the existing terms, which shall remain in effect for the duration of the Agreement. Even if the parties do not agree~~



~~to the issues under negotiation for this period, the Union and the employees will not have the right to strike or otherwise disrupt the Company's business or operation.~~

Signed at Wichita, Kansas, and dated this 11<sup>th</sup> day of July, 2005

**Society of Professional Engineering  
Employees in Aerospace**

**Mid-Western Aircraft Systems Inc.**

By  
Jennifer MacKay  
President

By  
Jeffrey V. Clark  
Director-Labor Relations

## Appendix A

### A. CONFIDENTIAL GROUP 1 - PERSONNEL INFORMATION

#### 1. People Organization / People Systems excluding Trainers and Health Services Administrators

FADU - HUMAN RESOURCE GENERALIST  
FADV - HUMAN RESOURCE SPECIALIST  
UAWL - OFFICE ADMINISTRATOR CONFIDENTIAL  
BDAW - APPLICATIONS ANALYST  
BDAU - PROGRAM/ANALYST - BUSINESS  
9AWE - BUSINESS AND PLANNING ANALYST CONFIDENTIAL

#### 2. Employee Assistance Program

7BTW - EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATOR

#### 3. Law and Ethics

CABN - COUNSEL  
UAMX - ADMINISTRATIVE ASSISTANT  
SAMT - ETHICS ADVISOR

#### 4. Security & Fire Protection

BCBH - DESKTOP SYSTEMS INSTALLER  
BACS - COMPUTING SECURITY SPECIALIST

LAHQ - INDUSTRIAL SECURITY SPECIALIST  
LAHR - ACCESS ADMINISTRATOR  
LAHS - INVESTIGATOR  
LAHW - S & FP MULTIPLE OPERATIONS SPECIALIST  
LAHT - UNIFORMED SECURITY OFFICER  
UAWL - OFFICE ADMINISTRATOR

**B. CONFIDENTIAL GROUP 2 - BUSINESS INFORMATON**

**5. Program Management Office**

2AGP - WRITER/EDITOR  
KADN - MARKETING AND SALES REPRESENTATIVE  
KADQ - STRATEGY & ANALYSIS SPECIALIST  
KADS - CUSTOMER RELATIONS SPECIALIST  
KADT - MARKETING AND SALES PROCESS SPECIALIST  
UAMC- PROGRAM MANAGEMENT SPECIALIST  
WASV – PROGRAM MANAGEMENT SPECIALIST (P & L)  
UAWL - OFFICE ADMINISTRATOR CONFIDENTIAL  
UAMX - ADMINISTRATIVE ASSISTANT  
UANR - STAFF ANALYST

**6. Internal Audit**

9AHL - INTERNAL AUDITOR

**7. Communications & Public Affairs and State & Local Government Relations**

2AGR - GRAPHIC ARTIST  
4ADL - COMMUNICATIONS SPECIALIST  
MACU - COMMUNITY RELATIONS SPECIALIST  
MACV - EDUCATION RELATIONS SPECIALIST  
MACX - GOVERNMENT RELATIONS SPECIALIST  
UAWL - OFFICE ADMINISTRATOR CONFIDENTIAL  
UAMX - ADMINISTRATIVE ASSISTANT  
UANR - STAFF ANALYST

**8. Finance**

9AWC – ACCOUNTANT CONFIDENTIAL  
9AWE - BUSINESS AND PLANNING ANALYST CONFIDENTIAL  
9AHN - TAX SPECIALIST  
9AWG - ESTIMATING AND PRICING SPECIALIST CONFIDENTIAL  
9AHK - INSURANCE/RISK MANAGEMENT ANALYST  
9ARA - GOVERNMENT PROPERTY ANALYST  
5AAD - CONTRACTS & PRICING ADMINISTRATOR (Levels 4 & 5)  
5AAE – EXPORT ADMINISTRATOR  
5AAH - IMPORT ADMINISTRATOR  
5AMS - COMMERCIAL A/C CONTRACTS ADMINISTRATOR

**9. Executive Office Administrators**

UAWL - OFFICE ADMINISTRATOR CONFIDENTIAL

**~~C. CONFIDENTIAL GROUP 3 – INFORMATON TECHNOLOGY~~**

**~~1. Systems Level Root Authority~~**

~~BCWD - SYSTEM DESIGN & INTEGRATION SPECIALIST CONFIDENTIAL  
BDBA - DATABASE ADMINISTRATOR~~

## WTPU Represented Employees ~~(Active)~~

### Hired on the Effective Date of This Agreement

~~(excluding Boeing employees who retired before Close)~~

Savings/401(k) Plan									
Employee Contributions	—Up to 50% of <u>Base Salary, up to federal limits</u> pay (\$14,000 pre-tax limit in 2005)								
<del>Newco Matching Contributions</del>	<del>—75% match on first 8% of pay employee contributions</del>								
<u>Automatic Spirit Contributions</u>	<u>4% of Base Salary</u>								
<u>Matching 401(k) Contributions</u>	<u>100% Match on the first 4% of Employee Contributions</u>								
<u>Additional Spirit Contributions</u>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center; border-bottom: 1px solid black;">Age</th> <th style="width: 50%; text-align: center; border-bottom: 1px solid black;">Spirit Contribution</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Under 35</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">35 to 54</td> <td style="text-align: center;">4.0%</td> </tr> <tr> <td style="text-align: center;">55+</td> <td style="text-align: center;">6.0%</td> </tr> </tbody> </table>	Age	Spirit Contribution	Under 35	2.0%	35 to 54	4.0%	55+	6.0%
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<u>Service at Closing</u>	<u>Newco Contribution**</u>								
<del>5-9 years</del>	<del>1.5%</del>								
<del>10-14 years</del>	<del>2.5%</del>								
<del>15+ years</del>	<del>3.5%</del>								
Vesting:	-								
<u>Automatic &amp; Matching Contributions</u>	100% <u>I</u> mmmediate								
<u>Additional Newco Spirit Contributions</u>	<u>0% up to 3 years, 100% after 3 years, 50% after 3 years, 75% after 4 years and 100% after 5</u>								
<del>Newco Transition Contributions</del>	<del>years of service*</del>								
	100% at earlier of age 60 or completion of 5 years of Newco service (i.e., future service only)								
<u>Pay Definition</u>	<u>Base salary</u>								
<u>Payout Options</u>	☼ <u>Lump sum</u> ☼ <u>Installment payout</u>								
	*Service includes employee's years of vesting service earned under the Boeing Company Employee Retirement Plan.								
	** Contribution continues for the lesser of 15 years or completed years of Boeing service at the Closing Date.								
<u>The company will provide free access to Financial Engines for all 401k plan participants.</u>									
Newco Spirit Retirement Plan									
Normal Retirement Benefit	Accrued benefit determined under Boeing Company Employee Retirement Plan (BCERP) and Pension Value Plan (PVP) as of the Closing Date <u>(June 17, 2005)</u> .								

Early Retirement	Early retirement provisions under BCERP/PVP as in effect on the Closing Date <u>(June 17, 2005)</u> , applicable to frozen accrued benefit. Early retirement eligibility determined based on <u>NeweoSpirit</u> service plus service earned for retirement eligibility under BCERP/PVP through the Closing Date <u>(June 17, 2005)</u> .
Payout Options	Same options as available to BCERP/PVP participants as of the Closing Date <u>(June 17, 2005)</u> .
<b>Medical</b>	
Plan Design	<del>1st Year: 3 options {2 traditional plans: PPO and coordinated care/HMO; 1 Consumer Driven Healthcare Plan (CDHP)}—refer to Plan Summaries;</del> <del>Subsequent Years: Plans modified slightly in Year 4—see summaries</del> <u>Two plans, Core and Enhanced</u>
Employee <u>Premium Contribution</u> <u>Cost</u>	<b>All Years:</b> <del>Low Cost Traditional</del> <u>Core</u> - 100% of medical premium cost <del>High Cost Traditional—low cost traditional contribution plus the difference between the total medical premium cost of the two plans</del> <u>CDHP-Enhanced</u> - <del>0+0%</del> 0% of medical premium cost.  <u>Company and Union are committed to reviewing plan design and other cost savings through the JCC to achieve the lowest total premium Premium contribution moving up by 1% on each plan year anniversary if premium cost on the low cost option (CCP) increases by more than 10% over the prior year.</u> <u>Spousal Surcharge: \$100 for spouse with other coverage choosing Neweo plan (all plans; all years)possible without eliminating plan benefits or simply passing costs on to the sickest of individuals.</u>
Contribution to FSA	Employees contribute at own discretion up to plan maximum. <u>Unused FSA funds are forfeited.</u> s
<b>Dental</b>	
Plan Design	<del>2 different options—r</del> <u>Refer to Plan Summaries</u> <del>ies</del>
Employee <u>Premium Cost</u> <u>Contribution</u>	<del>2</del> <u>Free from premium contributions for employees and their eligible dependants.</u> <del>0%</del> 0% of dental premium cost
<b>Vision</b>	
<u>Plan Design</u>	<u>Refer to Plan Summary</u>
Plan <del>Design</del> <u>&amp; Premium Contributions</u>	Included in medical plan.
<u>Employee Cost</u>	<del>Included in medical plan.</del>
<b>Retiree Medical (coverage ends at Medicare Eligibility, typically age 65age-65)</b>	
Retire at Age <del>62 &amp; 1059</del> <u>62 &amp; 1059</u> Years <u>of service</u> (hired < 1999)	Same medical benefit options and employee cost as provided to active employees. Employees with at least 10 years of service who are laid off by <u>NeweoSpirit</u> up to 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon

	reaching age <del>62</del> <u>59</u> .
Retire at Age 55 & 10 Years <u>of service</u>	Same medical benefit options as active employees; retiree pays full cost of benefits (based on retired population costs, <u>not to exceed 1.25 times the active rate</u> ). Employees with at least 10 years of service who are laid off by <u>Newco Spirit</u> up to 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon reaching age 55.
<b>Ancillary Benefits (2080 hrs/yr)</b>	
Company Paid Life Insurance	<del>+</del> <u>2.25</u> times annual base wage
Optional Life Insurance	Additional benefit is available on an employee pay all basis
Company Paid Short Term Disability	80% of weekly base wage for weeks 2 - 13 and 60% of weekly base wage for weeks 14 <del>-</del> 26
Company Paid Long Term Disability	<del>40</del> <u>60</u> % of base monthly wage up to a maximum of \$ <del>105</del> <u>100</u> ,000 per month following a 26 week elimination period
<del>Optional Long Term Disability</del>	<del>Additional 20% benefit (\$2,500 monthly maximum) is available on an employee pay all basis</del>
Company Paid AD&D	<u>2.25</u> <del>+</del> times annual base wage
Company Paid <u>Business Travel Accident</u> <del>FA</del>	<u>5</u> <del>2</del> times annual base wage

**Society of Professional Engineering in Aerospace  
WTPU Represented Employees (Active)**

**~~Active employees who Retire from Boeing and are hired by Newco~~**

<b>Savings/401(k) Plan</b>	
<del>Employee Contributions</del>	<del>— Up to 50% of pay (\$14,000 pre-tax limit in 2005)</del>
<del>Newco Matching Contributions</del>	<del>— 75% match on first 8% of pay employee contributions</del>
<del>Additional Newco Contributions</del>	<del>— <math>\frac{\text{Age} + \text{Service}^*}{\text{Newco Contribution}}</math></del>
	<del>— &lt;60 ————— 1.5%</del>
	<del>— &gt;60 but &lt;80 ————— 3.0%</del>
	<del>— &gt;80 ————— 4.5%</del>
<del>Newco Transition Contributions</del>	<del>— None</del>
<del>Vesting:</del>	<del>-</del>
<del>    Matching Contributions</del>	<del>100% immediate</del>
<del>    Additional Newco Contributions</del>	<del>50% after 3 years, 75% after 4 years and 100% after 5 years of service*</del>
<del>    Newco Transition Contributions</del>	<del>N/A</del>
<del>Pay Definition</del>	<del>Base salary</del>
<del>Payout Options</del>	<del>☼ Lump sum ☼ Installment payout</del>
	<del>*Service includes employee's years of vesting service earned under the Boeing Company Employee Retirement Plan.</del>
<b>Newco Retirement Plan</b>	
<del>Normal Retirement Benefit</del>	<del>Not applicable.</del>
<del>Early Retirement</del>	<del>Not applicable.</del>
<del>Payout Options</del>	<del>Not applicable.</del>
<b>Medical</b>	
<del>Plan Design</del>	<del>Employees are eligible for Boeing retiree medical benefits. Otherwise, 1st Year: 3 options {2 traditional plans: PPO and coordinated care/HMO; 1 Consumer Driven Healthcare Plan (CDHP)}— refer to Plan Summaries; Subsequent Years: Plans modified slightly in Year 4— see summaries</del>
<del>Employee Cost</del>	<del><b>All Years:</b> <b>Low Cost Traditional</b>— 10% of medical premium cost <b>High Cost Traditional</b>— low cost traditional contribution plus the difference between the total medical premium cost of the two plans <b>CDHP</b>— 10% of medical premium cost. Premium contribution moving up by 1% on each plan year anniversary if premium cost on the low cost option (CCP) increases by more than 10% over the prior year. <b>Spousal Surcharge:</b> \$100 for spouse with other coverage choosing Newco plan (all plans; all years)</del>
<del>Contribution to FSA</del>	<del>Employees contribute at own discretion up to plan maximums</del>

<b>Dental</b>	
<b>Plan Design</b>	Employees are eligible for Boeing retiree dental benefits. Otherwise, 2 different options—refer to Plan Summaries
<b>Employee Cost</b>	20% of dental premium cost
<b>Vision</b>	
<b>Plan Design</b>	Included in Newco medical plans.
<b>Employee Cost</b>	Included in Newco medical plans.
<b>Retiree Medical (coverage ends at age 65)</b>	
<b>Retire at Age 62 &amp; 10 Years (hired &lt; 1999)</b>	Not applicable.
<b>Retire at Age 55 &amp; 10 Years</b>	Not applicable.
<b>Ancillary Benefits (2080 hrs/yr)</b>	
<b>Company Paid Life Insurance</b>	1 times annual base wage
<b>Optional Life Insurance</b>	Additional benefit is available on an employee pay all basis
<b>Company Paid Short Term Disability</b>	80% of weekly base wage for weeks 2—13 and 60% of weekly base wage for weeks 14—26
<b>Company Paid Long Term Disability</b>	40% of base monthly wage up to a maximum of \$5,000 per month following a 26 week elimination period
<b>Optional Long Term Disability</b>	Additional 20% benefit (\$2,500 monthly maximum) is available on an employee pay all basis
<b>Company Paid AD&amp;D</b>	1 times annual base wage
<b>Company Paid BTA</b>	2 times annual base wage

**Society of Professional Engineering in Aerospace  
WTPU Represented Employees (Active)**

**Employees hired after day 1 and any employees hired  
on day 1 who were not active Boeing employees at time of close**

<b>Savings/401(k) Plan</b>	
<b>Employee Contributions</b>	—Up to 50% of pay (\$14,000 pre-tax limit in 2005)
<b>Newco Matching Contributions</b>	—75% match on first 8% of pay employee contributions
<b>Additional Newco Contributions</b>	— <u>Age + Service*</u> <u>Newco Contribution</u> — <60 ————— 1.5% — >60 but <80 ————— 3.0% — >80 ————— 4.5%
<b>Newco Transition Contributions</b>	—None
<b>Vesting:</b>	-
<b>Matching Contributions</b>	100% immediate
<b>Additional Newco Contributions</b>	50% after 3 years, 75% after 4 years and 100% after 5 years of service*
<b>Newco Transition Contributions</b>	N/A
<b>Pay Definition</b>	Base salary
<b>Payout Options</b>	☼ Lump sum ☼ Installment payout
	*Service includes employee's years of vesting service earned under the Boeing Company Employee Retirement Plan.
<b>Newco Retirement Plan</b>	
<b>Normal Retirement Benefit</b>	Not applicable.
<b>Early Retirement</b>	Not applicable.
<b>Payout Options</b>	Not applicable.
<b>Medical</b>	
<b>Plan Design</b>	1st Year: 3 options {2 traditional plans: PPO and coordinated care/HMO; 1 Consumer Driven Healthcare Plan (CDHP)}— refer to Plan Summaries; Subsequent Years: Plans modified slightly in Year 4— see summaries
<b>Employee Cost</b>	<b>All Years:</b> <b>Low Cost Traditional</b> —10% of medical premium cost <b>High Cost Traditional</b> —low cost traditional contribution plus the difference between the total medical premium cost of the two plans <b>CDHP</b> —10% of medical premium cost. Premium contribution moving up by 1% on each plan year anniversary if premium cost on the low cost option (CCP) increases by more than 10% over the prior year. <b>Spousal Surcharge:</b> \$100 for spouse with other coverage choosing



	Neweco plan (all plans; all years)
Contribution to FSA	Employees contribute at own discretion up to plan maximums
<b>Dental</b>	
Plan Design	2 different options—refer to Plan Summaries
Employee Cost	20% of dental premium cost
<b>Vision</b>	
Plan Design	Included in medical plans.
Employee Cost	Included in medical plans.
<b>Retiree Medical (coverage ends at age 65)</b>	
Retire at Age 62 & 10 Years (hired < 1999)	Not applicable.
Retire at Age 55 & 10 Years	Same medical benefit options as active employees; retiree pays full cost of benefits (based on retired population costs). Employees with at least 10 years of service who are laid off by Neweco up to 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon reaching age 55.
<b>Ancillary Benefits (2080 hrs/yr)</b>	
Company Paid Life Insurance	1 times annual base wage
Optional Life Insurance	Additional benefit is available on an employee pay all basis
Company Paid Short Term Disability	80% of weekly base wage for weeks 2—13 and 60% of weekly base wage for weeks 14—26
Company Paid Long Term Disability	40% of base monthly wage up to a maximum of \$5,000 per month following a 26 week elimination period
Optional Long Term Disability	Additional 20% benefit (\$2,500 monthly maximum) is available on an employee pay all basis
Company Paid AD&D	1 times annual base wage
Company Paid BTA	2 times annual base wage

**SPIRIT AEROSYSTEMS, INC.**  
**Health Care Summary May 27, 2005**  
**Traditional PPO Benefits at a Glance**  
**7/1/2005**

Plan-Basic	In-Network	Out-of-Network
<b>Deductible</b>		
Individual	\$200	\$600
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$400	\$1,200
Family	\$600	\$1,800
<b>Employer-Funded Personal Care Account</b>		
Individual	N/A	N/A
Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A	N/A
Family	N/A	N/A
<b>Annual Out-of-Pocket (OOP) Maximum (does NOT include deductible)</b>		
Individual	\$2,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$3,000	\$3,000
Family	\$4,000	\$4,000
<b>Outpatient Care</b>		
Surgery/Diagnostic Tests/X-Rays	90% after deduct	60% after deduct
Physician Office Visit	\$0 or \$20*	60% after deduct
<b>Inpatient Care</b>		
Hospital Room & Board	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
<b>Emergency Care</b>		
Emergency Room (waived if admitted)	\$50	limitations apply within service area; \$50—outside service area
Ambulance or other emergency related charges	90% after deduct	90% after deduct
<b>Mental Health/Chemical Dependency</b>		
Inpatient— <i>20 day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non-network outpatient substance abuse annual maximum \$1,000</i>		
Hospital Room and Board	90% after deduct	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct

<b>Outpatient</b>		
Physician Office Visit (Substance abuse has a lifetime maximum of \$7,500)	\$0 or \$20*	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing— \$10,000 annual max	90% after deduct	60% after deduct
<b>Maternity</b>		
Initial Visit	\$0 or \$20*	60% after deduct
Pre-Natal Visits After Initial Visit	\$0	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	90% after deduct	60% after deduct
Post-Natal Visits	\$0 or \$20*	60% after deduct
<b>Therapy—20 visits annual maximum per episode</b>		
Occupational/Physical Therapy	\$20	60% after deduct
Speech Therapy	\$20	60% after deduct

**Traditional Coordinated Care (CCP/POS)  
Benefits at a Glance  
7/1/2005**

	<b>Plan-Basic</b>	<b>In-Network</b>	<b>Out-of-Network</b>
<b>Deductible</b>			
Individual		N/A	\$600
Employee+1 (Employee & Spouse or Employee & Child(ren))		N/A	\$1,200
Family		N/A	\$1,800
<b>Employer-Funded Personal Care Account</b>			
Individual		N/A	N/A
Employee+1 (Employee & Spouse or Employee & Child(ren))		N/A	N/A
Family		N/A	N/A
<b>Annual Out-of-Pocket (OOP) Maximum (does NOT include deductible)</b>			
Individual		N/A	\$1,500
Employee+1 (Employee & Spouse or Employee & Child(ren))		N/A	\$2,250
Family		N/A	\$3,000
<b>Outpatient Care</b>			
Surgery/Diagnostic Tests/X-Rays		\$0 or \$25*	60% after deduct
Physician Office Visit		\$0 or \$20*	60% after deduct
<b>Inpatient Care</b>			
Hospital Room & Board		\$100	60% after deduct
Physician Services		100%	60% after deduct
<b>Emergency Care</b>			
Emergency Room (waived if admitted)		\$50	limitations apply

		within service area; \$50—outside service area
Ambulance or other emergency related charges	\$20	\$20
<b>Mental Health/Chemical Dependency</b>		
<i>Inpatient— 20-day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non-network outpatient substance abuse annual maximum \$1,000</i>		
Hospital Room and Board	\$100	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	100%	60% after deduct
Physician Services	100%	60% after deduct
<b>Outpatient</b>		
Physician Office Visit (Substance abuse has a lifetime maximum of \$7,500)	\$0 or \$20*	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing— \$10,000 annual max	\$20 per visit	60% after deduct
<b>Maternity</b>		
Initial Visit	\$0 or \$20*	60% after deduct
Pre-Natal Visits After Initial Visit	\$0	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	\$25 or \$100*	60% after deduct
Post-Natal Visits	\$0 or \$20*	60% after deduct
<b>Therapy—20 visits annual maximum per episode</b>		
Occupational/Physical Therapy	\$20	60% after deduct
Speech Therapy	\$20	60% after deduct
Chiropractic Care	\$20	60% after deduct
Preventive—up to \$300 per covered individual, treated as any other benefit afterwards	100%	Not Covered
<b>Pharmacy</b>	<b>In-Network</b>	<b>Out-of-Network</b>
<b>Retail (30-day supply)</b>		
Generic (mandatory-generic)	\$8	Not Covered
Formulary	\$15	Not Covered
Non-Formulary	\$30	Not Covered
<b>Mail Order (90-day supply)</b>		
Generic (mandatory-generic)	\$16	Not Covered
Formulary	\$30	Not Covered
Non-Formulary	\$60	Not Covered

\*Lower payment for using health care providers identified as “High Performers”

Note: For 7/1/05–6/30/06 plan year high performer designation will only apply to primary care physicians. Additional designations will be added as feasible

## ~~Consumer Directed Health Plan~~ Benefits at a Glance 7/1/2005

Plan Basic	In-Network	Out-of-Network
<b>Deductible</b>		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,750	\$3,500
Family	\$2,500	\$5,000
<b>Employer Funded Personal Care Account</b>		
Individual	\$500	N/A
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,000	N/A
Family	\$1,500	N/A
<b>Annual Out-of-Pocket (OOP) Maximum (does NOT include deductible)</b>		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,500	\$3,000
Family	\$2,000	\$4,000
<b>Outpatient Care</b>		
Surgery/Diagnostic Tests/X-Rays	90% after deduct	60% after deduct
Physician Office Visit	90% after deduct	60% after deduct
<b>Inpatient Care</b>		
Hospital Room & Board	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
<b>Emergency Care</b>		
Emergency Room (waived if admitted)	90% after deduct	limitations apply within service area; 90%—outside service area
Ambulance or other emergency related charges	90% after deduct	90% after deduct
<b>Mental Health/Chemical Dependency</b>		
Inpatient— 20 day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non network outpatient substance abuse annual maximum \$1,000		

Hospital Room and Board	90% after deduct	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
Outpatient		
Physician Office Visit (Substance abuse has a lifetime maximum of \$7,500)	90% after deduct	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing— \$10,000 annual max	90% after deduct	60% after deduct
Maternity		
Initial Visit	90% after deduct	60% after deduct
Pre-Natal Visits After Initial Visit	90% after deduct	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	90% after deduct	60% after deduct
Post-Natal Visits	90% after deduct	60% after deduct
Therapy—20 visits annual maximum per episode		
Occupational/Physical Therapy	90% after deduct	60% after deduct
Speech Therapy	90% after deduct	60% after deduct
Chiropractic Care	90% after deduct	60% after deduct
Preventive—up to \$300 per covered individual, treated as any other benefit afterwards	100%	Not Covered
Pharmacy	In-Network	Out-of-Network
Retail (30-day supply)		
Generic (mandatory generic)	\$10	Not Covered
Formulary	\$20	Not Covered
Non-Formulary	\$35	Not Covered
Mail Order (90-day supply)		
Generic (mandatory generic)	\$25	Not Covered
Formulary	\$50	Not Covered
Non-Formulary	\$85	Not Covered

**SPIRIT AEROSYSTEMS, INC.**  
**Health Care Summary May 27, 2005**  
**Traditional PPO Benefits at a Glance**  
**7/1/2008**

Plan-Basic	In-Network	Out-of-Network
Deductible		
Individual	\$250	\$750
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$500	\$1,500
Family	\$750	\$2,250
Employer-Funded Personal Care Account		
Individual	N/A	N/A

Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A	N/A
Family	N/A	N/A
<b>Annual Out-of-Pocket (OOP) Maximum</b> <i>(does NOT include deductible)</i>		
Individual	\$2,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$3,000	\$3,000
Family	\$4,000	\$4,000
<b>Outpatient Care</b>		
Surgery/Diagnostic Tests/X-Rays	90% after deduct	60% after deduct
Physician Office Visit	\$0 or \$20*	60% after deduct
<b>Inpatient Care</b>		
Hospital Room & Board	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
<b>Emergency Care</b>		
Emergency Room (waived if admitted)	\$50	limitations apply within service area; \$50—outside service area
Ambulance or other emergency related charges	90% after deduct	90% after deduct
<b>Mental Health/Chemical Dependency</b>		
Inpatient— <i>20-day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non-network outpatient substance abuse annual maximum \$1,000</i>		
Hospital Room and Board	90% after deduct	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
<b>Outpatient</b>		
Physician Office Visit (Substance abuse has a lifetime maximum of \$7,500)	\$0 or \$20*	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing— <i>\$10,000 annual max</i>	90% after deduct	60% after deduct
<b>Maternity</b>		
Initial Visit	\$0 or \$20*	60% after deduct
Pre-Natal Visits After Initial Visit	\$0	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	90% after deduct	60% after deduct
Post-Natal Visits	\$0 or \$20*	60% after deduct
<b>Therapy—20 visits annual maximum per episode</b>		
Occupational/Physical Therapy	\$20	60% after deduct

Speech Therapy	\$20	60% after deduct
Chiropractic Care	\$20	60% after deduct
Preventive—up to \$350 per covered individual, treated as any other benefit afterwards	100%	Not Covered
Pharmacy	In-Network	Out-of-Network
Retail (30-day supply)		
Generic (mandatory-generic)	\$10	Not Covered
Formulary	\$20	Not Covered
Non-Formulary	\$35	Not Covered
Mail Order (90-day supply)		
Generic (mandatory-generic)	\$20	Not Covered
Formulary	\$40	Not Covered
Non-Formulary	\$70	Not Covered



\*Lower payment for using health care providers identified as “High Performers” (when available)

## **Traditional Coordinated Core Care Plan (CCP/POS) Benefits at a Glance**

7/1/2008

<b>Plan Basic Benefit Summary</b>	<b>In-Network</b>	<b>Out-of-Network</b>
Deductible		
Individual	N/A/None	\$600
Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A/None	\$1,200
Family	N/A/None	\$1,800
<b>Employer Funded Personal Care Account</b>		
Individual	N/A	N/A
Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A	N/A
Family	N/A	N/A
Annual Out-of-Pocket (OOP) Maximum <i>(does NOT include deductible)</i>		
Individual	N/A	\$1,500
Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A	\$2,250
Family	N/A	\$3,000
<b>Outpatient Care</b>		
Surgery/Diagnostic Tests/X-Rays	\$10 or \$35* <sup>1</sup>	60% after deduct
Physician Office Visit	\$0 or \$20* <sup>1</sup>	60% after deduct
<b>Inpatient Care</b>		
Hospital Room & Board	\$100	60% after deduct
Physician Services	100%	60% after deduct
<b>Urgent Care, Emergency Care Room &amp; Ambulance</b>		
Urgent Care	<u>100% Covered</u>	<u>100% Covered</u>
Emergency Room (waived if admitted <u>and/or if no urgent care is available within 20 miles of the location of the incident</u> )	\$100 <u>50 Copay</u>	<del>\$100</del> <u>limitations apply within service area; \$50—outside service area</u>
Ambulance or other emergency related charges	\$20 <u>Copay</u>	\$20

<sup>1</sup> Lower co-payment for using healthcare providers identified as “High Performers” when available

<b>Mental Health/Chemical Dependency</b>		
Inpatient - <i>20 day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non-network outpatient substance abuse annual maximum \$1,000</i>		
Hospital Room and Board	\$150 <u>Co-pay</u>	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	100% <u>Covered</u>	60% after deduct
Physician Services	100% <u>Covered</u>	60% after deduct
Outpatient		
Physician Office Visit (Substance abuse has a lifetime maximum of \$7,500)	\$0 or \$20* <sup>1</sup> <u>Copay</u>	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing - <i>\$10,000 annual max</i>	\$20 per visit	60% after deduct
Maternity		
Initial Visit	\$0 or \$20* <sup>1</sup> <u>Copay</u>	60% after deduct
Pre-Natal Visits After Initial Visit	\$0	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	\$25 or \$100* <sup>1</sup> <u>Copay</u>	60% after deduct
Post-Natal Visits	\$0 or \$20* <sup>1</sup>	60% after deduct
Therapy - <i>20 visits annual maximum per episode, <u>more visits may be approved based on medical necessity</u></i>		
Occupational/Physical Therapy	\$20	60% after deduct
Speech Therapy	\$20	60% after deduct
Chiropractic Care	\$20	60% after deduct
<u>Preventative</u>	<u>100%</u>	<u>Not Covered</u>
<b><u>Pharmacy</u></b>	<b><u>In Network</u></b>	<b><u>Out-of-Network</u></b>
<u>Retail (30 day supply)</u>		
<u>Generic (mandatory chemically equivalent generic)</u>	<u>\$8 Co-pay</u>	<u>Not Covered</u>
<u>Formulary</u>	<u>\$15 Co-pay</u>	<u>Not Covered</u>
<u>Non-Formulary</u>	<u>\$30 Co-pay</u>	<u>Not Covered</u>
<u>Mail Order (90 day supply)</u>		
<u>Generic (mandatory chemically equivalent generic)</u>	<u>\$16 Co-pay</u>	<u>Not Covered</u>
<u>Formulary</u>	<u>\$30 Co-pay</u>	<u>Not Covered</u>
<u>Non-Formulary</u>	<u>\$60 Co-pay</u>	<u>Not Covered</u>

<sup>1</sup>Lower co-payment for using healthcare providers identified as “High Performers” when available

# Consumer Directed Health Enhanced - Plan (CDHP)

## Benefits at a Glance

7/1/2008

<u>Benefit Summary</u> <del>Plan Basic</del>	In-Network	Out-of-Network
Deductible		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,750	\$3,500
Family	\$2,500	\$5,000
Employer Funded Personal Care Account <sup>23</sup>		
Individual	<del>\$500</del> <u>1,000</u>	N/A
Employee+1 (Employee & Spouse or Employee & Child(ren))	<del>\$1,750</del> <u>000</u>	N/A
Family	<del>\$2,500</del> <u>1,500</u>	N/A
Annual Out-of-Pocket (OOP) Maximum <i>(does NOT include deductible)</i>		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,500	\$3,000
Family	\$2,000	\$4,000
<b>Outpatient Care</b>		
Surgery/Diagnostic Tests/X-Rays	90% after deduct	60% after deduct
Physician Office Visit	90% after deduct	60% after deduct
<b>Inpatient Care</b>		
Hospital Room & Board	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
<b><u>Urgent Care &amp; Emergency Care</u></b>		
<u>Urgent Care</u>	<u>100%</u>	<u>100%</u>
Emergency Room <del>(waived if admitted)</del> <u>(waived if admitted and/or if no urgent care is available within 20 miles of the location of the incident)</u>	90% after deduct	<u>90% after deduct</u> <u>limitations apply within service area; 90%—outside service area</u>
Ambulance or other emergency related charges	90% after deduct	90% after deduct

<sup>2</sup> The full amount of unused PCA funds roll over and may be used in subsequent years. if an individual changes plans to the core plan, the PCA funds will be held in abeyance until such time the individual returns to the enhanced plan or retires.

<sup>3</sup> During retirement, unused PCA funds may be used for any eligible medical expense identified in IRS Section 213(d) or IRS publication 502 or the functional equivalent, if any.

<b>Mental Health &amp; Chemical Dependency</b>		
Inpatient - <i>20 day annual maximum, only 2 chemical dependency treatments per lifetime; outpatient substance abuse lifetime limit of \$7,500; non-network outpatient substance abuse annual maximum \$1,000</i>		
Hospital Room and Board	90% after deduct	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
Outpatient		
Physician Office Visit ( <i>Substance abuse has a lifetime maximum of \$7,500</i> )	90% after deduct	60% after deduct
<b>Other</b>		
Home Health Care/Private Duty Nursing - <i>\$10,000 annual max</i>	90% after deduct	60% after deduct
Maternity		
Initial Visit	90% after deduct	60% after deduct
Pre-Natal Visits After Initial Visit	90% after deduct	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	90% after deduct	60% after deduct
Post-Natal Visits	90% after deduct	60% after deduct
Therapy - <i>20 visits annual maximum per episod, more visits may be approved based on medical necessary e</i>		
Occupational/Physical Therapy	90% after deduct	60% after deduct
Speech Therapy	90% after deduct	60% after deduct
Chiropractic Care	90% after deduct	60% after deduct
Preventive <i>—up to \$350 per covered individual, treated as any other benefit afterwards</i>	100%	Not Covered
<b>Pharmacy</b>	<b>In Network</b>	<b>Out-of-Network</b>
Retail (30 day supply)		
Generic (mandatory <u>chemically equivalent generic</u> )	\$10	Not Covered
Formulary	\$20	Not Covered
Non-Formulary	\$35	Not Covered
Mail Order (90 day supply)		
Generic ( <u>mandatory chemically equivalent generic</u> )( <u>mandatory generic</u> )	\$25	Not Covered
Formulary	\$50	Not Covered
Non-Formulary	\$85	Not Covered

## Dental Benefits at a Glance

<b><u>Benefit Summary</u></b>	In Network	Out-of-Network
<b><u>Plan Basic – Incentive Plan</u></b>		
Deductible	<del>\$250</del>	\$100
Annual Benefit Maximum per Individual	<del>\$21,050</del>	<del>\$2,000</del> ,500
Coinsurance		
Preventative ( <u>deductible waived in network</u> )	100%	80%
Basic	80%	70%
Major	50%	50%
Orthodontia		
Coinsurance	50%	50%
Lifetime Maximum	<del>\$1,750</del> 2,000	<del>\$1,750</del> 2,000
<b><u>Plan Basic – Prepaid/HMO Plan (limited network of providers)</u></b>		
Deductible	\$0	
Annual Benefit Maximum per Individual	Unlimited	
Coinsurance		
Preventative	100%	
Basic	100%	
Major	100%	
Orthodontia		
Coinsurance	50%	
Lifetime Maximum	\$1,750	

## Vision Benefits at a Glance

<b><u>Benefit Summary</u></b>	In Network	Out-of-Network
Exam - Limited to one exam per Benefit Period	\$20	Not Covered
Hardware - Limited to one pair of lenses/frames or contact lenses per Benefit Period.		
Frames	<del>\$70</del> 82	
Lenses:		
Single	<del>\$78</del> 50	
Bifocal	<del>\$160</del> 80	
Progressive	<del>\$190</del> 95	
Trifocal	<del>\$190</del> 95	
Lenticular	<del>\$215</del> 455	
Contacts	<del>\$210</del> 405	