

1 **COLLECTIVE BARGAINING AGREEMENT**

2 **Between**

3 **SPIRIT AEROSYSTEMS, INC.**

4 **And**

5 **SOCIETY OF PROFESSIONAL ENGINEERING EMPLOYEES IN**

6 **AEROSPACE – Wichita Technical and Professional Unit**

7 **PREAMBLE**

8 THIS AGREEMENT, dated as of the ___th day of _____ 2019, is made and entered into by and
9 between Spirit AeroSystems, Inc. (hereinafter referred to as “the Company”), and the Society of
10 Professional Engineering Employees in Aerospace – Wichita Technical and Professional Unit (hereinafter
11 referred to jointly as “the Union”).

12 **PREFACE**

13 **Company and Union Cooperation.**

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

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

23 The Company and the Union believe that a relationship built on cooperation and collaboration is
24 beneficial to the Company and its employees. It is agreed that the Company and the Union may discuss
25 suggestions, issues, or other matters either party wishes to present, provided that neither party shall be
26 bound to act upon any item presented or modify or change any provision of this Agreement.

27 The parties also understand that in a long-term cooperative relationship of this nature, developments
28 may arise that neither party anticipated. In such circumstances, it may be in everyone’s best interest to
29 modify specific terms in this Agreement. The parties agree to approach such discussions with the utmost
30 good faith in order to find solutions best for all. This Agreement has been constructed so as to maximize
31 the likelihood of realizing these objectives in regard to the intent and spirit of this Agreement.

32 **ARTICLE 1**

33 **BARGAINING UNIT**

1 **Section 1.1 Recognition.** For the purposes of collective bargaining with respect to rates of pay and
2 other conditions of employment, the Company recognizes the Union as the exclusive bargaining agent
3 for the collective bargaining unit described as follows:

4 **1.1(a) Non-engineering.** All full-time and regular part-time nonexempt employees and exempt
5 salaried non-engineering employees (except the Occupation/Family codes included below)
6 primarily employed and working in the Company’s plants in Sedgwick County, Kansas, including
7 persons who are on travel status from such plants, but excluding all full-time and regular part-
8 time employees designated as being in the professional unit in the agreement with the
9 Company, the Union and the National Labor Relations Board in the Occupation/Family codes
10 6ANB, BBAQ, BBAP, 7BTP, BCKK, 7BTN, 7BTR and the 7BTY employed within the SHEA Medical
11 Organization, confidential employees [1.1(b) below]), managerial employees, guards and
12 supervisors as defined in the National Labor Relations Act, and all other employees.

13 1.1(b) The Company and the Union agree that a number of employees are excluded from the
14 bargaining unit because of their job functions and/or organizations. The following is a list of
15 categories of work that these employees do and/or the organizations they are in:

16 1.1(b)(1) Employees who work with confidential personnel information. The people in
17 this group include (a) all individuals working in human resource functions including
18 employment, organizational personnel representatives, compensation and benefits,
19 equal employment opportunity/workforce diversity, staffing and workforce, union
20 relations, people systems and management development; (b) all individuals working in
21 the Employee Assistance Program; (c) all individuals in the Law and Ethics organizations;
22 and (d) all individuals in the Security and Fire protection organization. Not included in
23 this group of confidential employees are those employees who coordinate and provide
24 training programs.

25 1.1(b)(2) Employee who work with confidential business information. The people in
26 this group include all individuals in the Business Operations, in Internal Audit, in
27 Communications and Public Affairs, in State and Local Government Relations and all
28 Executive Office Administrators. Additionally, certain employees in the Finance
29 Organizations in payroll, payment services, insurance, estimating/pricing, investment
30 analysis, cost management, contracts, financial planning, overhead, tax specialists, sales
31 accounting/billings and finance/business management as further described in Appendix
32 A are confidential. These employees work regularly with data and information that is
33 confidential because it includes one or more of these elements: forward pricing,
34 confidential information regarding litigation with employees, employee personnel data,
35 strategic business plans, decisions analysis and labor forecasting.

36 1.1(b)(3) Employees in Information Technology who have systems level root authority.
37 “Systems level root authority” is defined as privileged access allowing employees to
38 install, update and upgrade restricted system software and parameters at the operating
39 system level. “Systems level root authority” also includes unlimited access to operating
40 system passwords, user passwords, and system data. “Unlimited access” is defined as
41 the ability to inquire, update, and/or delete information at operating system and/or
42 database levels. The functions and job codes included in the three groups described

1 above are listed in Appendix A hereto which may be updated from time to time by
2 mutual agreement of the parties. Upon request, the Company will provide the Union
3 with job classification information sufficient to allow the Union to ensure compliance
4 with this Article.

5 **Section 1.2 Employees.** For purposes of the remaining articles of this Agreement, the term
6 “employees” shall include only those persons who are a part of the unit as described in Section 1.1.

7 **ARTICLE 2**

8 **RIGHTS OF MANAGEMENT**

9 **Section 2.1 Management of Company.** Except as expressly modified or restricted by a specific
10 provision of this Agreement, all statutory, common law, and inherent managerial rights, prerogatives,
11 and functions are retained and vested exclusively in the Company, including, but not limited to, the
12 rights in accordance with its sole and exclusive judgment and discretion to: establish reasonable rules
13 and regulations; manage the operation; direct the workforce; promote, demote, transfer and/or assign
14 its employees; discipline (up to and including discharge) employees for just cause; determine the
15 number of employees to be employed; and hire employees, determine their qualifications and assign
16 their work and work locations.

17 2.1(a) Company and the Union agree that due to the nature of the work performed by
18 employees represented by the Union, management employees may from time to time, perform
19 work that would otherwise be performed by bargaining unit members for the purposes of
20 product development, process improvement, employee training or emergencies.

21 2.1(b) The terms and conditions of this Agreement are minimum and the Company shall be free
22 to grant more favorable terms and conditions to any employee at its discretion.

23 **ARTICLE 3**

24 **DETERMINATION OF DISPUTES**

25 **Section 3.1 Establishment of Procedure.** Definition: The term “grievance” shall mean a written
26 complaint involving the interpretation or application of this Agreement. A grievance may include a
27 complaint about an act, communication or omission which occurs after the termination of this
28 Agreement, but no such grievance shall be subject to arbitration.

29 **Section 3.2 Just Cause Requirement.** Employees shall not be disciplined or discharged without just
30 cause. For grievances involving a layoff, discharge, suspension, or involuntary resignation, employees
31 shall have the right to begin the grievance process at Step 3 of this procedure with the designated
32 Company representative within ten (10) workdays after the date of such layoff, discharge, suspension,
33 or involuntary resignation.

34 **Section 3.3 Grievance Steps.**

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

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

9 **Step 3 – Pre-Arbitration.** The employee’s managers’ decision will be final and binding unless,
10 within ten (10) workdays of the issuance of that decision, the grievance is appealed in writing to
11 Human Resources. Within fifteen (15) calendar days of Human Resources’ receipt of appeal, a
12 Human Resource representative will meet with the employee and Union representative. The
13 Human Resources representative will give a written decision to the employee with a copy to the
14 Union within five (5) workdays from the date of such meeting. The parties attending such
15 meetings shall have full authority to make final and binding settlements.

16 **Settlements.** Grievances settled by the parties at any stage shall not be precedential for any
17 purpose.

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

27 The parties agree that any grievance (as defined in Section 3.1 and subject to any other grievance
28 exclusions in the contract) which the Union may have against the Company or the Company may have
29 against the Union with regard to the interpretation or application by either party of any of the terms of
30 this Agreement may be brought by the Union or the Company. Any limitations applying to individual
31 employee grievances set forth in this Agreement shall continue to apply to any grievances brought by
32 the Union. Grievances brought by the Union or the Company as described in this paragraph shall set
33 forth the Section or Sections of this Agreement that are alleged to have been violated, the names of the
34 employee(s) affected, and the remedy sought. Such grievances will commence at Step 3 of the
35 Grievance Steps, as set forth in this section, Section 3.3. The parties intentionally and knowingly
36 supersede any restriction against Union or Company grievances recognized in the September 17, 2013,
37 and March 15, 2017, rulings of the U.S. Tenth Circuit Court of Appeals. Specifically, SPEEA v. Spirit
38 AeroSystems, Inc., 541 Fed. Appx. 817 (10th Cir. 2013) and SPEEA v. Spirit AeroSystems, Inc., No. 16-
39 3022, 2017 U.S. App. LEXIS 4515 (10th Cir. 2017).

40 **Section 3.4 Agreement Not To Be Altered.** The jurisdiction and authority of this arbitrator shall be
41 confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at
42 issue between the Union and the Company. The arbitrator shall have no authority to add to, detract

1 from alter, amend or modify any provision of this Agreement, or impose on any party a limitation or
2 obligation not explicitly provided for in this Agreement. The arbitrator shall have no authority or power
3 to limit or impair any right that Article 2 of this Agreement reserves to Management as a Management
4 prerogative. The arbitrator shall not consider as a past practice any other event or policy that occurred
5 before the Effective Date of this Agreement.

6 **Section 3.5 Time Limit to Process Grievance.** The Company shall not be required to consider or process
7 any Step 1 – Oral grievance not presented within ten (10) workdays after the occurrence which gave rise
8 to the grievance, or any grievance which is not processed within the other time limits established in this
9 Article. Upon mutual agreement the parties may extend time limits. Should Management not act within
10 any prescribed time limit, the grievance shall automatically proceed to the next step.

11 **Section 3.6 Arbitration Proceeding.** Unless otherwise agreed by the parties, each grievance appealed to
12 arbitration shall be the subject of a separate and distinct arbitration hearing and decision, and no
13 arbitrator shall be selected by the parties to hear or decide more than one (1) grievance in any one (1)
14 arbitration proceeding.

15 **Section 3.7 Investigatory Interviews.** Each employee shall be informed of the right, during an
16 investigatory interview by personnel of the Company’s Security Organization, the Employee Relations
17 Organization (ERO), or the Equal Employment Opportunity Organization (EEO), which may result in
18 discipline, to request the presence of a union representative, if the union representative is available. If
19 his union representative is not available, such employee may request the presence of another
20 immediately available union representative. The union representative shall not obstruct or interfere
21 with the purpose or timely completion of the interview. Reasonable delays will be accommodated to
22 assure representation is available.

23 **Section 3.8 Time Limitation as to Back Pay and Wage Overpayments.**

24 3.8(a) Grievance claims regarding retroactive compensation shall be limited to thirty (30)
25 calendar days prior to the written submission of the grievance to the Company; provided,
26 however, that this thirty (30)-day limitation may be waived by mutual consent of the parties.
27 The parties commit to make every effort to resolve arbitration cases as expeditiously as
28 possible.

29 3.8(b) Company recovery of wage overpayments shall be limited to thirty (30) calendar days
30 prior to discovery of the overpayment.

31 **Section 3.9 Conferences During Work Hours.** All conferences resulting from the application of
32 provisions of this Article shall be held during working hours.

33 **ARTICLE 4**

34 **EXPECTATIONS AND GOALS**

35 **SECTION 4.1 COLLABORATION FOR SUCCESS.** The Union and the Company agree that on-going, open,
36 honest communication is critical to the success of the Company. This communication takes many forms
37 and must be embedded in the culture of the Company at every level. Spirit will continue to educate
38 employees and management on this interactive process.

1 A crucial element of this culture occurs between line managers and their employees. Both the manager
2 and the employee must seek to understand each other’s perspectives, goals and aspirations on an
3 ongoing basis. In recognition of the individuality of Spirit employees and the uniqueness of the
4 employee’s roles and responsibilities, the exact frequency and forum for communications is to be
5 determined by the employee and their manager, with the minimum frequency being determined by the
6 Company.

7 Topics to be discussed may include, but are not limited to:

- 8 • The employee’s goals in the context of value to the organization/corporation which may include
9 the potential of reassignment to achieve success.
- 10 • Current roles and responsibilities for the individual and how they support the manager and the
11 manager’s organization.
- 12 • Breaking down Corporate goals and attributes to measurable goals within the organization.
- 13 • Individual performance measured in a qualitative and/or quantitative sense and how that
14 performance supports the success of the organization.
- 15 • Future roles and responsibilities.
- 16 • Examination of work/life balance against organizational needs

17 Documentation of these discussions is strongly encouraged. This is meant to facilitate on-going and
18 honest feedback, enable informed discussions within functional leadership discussions to better
19 facilitate personnel movement and support management decisions such as upgrades, and salary
20 adjustments.

21 **ARTICLE 5**

22 **HOLIDAYS**

23 **Section 5.1 Dates Observed.** There will be twelve (12) scheduled paid holidays each calendar year. The
24 following holidays will be observed by the Company for the purpose set forth in this Article:

2019 Holidays	Day of Week	Date of Observance
Thanksgiving Day	Thursday	28-Nov-19
Day following Thanksgiving	Friday	29-Nov-19
Christmas Break	Tuesday	24-Dec-19
Christmas Day	Wednesday	25-Dec-19
Christmas Break	Thursday	26-Dec-19
Christmas Break	Friday	27-Dec-19
Christmas Break	Monday	30-Dec-19
Christmas Break	Tuesday	31-Dec-19
2020 Holidays	Day of Week	Date of Observance
New Year’s Day	Wednesday	1-Jan-20
Memorial Day	Monday	25-May-20
Independence Day	Friday	3-Jul-20
Labor Day	Monday	7-Sep-20
Thanksgiving Day	Thursday	26-Nov-20
Day following Thanksgiving	Friday	27-Nov-20

Christmas Break	Thursday	24-Dec-20
Christmas Day	Friday	25-Dec-20
Christmas Break	Monday	28-Dec-20
Christmas Break	Tuesday	29-Dec-20
Christmas Break	Wednesday	30-Dec-20
Christmas Break	Thursday	31-Dec-20
2021 Holidays	Day of Week	Date of Observance
New Year's Day	Friday	1-Jan-21
Memorial Day	Monday	31-May-21
Independence Day	Monday	5-Jul-21
Labor Day	Monday	6-Sep-21
Thanksgiving Day	Thursday	25-Nov-21
Day following Thanksgiving	Friday	26-Nov-21
Christmas Break	Friday	24-Dec-21
Christmas Day	Monday	27-Dec-21
Christmas Break	Tuesday	28-Dec-21
Christmas Break	Wednesday	29-Dec-21
Christmas Break	Thursday	30-Dec-21
Christmas Break	Friday	31-Dec-21
2022 Holidays	Day of Week	Date of Observance
New Year's Day	Monday	3-Jan-22
Memorial Day	Monday	30-May-22
Independence Day	Monday	4-Jul-22
Labor Day	Monday	5-Sep-22
Thanksgiving Day	Thursday	24-Nov-22
Day following Thanksgiving	Friday	25-Nov-22
Christmas Break	Friday	23-Dec-22
Christmas Break	Monday	26-Dec-22
Christmas Break	Tuesday	27-Dec-22
Christmas Break	Wednesday	28-Dec-22
Christmas Break	Thursday	29-Dec-22
Christmas Break	Friday	30-Dec-22
2023 Holidays	Day of Week	Date of Observance
New Year's Day	Monday	2-Jan-23
Memorial Day	Monday	29-May-23
Independence Day	Tuesday	4-Jul-23
Labor Day	Monday	4-Sep-23
Thanksgiving Day	Thursday	23-Nov-23
Day following Thanksgiving	Friday	24-Nov-23
Christmas Break	Friday	22-Dec-23
Christmas Day	Monday	25-Dec-23
Christmas Break	Tuesday	26-Dec-23
Christmas Break	Wednesday	27-Dec-23

Christmas Break	Thursday	28-Dec-23
Christmas Break	Friday	29-Dec-23
2024 Holidays	Day of Week	Date of Observance
New Year's Day	Monday	1-Jan-24
Memorial Day	Monday	27-May-24
Independence Day	Thursday	4-Jul-24
Labor Day	Monday	2-Sep-24
Thanksgiving Day	Thursday	28-Nov-24
Day following Thanksgiving	Friday	29-Nov-24
Christmas Break	Tuesday	24-Dec-24
Christmas Day	Wednesday	25-Dec-24
Christmas Break	Thursday	26-Dec-24
Christmas Break	Friday	27-Dec-24
Christmas Break	Monday	30-Dec-24
Christmas Break	Tuesday	31-Dec-24
2025 Holidays	Day of Week	Date of Observance
New Year's Day	Wednesday	1-Jan-25
Memorial Day	Monday	26-May-25
Independence Day	Friday	4-Jul-25
Labor Day	Monday	1-Sep-25
Thanksgiving Day	Thursday	27-Nov-25
Day following Thanksgiving	Friday	28-Nov-25
Christmas Break	Wednesday	24-Dec-25
Christmas Day	Thursday	25-Dec-25
Christmas Break	Friday	26-Dec-25
Christmas Break	Monday	29-Dec-25
Christmas Break	Tuesday	30-Dec-25
Christmas Break	Wednesday	31-Dec-25
2026 Holidays	Day of Week	Date of Observance
New Year's Day	Thursday	1-Jan-26

1

2 **Section 5.2 Unworked Holidays.** Employees shall receive eight (8) hours pay for unworked holidays
3 (those holidays designated above), at their Base Rate in effect at the time the holiday occurs, plus shift
4 premiums where applicable.

5 **Section 5.3 Worked Holidays.**

6 5.3(a) Non-exempt employees who are required to work on their designated holidays shall
7 receive the pay due them for the holiday, plus double their Base Rate for all hours worked on
8 such holiday plus shift premiums where applicable.

9 5.3(b) Exempt employees shall receive the pay due them for the holiday, plus their Base Rate
10 plus \$8.50 per hour for all hours worked on such holiday plus shift premiums where applicable.

1 **Section 5.4 Holidays During Earned Time Off.** Holidays occurring while an employee is on earned time
2 off are not deducted from earned time off credits.

3 **Section 5.5 Employees Prevented from Working Because of Local Holidays.** Employees assigned to a
4 non-Company facility who are prevented from working their assigned shift because a holiday not listed
5 in this Article is recognized at that facility shall be paid for such assigned shift unless the Company, at its
6 option, modifies the work schedule for the week in which the holiday falls so that the employees are
7 able to work a full work week. In all cases, hours worked on scheduled days of rest will be treated as
8 overtime under Section 10.

9 **ARTICLE 6**

10 **EARNED TIME OFF**

11 **Section 6.1 Computation of Credit.** All earned time off must be approved in advance by one's
12 supervisor excluding illnesses. The amount of earned time off depends on the amount of continuous
13 service and hire date. Years of service for Boeing employees hired on or before the Effective Date shall
14 apply. Earned time off will be accrued per pay period.

15	Complete Years	Earned Time	Earned Time
16	of Service	Off Days	Off Hours
17	0 - 4	16	128
18	5 - 9	18	144
19	10 - 11	21	168
20	12 - 13	22	176
21	14 - 15	23	184
22	16 - 17	24	192
23	18 +	25	200

24 New hires will be advanced sixty-four (64) hours of ETO and any ETO accrued during the first twenty-six
25 (26) weeks of employment will be used to repay the advanced ETO. If a new employee's employment
26 ends before the completion of twenty-six (26) weeks of employment, the employee must repay any ETO
27 used but not earned prior to the termination.

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

29 **Section 6.2 Unused Credit.**

30 6.2(a) All earned time off must be taken before the expiration of twelve (12) months after the
31 date the earned time off day is earned. However, days earned up to the maximum accrual
32 during an anniversary year may be carried over into the succeeding anniversary year. At no time
33 shall an employee carry a balance of more than two (2) times their annual accrual.

1 6.2(b) An employee may choose to be paid, upon written request, for a total of up to ten (10)
2 earned time off days in any calendar year. An employee may request payment on two occasions
3 during the year at the employee’s discretion.

4 **Section 6.3 Use of Credit.** All earned time off shall be taken at a time as to not seriously interfere with
5 scheduled operations. So far as practicable, the Company will permit all earned time off for the period
6 for which employees express preference. Employees, including exempt employees, may take earned
7 time off in one tenth (.10) hour increments up to a maximum accrual per the appropriate schedule.

8 **Section 6.4 Bereavement Leave.** Up to three (3) days bereavement leave with pay will be granted to an
9 employee on the active payroll who, because of death in his immediate family, takes time off from work
10 during his normal work schedule as such term is defined in Section 10 of this Agreement. Such pay shall
11 be at the employee’s straight time base rate, including shift differential and cost of living adjustment
12 where applicable for each such day off; however, such pay will not be applicable if the employee
13 receives pay for such days off under any other provision of this Agreement. Bereavement leave must be
14 taken on consecutive workdays as selected by the employee within thirty (30) calendar days following
15 the death (or evidence of belated notification of death). For the purposes of this Section 6.4 the
16 “immediate family” is defined as the following family members of the employee or the employee’s
17 spouse: spouse, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law,
18 daughter-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather,
19 stepchildren, stepbrother, stepsister, half-brother, half-sister, domestic partner, step-grandparents,
20 brother in law, sister in law, in loco parentis, and others as management may approve. In addition, an
21 employee will be granted bereavement leave for a stillborn child.

22 **ARTICLE 7**

23 **WORKFORCE**

24 **Section 7.1 Objective**

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

27 **Section 7.2 Surplus**

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

32 **Section 7.3 Layoffs**

33 The general objective of the procedure stated in this 7.3 is to provide for the accomplishment of layoffs
34 for business reasons, to the end that insofar as practicable the layoffs will be made equitably,
35 expeditiously and economically, and at the same time will result in retention on the payroll of those
36 employees regarded by management as comprising the workforce that is best able to maintain or
37 improve the efficiency of the Company, further its progress and success and contribute to the successful
38 accomplishment of the Company’s current and future business. The Company also recognizes that
39 generally employees in a higher level of a job classification demonstrate a greater breadth of skills

1 available to meet these goals. The occurrence and existence of any condition necessitating a layoff, and
2 the number of employees involved, will be determined exclusively by the Company. Following such
3 determination, the Company will notify the Union of the anticipated layoff, the affected retention
4 groups and number of employees apt to be affected.

5 **Section 7.4 Procedure Relating to the Filling of Positions**

6 **7.4(a)** The parties are agreed that it is in their mutual interest to assure that favorable
7 promotional and retention consideration is granted to those individuals who are best able to
8 maintain or improve the efficiency of the Company, further its progress and contribute to the
9 successful accomplishment of current and future business. Accordingly, in the filling of
10 positions, particular attention will be given to the development, advancement and retention of
11 the existing workforce.

12 **7.4(b)** The Company will first seek qualified candidates from within the existing active
13 workforce for all available positions, giving first consideration in the following order:

14 **7.4(b)(1)** An "in-place" promotion is the promotion of an employee to a higher level
15 within the same Job Classification. This promotion results from expansion of the
16 employee's own work assignment and is not for the purpose of filling a position vacated
17 by another employee. The Company may make such in-place promotions without
18 limitations.

19 **7.4(b)(2)** Reassignments of individuals within the bargaining unit who have been
20 identified for redeployment

21 **7.4(b)(3)** Reassignments of individuals from other payrolls who have been identified for
22 redeployment

23 **7.4(b)(4)** Employees who were, within six (6) years preceding the date on which the
24 open position is designated, while on the active payroll, downgraded for other than
25 performance reasons from the same Job Classification as the available position, or from
26 a higher level of that Job Classification, or from a directly related management,
27 engineering, or other payroll position and has not declined a Company offer of return to
28 the Job Classification from which downgraded.

29 **7.4(b)(5)** Transfers into the bargaining unit of individuals who at some previous time
30 were assigned to the Job Classification.

31 **7.4(b)(6)** Individuals on file for recall as described in 7.9(b)

32 **7.4(b)(7)** Candidates who make timely application for the open position through the
33 Company's Employee Requested Transfer process.

34 **7.4(b)(8)** Others.

35 **7.4(c) Workforce Deployment.** Because of changing business practices or organizational
36 structure, a need to re-deploy employees may occur. In such cases, the Company will give as
37 much advance notice to the Union as is practicable. If an open position occurs for a Job
38 Classification in which an employee has been redeployed from or identified for re-deployment

1 to, the employee already assigned to that Job Classification can apply and shall have first
2 consideration within a year from redeployment for the open position.

3 **7.4(d) Employee Requests for Transfers.** The Company will maintain an environment in which
4 employees can make known their interest in transferring to other positions for which they are
5 qualified to perform and which may satisfy their personal needs. A job posting and transfer
6 process will be maintained which will allow employees, without fear of reprisal, to make
7 application for transfer and receive consideration as a candidate for open positions for which
8 they are qualified. All employees, including those involved in surpluses, shall have full access to
9 the Company staffing process. The Company will provide the Union with a copy of the request
10 for transfer procedure and any changes thereto.

11 **Section 7.5 Reductions-in-Force.** Should reductions-in-force become necessary, the Company will
12 retain employees as warranted by business need in each job classification with a rating system that
13 includes company discretion and employee length of service. It is the Company's intent that non-
14 employee sources of services will be reduced as much as practical prior to any reductions-in-force,
15 pursuant to the terms within Article 8.

16 **7.5(a) Voluntary Layoff.** An employee may request that he or she be voluntarily laid off. The
17 Company will endeavor to accommodate those requests for Voluntary Layoff; however, if it is
18 necessary to retain the employee in order to avoid significant disruption or impact, the
19 Company may deny a request. The employee will be coded as a layoff and will be regarded for
20 all Company purposes as a laid off employee, however, employees accepted for voluntary layoff
21 shall not maintain recall rights. The Union will be advised of all employees approved for
22 voluntary layoff.

23 **7.5(b) Involuntary Reductions.** After Voluntary layoffs have been conducted pursuant to
24 Section 7.5(a), involuntary reductions will be accomplished using a combination of: (1) a
25 Company assessment of potentially impacted employees, and (2) Years of Service. The
26 Management Assessment shall account for half of the employee score and the Years of Service
27 shall account for the other half of the employee's score. Reductions will occur with those
28 employees scoring the lowest points first.

29 **7.5(b)(1)** The Company will solely be responsible for establishing the parameters and
30 considerations of the assessment; however, in general, the Company will review
31 employee's criticality, versatility, contribution, diligence, demonstrated capabilities and
32 performance. There will be no appeal of the Company assessment. The Company
33 assessment will result in rating employees in the potentially affected group(s). A scale of
34 1 (lowest) to 4 (highest) will be utilized.

35 **7.5(b)(2)** An Employee's Year's of Spirit Service must be continuous and will be
36 calculated as follows:

Years of service	Points
Less than 3	1
Over 3 but less than 8	2
Over 8 but less than 13	3
Over 13 years	4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

7.5(b)(3) The Company will determine if any scores arrived at utilizing this section will be applied to more than one reduction in force exercise, as required.

7.5(c) Application. When a workforce reduction is determined by management to be necessary within one or more groups, management will follow the applicable provisions of Article 8 and designate for layoff the required number of employees within such groups, beginning with the lowest employee score. Management will make the final determination of reductions for any employees who scored the same lowest score.

7.5(c)(1) Travel. Employees on travel status that is expected to continue for thirty (30) or more days may not be laid off while on such status. Such employees' scores shall not prevent the layoff or downgrade of employees with a higher score who are otherwise subject to such action.

7.5(c)(2) Unique Job Code. 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, in the event of a layoff, he or she will be scored as if s/he were in the last held regular assigned Job Classification.

7.5(c)(3) 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.

Section 7.6. Temporary Layoff and Short Workweek

7.6(a) Temporary Layoff. 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 sixty (60) days, within a rolling twelve (12) month period. Employees on a temporary layoff will receive health and welfare benefits as provided for by the Health and Welfare Benefit Plans during such layoff. The union shall be notified of plans for temporary layoff as early in the process as practicable. Contract personnel within the same job codes and Program shall be terminated prior to implementing temporary layoffs, except when the Company determines that it needs to retain any key contract labor in order to avoid significant customer disruption or impact on a Program. Such exceptions must be approved by the Senior Executive in the

1 Program, shall not be greater than five percent (5%) of the bargaining unit, and the Union shall
2 be notified.

3 **7.6(b) Short Work Week.** If deemed necessary to avoid a layoff, management will ask for
4 volunteers but may in its discretion schedule short workweeks of not less than 32 hours for a
5 period not to exceed 120 consecutive calendar days during any rolling 18 -month period for any
6 individual employee. Health and welfare benefits will not be prorated during this time period.
7 The union shall be notified of plans for short workweeks as early in the process as practicable.
8 Prior to implementing shortened work weeks, the company shall endeavor to eliminate the
9 need for shortened work weeks by eliminating contract personnel in the same job code and
10 Programs as employees.

11 Any remaining contract personnel within the same job code and Program shall also be placed on
12 short workweeks during any time employees in the same job code and Program are assigned to
13 short workweeks, except when the Company determines that it needs to retain any key contract
14 labor in order to avoid significant customer disruption or impact on a Program. Such exceptions
15 must be approved by the Senior Executive in the Program, shall not be greater than five percent
16 (5%) of the bargaining unit, and the Union shall be notified.

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

24 **Section 7.8. Layoff Notice**

25 The Company will give at least two (2) weeks' notice prior to layoff to the employees affected, except
26 when the layoff is caused by unexpected events (WARN Act definition).

27 **Section 7.9. Layoff Status**

28 **7.9(a) Maintenance of Layoff Status**

29 **7.9(a)(1)** Each employee laid off under the provisions of this Article will remain on layoff
30 status for a total period of three (3) years from the date the layoff was effective, subject
31 to 7.9(a)(2).

32 **7.9(a)(2)** An employee shall remain on layoff status in accordance with Section 7.5,
33 provided he or she does not:

34 **7.9(a)(2)(a)** Fail to respond to a contingent or formal offer from the Company of
35 a job within ten (10) workdays after it is extended or by such later date as may
36 be stipulated by the Company, or

37 **7.9(a)(2)(b)** Refuse a contingent or formal offer from the Company for a full-
38 time job within the bargaining unit or in the same labor market area from which

1 laid off, for which the salary or level offered is equal to or greater than the
2 employee's salary at the time of layoff plus the inflation adjustment in effect at
3 the time of layoff, or

4 **7.9(a)(2)(c)** Fail to report to work within ten (10) workdays following
5 acceptance of a formal Company offer or on such later date as may be
6 stipulated in the Company offer, or

7 **7.9(a)(2)(d)** Elect retirement thereby removing themselves permanently from
8 layoff status.

9 **7.9(a)(3)** Employees removed from layoff status for any reason other than retirement
10 or expiration of the three (3) year period following layoff will be notified in writing of
11 such removal, and the reasons therefore, by the Company.

12 **7.9(a)(4)** Laid off employees who are prevented from meeting the conditions described
13 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
14 Company's satisfaction by their personal physician, shall upon request be granted a
15 waiver for the missed requirement(s).

16 **7.9(b) Return to Active Employment**

17 **7.9(b)(1) Recall.** It is a mutual objective of the Company and the Union that laid off
18 employees who have not been determined ineligible be recalled to active employment,
19 will be offered a recall in approximate reverse order, within a sixty (60) day range, from
20 the Job Classification from which the employee was laid off.

21 **7.9(b)(2) Retaining Recall Status.** At the time of layoff, the Company automatically will
22 place in the file for priority consideration return to active employment the names of all
23 laid-off employees. The Company will provide the file of eligible employees on recall to
24 the Union each quarter of each year during the life of this agreement. The Company's
25 sole obligations to provide notice of recall shall be to send a certified letter to the last
26 mailing address provided by the employee and notify the Union of the employees being
27 recalled. The Company may make contingent offers to several employees on the recall
28 list at one time.

29 **7.9(b)(3) Priority Recall.** Prior to hiring from outside the Company, the Company shall
30 extend job offers to those eligible on the recall list. Nothing in Article 7.9 will preclude
31 the Company from hiring from sources outside the Company when projected
32 requirements exceed the number of employees in applicable job classifications eligible
33 to be recalled from the priority recall list.

34 **7.9(b)(4) Recall Disputes.** If any employee on layoff status disputes his or her recall
35 status as reflected in Company records, Company records shall prevail unless rebutted
36 by either (a) a Company receipt, or (b) a properly addressed U.S. Postal Service return
37 receipt evidencing filing of the salaried payroll employment availability form (or letter)
38 during the calendar period in question.

1 **7.9(c) Salary and Level of Returning Laid-Off Employees.** Company offers extended to laid-off
2 employees for return to active employment in the same area will be, at a minimum, the salary
3 and level from which laid off. The Company will review salary on a case by case basis and make
4 adjustments as appropriate. Rejection of a formal Company offer for a position outside the
5 bargaining unit or in a labor market area other than from which laid off will not be cause for
6 removal from layoff status.

7 **7.9(d) Record maintenance.** The Company will maintain a record of all laid-off employees who
8 are on layoff status under the above provisions.

9 **Section 7.10. Designated Employees**

10 **7.10(a)** The Company may designate employees who will be declared ineligible for first
11 consideration recall rights. Any such designation shall be subject to the following requirements:

12 **7.10(a)(1)** Designated employees will be identified as part of the retention scoring
13 process and advised at the time of layoff they will have no first consideration recall
14 rights.

15 **7.10(a)(2)** Designation may only be used for those employees who have a documented
16 record of recent unremedied performance deficiencies. Any employee designated has
17 the right to challenge the designation through the process set forth in Article 3
18 beginning at Step 3. Should the employee's challenge proceed to arbitration, the
19 arbitrator shall be limited to determining if the company had a legitimate business
20 reason for the designation and the remedy would be placement on the recall list.

21 **7.10(a)(3)** Designated employees will be identified by skill teams or functional
22 leadership.

23 **Section 7.11. Temporary Recall**

24 **7.11(a) Introduction.** When employees are on active recall status, the parties acknowledge
25 that occasionally situations arise when short-term assignments, expected to be of no more than
26 six (6) months duration, require additional staffing. The Company could choose to contract out
27 these work packages. The Company in its sole discretion has from time to time preferred to
28 have this work performed by employees on active layoff status. In recognition of the fact that
29 the work under discussion involves short-term assignments, the parties agree to the
30 implementation of the process described immediately below.

31 **7.11(b) Definition.** The process shall be known as Temporary Recall and shall be defined as the
32 temporary re-employment of individuals on active layoff status (hereinafter "employees").

33 **7.11(c) Duration.** Temporary Recall assignments may be designated for specific programs or
34 projects whose normal maximum will be six (6) months. Assignments will normally be full time
35 (average eighty (80) hours in a pay period). The Company may extend the Temporary Recall
36 beyond six (6) months for an additional three (3) months. Any further extensions must be
37 mutually agreed to by the Union and the Company.

1 **7.11(d) Selection of Employee.** The Company will determine which employees will be offered
2 Temporary Recall assignments. Temporary Recall will be strictly voluntary on the part of the
3 employee. Refusing to consider an employee for Temporary Recall or an employee's rejection
4 of an offer of Temporary Recall will not affect the employee's active layoff status.

5 **7.11(e) Salary.** Temporarily-recalled employees will receive the same salary they were
6 receiving prior to layoff.

7 **7.11(f) Insurance Benefits.** Eligibility for coverage for medical/dental insurance, life insurance,
8 accidental death and dismemberment insurance, business travel accident insurance, long-term
9 and short-term disability insurance, and voluntary personal accident insurance begins on the
10 first day which the re-employment commences.

11 **7.11(g) Compensation Benefits.** With regard to the Retirement Plan, unused sick leave, and
12 Earned Time Off, employees on Temporary Recall will be set up in the system based on their
13 respective layoff/recall circumstances. This will include the reactivation of unused but earned
14 credits and the generation of future benefits consistent with standard policies. 401(k) Plan
15 contributions shall be resumed (subject to the terms of the Plan), beginning upon recall.

16 **7.11(h) Company Service.** Company service will be earned beginning the first day back on the
17 active payroll.

18 **7.11(i) Recall Status Requirements.** Active layoff status will not be interrupted.

19 **7.11(j) Select Salary Adjustment.** Employees on Temporary Recall will generate funds for a
20 selective adjustment exercise if they meet contractual criteria.

21 **7.11(k) Additional Layoff Benefits.** Employees on Temporary Recall will not be eligible for
22 additional layoff benefits when their Temporary Recall assignment ends.

23 **7.11(l) Internal Job Postings.** Employees on Temporary Recall are not eligible to apply for
24 internal job postings.

25 **Section 7.12. General Provisions**

26 **7.12(a) Compensable Injuries.** Any employee who has been wholly or partially incapacitated
27 for that employee's regular work by compensable injury or compensable occupational disease
28 while in the employ of the Company may, while so incapacitated, be employed in work which
29 the employee can do without regard to the provisions of this Agreement. The Union shall be
30 notified of persons to whom this waiver applies and the effective dates of such waiver.

31 **7.12(b) Veterans.** The Company and the Union, recognizing that the reemployment rights of
32 employees entering or inducted into the Armed Forces of the United States are controlled by
33 the Uniformed Services Employment and Reemployment Rights Act (USERRA) and its related
34 regulations are the subject matter of legislation, and agree that nothing contained in this
35 Agreement will preclude the Company from reemploying such employees in compliance with
36 provisions of any applicable laws.

37 **7.12(c) Transfer Return Rights.** An employee who is transferred by the Company from the
38 bargaining unit described in Article 1 of this Agreement to another SPEEA-represented

1 bargaining unit, and at the time of such transfer is accorded return rights by the Company in
2 writing, will not be laid off while assigned at such other unit, but will be transferred back to the
3 original unit in accordance with the return rights previously accorded by the Company. An
4 exception will be made if the employee elects to be laid off in which case the employee will
5 waive transfer return rights.

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

7 **7.13(a)** The Company may at the employee's request effect a reclassification to a lower level.

8 **7.13(b)** The Company may offer an employee a reclassification to a lower level in lieu of layoff.

9 **Section 7.14. Acting Supervisors.** The Company agrees to inform the Union in a timely manner when it
10 intends to use a member of the bargaining unit as an acting supervisor. If the employee remains as an
11 acting supervisor for more than six (6) consecutive months, the employee shall be reclassified to
12 management or returned to his or her bargaining unit position. Deviations shall require the consent of
13 the Union.

14 **Section 7.15 Probationary Period.** Employees may be terminated within the first ninety (90) days of
15 employment for any reason deemed appropriate by management. The Company will maintain a process
16 to provide feedback to new employees during this Probationary Period, generally at thirty (30), sixty (60)
17 and ninety (90) days. A discharge during this Probationary Period is not grievable.

18 **Section 7.16 Layoff Benefits.** The Company will maintain a Layoff Benefit Plan that employees will
19 receive upon execution of a release agreement for income continuation benefits as set forth in this
20 Section.

21 **Section 7.16(a) Eligibility.** All bargaining unit employees who have at least one year of service
22 and who are laid off from the Company are eligible to receive the benefit described in Section
23 7.16(b); provided, however, the following employees shall not be eligible for the benefit:
24 employees who are temporarily laid off, employees who are laid off from the Company because
25 of a merger, sale or similar transfer of assets and are offered employment with the new
26 employer; employees who are laid off because of an act of God, natural disaster, or national
27 emergency; employees who are laid off because of a strike, picketing of the Company's
28 premises, work stoppage or any similar action which would interrupt or interfere with any
29 operation of the Company; and employees who terminate employment for any other reason
30 other than layoff.

31 **Section 7.16(b) Amount of payment and benefit.** An eligible employee's income continuation
32 benefit shall be as follows:

YEARS OF SERVICE	BENEFIT
1-4.99	6 WEEKS
5-7.99	8 WEEKS
8 +	12 WEEKS

33
34 **Section 7.16(c) Income Continuation.** Income continuation benefits will be paid in 40-hour
35 increments. Income continuation benefits shall immediately cease upon the earlier of any of the

1 following events: exhaustion of the employee's total income continuation benefit, re-
2 employment with the Company or any of its subsidiaries or affiliates, failure to accept a formal
3 offer of recall from layoff within ten workdays after it is extended; failure to report to work on
4 the date designated by the Company or change in the employee's employment status from
5 layoff to resignation, dismissal, retirement, death, or leave of absence.

6 **Section 7.16(d)** No employee shall be paid an income continuation benefit more than once
7 during any two year period; provided, however, if an employee is re-employed by the Company
8 before payment of the employee's total income continuation benefit and is subsequently laid
9 off in such two-year period under conditions which make the employee eligible for a benefit,
10 any unused benefit will be payable to the employee under the provisions of this Section.

11 **ARTICLE 8**

12 **CONTRACT LABOR AND SUBCONTRACTING**

13 **Section 8.1. Intent Regarding Contract Personnel and Purchased Services.**

14 It is the Company's intent that Contract Personnel and Purchased Services will be used as a buffer to
15 lessen the need for layoffs of employees during times of reductions in force and as a resource not
16 readily available to the Company otherwise.

17 **Purchased Services.** During time of a layoff involving 25 or more employees of the bargaining unit, the
18 Company will review the job classification(s) that is being laid off. The Company will consider whether
19 work performed at the Wichita, Kansas plant by Purchased Services in that job classification may be
20 reassigned to Company employees. This applies to work that is currently performed by bargaining unit
21 members as their primary job duty.

22 **Section 8.2 Contract Labor**

23 **8.2(a) Purpose.** The Company and the Union recognize that Contract personnel are a practical
24 source of skilled temporary labor that allows the Company to acquire skilled professional and
25 technical support in a timely manner. The Company and Union recognize that requirements for
26 experienced Contract personnel must be balanced with the need to build and maintain the
27 experience base and to support our mutual objective of workforce stabilization by minimizing
28 layoffs.

29 **8.2(b) Definition.** The term, contract personnel, refers to temporary personnel supplied by
30 another business entity to perform work at the Company's plants in Wichita, Kansas under the
31 daily control and supervision of Company management. The business entities that provide
32 contract personnel normally are in the business of providing temporary services (such as
33 temporary employment agencies and staffing firms). Sources of contract personnel may also
34 include businesses in the aerospace or related fields that make their personnel available for
35 temporary labor (so called 'industry assist' arrangements). Excluded from the definition of
36 contract personnel are consultants and their employees and employees of subcontractors or
37 vendors.

38 **Section 8.3. Procedures and Limitations**

1 **8.3(a) Notification to Union.** The Company shall notify the Union of the basis for the need, the
2 approximate number of Contract personnel required and the Job Classification normally held by
3 employees performing the type of work involved during the quarterly Labor/Management
4 business meeting.

5 **8.3(b) Contract Labor Term.** If based on a variety of factors (including but not limited to the
6 nature of the assignment, the status of the program, the overall need for the skills at issue, and
7 the purpose of using Contract personnel described above) the Company needs the skills
8 supplied by Contract personnel on a long-term basis, the position shall be made available in
9 accordance with the Company job posting process.

10 **8.3(c) Surplus Periods.** The Company and the Union agree that it is normally inappropriate to
11 hire Contract personnel as direct hires in periods of surplus activity within a Job Classification.
12 Deviations will be subject to approval by the appropriate senior-level executive and
13 provided, in writing, to the Union. The granting of a deviation to allow such hiring shall not
14 be subject to the grievance and arbitration process.

15 **8.3(d) Limitations.** Contract personnel shall not be authorized to make decisions normally
16 associated with management responsibility including salary determination, retention and
17 discipline. Individual contract personnel may not perform work for the Company for more than
18 eighteen (18) consecutive months without the written approval of the appropriate senior level
19 executive. With such approval of the appropriate senior level executive, the individual contract
20 personnel may perform work for the Company for an additional eighteen (18) months. Any
21 additional extensions will be allowed only if the Company and the Union cannot identify a
22 mutually acceptable alternative.

23 **8.3(e) Surplus of Employees.** No employee shall be laid off while Contract Personnel in the
24 same Skill Classification are still employed at the Company's plants in Sedgwick County, Kansas.
25 However, the company may retain Contract Personnel while surplus employees in the same
26 Skill Classification at the Company's plants in Sedgwick County, Kansas in order to avoid
27 significant disruption or impact on the committed packages of work where bona fide
28 occupational qualifications of direct employees do not align. Examples include defense
29 packages, regulatory/OEM designations, duties involving coordination of offsite services, or
30 unique specialty skills. In such cases, the approval of the Human Resource leader and the
31 appropriate senior level executive shall be required. Notification of such decision will be
32 provided to the Union as soon as practicable.

33 **8.3(f) Employee Skill Review.** Employees will not be laid off until their skills have been reviewed
34 to determine if they can replace Contract Personnel who are performing WTPU work at the
35 Company's plants in Sedgwick County, Kansas in classifications other than the employee's
36 current WTPU job classification.

37 **Section 8.4 Data**

38 During the time of a general reduction in force in Wichita among employees as defined in Section 8.1
39 the Company shall supply the Union with data that displays the number of non-employee sources of
40 represented services utilized at the Wichita site by function or Job Code, if available, so that compliance

1 with all limitations identified in 8.3 can be monitored. The data shall include names, Job Classifications,
2 organizations, and start dates as applicable.

3 **Section 8.5 Subcontracting**

4 **Section 8.5(a) Business Strategy.** The Company and the Union agree that subcontracting,
5 market access/offset agreements or other assignments of work may be a part of the Company's
6 business strategies.

7 **Section 8.5(b) Union Notification.** With respect to the subcontracting of work currently
8 performed by bargaining unit employees, the parties recognize that from time to time such
9 subcontracting may be necessary. To enable the Union to suggest competitive alternatives
10 which might allow the retention of work within the bargaining unit, the Company will, at least
11 sixty (60) days prior to signing any agreement to subcontract work currently being performed by
12 bargaining unit employees, provide notice to the Union of its plans to subcontract work which
13 would directly result in the layoff of 25 or more bargaining unit employees. The Company will
14 provide information related to the potential subcontracting other than information it considers
15 to be confidential, proprietary or subject to nondisclosure provisions.

16 **Section 8.5(c) Confidentiality.** The parties recognize that difficulties may arise due to
17 confidentiality concerns associated with some subcontracting activity. In those instances the
18 parties commit to good faith efforts to resolve these concerns including obtaining consent of
19 associated third parties where possible.

20 **Section 8.5(d) Union Proposal.** Following notice of specific plans to subcontract work currently
21 performed by the bargaining unit that would directly result in the layoff of 25 or more
22 bargaining unit employees, the parties shall, upon the request of the Union, meet and discuss
23 the impact on the bargaining unit. The Company agrees to consider any proposal the Union
24 might make which would result in a less costly way to retain such work in the bargaining unit.
25 The Union must present any such proposals within thirty (30) calendar days of receipt of the
26 Company's plans. The decision to implement any such Union proposal instead of subcontracting
27 the work shall be the Company's. The parties will meet periodically to review the
28 implementation of any such Union proposals selected by the Company. If the Company chooses
29 to implement the Union proposal instead of subcontracting the work, and if the Union's
30 projected savings are not realized within any ninety (90) day period following implementation,
31 the Company may subcontract the work without repeating the notification process.

32 **ARTICLE 9**

33 **JOINT MEETINGS**

34 **Section 9.1 Joint Meetings.**

35 **9.1(a) Meeting Requests.** Should either party desire to discuss with the other any matter
36 affecting generally the relationship of the parties, a meeting of Union and management
37 representatives shall be arranged upon request of either party. Such meeting shall take place at
38 a time mutually convenient to both parties. Any use of Company time for attendance at such
39 meetings shall be arranged in advance by mutual agreement.

1 **9.1(b) Purpose.** This article is intended to provide an open avenue of communication between
2 the Union and the Company, and suggestions, complaints, or other matters may be presented
3 by either party, provided that neither party shall be required to discuss any item brought up by
4 the other party nor be bound to act upon any item presented. However, both parties agree to
5 discuss information grievances and complaints.

6 **Section 9.2 Business Overviews.** Regularly scheduled quarterly meetings will be held between the
7 Company and the Union to share information about Company business plans such as workforce
8 planning, business outlook, facility and safety issues, subcontracting, surplus activity, employment of
9 contractors, and other areas of interest as agreed to by the parties. Meetings shall be attended by
10 appropriate Union, Human Resources and Business Unit Representatives.

11 **Section 9.3 Joint Oversight Committee (JOC) for Labor-Management Cooperative Initiatives.** The
12 parties will establish a joint committee to oversee labor management initiatives the parties undertake.
13 These joint initiatives are intended to enhance and develop employees as the Company's key resource.
14 The oversight function can include: (1) establishing subcommittees to handle the initiatives; (2)
15 reviewing, expanding where appropriate, and resolving issues related to ongoing initiatives; and (3)
16 formulating future labor-management cooperative initiatives. The Company at its sole discretion will
17 provide administrative staff and appropriate funding to support the initiatives. To create a proper
18 environment for the committee's work, no aspect of the committee's proceedings shall be used as the
19 basis for, or as evidence in, any proceedings under Article 3.

20 **9.3(a) Committee membership.** Joint Committee with WTPU and the Company. The Joint
21 Union-Company Oversight Committee shall consist of up to four persons representing the
22 Company and up to 4 persons representing the Union. The Company representatives will be
23 appointed from the Business Unit(s) and Human Resources management. The Union
24 representatives will be selected from the bargaining unit's membership. Each party shall
25 appoint a chairperson of its group.

26 **9.3(b) Initiatives.** The Joint Oversight Committee may oversee initiatives:

- 27 • Review proposed changes to the job descriptions and job structure.
- 28 • Discuss Salary Reference Tables and Salary Planning Fund, including size and
29 management training materials, Company compensation philosophy, and market
30 relationships.
- 31 • Monitoring developments in the areas of use of compensatory time off, child and
32 elder care, Drug and Alcohol-Free Workplace Program, and the Employee Assistance
33 Program.
- 34 • Exploring alternate forms of compensation and delivery methods, salary planning
35 process, market relationships and compensation philosophy.
- 36 • Discussion groups on topics of mutual interest.
- 37 • Exploring healthcare costs and plan details.
- 38 • Career Enhancement, including:
 - 39 ○ Programs to provide employees the information, training, and opportunity to
40 influence their career direction.

- 1 ○ A program to provide a meaningful career alternative for those employees who
- 2 choose to remain on a technically oriented career path (as opposed to a
- 3 managerial track).
- 4 ○ Coordination with related activities to maximize efficiency and involve
- 5 appropriate people and viewpoints as required.
- 6 • Discuss the potential Company employee transfer process.
- 7 • Conducting briefings on the Company's plans for the introduction of new
- 8 technological change that may affect employees, including schedules of
- 9 introduction and areas of skill impacts.
- 10 • Planning, developing, implementing and evaluating pilot projects involving
- 11 innovative approaches in the workplace aimed at improving the quality of work life
- 12 and productivity.
- 13 • Reviewing on a quarterly basis, if requested, data regarding overtime worked by
- 14 employees.

15 **9.3(c) Frequency.** The Joint Oversight Committee shall meet as often as its members agree, but
 16 in no event less than quarterly. The Company and Union chairpersons will establish committee
 17 meeting locations, agendas and procedures.

18 **9.3(d) Joint Training Committee.** The Company and the Union are committed to ensuring that
 19 employees have opportunities to improve their skills and are prepared for changing
 20 technologies. The parties agree to a Joint Training Committee. The Committee will have an
 21 equal number of representatives, including a co-chair, from each party. The Committee will
 22 have no bargaining authority. The Committee will monitor and explore developments in the
 23 areas of education and training, skill utilization and application, and career development as
 24 those link to emerging technologies. The Committee will consider the possibility of utilizing
 25 third-party training providers jointly selected by the Company and the Union.

26 **9.3(e) Joint Benefits Committee.** The Company and the Union are committed to ensuring that
 27 employees have access to cost effective, quality health care coverage, and other competitive
 28 benefits. The parties agree to a Joint Benefits Committee. The Committee will have an equal
 29 number of representatives, including a co-chair, from each party. The Joint Benefits Committee
 30 will have no bargaining authority. When appropriate, health care experts and representatives
 31 from the Company's health plans, and other benefits experts will be invited to attend
 32 Committee meetings. Among the topics that the parties will consider and discuss are:

- 33 • Explore the possibility of self-funding the medical plans
- 34 • Explore health care audit program
- 35 • Explore retirement program structure
- 36 • Healthy Spirit strategy for Kansas employees
- 37 • Programs, events, rewards, etc.
- 38 • Healthcare Reform and anticipated impacts
- 39 • Medical trend information –Quarterly reviews
- 40 • Summary of Material Modifications to the Summary Plan Descriptions
- 41 • Employee Education and Communication
- 42 • Jointly develop education and communication materials

- 1 • Explore bereavement leave immediate family definition
- 2 • Other pertinent items as they come up

3 **ARTICLE 10**

4 **HOURS OF LABOR**

5 **Section 10.1 Regular Hours.**

6 **10.1(a) Definition.** A regular work day and work shift shall be eight (8) hours and a regular work
7 week shall be forty (40) hours. The regular schedule of hours shall be as follows: First (daylight)
8 Shift: start time will be from 4:00 A.M. to 11:59 A.M.; Second Shift: start time will be from 12:00
9 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) hours
10 shift, thirty (30) minutes unpaid lunch) on Monday, Tuesday, Wednesday, Thursday, and Friday.
11 The Company shall assign the initial start times as stated above.

12 **10.1(b) Variable Work Schedules.** Variable work schedules can be established to meet business
13 requirements. Any such change in work schedules will be reviewed with the Union.

14 **10.1(c) Volunteering.** Management may allow employees to volunteer for variable work
15 schedules (e.g., four (4) 10-hour days; Thursday through Monday work week) as warranted by
16 business need.

17 **Section 10.2 Shift Premiums.** An employee who is permanently assigned second or third shift shall be
18 paid Base Rate of pay plus 6% per hour, not to be less than \$2 per hour. An employee who is
19 permanently assigned third shift of six and one-half (6 ½) hours will receive an adjustment equivalent to
20 one and one-half hours' pay at his base rate. A prorated portion of that adjustment will be paid when
21 the employee works less than six and one-half hours on a regular third shift.

22 10.2(a) Employees receiving the shift premium are not eligible for the work schedule premium.

23 **Section 10.3 Work Schedule Premiums.**

24 10.3(a) An employee permanently assigned to either Saturday or Sunday as a regular day of
25 work as part of a non-standard work week to meet Company requirements will receive Base
26 Rate of pay plus 6% per hour, not to be less than \$2 per hour, for all hours worked during the
27 employee's scheduled work week.

28 10.3(b) Employees may, at their request and with management approval, work any variable
29 work week schedule. Employees working schedules at their request, and in the absence of a
30 company requirement for such a schedule, will not be eligible for the work schedule premiums.

31 10.3(c) Employees receiving the work schedule premium are not eligible for the shift premium.

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

33 10.4(a) When staffing a shift or variable work week schedule, the Company maintains the right
34 to assign employees necessary to accomplish the work, including the right to assign employees
35 with key skills regardless of their shift preference. The Company will attempt to complete such
36 staffing from volunteers, assignments from other shifts in reverse seniority order, promotions
37 and new hires.

1 10.4(b) Where appropriate, the employee and management shall agree to flexible work
2 schedules to accommodate personal or business needs.

3 **Section 10.5 Overtime Rate.**

4 **10.5(a) Non-exempt Employees.** Time worked in excess of forty (40) hours in one (1) work
5 week shall be paid at one and one-half (1-1/2) times employee's statutory regular hourly rate.
6 All overtime worked in excess of 12 hours in a workweek will be paid at double his or her base
7 rate. Time worked on one's scheduled second day of rest will be paid at a rate of two (2) times
8 one's Base Rate if the employee also worked on first scheduled day of rest.

9 **10.5(b) Exempt Employees.** The hourly rate to be paid for scheduled overtime worked by
10 employees will be straight time plus \$8.50 per hour.

11 **Section 10.6 Reporting Pay.** If a non-exempt employee reports for work in accordance with
12 instructions, he shall receive a minimum of eight (8) hours pay at his Base Rate plus shift premiums
13 where applicable.

14 This will not apply in case of emergency shutdowns arising out of any condition beyond the Company's
15 control. An employee who leaves work of his own volition, or because of incapacity (other than
16 industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the
17 number of actual hours worked during that day. An employee who leaves work because of incapacity
18 due to industrial injury will be paid eight (8) hours pay at his Base Rate plus shift premiums where
19 applicable.

20 **Section 10.7 Call Back Pay.** A minimum of four (4) hours pay at the applicable overtime rate will be
21 paid for any call back work performed outside of one's regularly scheduled hours. An employee who
22 leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is
23 discharged or suspended after beginning work, will be paid only for the number of hours actually
24 worked during that day.

25 **Section 10.8 Compensated Travel Time**

26 The Company will pay up to eight (8) hours of travel time to the employee if the employee is required
27 by management to travel for company business on any scheduled day of rest.

28 **Section 10.9 Overtime Scheduling.** It is the intent of the Company to distribute overtime as equally as
29 reasonably practicable in light of the work to be performed by shift, classification, and skill. Both the
30 Union and the Company recognize that the employees who are assigned the work must be qualified to
31 perform the specific work. The Company will strive to meet its overtime requirements on a voluntary
32 basis when practical. In the event there are insufficient qualified volunteers to meet the requirement,
33 Management may designate and require the necessary number of employees to work overtime.

34 10.9(a) Accordingly, the Company and the Union agree, subject to the exceptions noted below,
35 that no employee shall normally be required, and need not be permitted, to work more than
36 144 overtime hours in any budget quarter, more than 576 overtime hours in a twelve-month
37 period, more than three (3) weekends consecutively without the next weekend off, or more
38 than eight (8) hours on a Saturday or a Sunday or other regularly-scheduled day of rest.
39 Overtime work on the first or second day of scheduled rest, or on the first and second days of

1 scheduled rest, shall constitute a weekend worked. All overtime on a holiday as set forth in the
2 Agreement or on the weekend which immediately precedes a Monday holiday or immediately
3 follows a Friday holiday shall be voluntary for those on weekday work schedules.

4 10.9(b) All overtime in excess of the above limits shall be strictly on a voluntary basis and no
5 employee shall suffer retribution for his refusal or failure to volunteer. An employee may be
6 required to perform overtime work beyond the above limitations where necessary for delivery
7 of Company products to a customer, where necessary for the timely submission of proposals
8 where related to customer-requested emergency repair of delivered products, or for
9 Government DX or Government DO rated orders.

10 **Section 10.10 Meal Periods.** Non-exempt employees will work schedules which provide a fixed unpaid
11 meal period to start not more than five (5) hours after start time, consisting of a forty (40) minute lunch
12 period, ten minutes of which shall be paid time and thirty (30) minutes of which shall be unpaid. Non-
13 exempt employees working in excess of an eleven (11) hour shift are entitled to a second unpaid meal
14 period, to start not more than eight (8) hours after start time, consisting of a minimum of thirty (30)
15 minutes. Meal periods will be paid if the employee is not fully relieved of his or her duties.

16 **ARTICLE 11**

17 **LEAVES OF ABSENCE AND JURY/WITNESS DUTY**

18 **Section 11.1 Authorized Leaves of Absence.** Leaves of Absence will be granted in accordance with the
19 Family and Medical Leave Act (FMLA) and the Company local policy. Employees are not required to use
20 available earned time off concurrently with authorized leaves of absence. Other leaves of absence may
21 be granted to any employee with a minimum of ninety (90) days active service for any reason deemed
22 satisfactory to the Company or as required by law. Where practical, a request for a leave of absence
23 must be made in writing to one's supervisor five (5) working days prior to the beginning of the leave.

24 **Section 11.2 Leave of Absence Condition.** An employee, while on leave of absence, shall be deemed to
25 have voluntarily resigned from the Company upon accepting other employment, or engaged in business
26 for himself that prevents his return from leave, or is inconsistent with the medical or other limitations
27 that provide the basis for the employee's leave of absence from the Company.

28 **Section 11.3 Military Leave of Absence.** An employee who is a member of a reserve component of the
29 United States Armed Forces or a State's National Guard, who is absent due to required active annual
30 training duty or temporary special services duty, shall be paid Base Rate plus shift premiums where
31 applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of
32 schedule adjustments by the reserve component, receives orders to report for two (2) training periods
33 in one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum
34 provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive
35 year period (either current and previous calendar years or current and following calendar years) and the
36 employee was a member of the reserve component during both of the applicable consecutive years.
37 Employees with military orders to serve additional days of duty will be placed on unpaid authorized
38 leave of absence. The amount due the employee under this Section shall be reduced by the amount
39 received from the government body identified with such training duty or services, for the period of such
40 duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel

1 allowance shall not be included in determining pay received from state or federal government.
2 Members of a reserve component of a uniformed service ordered to temporary special duty under
3 Military U.S. Code Title 10 or mobilized by the applicable state agency are eligible for military differential
4 pay up to a maximum of (ninety) 90 calendar days for each occurrence.

5 **Section 11.4 Jury/Witness Duty.** When an employee is required to report for jury duty, or compelled to
6 testify in a case brought by someone other than the employee or on his behalf, on his regularly
7 scheduled workday, the employee shall receive eight (8) hours pay at his Base Rate plus shift premiums
8 where applicable. Employees who report for jury/witness duty but are excused, are expected to return
9 to work if more than one-half (1/2) of their shift remains. Employees shall receive holiday pay if a
10 holiday occurs while on jury/witness duty. Proof of such service satisfactory to the Company must be
11 given before this Section shall apply. Time spent on jury/witness duty is not to be counted as
12 absenteeism for purposes of disciplinary action.

13 **Section 11.5 Parental Leave**

14 The company shall grant, not to exceed the total current weekly base pay of the employee, one (1) week
15 (5 consecutive work days), paid parental (paternity or maternity) leave for a birth or adoption.
16 Employees will not be eligible for short-term disability while receiving the week of paid Parental Leave,
17 but may be eligible for other disability benefits thereafter.

18 **ARTICLE 12**

19 **JOB CLASSIFICATIONS AND SALARIES**

20 **Section 12.1 Job Classifications.** It is agreed that it is the right and responsibility of Management to
21 establish new job classifications, or eliminate existing classifications, and establish the appropriate pay
22 rate for such classifications. Any such change in classifications will be reviewed and discussed with the
23 Union at least thirty (30) days in advance of its establishment. Should a dispute arise concerning the pay
24 range for the new job classification, it shall be treated as a grievance and handled in accordance with
25 Article 3.

26 **12.1(a) Definition.** The term "Job Classification" shall be used to classify similar or related work
27 activities that constitute a position of employment based on primary assignment, common products or
28 processes, and employee skills. There will be elements of the job classification that from time to time
29 the Company may use for varying purpose.

30 **12.1(b) Individual Employee's Job Classification or Skills Management Code Review.** An individual
31 employee may request a review of his or her job classification or level based on the contention the work
32 assigned by the Company differs from the job classification or skills management code to the extent and
33 in such a manner as to warrant reclassifying the employee to a different existing job classification or
34 skills management code. Employees will attempt to resolve classification first by discussion with first-
35 line management. In the absence of a resolution mutually agreeable to both management and the
36 employee, the following steps will be utilized in the review process. The review process shall be
37 completed within ninety (90) days of request for review under 12.1(b)(1), below, unless mutually
38 extended by the Company and Union:

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

3 12.1(b)(2) The next-level Manager will meet with the employee and the Union Representative
4 to fully discuss the employee's issue in an effort to reach mutual resolution.

5 12.1(b)(3) If the employee and Union Representative do not agree with the next-level
6 Manager's decision, the next-level Manager, the appropriate Human Resources Representative
7 and the Union Representative will meet to resolve the matter by a majority decision.

8 **Section 12.2 Base Rate.** "Base rate" is an employee's hourly rate of pay, excluding all, allowances,
9 awards, bonuses, additives, and premiums.

10 **Section 12.3 Salaries.** Salaries are set forth by Job Family, Job Title and Rate Table in the Company's
11 compensation web site or other accessible means.

12 **Section 12.4 Rate Range and Discretionary Salary Increases.** The Company will establish and fully
13 distribute salary adjustment funds in accordance with the dates set forth below. No increase
14 adjustments to base pay will exceed the established Base Rate Range maximum. Employees at rate
15 maximums may receive lump sums in lieu of base salary increases. These lump sum increases will
16 charge to the salary adjustment fund.

<u>Review Period</u>	<u>Fund Computation Date</u>	<u>First Full Pay period Following</u>	<u>Increase Percentage*</u>
1	4/1/2020	7/1/2020	Market +0.5%
2	4/1/2021	7/1/2021	Market
3	4/1/2022	7/1/2022	Market
4	4/1/2023	7/1/2023	Market +0.5%
5	4/1/2024	7/1/2024	Market
6	4/1/2025	7/1/2025	Market

* Minimum of \$750 for any employee under comparatio of 1.00 and with hire dates six months or more prior to the Fund Computation Date

17
18 **12.4(a) Definition of Market.** In April of each year, a review of market increases will be conducted. If
19 survey data indicates a market adjustment has occurred, a Selective Salary Adjustment Fund ("Fund")
20 will be generated, with selective salary adjustments made no later than the first pay period following
21 July 1 of that year. The following process shall be followed in calculating the Fund.

- 22 • The Salary Increase Budget report from Mercer US Compensation Planning Survey Report
23 ("Report") will be used. Should this Report be discontinued or its methodology significantly
24 changed, a similar report will be used. No geographical adjustment shall be made to this
25 Report. The Fund amount will be equal to the Projected Salary Increase Budget for the year in
26 the Professional (Non-Sales) category.
- 27 • Once the fund percentage has been determined, the Fund shall be calculated by multiplying the
28 Fund Percentage by the total WTPU base salaries in February of the year of calculation. This
29 Fund calculation shall be a minimum and the Company shall be free to increase the Fund due to
30 unusual economic conditions. Likewise, the Union will consider a reduction in the Fund if

1 merited by unusual economic conditions, but no such reduction may be made without Union
2 approval.

3 **12.4(b) Promotional Funds.** Annually, and in addition to the selective salary adjustment fund above, the
4 Company will provide a fund of one-half of one percent (0.5%) of the total unit salaries as of Fund
5 Computation Date specifically to be used to manage both salary growth and promotions within the unit.
6 If the bargaining unit weighted average comparatio is more than 0.97, the Company will not add the
7 additional 0.5%. If the full amount reserved for promotions and out-of-sequence raises is not used, the
8 unused portion shall be added to the following year's Fund.

9 **12.4(c) Salary Reference Tables.** The Parties agree that current practice of evaluating Salary Reference
10 Table mid-points in tandem with national survey data, adjusted geographically, shall continue except the
11 company will use the 50th percentile of "High Technology - Manufacturing" national survey structure
12 data (SIRS), adjusted downward 7.0% for the Wichita geographical area. The aforementioned data will
13 be used in all job classifications, except where the Company and Union mutually agree that doing so
14 may not be appropriate. To determine the appropriateness of the data, the Company and the Union
15 shall meet no less frequently than quarterly to discuss matters related to salary reference tables,
16 benchmarking positions and industry trends.

17 Should Mercer discontinue or materially modify the SIRS process or methodology, the Company and
18 Union shall work together to find a mutually acceptable replacement.

19 Because the WTPU Salary Reference Tables will be principally determined by SIRS salary structure
20 reports, the SRT mid-points may go up or down, depending upon the national survey data.

21 **12.4(d) Ratification Bonus.** Upon ratification of this contract on first vote, each employee in the
22 bargaining unit will receive a payment of \$2000 and shares of Spirit stock at a value of \$1500 at the time
23 of award within forty-five (45) days from the effective date of this contract.

24 **Section 12.5 Eligibility.** Eligible employees are those who were in the bargaining unit and on the active
25 payroll on both the fund computation date and the increase effective date.

26 **Section 12.6 Short Term Incentive Plan (STIP)**

27 12.6(a) The Company intends to pay a performance bonus when financial performance equals
28 or exceeds the established targets. Employees covered by this collective bargaining agreement
29 will participate in the Spirit AeroSystems Holdings, Inc. Incentive Award Plan for Salaried
30 Employees (M&S Bonus Plan), as it may be amended from time-to-time. Targets will be the
31 same as in the existing M&S Bonus Plan or any changes to the existing plan during the duration
32 of this agreement. Eligible Pay shall be defined as straight-time and overtime wages, pay for
33 Earned Time Off, and Holiday pay. Disability benefits, Layoff benefits and income from other
34 benefit plans are not included as eligible pay. Payments will be 6% of Eligible Pay at Target and
35 12% of Eligible Pay at Maximum.

36 12.6(b) Nothing will prevent the Company from making payments in excess of those provided.

37 **12.6(c)** All active WTPU employees on the payroll on December 31st of the applicable
38 Plan Year shall be eligible to participate in the Plan with respect to incentive award
39 amounts payable under the Plan for that Plan Year.

1
2 **12.6(d)** Payments will be made no later than March 15 of the year following the applicable Plan
3 Year.
4

5 **Section 12.7 Gain Share Plan.** The WTPU Gainsharing Plan will be eliminated in 2020. If 2019 Gainshare
6 year end targets are met, any payment for the 2019 Gainshare will be made in the year 2020.

7 **ARTICLE 13**

8 **UNION OFFICIALS**

9 **Section 13.1 Union to Furnish List of Officials.** The Union shall inform the Company in writing of the
10 names of its officials (not more than one (1) council representative per two hundred (200) employees, or
11 major fraction thereof) who are accredited to represent it, which information shall be kept up to date at
12 all times. Only persons so designated will be accepted by the Company as representatives of the Union.
13 If the geographical dispersion of represented employees in parts of the Wichita facility leads to an
14 inordinate amount of in-plant travel by a counsel representative, the Company will consider any
15 requests by the Union to designate additional council representatives for these particular areas.

16 **Section 13.2 Union Officials – Access to Plant.** The Union Leadership and Staff Representatives, not
17 employed by Company, will be permitted access to the Company’s facility during normal working hours.
18 The Union will provide advance notification to the Company of such visits. Such visits shall be subject to
19 such regulations as may be made from time to time by any governmental or government affiliated
20 agency of the United States, other customers, or the Company. The Company will not impose
21 regulations that are designed to exclude the Union Leadership and Staff Representatives from the plant
22 or render ineffective the intent of this provision. No union meetings involving more than sixty-five (65)
23 will occur on company property without express written permission.

24 **Section 13.3 Union Activity During Working Hours.** The Company agrees not to discriminate in any
25 way against any employee for Union activity, but such activity shall not be carried on during working
26 time, except as specifically allowed below.

27 **13.3(a)** Upon request of his or her supervisor, each employee, before leaving his or her assigned
28 work on Union business, shall have authorization from the Union and shall notify his or her
29 supervisor prior to taking such leave. The Union shall provide to the designated Company
30 Representative oral confirmation of such authorization at least one day prior to such leave and
31 written confirmation immediately thereafter.

32 **13.3(b) SPEEA-paid Time.** Time worked for union-related issues, limited to regular working
33 hours, shall be charged to a special charge account number and the Union agrees to reimburse
34 the Company at the employee’s regular hourly rate for all such time so spent.

35 **13.3(c) Employer-paid Time.** Time worked for contract-related issues, limited to regular
36 working hours, shall be charged to an employer charge account number that identifies the
37 organization in which the contract-related issue is worked.

1 **Section 13.4 Bulletin Boards.** The Union shall have the right to use designated bulletin boards on the
2 Company property for the purpose of posting notices of Union meetings and other activities which are
3 officially approved by the Union prior to posting.

4 **Section 13.5 Grievance and Contact Administration.**

5 13.5(a) The Union shall investigate and adjust grievances, perform contract administration,
6 support employee disciplinary hearings and conduct information sharing meetings with
7 bargaining unit members in the work area, exclusively through Executive Board members and
8 Council Representatives, who shall be employees, and Union Staff Representatives.

9 13.5(b) Each Executive Board Member and Council Representative shall notify and obtain
10 permission from his or her supervisor before leaving the work assignment for the purpose of
11 investigating complaints or claims of grievance on the part of employees in his or her work area.
12 Such permission shall be granted except where the supervisor considers such absence would
13 seriously interfere with the performance of the group of which the representative is a part.
14 Time spent on such approved investigations and discussions shall be considered work time
15 provided such activity does not extend beyond the time that the supervisor considers
16 reasonable under the circumstances. Any Executive Board Member and Council Representative
17 in the conduct of his or her investigation, and before contacting an employee, shall obtain
18 permission of the supervisor of such employee and advise the supervisor of the estimated time
19 required for the discussion. Such permission shall be granted except where the visit would
20 seriously interfere with the work of the group.

21 **Section 13.6 Leaves of Absence.**

22 **13.6(a) Duration.** Leaves of absence of at least thirty (30) days without pay shall be granted for
23 the following reasons:

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

28 **13.6(b) Return from Leave of Absence.** The Company will reinstate employees on such leaves at
29 not less than his or her former grade level and salary. The Company will review salary on a case-by-
30 case basis and make adjustments as appropriate.

31 **Section 13.7 Substitute Council Representative.** In the absence of a Council Representative for any
32 reason, the Union may designate a temporary substitute.

33 **Section 13.8 Protection of Union Officials.**

34 13.8(a) Executive Board members and Council Representatives shall not be laid off during their
35 respective terms of office except as described herein.

36 13.8(a)(1) Executive Board members and Council Representatives will be given a
37 retention rating while serving during their term of office that will be adjusted to indicate
38 that the employee is at the top of the highest retention rating in the applicable skill or

1 job activity code. So rated, the Representatives will be subject to all terms and
2 conditions of Article 7 of the parties' Agreements. Once the Representatives are no
3 longer in office, the retention rating will be readjusted to the otherwise applicable
4 rating.

5 13.8(a)(2) If Council Representatives are relocated, due to transfer or otherwise, out of
6 the district in which they were elected, the Representatives will continue to be
7 protected from layoff for the balance of their term of office so long as they remain
8 recognized members of the Council. Each designated Council position can be filled by
9 only one member.

10 13.8(a)(3) Nothing herein precludes an Executive Board Member or Council
11 Representative from requesting a voluntary or accelerated layoff.

12 13.8(a)(4) Layoff protection does not apply to Executive Board members and Council
13 Representatives who, at the time of election or appointment, have received an active
14 advance notice of potential layoff, unless the Board of Members or Council
15 Representative is running for reelection to a consecutive term of office.

16 13.8(b) In the event management deems it necessary to involuntarily transfer or loan a Council
17 Representative, and other employees then represented by the Council Representative would
18 remain in the same skill code, when practicable the Company will inform the Union of the
19 proposed transfer or loan thirty (30) days prior to its effective date and will discuss with the
20 Union the feasibility of transferring or loaning another employee.

21 **Section 13.9 Union Requests for Employer Data.** The Company will provide the data to the Union
22 which is listed in the memorandum from the Union to the Company effective June 30, 2005, subject to
23 such revisions in the future as may be made by mutual agreement of the parties. Nothing herein is
24 intended to waive any right the Union may have to receive additional data.

25 **Section 13.10 SPEEA Access to the Web.** The parties hereby agree that SPEEA shall have access to the
26 Company's internal Web page. To that effect, the parties agree as follows:

27 13.10(a) SPEEA shall maintain the confidentiality of all information, data and computer
28 programs ('Information Assets') to which SPEEA has access, along with any passwords or access
29 procedures given to facilitate access to 'authorized SPEEA users'.

30 13.10(b) SPEEA shall only access the Information Assets specified by the Company Computing
31 Access Focal Point, and then only in accordance with the access procedures.

32 13.10(c) SPEEA shall not access any other Information Assets not approved by the Company
33 Computing Access Focal Point.

34 13.10(d) SPEEA shall not remove any Information Assets from Company computing systems, or
35 delete, change or otherwise modify any Information Assets.

36 13.10(e) Access to Information Assets marked 'Company Limited' or bearing Government
37 classified markings is strictly prohibited. The Company may re-evaluate access at any time. Any
38 decision by the Company to withdraw access shall not be subject to the provisions of Article 3.

1 **ARTICLE 14**

2 **PAYROLL DEDUCTION FOR UNION DUES**

3 **Section 14.1 Payroll Deduction for Union Dues.** Whenever an employee shall appropriately request in
4 writing, the Company will deduct from such employee’s pay each month dues payable to the Union.
5 The Union will promptly notify the Company of any changes in the rate of dues during the term of this
6 Agreement. The agreed forms for use by employees in making a request for deduction, as well as form
7 of notice of withdrawal, will be furnished by the Union. The Company will not deduct dues or
8 discontinue dues deductions absent authorization from the employee. In no circumstances shall the
9 Company be held liable for the payment of any dues to the Union. The Company agrees to recognize all
10 current and new authorization cards on file.

11 **ARTICLE 15**

12 **STRIKES AND LOCKOUTS**

13 **Section 15.1 Strikes and Lockouts.**

14 15.1(a) During the term of this Agreement neither the Union (including its officers, agents,
15 representatives, and members) nor any employee covered by this Agreement shall in any way,
16 directly or indirectly, authorize, cause, assist, encourage, participate in, ratify or condone any
17 strike (whether it be an economic strike, sympathy strike, unfair labor practice strike or
18 otherwise) slow down, walk out, boycott, picketing, or any other interference with the
19 Company’s operations by bargaining unit members, including any refusal to cross any other
20 labor organization’s or other party’s picket line. Nothing in 15.1 shall require employees to work
21 in an unsafe environment. Any employee who violates this Article may be subject to disciplinary
22 action.

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

27 15.1(b) The Union will make every effort to stop and discourage any action prohibited by
28 Section 15.1, if it should occur and will keep the Company advised of its actions.

29 15.1(c) The Company agrees that there shall be no form of lockout during the term of this
30 Agreement.

31 15.1(d) The Parties agree that violations of the no strike/no lockout provisions of this Article will
32 cause irreparable harm and therefore they agree that either party may enforce the obligations
33 of this Article by injunction action in the courts without any requirement that the grievance and
34 arbitration procedure of this Agreement be invoked or exhausted. The parties further agree
35 that the Company, at its option, may file a grievance alleging a violation of the no strike
36 obligation of this article and the Union, at its option, may file a grievance alleging violation of
37 the no-lockout obligation at Step 3 – Pre-Arbitration of the Grievance Procedure in Article 3.2.

38 **ARTICLE 16**

1 **GROUP INSURANCE AND RETIREMENT PLANS**

2 **16.1 Benefits.** Benefits shall be provided as defined in the Plans and as described in Attachment A.

3 **ARTICLE 17**

4 **HEALTH AND SAFETY**

5 **Section 17.1 Mutual Objective.** It is the desire of both parties to this Agreement to maintain high
6 standards of safety and health in order to eliminate, as far as possible, industrial accidents and illness.
7 Both parties will continue to establish proactive, customer-driven programs and systems to support this
8 mutual objective.

9 **Section 17.2 Health and Safety In The Workplace.**

10 17.2(a) The Company shall maintain on all full shifts, an emergency first aid station.

11 17.2(b) The Company will furnish personal protective equipment as deemed necessary.

12 17.2(c) The Company is committed to a tobacco-free work environment based on the evidence
13 that tobacco smoke and second-hand smoke is detrimental to employee health. Accordingly the
14 interior spaces of all Company facilities are tobacco-free. The Company shall designate exterior
15 spaces for smoking and use of other tobacco products. There shall be no use of tobacco
16 products except in designated areas.

17 **Section 17.3 Drug and Alcohol-Free Workplace.**

18 17.3(a) The Union and the Company recognize the value of working together to maintain the
19 Drug and Alcohol-Free Workplace Program. This program has been established to promote a
20 safe, healthy, and productive work environment. This program is intended to help prevent
21 substance abuse through drug and alcohol/drug testing and enhanced employee
22 communication that emphasizes the importance of awareness and rehabilitation. By complying
23 with state/federal laws, regulations and enforcing the Company prohibition against drugs and
24 alcohol in the workplace, public confidence in Company products and services is maintained.
25 Both parties commit to work together to create an environment which promotes a drug and
26 alcohol-free workplace and adhere to the Company's established policy.

27 17.3(b) For reasonable suspicion and post-accident testing only, the employee has the right to
28 request the presence of a Union Representative at the collection site. The Union Representative
29 shall not in any way interfere with or otherwise obstruct the collection process. The parties
30 agree that the collection may be delayed a reasonable period, not to exceed thirty (30) minutes,
31 to await the arrival of the Union Representative. The thirty (30) minute period will commence
32 when the Union, to include a Union Representative, is notified.

33 **ARTICLE 18**

34 **NON-DISCRIMINATION**

35 **Section 18.1 Non-Discrimination.**

1 18.1(a) All terms and conditions of employment included in this Agreement shall be
2 administered and applied without regard to race, color, religion, national origin, status as a
3 disabled or Viet Nam era veteran, age, sex, sexual preference, marital status, or the presence of
4 a disability except in those instances where age, sex or the absence of a disability may constitute
5 a bona fide occupational qualification.

6 18.1(b) Administration and application of the Agreement that is not in contravention of federal
7 or state law shall not be considered discrimination under this Article. The parties recognize that
8 the Company is required to comply with applicable federal and state disability discrimination
9 laws, and agree that the Company may take actions necessary to stay in compliance. The
10 Company agrees to notify the Union in advance in the event that compliance with such laws
11 affects the employee rights set forth in this Agreement.

12 **Section 18.2 Non-Discrimination Grievances.** Notwithstanding any other provision of Article 3,
13 a grievance alleging a violation of this Article 18 shall be subject to the grievance and arbitration
14 procedure of Article 3 only if it is filed on behalf of and pertains to a single employee. Class
15 grievances under Article 18 shall not be subject to the grievance and arbitration procedure
16 under this Agreement.

17 **ARTICLE 19**

18 **SCOPE OF AGREEMENT**

19 **Section 19.1 Complete Agreement.** This Agreement constitutes the entire contract between the
20 parties hereto and supersedes and replaces any and all prior obligations and/or agreements, whether
21 written, oral, expressed or implied between or concerning employees and/or the Union and the
22 Company. No amendment, modification or addition to this Agreement shall be effective unless it is
23 reduced in writing and duly executed by the parties. Nothing herein limits the parties' obligation to
24 bargain mandatory subjects arising during the term of this agreement.

25 **Section 19.2 Severability.** If any term or provision of this Agreement is, at any time during the life of
26 this Agreement, adjudged by a court or administrative body of competent jurisdiction to be in conflict
27 with any law, such term or provision shall become invalid and unenforceable, but such invalidity or
28 unenforceability shall not impair or affect any other term or provision of this Agreement.

29 **ARTICLE 20**

30 **MISCELLANEOUS**

31 **Section 20.1 Child and Elder-care Referral.** The Company will maintain a child and elder-care referral
32 program consisting of referrals of employees to licensed care facilities, consultation with employees to
33 determine individual needs, and providing educational materials and programs.

34 **Section 20.2 Printing of Contracts.** The parties agree, in the spirit of labor/management cooperation,
35 that they will equally share the costs of printing the labor agreement.

36 **ARTICLE 21**

37 **PERIOD OF AGREEMENT**

1 **Section 21.1 Duration.** This Agreement shall be effective for a period from the date of contract
2 ratification, and shall remain in force through the January 31, 2026 (Contract Termination Date). This
3 Agreement shall remain in force from year to year thereafter, unless either party shall notify the other,
4 in writing by registered mail, not more than ninety (90) calendar days nor less than sixty (60) calendar
5 days prior to the anniversary of the Contract Termination Date in the year in which contract termination
6 is desired. Unless terminated, this Agreement shall remain in full force and effect from year to year
7 thereafter.

8 **Section 21.2 Notification.** Notice under Section 1 above shall be served on the senior Human
9 Resources manager for the Company and the designated representative for the Union.

10 **Section 21.3 Contract Reaffirmance.** The Company and the Union agree and commit that they will, on
11 the day of the third anniversary of this Agreement, or such other date as either party requests, mutually
12 sign and execute a written amendment to this Agreement, which expressly reaffirms this Agreement for
13 its remaining stated term.

14

15 Signed at Wichita, Kansas, and dated this ____th day of _____, 2019.

16 **APPENDIX A**

17 **ORGANIZATIONS/FUNCTIONS WITH CONFIDENTIAL EMPLOYEES AND**

18 **CURRENT JOBS IDENTIFIED AS CONFIDENTIAL**

19 A. CONFIDENTIAL GROUP 1 – PERSONNEL INFORMATION

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

- 21 • FADU – HUMAN RESOURCE GENERALIST
- 22 • FADV – HUMAN RESOURCE SPECIALIST
- 23 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 24 • BDAW – APPLICATIONS ANALYST
- 25 • BDAU – PROGRAM/ANALYST – BUSINESS
- 26 • 9AWE – BUSINESS AND PLANNING ANALYST CONFIDENTIAL

27 2. Employee Assistance Program

- 28 • 7BTW – EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATOR

29 3. Law and Ethics

- 30 • CABN – COUNSEL
- 31 • UAMX – ADMINISTRATIVE ASSISTANT
- 32 • SAMT – ETHICS ADVISOR

33 4. Security & Fire Protection

- 34 • BCBH – DESKTOP SYSTEMS INSTALLER
- 35 • BACS – COMPUTING SECURITY SPECIALIST
- 36 • LAHQ – INDUSTRIAL SECURITY SPECIALIST
- 37 • LAHR – ACCESS ADMINISTRATOR

- 1 • LAHS – INVESTIGATOR
- 2 • LAHW – S & FP MULTIPLE OPERATIONS SPECIALIST
- 3 • LAHT – UNIFORMED SECURITY OFFICER
- 4 • UAWL – OFFICE ADMINISTRATOR
- 5 B. CONFIDENTIAL GROUP 2 – BUSINESS INFORMATION
- 6 1. Program Management Office
- 7 • 2AGP – WRITER/EDITOR
- 8 • KADN – MARKETING AND SALES REPRESENTATIVE
- 9 • KADQ – STRATEGY & ANALYSIS SPECIALIST
- 10 • KADS – CUSTOMER RELATIONS SPECIALIST
- 11 • KADT – MARKETING AND SALES PROCESS SPECIALIST
- 12 • UAMC – PROGRAM MANAGEMENT SPECIALIST
- 13 • WASV – PROGRAM MANAGEMENT SPECIALIST (P & L)
- 14 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 15 • UAMX – ADMINISTRATIVE ASSISTANT
- 16 • UANR – STAFF ANALYST
- 17 2. Internal Audit
- 18 • 9AHL – INTERNAL AUDITOR
- 19 3. Communications & Public Affairs and State & Local Government Relations
- 20 • 2AGR – GRAPHIC ARTIST
- 21 • 4ADL – COMMUNICATIONS SPECIALIST
- 22 • MACU – COMMUNITY RELATIONS SPECIALIST
- 23 • MACV – EDUCATION RELATIONS SPECIALIST
- 24 • MACX – GOVERNMENT RELATIONS SPECIALIST
- 25 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 26 • UAMX – ADMINISTRATIVE ASSISTANT
- 27 • UANR – STAFF ANALYST
- 28 4. Finance
- 29 • 9AWC – ACCOUNTANT CONFIDENTIAL
- 30 • 9AWE – BUSINESS AND PLANNING ANALYST CONFIDENTIAL
- 31 • 9AHN – TAX SPECIALIST
- 32 • 9AWG – ESTIMATING AND PRICING SPECIALIST CONFIDENTIAL
- 33 • 9AHK – INSURANCE/RISK MANAGEMENT ANALYST
- 34 • 9ARA – GOVERNMENT PROPERTY ANALYST
- 35 • 5AAD – CONTRACTS & PRICING ADMINISTRATOR (Levels 4 & 5)
- 36 • 5AAE – EXPORT ADMINISTRATOR
- 37 • 5AAH – IMPORT ADMINISTRATOR
- 38 • 5AMS – COMMERCIAL A/C CONTRACTS ADMINISTRATOR
- 39 5. Executive Office Administrators/Executive Support
- 40 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 41 • BCWD – EXECUTIVE SUPPORT

- 1 C. CONFIDENTIAL GROUP 3 – INFORMATION TECHNOLOGY
- 2 1. Systems Level Root Authority
- 3 • BCWD – SYSTEM DESIGN & INTEGRATION SPECIALIST CONFIDENTIAL
- 4 • BDBA – DATABASE ADMINISTRATOR
- 5

1 **ATTACHMENT A**

2 **401k**

3 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
4 changes required by applicable law, all provisions of Spirit 401k Plan in place on the ratification date of
5 this agreement are to remain unchanged:

- 6 • All Employee and Employer contributions shall be made as soon as administratively possible
7 after each pay period. This does not include the company’s non-matching contribution.
- 8 • Employees may choose to contribute up to 50% of Base Salary, up to federal limits
- 9 • Company Contributions
 - 10 ○ Matching: 75% match on first 8% of employee contributions
 - 11 ○ Company additional contributions:

If your age + earned vesting service equals:	The percentage of company additional contributions you receive is:
Less than 60	1.5%
60 – 79	3.0%
80+	4.5%

12

13 The Company shall make the above contributions for a retiring employee so long as the employee has
14 1,000 hours of service in the Plan Year.

- 15 • Transition Contributions

Service at Closing	Contribution
5-9 years	1.5%
10-14 years	2.5%
15+ years	3.5%
Contribution continues for the lesser of 15 years from June 17, 2005, or completed years of Boeing service on June 17, 2005. Effective June 18, 2020 the transition contributions shall cease for all covered employees with the final payment for 2020 earnings made no later than April 15, 2021.	

16

17 **Spirit Retirement Plan:**

18 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
19 changes required by applicable law, all provisions of Spirit Retirement Plan (Former Boeing BCERP and
20 PVP Plans) in place on the ratification date of this agreement are to remain unchanged, with the
21 exception of the following amendments:

22 Subject to approval by the Spirit Board of Directors, SPEEA-WTPU represented employees with
23 an accrued pension benefit in the “Frozen Pension Plan” will have the ability to voluntarily elect
24 to receive their frozen pension benefit value as a lump sum. Such approval shall not be

1 unreasonably withheld. It is expected that they will roll it over into their 401(k). Participating in
2 this offer will not require that the employee terminate their employment with Spirit.

3 The lump sum shall be determined based on IRC 417(e) segment rates from November the prior
4 calendar year and shall include early retirement subsidies (if applicable).

5 Employees will initially be surveyed regarding their interest in receiving a lump sum payout of
6 their pension benefit. The survey will include information on what the lump sum value of their
7 pension is. Employees who formally express interest to the survey will be spun off into a plan
8 that will be terminated, subject to regulatory approval, allowing access to the benefits in the
9 form of a lump sum upon completion of the plan termination. These employees will have a
10 second chance (at the time of plan termination) to reconsider whether to elect a lump sum.
11 Those who decline will receive their pension benefit in the form of an annuity payment in
12 accordance with the terms of the frozen pension plan. Those who retire and commence
13 payment of their monthly pension benefit before the Frozen Pension Plan is terminated will not
14 be eligible for a lump sum payment.

15 **Medical Plans**

16 All medical plans offered to SPEEA represented Spirit employees shall utilize a nationwide PPO network
17 outside of the Accountable Care Organization network area.

18 Unless prohibited by a collective bargaining agreement, the Company will endeavor to use the entirety
19 of the risk pool for each respective plan when setting rates. Rates not include any employer HSA
20 contributions, transition bonus funds or ratification bonuses.

21 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
22 changes required by applicable law, all provisions of the Spirit medical plans (Core, Enhanced, Green,
23 Blue and Orange) in place on the ratification date of this agreement are to remain unchanged

24 Effective July 1, 2020, the Company shall provide access to the following plans:

- 25 • Core Plan
- 26 • Enhanced Plan
- 27 • Green Plan (HSA)
- 28 • Blue Plan (HSA)
- 29 • Orange Plan (HSA)

30 Effective July 1, 2022, the Company shall only provide access to the following plans:

- 31 • Green Plan (HSA)
- 32 • Blue Plan (HSA)
- 33 • Orange Plan (HSA)

34 **Core Plan – 30% Premium Contribution**

35 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
36 changes required by applicable law, all provisions of the Core plan in place on the ratification date of this
37 agreement are to remain unchanged. Beginning July 1, 2021, the Company contribution to the Core Plan

1 shall be capped at the Company contribution to the Green Plan. Beginning July 1, 2022, the Core Plan
2 will no longer be offered.

3 **Enhanced Plan – 25% Premium Contribution**

4 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
5 changes required by applicable law, all provisions of the Enhanced plan in place on the ratification date
6 of this agreement are to remain unchanged. Beginning July 1, 2021, the Company contribution to the
7 Enhanced Plan shall be capped at the Company contribution to the Green Plan. Beginning July 1, 2022,
8 the Enhanced Plan will no longer be offered.

9 **Green Plan – July 2020 17% Premium Contribution, July 2021 20% Premium Contribution, July 2022**
10 **22% premium thereafter**

- 11 • The individual annual deductible (in-network) will be \$1,500 for single coverage, with the
12 family deductible two times higher. If federal minimums are raised the deductible will be
13 raised accordingly.
- 14 • Out-of-network deductible will be two times the in-network deductible.
- 15 • Preventative prescriptions shall be allowed before deductible, subject to OOP maximums.
- 16 • Non-preventative prescriptions shall be subject to the deductible and OOP maximums.
- 17 • The coinsurance for all in network services (incl retail and mail order drugs) will be
18 80%/20% (60%/40% out of network)
- 19 • The annual out-of-pocket maximum shall be two times the applicable deductible for
20 network and four times the applicable deductible for out of network services.
- 21 • The applicable annual deductible will be included in the respective annual out-of-pocket
22 maximum.

23 **Blue and Orange Plans – July 2020 17% Premium Contribution, thereafter 20% Premium Contribution**

- 24 • The deductibles for the blue and orange plans shall not change unless required by federal
25 law in order to maintain a qualified status as a High Deductible Health Plan
- 26 • Preventative prescriptions shall be allowed before deductible, subject to OOP maximums.
- 27 • Non-preventative prescriptions shall be subject to the deductible and OOP maximums.
- 28 • The Coinsurance for all network services (incl retail and mail order drugs) will be 70%/30%
29 (50%/50% out of network)
- 30 • The applicable annual deductible will be included in the respective annual out-of-pocket
31 maximum.

32 **HSA Funding:**

- 33 • Effective with the first pay period after June 30, 2020 each employee that has enrolled in
34 the Green or Blue plan shall receive a lump sum payment equal to 100% of their applicable
35 deductible. Employees enrolled in the orange plan shall receive the same amount as
36 employees enrolling in the blue plan. This lump sum payment will be contributed to the
37 employee’s Health Savings Account (HSA) unless the employee chooses to receive the
38 contribution in a lump sum cash payment.
- 39 • Effective with the first pay period after June 30, 2021 each employee that has enrolled in
40 the Green or Blue plan shall receive a lump sum payment equal to 100% of their applicable

- 1 deductible. Employees enrolled in the orange plan shall receive the same amount as
2 employees enrolling in the blue plan. This lump sum payment will be contributed to the
3 employee's Health Savings Account (HSA) unless the employee chooses to receive the
4 contribution in a lump sum cash payment.
- 5 • Effective with the first pay period after June 30, 2022 each employee that has enrolled in
6 the Green or Blue plan shall receive a lump sum payment equal to 75% of their applicable
7 deductible. Employees enrolled in the orange plan shall receive the same amount as
8 employees enrolling in the blue plan. This lump sum payment will be contributed to the
9 employee's Health Savings Account (HSA) unless the employee chooses to receive the
10 contribution in a lump sum cash payment.
 - 11 • Effective with the first pay period after June 30, 2023 each employee that has enrolled in
12 the Green or Blue plan shall receive a lump sum payment equal to 75% of their applicable
13 deductible. Employees enrolled in the orange plan shall receive the same amount as
14 employees enrolling in the blue plan. This lump sum payment will be contributed to the
15 employee's Health Savings Account (HSA) unless the employee chooses to receive the
16 contribution in a lump sum cash payment.
 - 17 • Effective with the first pay period after June 30, 2024 each employee that has enrolled in
18 the Green or Blue plan shall receive a lump sum payment equal to 60% of their applicable
19 deductible. Employees enrolled in the orange plan shall receive the same amount as
20 employees enrolling in the blue plan. This lump sum payment will be contributed to the
21 employee's Health Savings Account (HSA) unless the employee chooses to receive the
22 contribution in a lump sum cash payment.
 - 23 • Effective with the first pay period after June 30, 2025 each employee that has enrolled in
24 the Green or Blue plan shall receive a lump sum payment equal to 60% of their applicable
25 deductible. Employees enrolled in the orange plan shall receive the same amount as
26 employees enrolling in the blue plan. This lump sum payment will be contributed to the
27 employee's Health Savings Account (HSA) unless the employee chooses to receive the
28 contribution in a lump sum cash payment.
 - 29 • Employees hired after the start of each respective plan year shall receive the same amounts
30 as above prorated based on the remaining months of the plan year.
 - 31 • While employed by Spirit, Spirit shall pay the monthly administrative fees associated with
32 maintaining the HSA account at the HSA custodian of Spirit's choice.
 - 33 • The company shall permit employees the ability to make HSA contributions via payroll
34 deduction.

35 **Concierge Primary Care**

36 Spirit will provide employees with access to Concierge Primary Care (CPC) services. CPC is an optional
37 health care delivery model structured to improve health outcomes, lower costs, and provide an
38 enhanced patient care experience. This will be an optional network, which employees may choose
39 when completing annual enrollment activities beginning in the 2020/2021 benefit year. Employees who
40 elect to participate in the CPC network will receive a 3% reduction in premium in the 2020/2021 year,
41 and a 5% reduction in the premium thereafter.

42 In order to preserve the health savings account (HSA) benefits and give employees the best of both the
43 traditional and CPC models, where permitted by law, the CPC network shall have unlimited free primary

1 care, unlimited free coverage for minor procedures (as defined by the CPC) and a listing of free generic
2 drugs; where not permitted by law, the CPC clinic shall charge the lowest reasonable fee for the services
3 and/or prescriptions provided.

4 Spirit will create a CPC Oversight Committee, and SPEEA staff will be invited to become involved as an
5 active member. CPC providers will follow generally accepted standards of medical practice. Spirit will
6 strive the CPC has a posted list of available services and procedures that is maintained and updated
7 annually on a prospective basis, prior to each annual enrollment. The parties understand and agree that
8 the structure and substance of the services provided under this CPC option may change each plan year
9 during the course of this Agreement.

10 **Retiree Medical**

11 Day 1 employees age 62 and older who separate service with at least 10 years of company service may
12 enroll in the same medical benefit options as provided to active employees and pay the same monthly
13 premium as active employees. Employees with at least 10 years of service who are laid off by Spirit up to
14 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon reaching age
15 62 regardless of interim coverage.

16 Subsidized coverage for employees will be provided until Medicare eligibility. Should the employee
17 become Medicare eligible in advance of their spouse becoming Medicare eligible and/or children
18 turning age 26, the spouse and/or remaining eligible children may remain on the Spirit subsidized retiree
19 medical plan for an additional 12 months.

20 Employees who retire from service with at least ten years of service and who are between the ages of
21 55 – 65 will be eligible to enroll in Access-Only retirement coverage. The Plans available through Access-
22 Only will be the same as the Plans available to the active employee population, however, the retiree will
23 pay the full cost of the associated benefits, which will be rated on the retiree population experience.

24 Employees who retire at age 55+ with 10+ years of service, or at age 60+ with 5+ years of service, may
25 elect to continue receiving primary care services through the CPC. The CPC is not a health insurance
26 plan and does not provide specialty care or hospital services. Retirees need to make certain they are
27 covered by a comprehensive medical plan. To do so, the employee must have elected this network at
28 the first opportunity and remained continuously enrolled in the CPC network, or have been enrolled in
29 the CPC network for three consecutive years prior to retirement. Spirit will subsidize the per member
30 per month fee for CPC access at 50%. Once the employee reaches age 65, or becomes Medicare eligible,
31 whichever comes first, Spirit will no longer subsidize the per member per month fee. If the employee
32 reaches 65 or becomes Medicare eligible their eligible dependents will be able to remain on subsidized
33 coverage for an additional 12 months.

34 **Healthy Spirit Activities**

35 The Healthy Spirit discounts will no longer apply after June 30, 2020.

36 **Dental Benefits**

37 The company shall offer the current Premier Plan, the Standard Plan and the Basic Plus Plan. Except as
38 the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes

1 required by applicable law, all provisions of the Dental plans in place on the ratification date of this
2 agreement are to remain unchanged with the exception of the following amendments:

- 3 • Effective 7/1/2021: The Premier Dental plan premium contribution shall be 10%.

4 **Voluntary Vision Benefits**

5 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
6 changes required by applicable law, all provisions of the Enhanced, Basic and Exam Only vision plans in
7 place on the ratification date of this agreement are to remain unchanged.

8 **Safety Glasses**

9 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
10 changes required by applicable law, all provisions of the current prescription vision hardware benefit in
11 place on the ratification date of this agreement are to remain unchanged.

12 **Flexible Spending Accounts:**

13 The Company shall provide access to a general purpose healthcare FSA with the limit matching the
14 federal maximum. Should the federal maximum be eliminated, the annual maximum shall match the
15 Orange Plan individual deductible.

16 The company shall provide access to a dependent care FSA with a \$5000 limit.

17 For individuals in an HSA-Qualified medical plan, Effective 7/1/2019 the company also began to provide
18 access to a Limited Purpose FSA with a limit matching the general purpose FSA.

19 **Company Paid Life Insurance**

20 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
21 changes required by applicable law, all provisions of Company Paid Life Insurance plan currently in place
22 are to remain unchanged.

23 **Optional Supplemental Life Insurance**

24 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
25 changes required by applicable law, all provisions of Optional Supplemental Life Insurance plan currently
26 in place are to remain unchanged.

27 **Company Paid Short Term Disability**

28 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
29 changes required by applicable law, all provisions of STD plan currently in place are to remain
30 unchanged.

31 **Company Paid Long Term Disability**

32 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
33 changes required by applicable law, all provisions of LTD plan currently in place are to remain
34 unchanged.

1 Employees shall be able to use ETO to supplement the LTD payments to bring the employee back up to
2 100% of the pre-disability salary.

3 **Accidental Death and Dismemberment**

4 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
5 changes required by applicable law, all provisions of Accidental Death and Dismemberment plan
6 currently in place are to remain unchanged.

7 **Company Paid Business Travel Accident (BTA)**

8 Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any
9 changes required by applicable law, all provisions of BTA plan currently in place are to remain
10 unchanged.

11

1 **Letter of Understanding 1**

2 **Relating to Statement of Intentions**

3 **Dated July 11, 2011**

4 We are writing to express the business objectives and intentions of Spirit AeroSystems, Inc. (the
5 "Company") in regard to employment levels and employment security at the Company's facilities in
6 Wichita, KS, and Tulsa and McAlester, OK.

7 The Company's objective is to maintain principal business operations at these existing facilities, to build
8 and maintain a strong workforce of full time direct employees, and to mitigate any business-driven need
9 for lay-offs by seeking new work and business in these facilities, retaining the work and business now
10 conducted there by the Company, and by providing training and development opportunities that
11 increase the skills flexibility of individual employees.

12

1 **Letter of Understanding 2**

2 **Relating to Section 3.7**

3 **Dated July 11, 2011**

4 Pursuant to this Agreement, if an interview being conducted by the Company's Employee Relations
5 Organization (ERO), Security Investigations, or the Equal Employment Organization (EEO) could
6 reasonably lead to discipline of the employee being interviewed, the Company has undertaken in
7 Section 3.7 to inform the employee of the employee's right to union representation. The parties agree
8 that the target of any investigation shall be informed of this right to union representation before the
9 interview begins. If a witness makes statements during an interview that cause the interviewer to
10 conclude that it is reasonable to anticipate that discipline of the witness might occur, if the witness has
11 not already been informed of his or her right to union representation, the witness shall be so informed
12 and union representation provided if requested.

13

1 **Letter of Understanding 3**

2 **Regarding Technical Product Designers**

3 **Dated July 11, 2011**

4 The parties agree a job analysis will be performed pursuant to Section 12.1(b) on all employees in the
5 6ASE, Technical Product Designer job code. It is further agreed 6ASE employees performing
6 administration responsibilities will remain under the current “technical support” job classification. 6ASE
7 employees providing design responsibilities to support engineering will be moved to an “engineering
8 support” Designer function/job classification.

9

1 **Letter of Understanding 4**

2 **Regarding Medical Plan Auditing**

3 **Dated July 11, 2011**

4 The parties agree that within six (6) months of the ratification of this contract, to implement a trial
5 program to encourage employees to audit their medical bills in order to reduce cost escalation of
6 insurance premiums. The Company Benefits Organization shall assign a coordinator for the program. If
7 an employee discovers errors in the employee's medical bills associated with a procedure reimbursed by
8 the Company's health insurance provider, and if the bill is subsequently lowered because of the
9 employee bringing the error to the attention of the health care provider, the employee shall be awarded
10 a fifty dollar (\$50.00) payment. If significant savings are not realized during the first six months of the
11 program being implemented, the Company may discontinue the program and reassign the program
12 coordinator.

13

1 **Letter of Understanding 5**

2 **Regarding 401(k) Contributions**

3 **Dated July 11, 2011**

4 Subject to Board approval, the Company will modify the requirement for retirees to be employed on the
5 last day of the year to receive Company contributions to the 401(k) plan and the Company shall make
6 such contributions for the retiring employee so long as the employee has 1000 hour of service in the
7 Plan Year. The contribution shall be made at the same time as other Company contributions.

8 The Company further agrees that if any enhancements are made to 401(k) Company contributions for
9 other salaried employee groups at the Company's Wichita facility during the term of this Agreement,
10 such enhancements shall be provided to WTPU represented employees as well.

11

1 **LETTER OF UNDERSTANDING 6**

2 **Regarding Job Classifications**

3 **Dated June 24, 2019**

4 WHEREAS, Spirit AeroSystems, Inc. (“Spirit” or “the Company”) and SPEEA Wichita Technical and
5 Professional Unit (“WTPU”) seek to add Job Classifications to Article 1, Section 1.1 of the SPEEA WTPU
6 Collective Bargaining Agreement (“CBA”).

7 NOW THEREFORE, the parties agree as follows:

- 8 1. The parties agree that, as of the date of this Letter of Understanding, the following Job
9 Classifications will become a part of the WTPU Bargaining Unit and the terms and conditions
10 of employment for the employees holding those Job Classifications will be controlled by the
11 SPEEEA WTPU CBA:
12
- 13 a. ED – Environmental Engineer/Scientist
14
- 15 2. The parties further agree that the addition of these Job Classifications is based solely on the
16 agreement of the parties with respect to the Job Classifications referenced above and is not
17 due to any position taken by the Company with regard to the covered employees’ degrees
18 or educational experience. The addition of these Job Classifications to the SPEEA WTPU
19 Bargaining Unit shall not be precedent setting or deemed to indicate either parties’ position
20 regarding the expansion of the WTPU Bargaining Unit to any other Job Classifications in the
21 future.

22

1 **LETTER OF UNDERSTANDING 7**

2 **Regarding Supply Chain Procurement Agents and Medical Plan Options**

3 **Dated February 14, 2017**

4 WHEREAS, Spirit AeroSystems, Inc. (“Spirit” or “the Company”) seeks to modify and enhance the
5 medical plan options available to the SPEEA represented employees.

6 WHEREAS, SPEEA seeks to preserve the PO Management & Expediting position aka Supply Chain
7 Procurement Agent from the potential of subcontracting as stated in Spirit’s correspondence to SPEEA
8 of intent to subcontract work dated December 15, 2016 (“Intent to Subcontract Work”) and has
9 proposed cost saving options relating to the Spirit benefit plan options.

10 NOW THEREFORE, the parties agree as follows:

- 11 1. Spirit will continue to offer the medical plan options known as Core and Enhanced. The
12 vision rates will be reduced from the current Core and Enhanced plans and may be elected,
13 with a separate vision election.
- 14 2. The Health Saver LOU will expire effective 6/30/2017, and the plan option known as the
15 Health Saver will terminate 6/30/2017, and will no longer be offered.
- 16 3. Beginning with the upcoming 2017-2018 benefit year, SPEEA represented employees will
17 also be offered the same benefit plan options (medical and vision) offered to Management
18 and Salary employees.
- 19 4. The medical plan rates and employee contributions for those SPEEA represented individuals
20 that elect a M&S plan will be identical to the Spirit Wichita Non-union Salaried workforce. If
21 any changes are made to the HSA contributions to benefit another Spirit Wichita group,
22 such changes will also be offered to SPEEA.
- 23 5. Spirit will cease its current activity relating to the Intent to Subcontract Work. The work
24 performed by the PO Management & Expediting/Supply Chain Procurement Agent will not
25 be subcontracted for the remainder of the WTPU Collective Bargaining Agreement.
- 26 6. SPEEA and Spirit will partner together to encourage SPEEA represented employees to
27 consider the new plans and will work together to help SPEEA represented employees
28 understand all choices.
- 29 7. This agreement will remain in force as to WEU employees through the duration of the WEU
30 contract (December 1, 2018) and will remain in force as to WTPU employees through the
31 duration of the WTPU contract (January 31, 2021)

32