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Title: **Boeing Rotorcraft and International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW) Local 1069 (2002)**

K#: **4057**

Employer Name: **Boeing Rotorcraft**

Location: **DE PA**

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

Local: **1069**

SIC: **3721**

NAICS: **336411**

Sector: **P**

Number of Workers: **1400**

Effective Date: **9/21/02**

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K# 4057 Boeing Co. (Rotorcraft Div)
+
UAW Local 1069 1400 eas

AGREEMENT 278.00

This Agreement made and entered into this 21st day of September, 2002 by and between Boeing Rotorcraft (A division of The Boeing Company) at its centers located at Ridley Township Complexes (Center No. 3 and Center No. 3E) and Wilmington Airport, New Castle County, Delaware (Center No. 6), as existing on the effective date of this Agreement and for any additional plants, centers or complexes the Company may establish in the United States, which are designated by The Boeing Company as being part of Boeing Rotorcraft (A division of The Boeing Company) (hereinafter called the "Company") and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, U.A.W., and its Local 1069 (hereinafter called the "Union").

11/10/05

WITNESSETH

It is the intent and purpose of the parties hereto that this Agreement promote and improve the industrial and economic status of the parties, provide orderly

Duration: 9/21/02 - 9/1/05

collective bargaining relations between the Company and the Union, and secure a prompt and fair disposition of grievances so as to promote efficiency and eliminate interruptions of work and interference with the efficient operation of the Company's business.

NON-DISCRIMINATION

The parties agree they will not discriminate against any employee with regard to wages, training, promotion, transfer, discipline or other provisions of this Agreement because of Union activity, age, race, color, religion, national origin, status as a disabled or Vietnam era veteran, gender, marital status or the presence of a disability except in the instances where age, gender or the absence of a disability may constitute a bona fide occupational qualification.

The Union and the Company shall each designate a representative to act in an advisory capacity in accordance with the provisions outlined in Article VI - Grievance Procedure and Arbitration.

MANAGEMENT PREROGATIVES

It is recognized that in addition to other functions and responsibilities which are not otherwise specifically mentioned in this paragraph, the Company has and will retain the sole right and responsibility to direct the operations of the Company, and in this connection to determine the number and location of its Centers; the product to be manufactured; the types of work to be performed; the schedules of production; the shift schedules and hours of work; the methods, processes, and means of manufacturing; to select, and hire employees; and to make and apply rules and regulations for production, discipline, efficiency and safety. It shall also have the right and responsibility to demote, discharge or otherwise discipline any employee for just cause, to layoff because of lack of work or other cause, and to transfer and promote employees, unless otherwise hereinafter provided.

ARTICLE I

COVERAGE

For the purpose of this Agreement, the term "employee" as used herein shall apply to and include all hourly production and maintenance employees of Boeing Rotorcraft (A division of The Boeing Company) as listed in the appendices of this Agreement, and employees while on assignment to outside field operations, but excluding guards, professional employees, office clerical employees, salaried clerical employees, all T&O (technical and office payroll) employees, and all supervisory employees, as defined in the National Labor Relations Act, as amended.

ARTICLE II

RECOGNITION

The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and its Local 1069 UAW as the exclusive collective bargaining agency for the employees defined in Article I of this Agreement.

ARTICLE III

UNION SECURITY

SECTION 1. NEW EMPLOYEES

Subject to Section 3 below, all employees within the bargaining unit defined in Article I (hereinafter referred to as the Unit) of this Agreement, shall become a member of the Union within 31 days following the beginning of such employment in the Unit, or within thirty-one (31) days following the execution of this Agreement, whichever is later, and shall thereafter maintain their membership in good standing in the Union during the life of this Agreement, as a condition of their continued employment.

SECTION 2. MAINTENANCE OF MEMBERSHIP

Subject to Section 3 below, employees of the Company who are within the Unit and who are or become members of the Union on or after the effective date of this Agreement or within thirty-one (31) days following the beginning of their

employment in the Unit whichever date is the later, shall, as a condition of employment, thereafter maintain their membership in good standing in the Union during the life of this Agreement.

SECTION 3. SATISFACTION OF OBLIGATION

Employees who, under Section 1 or Section 2 of this Article III, are required either to become members of the Union or maintain membership in good standing in the Union may satisfy that obligation by periodically tendering to the Union an amount equal to the Union's regular and usual monthly dues.

SECTION 4. FAILURE TO SATISFY OBLIGATIONS

In the event an employee who, as a condition of continuing employment, is required under this Article III to become a member of the Union, or maintain his membership in good standing therein, but in any such case does not do so, the Union will notify the Company in writing, through the Labor Relations Office, or through such other office as may be designated by the Company, of such employee's delinquency. The Company agrees to advise such

employee that his employment status with the Company is in jeopardy and that his failure to meet his obligation under this Article III within five (5) days will result in his termination of employment.

SECTION 5. EXPLANATION TO EMPLOYEES

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

ARTICLE IV

CHECKOFF

SECTION 1. DEDUCTION OF UNION DUES AND FEES

The Company agrees to deduct one initiation fee in the sum of _____ dollars and Union dues each month from the earnings of an employee who authorizes such deductions by signing the authorization form provided for this purpose, and such deductions shall be made

in accordance with the provisions of said authorization form. The form of the assignment is set out in Section 6.

The deduction of the monthly dues and the initiation fee shall be made from the first scheduled pay of the month following the month in which a properly executed assignment is received by the Company. Union dues will be deducted monthly thereafter from the earnings received by the employee in the first work week of each month.

In the event an employee's wages, earned during the first payroll period ending in any month, are insufficient to cover the deductions for the current monthly dues, initiation fee or reinstatement fee, the Company will deduct the amounts owing therefore from wages earned during one of the subsequent payroll periods ending in the same month or following month. When requests for deductions are retroactive for the months preceding the current deduction month caused by situations beyond the control of the Company, such retroactive deductions will be made upon receipt of a letter from the Union certifying that such dues and/or

fees are "due and owing" for a specified period of time.

SECTION 2. TERMINATION OF COMPANY OBLIGATION

The Company's obligation to make such deductions shall terminate automatically upon the termination of the employee who signs the authorization or upon his transfer to a center, unit, or job not covered by this Agreement.

SECTION 3. REMITTANCE AND STATEMENTS TO THE UNION

The Company shall on the day of deductions furnish to the Financial Secretary of the Union a written statement covering, for the current calendar month, the following:

a. the total amount of dues deducted;

b. the total amount of original initiation fees deducted;

c. the total amount of reinstatement fees deducted;

d. the names, employee man numbers, social security numbers, (Centers and

shifts) and amounts from whose wages such deductions have been made;

e. the names of employees from whose wages no deductions were made because their paychecks were insufficient to enable the Company to make appropriate deductions;

f. the Company shall, on the day of deductions, directly deposit those amounts shown under Items (a), (b), and (c) above in a bank designated by the Union.

SECTION 4. INDEMNIFICATION OF COMPANY

The Union agrees that it will indemnify and save the Company harmless from any and all liability, claim, responsibility, damage, or suit which may arise out of any action taken by the Company in accordance with the terms of this Article or in reliance upon the authorization mentioned herein.

SECTION 5. SOLICITATION, COERCION, DISCRIMINATION

There shall be no intimidation, coercion, or discrimination in any way by the Company or its agents or by the Union, its representatives or members against any employee because he is or is not a member of the Union. There shall be no solicitation of employees for Union membership or dues conducted upon the premises of the Company during working hours by the Union, its representatives, or by employees.

SECTION 6. AUTHORIZATION FOR DEDUCTIONS

AUTHORIZATION FOR CHECK-OFF OF DUES

To Boeing Rotorcraft

(A division of The Boeing Company)

Date:

I hereby assign to Local Union No. 1069, International Union, United Automobile, Aerospace and Agricultural Implement

Workers of America (UAW), from any wages earned or to be earned by me as your employee (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No. 1069 may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sum as may be established from time to time by said local Union in accordance with the Constitution of the International Union, UAW, but not less than $5.00 monthly. I authorize and direct you to deduct such amounts from my pay and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect. This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period

of each succeeding applicable collective agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union, not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between the Company and the Union, whichever occurs sooner. This authorization is made pursuant to the provisions of Section 302(c) of the Labor Management Relations Act of 1947 and otherwise.

_____

(Signature of Employee)

_____

(Address of Employee)

_____

(Type or Print Name of Employee)

_____

(City) (State)

_____

(Date of Sign.) (Emp. Clock No.)

_____

(Soc. Sec. No.)

_____

(Date of Delivery to Employer)

ARTICLE IV CHECKOFF

ARTICLE IV-A

UAW V-CAP CHECK-OFF

SECTION 1. CONTRIBUTIONS TO UAW V-CAP

The Company agrees to deduct from the pay of each employee voluntary contributions to UAW V-CAP, provided that each such employee executes or has executed the following "Authorization for Assignment and Check-off of Contributions to UAW V-CAP" form; provided further however, that the Company will continue to deduct the voluntary contributions to UAW V-CAP from the pay of each employee for whom it has on file an unrevoked "Authorization for Assignment and Check-off of Contributions to UAW V-CAP" form.

Deductions shall be made only in accordance with the provisions of and in the amounts designated in said "Authorization for Assignment and Check-off of Voluntary Contributions to UAW V-CAP" form, together with the provisions of this Section of the Agreement.

A properly executed copy of "Authorization for Assignment and Check-off of Contributions to UAW V-CAP" form for each employee for whom voluntary contributions to UAW V-CAP are to be deducted hereunder, shall be delivered to the Company before any such deductions are made, except as to employees whose authorizations have heretofore been delivered. Deductions shall be made thereafter, only under the applicable "Authorization for Assignment and Check-off of Contributions to UAW V-CAP" forms, which have been properly executed and are in effect. Deductions shall be made, pursuant to the forms received by the Company, from the employee's second-scheduled pay received in each and every month that the authorization remains in effect.

SECTION 2. TERMINATION OF COMPANY OBLIGATION

The Company's obligation to make such deductions shall terminate automatically upon the termination of the employee who signs the authorization, upon written request, or upon his transfer to a Center, Unit, or job not covered by this Agreement.

SECTION 3. REMITTANCE TO THE UNION

The Company agrees to remit on the day of deductions, the following:

a. the total amount of V-CAP contributions deducted.

b. the names, employee man numbers, social security number and amounts from whose wages such deductions have been made.

c. the Company shall, at the same time directly deposit the amount shown under Item (a) above in a bank designated by the Union.

SECTION 4. INDEMNIFICATION OF COMPANY

The Union agrees that it will indemnify and save the Company harmless from any and all liability, claim, responsibility, damage, or suit which may arise out of any action taken by the Company in accordance with the terms of this article or in reliance upon the authorization mentioned herein.

SECTION 5. SOLICITATION, COERCION, DISCRIMINATION

There shall be no intimidation, coercion, or discrimination in any way by the Company or its agents or by the Union, its representatives or employees against any employee because he does or does not contribute to UAW V-CAP. There shall be no solicitation of employees for UAW V-CAP contribution conducted upon the premises of the Company during working hours by the Union, its representatives, or by employees.

SECTION 6. AUTHORIZATION FOR DEDUCTIONS

AUTHORIZATION FOR ASSIGNMENT AND CHECKOFF OF CONTRIBUTIONS TO UAW-CAP

To Boeing Rotorcraft
(A division of The Boeing Company)

I hereby assign to UAW V-CAP, from any wages earned or to be earned by me as your employee, the sum of: (check one)

☐ $1.00 ☐ $2.00 ☐ Other

each and every month. I hereby authorize and direct you to deduct such amounts from my pay and to remit same to UAW V-CAP at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This authorization is voluntarily made. I understand that the signing of this authorization and the making of payments to UAW V-CAP are not conditions of membership in the Union or of employment with the Company, that I have the right to refuse to sign this authorization and contribute to UAW V-CAP without any reprisal, and that UAW V-CAP will use the money it receives to make political contributions and expenditures in connection with federal, state and local elections.

Name(Print)_____

Date_____

Address_____

Soc. Sec. No._____

City _____ State:_____

Zip _____Signature_____

ARTICLE V

REPRESENTATION

SECTION 1. SHOP COMMITTEEMEN AND STEWARDS

For the purpose of adjusting grievances under the grievance procedure, as set forth in Article VI, the Union shall be represented as follows:

a. In a ratio of not to exceed one (1) steward for each 100 employees of the total employees covered by this Agreement. If there is a major fraction (more than 50) left over, then the Union shall have one (1) additional steward. An alternate steward may be selected for each steward, but he shall function only when the steward for whom he serves as alternate is absent from the plant for the period in excess of the remainder of the shift.

The Union may select additional stewards when there is mutual

agreement that a problem area exists which requires steward representation.

b. There shall be a Committee consisting of not more than thirteen (13) members, which shall include, the President of Local 1069 UAW, the Vice-President of Local 1069 UAW, the Recording Secretary of Local 1069 UAW, the Financial Secretary/Treasurer of Local 1069 UAW, the Chairman of the Shop Committee, and eight (8) Shop Committeemen. The duties of the Committee shall be those duties hereinafter provided.

Shop Committeemen may be selected from the employees at each of the agreed upon Centers.

Their duties shall be confined to the Center from which they were selected. When two (2) or more Committeemen are elected from a Center, their area of representation shall be mutually arranged.

The Vice President of Local 1069 UAW and the Shop Committeemen

will be assigned to an irregular shift, which starts two (2) hours following the start of their regularly scheduled work shift. The Committee will be compensated for their normal eight (8) hours at their regular base rate, exclusive of shift differential or overtime payment. Time spent in the conduct of Union business prior to or subsequent to such shift will not be compensated by the Company.

Members of the Committee shall meet with the Manager of Labor Relations (or his designee) and other Management representatives for the purpose of adjusting complaints and grievances as set forth herein.

c. The Chairman of the Shop Committee shall be paid by the Company for forty (40) hours per week at his straight time base hourly rate exclusive of all premiums, shift differentials or overtime allowances.

The Shop Chairman will be available to assist Committeemen for the purpose of processing

grievances and attending grievance meetings, (as provided in Article VI of this Agreement) and other meetings with Management on problems of mutual concern. When a Committeeman needs the assistance of the Shop Committee Chairman he should make his request to the Manager of Labor Relations or his designee, who will notify the Shop Chairman and clear him for the area in which such problems exist.

Pursuant to the provisions of Article X, Section 5, the Chairman will be entitled to work overtime. If during such scheduled overtime work period his presence is requested through the President of Local 1069, to handle a shop problem, the time so spent shall be recorded on a card by his Supervisor, and also will be registered in the Data Collection System by the Shop Chairman. The Shop Chairman shall receive pay for such time at his regular straight time base hourly rate exclusive of all premiums, shift differentials, and overtime allowances.

d. In each Center, the area of the plant which a steward shall represent for the purpose of handling grievances in accordance with the provisions of Article VI, shall be mutually agreed upon between the Company and the Union. The names of stewards shall be furnished to the Company, in writing, by the President of Local 1069 UAW, upon the signing of this Agreement. The plant shall be redistricted not more frequently than at four (4) month intervals at the request of either the Union or the Company.

e. Shop Committeemen and stewards shall be active employees of the Company. An employee shall not act as a Shop Committeeman or Steward unless at the time of his selection, they have at least one (1) year seniority for a Committeeman and six (6) months seniority for a Shop Steward.

f. Due to an extended absence, the President of the Local Union may appoint a replacement for himself, Chairman of the Shop Committee, Shop Committeeman or Shop

Steward provided such appointment is in accordance with the provisions set forth in paragraph b. and d. of this Section.

SECTION 2. STEWARD'S DEPARTURE FROM WORK STATION

A steward shall, after notice to and permission (which shall not be unreasonably withheld) from a supervisor in charge of his shop, be allowed to leave his job or shop, after making known his destination for the purpose of handling grievances in the manner provided in the grievance procedure as set forth in Article VI. If permission is not given to the steward upon request, and if the grievance is of an emergency nature, the steward may request that the grievance be handled by the nearest available steward. Upon entering a shop other than his own, such steward shall first report to the supervisor in charge of the new shop and make known the purpose of his being there. The time so spent on grievances during his scheduled working hours shall be recorded on a card by his supervisor and will also be registered in the Data Collection System by the

steward checked out to discuss complaints or grievances, and the steward shall receive pay for such time at his regular base rate, including shift premium, if any, but exclusive of overtime allowance.

Employees involved in the procedure will also be required to record such time through the Data Collection System.

SECTION 3. COMMITTEEMEN DEPARTURE FROM WORK STATION

A member of the Shop Committee shall, after notice to and permission (which shall not be unreasonably withheld) from his supervisor be allowed to leave his job to process a second step meeting or a third step meeting or attend mutually agreed upon meetings with the designated management representatives. The time spent in attendance at such meetings during his scheduled working hours shall be recorded on a card by appropriate management personnel, and will also be registered in the Data Collection System by the Committeeman. A member of the Shop Committee shall be paid at his regular base

rate exclusive of overtime allowances, but including shift premium, if any, for such time.

SECTION 4. UNION TO FURNISH LIST OF REPRESENTATIVES

The President of Local 1069, UAW, shall furnish the Company with a list of its officers, shop committee members and stewards, and shall, as soon as possible, notify the Company, in writing, of any changes therein. No officer, or committeeman, or steward shall be recognized by the Company until such written notification of his appointment shall have been received by the Company from a duly authorized officer of the Union. Such notification shall designate the Center, shift, and the area of the plant, which has mutually been agreed upon per Section 1-b. of Article V, which each shop committeeman and steward represents.

SECTION 5. EXCUSAL FOR UNION BUSINESS

Officers of Local No. 1069, UAW, and members of the Shop Committee may be excused from work without pay for Union business if a request is made in advance by the International Representative or President of the Local Union to the Manager of Labor Relations, or his designee.

Such absences shall be granted subject to the necessities of production.

ARTICLE VI

GRIEVANCE PROCEDURE AND ARBITRATION

The parties agree that avoiding written grievances and the handling of oral grievances is desirable and dependent on the understanding and the continuing cooperation of Management and Union representatives and employees. In this connection, the parties encourage the expeditious consideration of grievances at the point of origin by the bringing together

of people with special talents and skills required for a resolution of differences within the framework of the Company-Union Agreement.

SECTION 1. GRIEVANCE PROCEDURE

A grievance is a difference between the Company and any employee concerning working conditions, or the interpretation or application of any provision of this Agreement.

Grievances and requests arising within a department shall, whenever possible, be resolved by the immediate supervisor of the employee who made the grievance or request. If the grievance or request is not settled and a grievance exists, it shall be processed as set forth in this Article. When any such grievance arises, an earnest effort will be made to settle it in accordance with the following procedure:

Step 1. An employee having such a grievance may take it up directly with his Supervisor, or, after giving notice to his Supervisor of the nature of his grievance, with the steward in his area, who shall,

with the employee, take it up with the employee's Supervisor without undue delay. When the employee contacts the Supervisor directly and the Supervisor determines that a violation of the Agreement exists, the steward will be given an opportunity to be present when the Supervisor discusses an adjustment of the grievance which adjustment shall be in conformity with the Agreement. It is the intent of this Section to provide a shop steward, upon request, as soon as practicable. If for any reason a delay in obtaining the steward is necessary, the employee will be so advised. A grievance of an employee shall first be presented orally to the employee's Supervisor. When the grievance is presented orally to the Supervisor, every reasonable effort will be made to resolve such grievance promptly, at this point. When more than one employee is registering the same type of grievance alleging the same identical facts, the shop steward shall process the grievances as a single grievance. Recognizing the value and importance of full discussion in clearing up misunderstandings and preserving harmonious relations, every reasonable effort shall be made to prevent any grievance going beyond Step 1. The

following rules shall apply in the steward's investigation of an employee's grievance:

a. In cases where it becomes necessary for the steward to discuss the grievance with another employee located in the steward's area, such meeting will be arranged by the Supervisor.

b. In cases where the necessary information can be obtained by or through the Supervisor, such information will be so furnished.

c. In cases where the necessary information must be obtained from employees in another area, such information will be obtained through the steward in the other area. Arrangements will be made through the appropriate Supervisor so that the two stewards involved will have an opportunity for discussion.

The following rules shall apply when the Company's decision is given to the steward:

a. When mutual agreement is reached and such agreement involves retroactive payment, a copy of the

request for payment will be given to the steward and such payment will normally be made within ten work days following such agreement.

b. When mutual agreement is not reached, the steward may request the Committeeman who, after investigation, may, if he considers the grievance valid, appeal such grievance in written form to Step 2 of the grievance procedure.

When the grievance is reduced to writing, it shall set forth in the spaces provided:

a. A statement of the issue and the facts involved.

b. The remedy requested; and

c. The violation, if any, of the Agreement, which is claimed.

Step 2. The grievance in Step 2 will be discussed with the Committeeman for the area involved, the Supervisor and his next higher level of supervision or their designee, and/or the Industrial Relations Representative. The complaining employee and/or the Shop Stewards may attend this

meeting which shall be arranged by the next higher level of supervision or his designee, and shall be held at a mutually agreed upon time but in no event later than three (3) working days after the appeal to Step 2, unless the time is extended by mutual agreement. A decision on such a grievance shall be rendered in writing as soon as possible, but not later than five (5) working days after such meeting, unless the time is extended by mutual agreement. If the grievance involves a complaint of discrimination, the duly appointed member of the Union's Civil Rights Committee and/or a member of the Company's Human Relations office may participate upon request of either party. If the grievance is not satisfactorily settled at Step 2, the Committeeman may appeal the grievance to Step 3 of the grievance procedure.

Step 3. The grievance in Step 3 shall be discussed as soon as possible but in no event later than ten (10) working days after the appeal to Step 3, unless the time is extended by mutual agreement of the parties. The Manager of Labor Relations or his designee and other management representatives that he may designate, the involved Committeeman, Chairman of the

Shop Committee or his designee, and a Committeeman for purposes of recordkeeping, shall attend the conference. The Manager of Labor Relations, or his designee, shall render a decision in writing on such grievance not later than five (5) work days after such conference. If no agreement is reached in the foregoing steps of the procedure, the Union may appeal the grievance to Step 4 of the grievance procedure. The accredited representative of the International Union shall, upon request made in advance to the Manager of Labor Relations, be permitted to enter any center or other facility for the purpose of observing the condition which gave rise to the grievance, provided such visitation is permitted under the rules issued by the Company or any appropriate governmental agency respecting plant visitors.

Step 4. Should the decision rendered by the Company in the Third Step of the grievance procedure be unacceptable to the Union, the Shop Committee Chairman may appeal the grievance for review to the Manager of Labor Relations. The Manager of Labor Relations and other management representatives he considers necessary to attend, the President of Local 1069,

Recording Secretary, the Shop Committee Chairman of Local 1069, the Regional Servicing Representative and a representative of the International Union's Aerospace Department shall meet to discuss the grievance. A meeting requested under Step 4 of the grievance procedure shall be held as soon as possible but not later than thirty (30) days, after receipt of the written appeal, unless mutually extended by both parties. The Manager of Labor Relations, or his designee, shall render a decision in writing not later than ten (10) days after such meeting unless extended by mutual agreement. Should such decision rendered by the Company be unacceptable to the Union, the President of Local 1069 or the International Representative assigned, may appeal the grievance to Arbitration in accordance with the provisions set forth in Section 7 of this Article.

SECTION 2. TIME LIMITS

For purposes of this procedure, work days shall exclude Saturdays, Sundays and Holidays. The time limits under this procedure may be extended by mutual agreement.

Should any appeal from the disposition of a grievance at Step 1 not be taken within five (5) work days from the date of the decision, the matter will be closed and not subject to further discussion and/or appeal. If an appeal is not taken within five (5) work days from the date of the decision at Step 2, the matter shall be considered closed and shall not be reopened for discussion and/or appeal. Any disposition of a grievance given at either Step 3 or Step 4 that is either accepted by the Union, or from which no appeal has been taken within ten (10) work days from the date of receipt of the decision, shall be final and conclusive and binding upon all employees, the Company and the Union.

Any grievance, other than one involving discharge or disciplinary layoff, as provided for in Section 6 of this Article, which is not presented for disposition through the grievance procedure described herein within five (5) working days of the occurrence of the condition which it is claimed gave rise to the grievance shall be void, provided that the grievance shall not become void until the expiration of thirty (30) days from the occurrence of the condition which it is claimed gave rise to it

if the occurrence of such condition could not reasonably have been known to either the employee or the Union.

SECTION 3. JOB CLASSIFICATIONS-EXISTING AND NEW

A list of all job classifications, job family groupings, and proper labor grades as existing on the effective date of this Agreement are outlined in the appendices and are made a part of this Agreement. These jobs shall not be changed during the term of this Agreement unless by agreement of the parties.

When work is introduced which is not adequately described in an existing job description, the following procedure will apply when the Company establishes a new job covering such work:

a. The President of the Local Union, the Chairman of the Shop Committee, and the Committeeman for the area involved, will be given a copy of the job description, the rate for the job and the point evaluation prior to the effective date of such new job.

b. In the event the Union is in disagreement with the job description, labor grade or family group as established by the Company, within a period not to exceed thirty (30) days, the President of the Union, the Recording Secretary, the Shop Committee, and the accredited representative of the International Union, shall meet with the Manager of Labor Relations, or his designee, and other appropriate management representatives, including the Wage and Salary Section, to discuss clarification that may be necessary.

c. Lacking agreement as outlined in paragraph (b), the Union may within five (5) work days of such meeting, file a grievance and appeal the matter directly to the 4th Step of the grievance procedure.

d. If in the opinion of the Union, new jobs should be established (because of added duties, responsibilities, new equipment, etc.,) the Union may process a policy grievance.

e. Paragraphs b. and c. above, do not preclude the Company from putting such jobs into effect prior to reaching agreement with the Union. Any changes resulting from negotiations or arbitration shall become effective as of the date the job was put into effect.

The Company has furnished the Union with a copy of the job evaluation plan.

SECTION 4. JOB ASSIGNMENT DISPUTES

Should any difference arise between an employee and his supervisor with respect to job assignment, such employee shall perform the work assigned as directed. If the employee fails to perform such assignment as directed, he shall be subject to discharge. After the employee has performed such assignment, he may resort to the grievance procedure. An employee will not be required to perform work on a job that is not reasonably safe or sanitary and that might unduly endanger his health.

SECTION 5. EMPLOYEE REPORTS

If an employee is reprimanded and a notation thereof is placed on his service record, he shall be given a copy of such notation within ten (10) working days after the occurrence provided that the employee acknowledges receipt of such copy. Reprimands antedating a period of ten (10) months excluding leaves of absence and/or layoff status during which no similar reprimand has been received will be expunged from the employee's service record.

SECTION 6. SUSPENSION, DISCHARGE OR DISCIPLINARY LAYOFF

When an employee is suspended pending review or investigation for determination of what, if any, discipline is to be meted out, such investigation will be conducted by the Company in an expeditious manner in order to avoid undue delay in the action. The employee shall have the right to consult with his steward and/or committeeman. Following such consultation, the Union may request a meeting with the supervisor involved for the purpose of reviewing the action taken.

The supervisor will not be required during such discussion to make his determination of what discipline, if any, will be taken.

If it is determined that disciplinary action is to be taken, the Company will so advise the Union in writing of the specific reasons therefore.

The employee through his steward and/or committeeman may then appeal such grievance through the grievance procedure within two (2) work days from the date the action was taken as set forth below:

a. An appeal from a disciplinary layoff shall be discussed commencing with Step 2 of this Article.

b. An appeal from a discharge resulting from "absence for more than three (3) consecutive work days without permission" or "failure to return on his next shift after an authorized leave of absence", shall be processed beginning at Step 2 of this Article. If the grievance is not satisfactorily settled at Step 2, the Committeeman may appeal the grievance within five (5) work days from the date of the

2nd Step decision to the Discharge Board of Review as outlined in Paragraph c. below.

c. Any appeal from a discharge, other than those outlined in Paragraph (b), shall be submitted in writing to the Manager of Labor Relations or his designee where it will be discussed at the Discharge Board of Review without undue delay. The discharge hearing will be attended by the discharged employee, his steward, committeeman, Chairman of the Shop Committee, an International Representative, and/or the President of Local 1069 or his designee, and Recording Secretary. In attendance for the Company will be the Manager of Labor Relations or his designee with appropriate members of Labor Relations, together with the supervisor who took the discharge action, and such other management representatives that are directly involved in the case.

d. The Manager of Labor Relations or his designee shall render a decision in writing on such grievance not

later than five (5) work days after the hearing at the Discharge Board of Review. Thereafter the matter will be processed in accordance with the procedures outlined in Section 7 of this Article. After suspension, discharge or disciplinary layoff, and after leaving his work area, an employee shall have the privilege of seeing the steward and/or committeeman for the area in which he worked if he so desires in an area or office designated by the Company. In the event that it is determined under the method provided for the adjustment of grievances, that an employee had been discharged without just cause, the Company agrees to reinstate such employee, without loss of seniority and to pay such compensation as may be determined under the grievance procedure. Such compensation shall be at his regular rate for the time he would have otherwise normally worked.

SECTION 7. ARBITRATION

The only grievance, which may be submitted to arbitration, is a grievance involving the interpretation or application of the provisions of this Agreement, which has been processed through either the Discharge Board of Review or Step 4 of the grievance procedure.

Immediately following the execution of this Agreement the parties will proceed to compile a list and agree upon a panel of five (5) arbitrators. Assignment of cases to arbitrators on the panel shall be rotated in alphabetical order of the last names by the American Arbitration Association after written notification of the appeal by the Union. A copy of such written notice of appeal shall be sent to the Company. The first available date agreeable to all parties will be assigned. The parties may, however, mutually agree on a selection of any one of the arbitrators out of rotation for a particular case.

The jurisdiction of the arbitrator shall be limited to a determination of the facts and the interpretation and application of the specific provisions of this agreement at issue. The arbitrator shall be bound by

the provisions of this agreement and shall have no authority to add to, subtract from, amend or modify any of its provisions, or to rule upon wage scales or management prerogatives. In the event back pay is awarded to an employee, the arbitrator shall direct the specifics of the award as to back pay, and compensation in detail, (including Unemployment Compensation).

The decision of the arbitrator shall be final and binding upon all employees, the Company, and the Union. The compensation and expenses of the arbitrator and arbitration shall be divided equally, provided however, that the Company will bear the expense of five (5) Boeing Rotorcraft employee witnesses (including the Chairman of the Shop Committee). Expenses shall mean only hours lost at the employee's straight time rate plus shift premium if applicable to a maximum of eight (8) hours per day. The cost of any report or transcript shall be divided equally only if furnished by mutual consent. Each party shall bear one-half of the aggrieved employee's lost time from work while appearing at proceedings.

In the event the Union does not notify the American Arbitration Association

of its intent to arbitrate within ten (10) work days after receipt of the decision by either the Discharge Board of Review or Step 4 of the grievance procedure, such decision shall be binding upon all employees, the Company and the Union.

When the American Arbitration Association is notified of the Union's intent to arbitrate, the arbitration hearing must be held within six (6) months from the date of such notification.

Failure to have the hearing within the prescribed time for any reason other than hereafter provided, will result in the decision at Step 4 becoming final and binding on all employees, the Company and the Union.

Should the Arbitrator that is selected, be unable to conduct the hearing within the prescribed time for reasons other than those created by either of the parties, it is agreed that the hearing will be held on the nearest date that the Arbitrator is available. The six (6) month time limit may also be extended by mutual agreement. The parties agree that the period of time spent in contract negotiations shall not be

counted in computing the six (6) month time limit.

The grievance procedure provided under this Article, shall be the exclusive remedy for the disposition of any claim, dispute or grievance of any kind of any employee against the Company.

ARTICLE VII

STRIKE OR LOCK-OUT

SECTION 1. AGREEMENT

The Union, its officers, and members agree that for the duration of this Agreement there shall be no strikes, sit-downs, slow-downs, stoppages of work, and that there will be no picketing of any kind.

SECTION 2. PENALTY

Employees participating in any of the acts specified in Section 1 of this Article shall be subject to discharge by the Company.

SECTION 3. LIABILITY

In the event that there is any strike, work stoppage, or other interference with production, which is not authorized by the Union, the Company agrees that there shall be no liability on the part of the Union, provided that in the event of each such unauthorized action the following conditions are met:

a. Within not more than twenty-four (24) hours after the occurrence of any such unauthorized action, the Union, its officers and representatives shall publicly disavow same by posting a notice on the bulletin boards throughout the plant;

b. The Union, its officers and representatives shall immediately order its members to return to work, notwithstanding the existence of any wild-cat picket line;

c. The Union, its officers and representatives shall refuse to aid or assist in any way such unauthorized action; and

d. The Union, its officers and representatives will in good faith use every reasonable effort to terminate such unauthorized action.

SECTION 4. LOCKOUT

The Company agrees that for the duration of this Agreement there shall be no lockouts.

ARTICLE VIII

SENIORITY

The following definitions shall be applied for the purpose of this Article:

a. "Seniority" shall mean length of continuous service with Boeing Rotorcraft (A division of The Boeing Company) computed from the employee's most recent date of hire. The possession of such seniority shall entitle the employee to certain rights hereinafter provided.

b. "Job Occupation" shall mean all job classifications within a job occupation; for example, Maintenance Mechanic is a job occupation which includes the job classifications Maintenance Mechanic A and Maintenance Mechanic B.

c. "Job Classification" shall mean the job grade within a job occupation; for example, Maintenance Mechanic A and Maintenance Mechanic B are job classifications within the job occupation, Maintenance Mechanic.

SECTION 1. EXTENDED LAYOFF

In the event of extended layoff of employees (over ten (10) work days) for lack of work, employees shall be moved, laid off and recalled by non-interchangeable occupational groups (set out in Appendix A) within their seniority unit in accordance with their seniority, skill and ability, and whenever the skill and ability of two or more employees are equal to do the work then required, seniority shall govern.

Except in an emergency, or for reasons or conditions over which the Company has no control, when there is an

extended layoff over ten (10) work days, notice shall be given to the Chairman of the Shop Committee seven (7) work days before such layoff. Any employee who at the time of an extended layoff is subject to being moved to a lower listed job shall have the right to accept layoff in lieu of such move.

SECTION 2. SURPLUS PROCEDURE – NON-INTERCHANGEABLE OCCUPATIONAL GROUP

In the event of extended layoff, the following procedure shall be followed in the movement or layoff of surplus employees within their seniority unit:

a. First, probationary employees in the non-interchangeable occupational group holding jobs equal to or lower-rated than the job classification in which the surplus exists, shall be laid off provided that there are available employees remaining in such group with seniority who are qualified and willing to perform the work of the probationary employees then occupying such jobs.

b. Thereafter, surplus employees in any job classification where the

surplus exists shall be moved within the same non-interchangeable occupational group (listed in Appendix A) to the next lower listed job classification in which they have enough seniority to displace the least senior employee. In the event the surplus employee agrees he cannot perform the work in the next lower listed job classification, he may elect, at the time he is declared surplus, to select a lower listed job classification providing he has the seniority to displace the least senior employee therein.

SECTION 3. SURPLUS PROCEDURE - INTERCHANGEABLE OCCUPATIONAL UNIT

In the event of an extended layoff, any employee, other than a probationary employee who does not have sufficient seniority to remain in his non-interchangeable occupational group shall have the right to be moved to any job selected by the Company within the interchangeable occupational unit set out in Appendix B. The Union shall be given notice when the Company selects a job for such employees. The employee with the

least seniority within the interchangeable occupational unit will be laid off, regardless of the job classification in which the surplus occurs.

Any employee who is subject to being moved or laid off because a surplus of employees exists in his non-interchangeable occupational group shall have the right to accept a layoff instead of being moved to a job within the interchangeable occupational unit.

In the event of an extended layoff as a result of a surplus in the interchangeable occupational unit, the least senior employee within the interchangeable occupational unit will be laid off regardless of the job classification in which the surplus exists. The least senior employee within the job classification where the surplus exists will be moved to that job classification from which the least senior employee was laid off.

SECTION 4. TEMPORARY LAYOFF

In the event of a temporary layoff of ten (10) work days or less, employees with the least seniority will be laid off by job classification within their respective shop

units. Whenever there is an increase in the work force after a temporary layoff, the reverse of the procedure set forth above shall be followed. The Company will give notice of a temporary layoff to the Chairman of the Shop Committee. When the temporary layoff provisions of this Article have been utilized and events make it necessary to convert the temporary layoff to an extended layoff, the Company may make the adjustments of personnel necessary to comply with the terms of the extended layoff provisions without liability by the Company to any employee or the Union.

In the event that the Company converts the temporary layoff to an extended layoff, it shall give notice to the Shop Committee Chairman. The conversion shall be made as soon as possible and in no event later than ten (10) work days from the time of such notice to the Shop Committee, unless the time shall be extended by mutual agreement of the parties.

SECTION 5. RECALL RIGHTS AND PROCEDURE – NON-INTERCHANGEABLE OCCUPATIONAL GROUP

a. Whenever there is an increase in any non-interchangeable occupational group after an extended layoff, employees will be recalled in the following order:

1. Individuals who had either held the job classification in which additional employees are required or had elected to be moved to such job classification at time of surplus but lacked sufficient seniority to displace a less senior employee will be grouped together by seniority for purposes of recall.

2. After all employees covered in paragraph 1. above have been offered an opportunity to return, the Company shall then offer recall to those individuals who had elected at the time of their surplus not to be moved to the job classification in which

additional employees are required.

The following rules shall apply if an employee refuses recall in accordance with paragraphs 1. and 2. above:

1. If an employee refuses recall to a job classification lower than his highest rights, he shall not be given another opportunity for recall to that job classification.

2. If an employee refuses recall to his highest rights such refusal shall result in his loss of seniority if he is on layoff status or if he is on move status he shall lose all recall rights to such job classification and his seniority shall be attached to the job classification he was holding at the time of his refusal.

Exception to the above rules will be in the case of an employee who at the time of surplus accepted an equal or lower grade job classification and was subsequently laid off from such equal or lower grade job classification for inability to perform the

work. Such employee shall have recall rights only to higher listed job classifications from which he has been either surplused from or had elected to be moved to at the time of surplus but lacked sufficient seniority to displace a less senior employee.

b. Before new employees are hired in any non-interchangeable occupational group, employees in such group who have been moved or are still laid off shall first be recalled as provided above.

c. No employee shall be eligible by reason of his seniority to be recalled or moved to a higher rated job than he held prior to the surplus moves.

SECTION 6. RECALL RIGHTS AND PROCEDURE – *INTERCHANGEABLE* OCCUPATIONAL UNIT

a. Whenever there is an increase in the interchangeable occupational unit after an extended layoff, employees will be recalled in the following order:

1. Individuals who had either held a job classification in the pool or had elected to be moved to a job classification in the pool at the time of surplus but lacked sufficient seniority to displace a less senior employee will be grouped together by seniority for purposes of recall.

2. After all employees covered in paragraph 1. above have been offered an opportunity to return, the Company shall then offer in seniority order those individuals who had elected at the time of their surplus not to be moved to the interchangeable occupational unit.

Failure to respond or accept recall to any job in the interchangeable occupational unit will result in loss of seniority with no further recall rights, except where an employee possesses prior rights to a non-interchangeable occupational group, in which case he shall retain recall rights only to his non-interchangeable occupational group.

The interchangeable occupational unit is considered a single job for purposes of layoff and recall, and employees who have been moved between jobs as a result of a surplus within the interchangeable occupational unit will not be considered as being on move status.

Exception to the above rule will be in the case of an employee who was laid off from a job in the interchangeable occupational unit for inability to perform the work. In such case, the employee shall not be given an opportunity for recall to that job classification.

b. Before new employees are hired in the interchangeable occupational unit, employees in such unit who are still on layoff shall first be recalled as above.

SECTION 7. MANAGEMENT EXEMPT

The Company may establish a list of employees who shall be exempt from movement or layoff irrespective of seniority,

provided that the total number of such exempt employees working at any specified time shall never exceed one hundred (100). It is anticipated that the number of employees on such list will generally be less than seventy-five (75), and that at any time the number of employees on the list of Labor Grade 6 or above shall equal at least seventy-five (75) percent of the total number.

This Section shall apply to the following:

a. Students and graduates of technical and professional schools;

b. Employees who are needed in the development of tooling or manufacturing work on a new project or scheduled expansion;

c. Employees who have a specialized knowledge of a particular job that is presently being performed or will be performed in the near future;

d. Employees whose services are required when the working forces are reduced because no other employee with more seniority

possesses the required skill, license or experience to perform the necessary work satisfactorily.

The Company will furnish to the Chairman of the Shop Committee, a list of the employees to which this Section applies. The list may be revised from time to time to meet the changing production requirements of the Company.

SECTION 8. UNION REPRESENTATIVES - PREFERRED SENIORITY

Officers of the Local Union (who are active employees of the Company) - Shop Committeeman, Stewards, and the Chairman of the Union Civil Rights Committee shall have preferred seniority in their non-interchangeable occupational group for layoffs and recalls only; provided, that such employees have the ability to do the available work.

Exception to the above shall be where any Federal or State Law requires

officers to be involved in Contract Administration to maintain preferred seniority, only those officers so involved will be permitted to utilize their preferred seniority.

The President of Local 1069 UAW, Vice President Local 1069, Local 1069, Financial Secretary/Treasurer Local 1069, Chairman of Shop Committee and Committeeman shall work during day shift for the purpose of meeting with Management representatives in connection with handling employee's complaints and grievances. This clause will apply only for the period of term of office.

Stewards or members of the Committee shall not be transferred out of their respective area except by Agreement between the Company and the Union, as long as there is work available which they are qualified to perform in their job classification.

SECTION 9. LIABILITY FOR ERRORS IN LAYOFF AND RECALL

Notwithstanding any other provisions of this Contract:

a. The Company will be liable for any error on a separation layoff, up to a maximum of four (4) workweeks prior to date such error is brought to its attention. In the event there is a delay by the Company in the correction of such error after it has been brought to its attention, the Company will assume the additional liability involved.

b. On any errors in recall, the Company shall not be liable except for a maximum of four (4) workweeks prior to the date of the bringing of the error to its attention. In the event there is a delay by the Company in the correction of such error after it has been brought to its attention, the Company will assume the additional liability involved.

SECTION 10. PROMOTIONS

When openings occur in higher labor grades and there is no employee with a prior right to such job classification, they will be filled on the basis of skill and ability being the determining factors, with seniority being given full consideration and prevailing when skill and ability are equal. Selection of available qualified employees

for openings that occur will be in the following sequence:

a. From within the next lower job classification within the job occupation within the seniority unit.

b. From within the next lower job classification within the non-interchangeable occupational group within the seniority unit.

c. From among the employees who have filed a written request therefore. No employee may have more than eight (8) total requests on file at any one time. Such requests will not be considered until five (5) days after the date of filing. Any employee not selected pursuant to this paragraph shall be so advised promptly.

Any employee who fails to file a Promotion, Lateral, or Demotion Request within five (5) days prior to the sign-off date of any Review List shall not be considered for such opening.

d. From among those employees who have filed a Reactivation Request in accordance with Section 11 of this Article.

e. Lacking available qualified employees under the above procedure, the Company will fill such openings by hiring new employees.

SECTION 11. REQUEST FOR CONSIDERATION

a. When openings occur in any non-interchangeable occupational group in a labor grade higher, equal or lower than the job classification held by the employee, and there is no employee with a prior right to such job, the Company will consider requests in accordance with Section 10, Paragraph C, of this Article, to such opening on the basis of skill and ability being the determining factors, with seniority being given full consideration and prevailing when skill and ability are equal, provided the employee has filed a

written request on a form furnished by the Company.

b. Promotions, Demotions, or Lateral Requests will become null and void in accordance with the following provisions:

1. If at any time such request has been on file for more than one (1) year.

2. If a request is granted.

3. If the employee is placed on layoff status.

4. If the employee is terminated.

c. An employee upon layoff may request to be considered for job openings provided such employee maintains recall status as stated in Article VIII.

In the event an employee requests such consideration, the following rules shall apply:

1. Effective on the date of layoff or within ten (10) working days after the effective date of such

surplus, the employee may request to be considered for job classifications he is qualified to perform by reporting to the Employment Office and completing the request forms as provided by the Company which must also include the employee's qualifications for each job classification.

The classifications requested shall not include any job classification the employee maintains active recall rights in accordance with Article VIII of this Agreement.

The above request shall be rendered null and void upon recall in accordance with Article VIII of this Agreement.

2. Upon selection to a job classification from layoff status, the employee shall retain recall rights for eight (8) workweeks in accordance with Article VIII of this Agreement. After eight (8) workweeks, the employee will acquire his full seniority in the

new job classification to which he was selected and forfeit all recall rights to those classifications established at time of layoff.

3. In the event a job classification has been processed for outside hire in accordance with Article VIII, Section 10 of the Agreement prior to the date of such request, the employee shall not be considered for such job classification unless the Company is unable to hire an employee within thirty (30) days. The Union shall be notified when requirements are processed for outside hire.

4. If an employee after selection is unable to perform, he shall forfeit all requests and maintain recall rights to the job classifications established prior to layoff.

SECTION 12. SENIORITY RETENTION

Upon promotion to a job classification in a higher labor grade or transfer to a different job classification, the employee will retain seniority for eight (8) workweeks in the job classification from which he was promoted or transferred. After eight (8) workweeks, the employee will acquire his full seniority in the new job classification to which he was promoted or transferred, after which time he will be considered for promotion or transfer to other jobs that are equally or higher rated, in accordance with the appropriate procedure.

SECTION 13. FIELD ASSIGNMENT

Any classified employee while on assignment to outside field operations is not subject to the layoff and recall provisions of this Article. If an employee who has been selected for an offsite assignment is offered a promotion or lateral transfer prior to the departure date of the offsite assignment, he shall have the option of accepting either the promotion or the offsite assignment. If an

employee who has been selected for an offsite assignment is offered recall and such recall is effective on the same date as the offsite assignment, he shall have the option of accepting either the recall or the offsite assignment. If the employee refuses recall, he shall not forfeit rights to the job classification. If the employee refuses the offsite assignment, he will be removed from the offsite list and he must resubmit his name for future offsite assignments. When such assignment to outside field operations is completed he shall be eligible in line with his seniority to return to the job classification which he held at the time of his assignment, with accumulated seniority for the period while he was on such assignment. He will be assigned to the same shop, shift and plant whenever possible. This Section will not apply if an employee's seniority is broken by termination of employment.

Employees will be assigned to outside field operations from the Outside Field Operations Assignment List, which the Company will maintain by designating for the list such job classifications as the Company may determine are required for its field operations.

Any employee who was moved from such job classification or within such job classifications who is willing to accept any such assignment may submit his name for the Outside Field Operations Assignment List on the form provided, (Personnel Records Section will make every effort to return the employee's copy to him within five (5) working days), where it shall be placed within the job classification/s according to his seniority date, and shall remain so placed until he removes it or refuses any field assignment offered by the Company, or his classification is changed. If his classification is changed, he will be required to resubmit his name for the offsite list if he desires further consideration.

If the employee either requests the removal of his name from the list or refuses any field assignment of over two (2) weeks that is offered by the Company, his name shall be removed from the list for ninety (90) days after such request for removal or such refusal. After such ninety (90) day period, the employee must again submit a request for offsite assignment if he desires to again be eligible for such assignment.

The parties recognize and agree that it is impracticable to conduct outside field operations with all senior employees and that seniority alone cannot be the sole determining factor for assignment to outside field operations. Therefore, the Company will make such assignments from the list, giving appropriate consideration to the seniority of the employees within the job classifications required for the assignments and to the manpower requirements in the plants.

The following procedure will apply in regard to offsite requirements:

a. An offsite list will be published during the first workweek of each month. The Union will be provided with copies of the list.

b. Field assignments of less than two (2) weeks need not be made from the published offsite list under circumstances such as time limitation, special skill requirements (if employees are not available on the offsite list), and/or continuity. The Company will make every effort to make such assignments from the offsite list.

c. The Company will notify the Union in advance of each offsite trip, and establish a selection period of five (5) working days and a "cut-off date". The offsite team will be assembled from the offsite list of the current month in which the Union is notified of an impending offsite assignment. The Union will be advised of the trip as soon as a tentative contract with the customer is negotiated. Names of employees selected for field assignment and the reasons for any deviation from the field assignment list will be supplied in writing to the Union as soon as possible, and in no event later than ten (10) days prior to the field trip departure date. In the event that it is found an employee has been unjustly bypassed for a field assignment, he will be paid the difference between the in-plant and field service rate and all overtime hours lost. If the trip does not take place within thirty (30) days from the selection period when a team of seventy-five (75) employees or less is selected, or for sixty (60) days when more than seventy-five (75) employees are

selected, a revised offsite list will be used.

d. Names submitted for the offsite list will be added to the list that is published during the first work week of the month following the month that the employee submitted his name. If the specific skill requirements for a field trip are exhausted and/or additional manpower is required, it will be selected from those employees who have submitted their names subsequent to the published list that is being used. Thereafter, the Company may select employees who are qualified and willing to accept such assignment.

e. Employees absent due to personal or sick leaves of absence, vacations, offsite assignments, or disciplinary layoffs during the selection period will not be considered for that particular assignment should they return during the last three (3) days of the selection period.

f. Should it become necessary to consider additional names to fill the

offsite requirement and the selection continues beyond the normal selection period, the Company will give consideration to those employees who have returned from their absence and whose names appear on the appropriate list. The Company, however, will not displace any employee selected with an employee who has returned from absence subsequent to the selection period.

g. All employees will be required to complete the scheduled tour of the offsite assignment; however, if an employee fails to complete his commitment without justifiable reason, his name will be removed from the offsite list for six (6) months. If an employee is sent home due to an incident while on offsite, and is assessed discipline less than discharge, he may be removed from the offsite assignment list.

h. Should an employee be completely processed for an offsite assignment and elect to refuse such assignment just prior to the departure time for

such assignment without justifiable reason, he will be removed from the offsite assignment list and he may not request to appear on such list for at least six (6) months from the date of such refusal. Employees being processed for a specific trip will be required to fulfill that trip before consideration for any other trip that may be in process stage at the same time.

i. Employees who are on offsite locations on a predetermined scheduled tour, and while still on the offsite location are asked if they wish to extend their tour, will have the option of acceptance or refusal. Should they refuse, their names will not be removed from the list unless they are replaced by a less senior employee.

j. Offsite assignments outside the Continental United States that are considered "combat zones" will be scheduled on a voluntary basis from the offsite list. Refusals for these

trips will not result in the removal of his name from the list.

k. Each employee who is selected for an offsite assignment shall be advised by the Company, in writing, prior to any commitment on his part to undertake the assignment as to the published policy or policies and the particular provisions thereof that are to be applied to him in connection with the assignment if he takes it. If he takes the assignment, later revisions of such published policies or parts thereof will not cause any change in the reimbursement provisions specified in the advice. Implementation of any revised or additional policies in connection with travel allowances applicable to offsite assignments shall not occur until the change or addition has been discussed with the Union and consideration given to all suggestions of the Union.

SECTION 14. ACCUMULATION OF SENIORITY WHILE ON LAYOFF

Seniority shall be retained and will accumulate during layoffs. Any employee may choose to decline a job offered while he is on layoff, if such job is lower listed than the job from which he was laid off. If the employee declines such job offer, he shall have no further recall rights to that job classification. If an employee fails to respond or notify the Company of his rejection of the offer within five (5) work days after the date of the telegram or certified letter notice of recall sent to the employee's last address as shown by Company records, he shall have recall rights only to that job from which he was laid off in his non-interchangeable occupational group. Proper notice from employee to the Company will consist of any one (1) of the following actions:

a. Personal interview with the Administrative Unit, of the Industrial Relations Section, or

b. Telegram, sent within time limit, or

c. Certified letter, postmarked within time limit.

SECTION 15. LOSS OF SENIORITY

An employee will lose seniority, and employment will cease, for any of the following reasons:

a. If employee quits or resigns.

b. If employee is discharged for just cause.

c. If an employee who has been laid off fails to accept an offer to return to the highest grade job classification to which he has recall rights, or fails to report after accepting any job offered within five (5) work days from date of telegram or certified letter is sent to the employee's last address as shown by Company records, this period may be extended by the Company if the employee gives a reason satisfactory to the Company.

An eligible employee, who refuses recall when advised by the Company that said recall shall be for a period

of less than thirty (30) days, shall not lose seniority rights as a result of such refusal. The Company shall notify the Union when an employee refuses recall in accordance with this provision.

d. If employee fails to keep current address information on file through TotalAccess, and by such failure the Company is unable to contact the employee by telegram or certified mail.

e. If employee fails to return to work on his next shift after an authorized leave of absence. The time for such return will be extended by the Company if the employee gives a reason satisfactory to the Company.

f. If an employee with ten (10) or more years of seniority (at time of layoff or leave of absence) is on layoff or on leave of absence for more than six (6) years. If an employee with five (5) but less than ten (10) years of seniority (at time of layoff or leave of absence) is on layoff or leave of absence for more than five (5) years. If an employee with less than five (5)

years of seniority (at time of layoff or leave of absence) is on layoff or leave of absence for more than thirty-six (36) months. In no event, except for occupational disability, or Union Leave of Absence, shall seniority rights continue beyond those specified above.

g. If employee is absent for more than three (3) consecutive work days without permission unless such employee presents a reason, which is satisfactory to the Company.

h. Acceptance of other employment for pay while on leave of absence unless expressly permitted by leave of absence.

SECTION 16. PROBATIONARY EMPLOYEES

All new employees will be considered on probation for a period of sixty (60) days. Probationary employees may be transferred, laid off or discharged during such sixty (60) day period without recourse to the grievance procedure. There shall be no

responsibility for the re-employment of probationary employees if they are discharged or laid off during this period. After serving a probationary period of sixty (60) days on the active payroll, which must be served within a consecutive six (6) month period, the names of such employees shall be placed on a Seniority list with a seniority date of sixty (60) days immediately prior to the date of completion of their probationary period.

SECTION 17. SENIORITY LIST

The Company will keep a seniority list. This seniority list shall be revised and made available to the Union on a weekly basis.

The seniority list shall contain each employee's name, occupational group, plant, shift, seniority date, Bems ID and/or social security number.

Each week the Union shall receive copies of the complete seniority list containing the above information. Each quarter a copy of the seniority list will be posted outside the appropriate food service area in each plant.

Each month the Company shall supply the Chairman of the Shop Committee a list of employees who have acquired seniority and who have lost seniority, employees who have been granted leaves of absence for military service, employees transferred in or out of the Bargaining Unit, and employees who have returned from military leave.

SECTION 18. TRANSFER OUT OF UNIT

a. Subject to the provisions of subparagraph d. of this Section, all employees who were transferred out of the Bargaining Unit on or prior to November 5, 1965 will have their seniority frozen as of November 5, 1965.

b. Subject to the provisions of subparagraph d. of this Section, all employees transferred out of the Bargaining Unit after November 5, 1965 and before December 20, 1971 will have their seniority frozen as of the date of their transfer.

c. All employees transferred out of the Bargaining Unit on or after

December 20, 1971 to any non-supervisory position within the Company will have their seniority frozen as of the date of their transfer.

d. All employees transferred out of the Bargaining Unit on or after December 20, 1971 to a supervisory position identified with the Bargaining Unit will retain their seniority as of the date of such transfer and will accumulate seniority during the time they are in such supervisory position. Employees who are currently in a supervisory position identified with the Bargaining Unit and who were transferred out of the Bargaining Unit to a supervisory position identified with the Bargaining Unit and had their seniority frozen prior to December 20, 1971 will again accumulate seniority while in such supervisory position beginning on such date.

SECTION 19. PRODUCTION WORK RESTRICTIONS-SUPERVISION

Supervisory employees shall not be permitted to perform any production work except in the following types of situations:

a. When regular employees are not immediately available, or absent from work.

b. In the instruction or training of employees.

c. In emergencies.

d. In developing production processes.

This clause will not be used to displace a production employee on a full-time job.

SECTION 20. SHIFT PREFERENCE

It is recognized and agreed that it is impossible to operate with all senior employees on the day shift and that seniority alone cannot be the sole determining factor in making shift transfers. The Company further agrees to

the principle that requests of senior employees for shift transfers should be given full consideration. It is agreed that when an employee has been employed on his shift for six (6) months, he may request a transfer to another shift to a job within his job classification and Center; and if such job is held by a less senior employee in the same classification for at least six (6) months, the transfer shall be made within thirty (30) days of the request for such transfer. However, the Company will not be required to transfer more than 10% of the personnel in each job classification, in each Center, on any shift in any calendar month. This option can only be exercised by an employee twice in each year by filing a written request with his foreman during the period, April 15th to April 30th and October 15th to October 30th. The transfers shall be made starting May 15th and November 15th following the respective period of filing and continuing until May 14th and November 14th of the following year. Any employee who files such a written request within the period specified, and at such time is not eligible for transfer will be considered for transfer at such later date within the year as he becomes eligible.

Exception to the above shall be for those employees classified as Boiler Operators, who may only request a shift transfer once each year during the April 15th to April 30th period.

An employee who is transferred to the shift he desires, in accordance with the above procedure, and within eight (8) workweeks following such transfer is reassigned involuntarily to another shift may, within fourteen (14) calendar days thereafter, file a shift preference request to be returned to his desired shift. Upon filing such request, the employee will be immediately considered eligible for transfer in accordance with the provisions and limitations set forth above.

SECTION 21. PLACEMENT OF INCAPACITATED EMPLOYEES

An employee who has been incapacitated as a result of an occupational injury or disease while in the employ of the Company may be employed in other work in the Center which he can do without regard to any seniority provisions of this Agreement.

SECTION 22. EMPLOYEES HIRED ON SAME CALENDAR DAY

Effective March 1, 1996, the seniority of employees hired on the same calendar day will be in alphabetical order based on the employee's name as of March 1, 1996. Thereafter, the seniority of employees hired on the same calendar day will be in alphabetical order as of the employee's date of hire.

SECTION 23. TEMPORARY LOAN

The Company may temporarily loan employees to perform work assignments in other occupations subject to the following conditions:

a. There has not been a surplus within the four (4) weeks preceding such temporary assignment in the job classification into which the employees are to be temporarily assigned.

b. The employees may be so assigned for a period not to exceed ninety (90) calendar days, after which they will be removed from such temporary

assignment unless mutual agreement to continue the temporary assignment has been reached between the Company and the Union.

c. No employees will be temporarily reassigned to the same job classification for a period of thirty (30) calendar days following the completion of a temporary assignment, except by mutual agreement between the Company and the Union. It is further understood that if the Company and the Union fail to agree to continue a temporary assignment beyond the ninety (90) calendar day period set forth above and the Company elects to recall employees to such job classification, employees on temporary loan may remain until the employees to be recalled are available for replacement. Such replacements will be on a one-to-one basis and the Company shall not be liable for any back wages to the employees recalled to such job classification. If the Company and the Union agree after the ninety (90) day period that the temporary assignment to such job

classification may continue, the Company will, unless agreement to the contrary is reached, temporarily assign employees by seniority order who are on the active payroll and who have recall rights to such job classification in order to complete the temporary assignment.

d. The provisions of this Section 23 shall not restrict the Company's rights to temporarily have employees in one occupation perform work in another occupation for periods of one day or less.

e. The Company shall notify the Union committeeman and/or steward when temporarily loaning any employees under this Section.

ARTICLE IX

LEAVE OF ABSENCE

SECTION 1. TEMPORARY LEAVE OF ABSENCE

Temporary Leave of Absence may be granted by an employee's supervisor for

personal reasons for a period not to exceed fourteen (14) days.

SECTION 2. EXTENDED LEAVE OF ABSENCE

A personal Leave of Absence for good and sufficient cause may be granted by the Company to a seniority employee for not more than thirty (30) days when the services of the employee can be spared. Such leaves are subject to the approval of the Manager of Labor Relations. Seniority will accumulate during a personal Leave of Absence.

SECTION 3. LEAVE OF ABSENCE FOR OCCUPATIONAL DISABILITY

Leave of Absence for occupational disability shall be granted for the duration of such disability. Seniority will accumulate during such absence.

SECTION 4. SICK LEAVE OF ABSENCE

Any employee who claims to be ill and requests a sick Leave of Absence from his supervisor or in the event he is unable

to contact his supervisor, through the Dispensary, and in support of this claim presents satisfactory evidence of his incapacitation, shall be granted a sick leave not in excess of thirty (30) days. If the illness continues beyond the thirty (30) days, sick leave may be extended with the approval of the Medical Section. Upon return from sick leave, the employee must submit a statement from his doctor stating that he is physically able to return to work, and in addition must submit to a physical examination by the Company physician. Seniority of employees granted sick leave will accumulate during the period of such leave.

SECTION 5. PROBATIONARY EMPLOYEES

Employees serving in their probationary period are not subject to the provisions of extended Leave of Absence and any time lost because of sick leave shall not be credited toward their probationary period.

SECTION 6. MATERNITY LEAVE OF ABSENCE

Female employees, who request Leaves of Absence because of pregnancy, shall be granted such leave, which shall extend for three (3) months after delivery. Thereafter, the employee shall return to work, forfeit seniority or request a sick leave under the provisions of Section 4 of this Article. The Company may require a pregnant employee to take a Leave of Absence if the employee is physically unable to perform her job. Such a medical determination will be made in the same manner as set forth in Section 4 of this Article for return to work from medical Leaves of Absence. Seniority of employees on leave under this Section will accumulate during the period of such Leave.

SECTION 7. MILITARY LEAVE OF ABSENCE

Employees who enter military service other than temporary military service shall be afforded all rights and privileges as provided for in the Selective Training and Service Act of 1940 as amended, and such other Laws and

regulations as may from time to time become applicable.

SECTION 8. PEACE CORPS LEAVE OF ABSENCE

A seniority employee entering the Peace Corps shall, upon prior written request and submission of evidence satisfactory to the Company, receive a Leave of Absence for the period of his service in the Peace Corps, but not to exceed three (3) years.

If the employee returns to work within thirty (30) days after completion of his service with the Peace Corps, he shall be reinstated at work in line with his seniority rights, in the classification in which he was engaged last, prior to his Leave of Absence. His seniority shall accumulate throughout the period of his Leave of Absence.

SECTION 9. UNION LEAVE OF ABSENCE

Upon written request from the International Union or the President of Local 1069, the Company will grant a Leave of Absence for the duration of the term of

office or temporary appointment, for employees (not to exceed seven (7) employees at one time), who are elected or appointed to temporary or long term, full time Union offices. Such Leaves of Absence may be renewed for additional terms of office or appointments. Seniority will accumulate during such Leave of Absence.

SECTION 10. PUBLIC OFFICE LEAVE OF ABSENCE

Any employee with seniority, elected or appointed to an essentially full-time Federal, State or Local public office, may make written application for a Leave of Absence for the period of his first term of active service in such public office. If such leave is granted, additional Leaves of Absence for service in such office may be granted at the option of Management upon written application by the employee.

Any employee granted such Leave of Absence shall be entitled to reinstatement at the then current rate of pay, to such work as he may be entitled on the basis of the seniority provisions of this Agreement. Seniority will accumulate during the period of such Leave of Absence.

Failure to return to work on his next regular shift upon termination of the Leave of Absence will result in termination, unless permission is obtained for extension of the time for the employee to report for work.

ARTICLE X

WAGES AND HOURS

SECTION 1. OVERTIME RATES

Overtime rates will be paid as follows:

a. Time and one-half will be paid for:

1. 1. All time worked in excess of eight (8) hours but less than ten (10) hours in any one (1) day.

2. All time worked in excess of forty (40) hours in one (1) workweek for which overtime has not already been earned.

3. All work performed outside of regularly scheduled shift hours.

4. The first ten (10) hours of work performed on Saturday except in the case of any shift beginning in the preceding day and continuing into Saturday.

   (a) For the purposes of this Section, the sixth day in a scheduled workweek for Boiler Operators will be considered as Saturday in calculating overtime.

b. Double time will be paid for:

1. All time worked in excess of ten (10) hours in any one (1) day including Saturday.

2. All time worked in excess of eight and one-half (8-1/2) hours in any one (1) day including Saturday for those third shift employees who are assigned to a six and one-half (6-1/2) hour shift.

3. All work performed on Sunday except in the case of any shift beginning in the preceding day and continuing into Sunday.

(a) For the purposes of this Section, the seventh day in a scheduled work week for Boiler Operators will be considered as Sunday in calculating overtime.

c. Triple time will be paid for:

1. All work performed on the holidays specified in Article XIII except in the case of any shift beginning in the preceding day and continuing into the holiday.

d. When two or more types of overtime or premium compensation are applicable to the same hours of work, only the higher rates of compensation shall be paid. In no case shall overtime or premium compensation be duplicated or pyramided.

SECTION 2. SHIFT DIFFERENTIALS

a. The Company shall pay to all hourly-rated employees on the second shift ten percent (10%) per hour in addition to the base hourly

rate. The Company shall pay all hourly-rated employees on the regular (six and one-half (6-1/2) working hours) third shift eight percent (8%) per hour in addition to the base hourly rate. The Company shall pay to all hourly-rated employees on a special (eight working hours) third shift ten percent (10%) per hour in addition to the base hourly rate.

b. Hourly-rated employees on a regular third shift, the regular shift hours of which are limited to six and one-half (6-1/2) working hours, who work a full six and one-half (6-1/2) hours on that shift shall receive therefore eight (8) hours pay. All work performed on such third shift over six and one-half (6-1/2) hours shall be considered overtime and shall be paid for at time and one-half.

c. Boiler Operators assigned to a non-regular workweek (other than Monday through Friday) shall have seventy-five (75) cents per hour added to their base hourly rate. This seventy-five (75) cents per hour premium shall also apply to any

other employees designated in advance by mutual agreement between the Company and the Union to be assigned to such a non-regular workweek.

SECTION 3. LABOR GRADES

The labor grades are set forth in the Appendix C annexed hereto and made a part hereof.

SECTION 4. JOB DESCRIPTIONS

The Company will make available to the Union an adequate number of detailed job description sheets covering all hourly-rated jobs included in the Bargaining Unit as set forth in Article I hereof, for distribution to all stewards and committeemen.

SECTION 5. OVERTIME DISTRIBUTION

The Company agrees that it will make a demonstrable good faith effort to make equal distribution of overtime work among the available qualified employees within shops, plants and on each shift.

a. Initially the Company will offer overtime work to employees in the job classification who are regularly employed in such work within the shop, plant and on the shift involved.

b. Thereafter, probationary employees within the job classification within the shop, plant and on the shift may be worked.

c. Thereafter, employees on temporary assignment within the shop on the shift and in the plant where the overtime is to be performed will be given an opportunity to work.

d. Thereafter, employees on temporary loan to the required job classification working in the shop, on the shift and in the plant where the overtime is to be performed will be given an opportunity to work.

e. In the event the Company is unable to fulfill its overtime requirements as outlined above, it will then offer the work to employees in the required job classification who are working in other shops, on the shift

and in the plant where the overtime work is required.

f. In the event the Company is unable to fulfill its overtime requirement as outlined above, the supervisors may offer the work to any employee from any location who they feel are qualified to perform the overtime assignment.

Records shall be maintained for each shop by shift and plant showing the name, date, classification and overtime hours worked by employees. Such records shall be maintained in an available part of the Shop and made available to the employee or his steward upon request. Work performed on a holiday shall be shown as double for the first eight hours worked and triple for all paid time thereafter.

An employee shall be considered to have worked if he is offered and declines overtime, or is absent from work when he would have been offered overtime work.

Absences due to bereavement, excused Union business, vacation or leave of absence up to thirty (30) days, will not be charged as worked.

When an employee changes classification, shop, shift or plant, his overtime hours will be averaged with those employees in his new position or location.

SECTION 6. REPRESENTATION ON WEEKENDS AND HOLIDAYS

When more than twenty-five (25) but less than one hundred and fifty (150) employees on a shift in a plant in a Center are assigned overtime work on Saturdays, Sundays or Holidays and a regular steward or alternate is not among the employees so assigned, then the Union may designate one (1) of such employees who shall function as a steward for that overtime period.

The Union may designate one (1) additional representative from each additional one hundred (100) employees in excess of one hundred and fifty (150) assigned to such overtime work in any

plant on each shift. There shall not be more than one (1) person acting as steward on overtime work in any one area. If the number of regular stewards or alternate stewards who are assigned such overtime work on any shift shall exceed the number of representatives provided for in this Section, the Union shall designate which stewards shall function as such on that shift.

The only grievances that may be handled by the above representatives are those, which arise during the overtime period when they are employed.

SECTION 7. REPORT-IN TIME

Any employee reporting for work, who has been working on the previous work day and has not been notified not to report for work shall be given four (4) hours work at his applicable rate. If the Company has none of his regular work for him, it may use his services in other capacities, which he is able to perform for such four (4) hours. In lieu of giving him four (4) hours work, the Company may elect to give such employee four (4) hours pay at his base hourly rate. This provision shall not apply in the case of any stoppage of work, strike or slowdown or

conditions beyond the control of the Company.

SECTION 8. CALL-IN TIME

When an employee is called in to perform emergency work, he shall receive four (4) hours work at the applicable rate. If the Company cannot utilize his services for the full period on his regular work, his services may be utilized in other capacities, which he is capable of performing.

SECTION 9. EMPLOYEE INJURIES

Employees who are injured in the factory and who are sent home on the day of injury by a medical professional, shall receive pay for the balance of their scheduled work shift on that day at their regular base hourly rate, including shift premium if any, but less any overtime allowances they would have otherwise earned had they worked.

SECTION 10. JURY DUTY

When an employee is summoned to serve on jury duty on a regularly scheduled working day, he shall receive eight (8) hours pay at his base rate. Fees received

for jury duty will not be deducted from such pay. Proof of such service satisfactory to the Company must be produced before this Section shall apply.

SECTION 11. WITNESS PAY

An employee subpoenaed as a witness in a Federal or State court of law will be paid eight (8) hours pay at his current straight time base rate, including Cost of Living allowance for each regular work day for which he is paid a daily witness fee. Witness fees will not be deducted from such pay. This Section will not apply in instances where the employee is called as a witness on his own behalf in an action in which he is a party, or where he voluntarily seeks to testify as a witness. The employee will furnish to the Company evidence satisfactory to the Company showing his attendance as a witness that meets the requirements of this Section.

SECTION 12. COMPENSATION FOR MILITARY RESERVE DUTY

An employee who is a member of a reserve component of the Armed Forces or

the National Guard who is required to enter active annual training duty or temporary special services, shall be paid his normal straight time earnings, including shift differential and cost of living allowance where applicable, up to a maximum of ten (10) work days each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two training periods in one calendar year may receive time off with pay in excess of the ten-day annual maximum provided that the total time off with pay does not exceed twenty workdays in a two consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be excused on unpaid authorized Leave of Absence. The amount due the employee under this Section 12 shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence (does not include allowance for quarters), uniform and travel allowance

shall not be included in determining pay received from state or federal government.

SECTION 13. WORKWEEK

The assigned workweek for each employee shall be a period from the beginning of the third shift on Monday to the beginning of the third shift on the following Monday. The normal work schedule shall consist of five (5) consecutive work days, Monday through Friday, followed by two days of rest (Saturday and Sunday) except for those Maintenance employees referenced in Section 2.c. above who regularly work on Saturday and Sunday, whose normal work schedule shall consist of five (5) consecutive work days, plus two (2) days of rest, which shall be treated as their Saturday or Sunday.

SECTION 14. SHIFTS AND LUNCH PERIODS

Each employee shall be assigned to a definite shift with designated times of beginning and ending. The first and second shift shall each be an eight hour and thirty minute period, which shall include a thirty-

minute unpaid lunch period. The third shift shall be a seven hour period which shall include a thirty minute unpaid lunch period with the exception of a special third shift of an eight hour and thirty minute period which shall include a thirty minute unpaid lunch period for those Maintenance type employees assigned to this special shift. Exceptions to the above designated shifts are the shifts assigned to the Boiler Operators. The shift for each Boiler Operator shall be an eight-hour period and all eight hours shall be worked.

The designated time of beginning each shift shall be:

- First Shift - between 5:00 AM and 9:00 AM,
- Second Shift - between 1:30 PM and 6:00 PM, and

- Third Shift - between 10:00 PM and 1:30 AM

SECTION 15. PAYDAYS

Paydays for all employees on all shifts under this Agreement shall be on

Thursday of every other week at which time they will be paid through Thursday of the preceding week, except when circumstances beyond the Company's control makes this impossible.

SECTION 16. REST PERIODS

The Company shall provide for two (2) 10-minute rest periods at appropriate intervals – one (1) rest period before and one (1) rest period after lunch.

ARTICLE XI

RATES OF PAY

SECTION 1. DEFINITIONS

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

a. Base Rate: An employee's hourly rate of pay determined under the applicable provisions of Sections 2 and 3, excluding all allowances, differentials, adjustments, bonuses, awards and premiums.

b. Base Rate Ranges: The minimum and maximum rates of pay for each labor grade established under Section 2.

c. Promotion: An employee reclassified from one job classification to another job classification in a higher labor grade.

d. Demotion: An employee reclassified from one job classification to another job classification in a lower labor grade.

e. Lateral Transfer: An employee reclassified from one job classification to another job classification in the same labor grade.

f. Reactivated: An employee returned from layoff to any job classification in which he does not possess recall rights in accordance with Article VIII.

g. Recall from Layoff: An employee on the inactive payroll who is recalled in accordance with Article VIII.

h. Recall from Move Status: An employee on the active payroll who

is recalled in accordance with Article VIII.

SECTION 2. BASE RATE RANGES

a. The following base rate ranges will be effective September 2, 2002:

LABOR GRADE	MINIMUM	MAXIMUM
13	$19.72	$30.70
12	$18.82	$29.78
11	$17.91	$28.93
10	$17.00	$28.03
9	$16.09	$27.17
8	$15.18	$26.33
7	$14.27	$25.55
6	$13.36	$24.75
5	$12.45	$23.98
4	$11.54	$23.21
3	$10.63	$22.49
2	$ 9.72	$21.75
1	$ 9.72	$21.75

Base rate maximum will be increased in accordance with Section 3.b.

b. Employees on the active payroll on September 2, 2002: Effective September 2, 2002, the base rate for each employee who on September 2, 2002 was on the active payroll shall be increased by folding into the base rate of three (3) cents of Cost-of-Living Adjustment being paid to such employee on September 2, 2002.

c. New Hires: Employees who enter the bargaining unit on or after September 2, 2002, with a seniority date of September 2, 2002 or later, will be paid a base rate within the base rate range established by Section 2.a.

d. Recalls or Reactivations from Layoff: Effective September 2, 2002, an employee who is recalled or reactivated from layoff will have the following base rate:

1. If the employee is recalled or reactivated to the same labor grade from which he was laid off, he will be paid the base rate and the cost-of-living adjustment in effect on the date of his

layoff, provided that, if cost-of-living adjustment has been added to base rates and made a part thereof since the employee's layoff, the cost-of-living adjustment in effect on the date of the employee's layoff shall be added to his base rate and made a part thereof.

2. If the employee is recalled or reactivated to either a higher or lower labor grade than the one from which he was laid off, his base rate will be determined first by treating him as though he had been recalled to the same labor grade under Section 2.d.(1), and then reclassified under Section 3.c.

e. Returns from Leaves of Absence: An employee on approved Leave of Absence who returns to the active payroll will have the following base rate:

1. If the Leave of Absence was granted due to industrial injury or industrial illness, military service, or to accept a full time

union position, the employee's base rate will be equal to the base rate he would have had if he had not been on a Leave of Absence.

2. If the Leave of Absence was granted for any other reason, his base rate will be determined as though he had been recalled or reactivated under Section 2.d.

SECTION 3. BASE RATES CHANGES

a. Seniority Increase Steps: On the six (6) month anniversary of the date of hire or date of the last Seniority Increase, employees below the rate range maximum for their labor grade shall, subject to such maximum, receive a Seniority Increase to their base rate of thirty-four cents (34¢). Employees shall automatically progress to the base rate range maximum upon their fifteenth Seniority Increase Step. Employees on approved Leave of Absence will continue to accrue time towards their next six (6) month Seniority Increase Step for the first ninety (90) days of the Leave.

Employees recalled or reactivated from layoff within one (1) year will be credited with any time they had prior to their layoff towards their next six (6) month Seniority Increase Step.

b. General Wage Increases: General Wage Increases will be granted as follows:

1. Effective September 2, 2004, all employees on the active payroll and in the Bargaining Unit, including those on an approved Leave of Absence for ninety (90) days or less, will have their base rates increased by application of Section 2.b. and then by application of a two (2%) percent General Wage Increase.

The base rate maximum set forth in Section 2.a. shall be similarly increased on each date set forth above.

c. Base Rates After Reclassification: Subject to the base rate ranges provided for in Section 2.a., employees who are promoted or

recalled from move status will have their base rate increased by fifty-six cents (56¢) for each labor grade they are promoted or recalled, and employees who are demoted will have their base rate decreased by fifty-six cents (56¢) for each labor grade they are demoted.

d. Temporary Loans: Subject to the base rate ranges provided for in Section 2.a., classified employees temporarily loaned to a higher labor grade will have their base rate increased by fifty-six cents (56¢) for each labor grade above the labor grade held immediately prior to such loan. Classified employees temporarily loaned to an equal or lower labor grade for the convenience of the Company, shall retain his current hourly rate of pay.

SECTION 4. COST-OF-LIVING ADJUSTMENT

a. Employees covered by this Agreement shall receive Cost-of-Living Adjustments to the extent such adjustments become effective under and in accordance with all of

the terms, conditions and limitations stated in this Section 4.

b. Determination of Cost-of-Living Adjustments

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

2. During the life of this Agreement, subject to the provision stated below, a potential Cost-of-Living Adjustment shall be computed by using: (1) 175.9 (the three-month average of the BLS Index for May, June and July, 2002) as the base, and (2) the formula 1 cent = .075 percent change in the appropriate three-month

average of the BLS Index, as shown in the table below:

EFFECTIVE DATE OF POTENTIAL ADJUSTMENT FOR:	BASED UPON THE AVERAGE OF THE THREE MONTH BLS CONSUMER PRICE INDEXES
December 6, 2002	August, September, October 2002
March 7, 2003	November, December 2002,January 2003
June 6, 2003	February, March, April 2003
September 5, 2003	May, June, July 2003
December 5, 2003	August, September, October 2003
March 5, 2004	November, December 2003, January 2004
June 4, 2004	February, March, April 2004
September 3, 2004	May, June, July 2004
December 3, 2004	August, September, October 2004
March 4, 2005	November, December 2004, January 2005
June 3, 2005	February, March, April 2005

3. Any quarterly Cost-of-Living Adjustment shall be added to or subtracted from any quarterly Cost-of-Living Adjustment already paid during the life of this Agreement, subject to Section 4, provided, however, a Cost-of-Living Adjustment generated in any particular quarter shall be payable only to those employees who, on an Effective Date of Potential Adjustment, are on the active payroll or on Leave of

Absence for less than ninety (90) days.

4. If the BLS Index is revised or discontinued, the parties shall attempt to determine an appropriate Index figure by agreement and, if agreement is not reached, the parties shall request the Bureau of Labor Statistics to make available a BLS Index in its present form for the appropriate date or dates and calculated on a comparable basis.

c. Cost-of-Living Adjustments shall not be added to or subtracted from any employee's base rate, except as herein provided.

On September 2, 2003, the Cost-of-Living Adjustment being paid to an employee on that date under Section 4, shall be added to the employee's base rate and made a part thereof. On September 2, 2004, the Cost-of-Living Adjustment being paid to employees on that date under Section 4, shall be added to the

employee's base rates and made a part thereof.

Any Cost-of-Living Adjustment payable during the life of this Agreement shall be added only to each employee's straight time hourly earnings. The applicable Cost-of-Living Adjustment shall be included in computing overtime payment, third-shift bonus, vacation and holiday payment, sick leave payment and report time payment.

SECTION 5. LUMP SUM WAGE PAYMENT

1. Effective September 10, 2002, those employees on the active payroll, (including those on approved Leave of Absence for ninety (90) days or less), and in the bargaining unit will be given a Lump Sum Wage Payment of $2,000 less applicable federal and state withholding taxes.

2. Effective September 2, 2003, those employees on the active payroll, (including those on approved Leave of Absence

for ninety (90) days or less) and in the bargaining unit will be given a Lump Sum

Wage Payment of $2,000 less applicable federal and state withholding taxes.

Effective Date of Increases. The effective date of any pay increase identified in this agreement, shall be the first day of the next pay period, exceptions to this will be temporary assignments.

ARTICLE XI-A

LAYOFF BENEFITS

SECTION 1. ESTABLISHMENT OF PLAN

The Company will establish a Layoff Benefit Plan to provide for lump sum or income continuation benefits as set forth in this Article. Such Plan will apply to employees who are laid off with an effective date on or after September 1, 1999.

SECTION 2. ELIGIBILITY

All bargaining unit employees who have at least one year of Company service and who are involuntarily laid off from the Company (other than a temporary layoff

under Article VIII.4) are eligible to receive the benefit described in Section 3 below, provided, however, the following employees shall not be eligible for the benefit: employees who upon their layoff become employed by a division, subsidiary or affiliate of the Company; employees who are laid off from the Company because of a merger, sale or similar transfer of assets and are offered employment with the new employer; employees who are laid off because of an act of God, natural disaster or national emergency; employees who are laid off because of a strike, picketing of the Company's premises, work stoppage or any similar action which would interrupt or interfere with any operation of the Company; and employees who terminate employment for any reason other than layoff, including, but not limited to, resignation, dismissal, retirement, death, or leave of absence.

SECTION 3. AMOUNT AND PAYMENT OF BENEFIT

An eligible employee's total lump sum or income continuation benefit shall equal one week of pay (i.e., 40 hours at the employee's base rate plus cost-of-living adjustment in effect on the date of layoff,

but excluding any shift differentials or other premiums) for each full year of Company service as of the employee's layoff date, subject to a maximum benefit of 26 weeks of pay. Eligible employees may elect either of the following:

a. Lump Sum Benefit

1. Benefits will be paid as a lump sum following the effective date of layoff. Employees who elect this option will forfeit all seniority and recall rights under Article VIII.

b. Income Continuation

1. Income continuation benefits will be paid in 80-hour increments, subject to an employee's total benefit, on regular paydays beginning with the second payday following the effective date of layoff. Income continuation benefits shall immediately cease upon the earlier of any of the following events: exhaustion of the employee's total income continuation benefit; re-employment with the Company or any

of its divisions, subsidiaries or affiliates; failure to respond with his acceptance within five (5) work days after dispatch by telegram or certified letter of a notice of recall from layoff; failure to report to work on the date designated by the Company; or change in the employee's employment status from layoff to resignation, dismissal, retirement, death, or leave of absence. Employees who elect this option will retain seniority and recall rights as described in Article VIII.

2. Subject to continuation of the Plan, no employee shall be paid income continuation benefits more than once during any three-year period; provided, however, if an employee is re-employed by the Company before payment of the employee's total income continuation benefit and is subsequently laid off in such three-year period under conditions which make the employee eligible for a benefit,

any unused benefit will be payable to the employee under the procedures established by this Article.

SECTION 4. BENEFIT NOT APPLICABLE FOR OTHER PURPOSES

Except as expressly provided in an employee benefit plan, periods for which an employee receives income continuation benefits shall not be considered as compensation or service under any employee benefit plan or program and shall not be counted toward Company service. Benefits under this Article shall be excluded from bargaining unit gross earnings for purposes of Article XI-A of this Agreement.

ARTICLE XII

VACATIONS

SECTION 1. ELIGIBILITY

All regular full-time employees on the active payroll of the Company on May

31st of the vacation earning year shall be entitled to vacation with pay as follows:

a. An employee who on May 31st completes twenty (20) or more full years of seniority shall receive four (4) weeks (160 hours at base rate) vacation with pay.

b. An employee who on May 31st completes ten (10) but less than twenty (20) full years of seniority shall receive three (3) weeks (120 hours at base rate) vacation with pay.

c. An employee who on May 31st completes one (1) full year but less than ten (10) years of seniority shall receive two (2) weeks (80 hours at base rate) vacation with pay.

d. Employees who have not completed a full year of continuous active service on May 31st shall receive vacation credit as follows:

    1. An employee shall receive vacation credit at the rate of 6.66 hours for each month of continuous active service

completed during the vacation year until such employee has completed ten (10) years of seniority.

a. Probationary employees shall receive such vacation credit upon completion of their probationary period.

2. An employee who on May 31st completes ten (10) but less than twenty (20) years of seniority, shall receive ten (10) hours of vacation credit with pay for each month of continuous active service completed during the vacation earning year.

3. An employee who on May 31st completes twenty (20) full years or more of seniority, shall receive (13.33) hours of vacation credit with pay for each month of continuous active service completed during the vacation earning year.

SECTION 2. PRO-RATA PAY

Employees whose continuous active service is interrupted prior to May 31st of

the vacation earning year because of layoff, retirement, extended sick leave, death, or induction into the military service shall receive pro-rata vacation pay for each month of continuous active service completed during the vacation earning year in which the interruption occurs in accordance with Section 1 of this Article. If continuous active service is interrupted for any other reason, pro-rata vacation will not be paid.

SECTION 3. COMPUTATION OF VACATION WITH PAY

a. Credit toward vacation with pay and/or pro-rata vacation pay will be allowed for a month in which continuous active service begins on or before the 16th day and for a month in which the continuous active service is interrupted on or after the 15th day.

b. Continuous absence of thirty (30) calendar days or more for any reason will be deducted when vacation allowance is calculated. However, absence for occupational disability will not be deducted during the

vacation year when the occupational disability occurs.

SECTION 4. VACATION SCHEDULING

Vacation periods shall be determined and scheduled by the Company. If vacations are staggered, the Company will, whenever practicable, give consideration to the seniority of an employee in the designation of the time for his vacation. Vacation scheduling will normally commence on or before April 1st.

Unless the Company is involved in a critical program imposed by the customer, an approved scheduled vacation may be cancelled by the Company only with ten (10) work days prior notice to the employee.

A period of temporary shutdown in June, July, or August of at least one (1) week may be designated as the vacation period if the employees affected are notified by posted notice or otherwise at least ninety (90) days in advance. Normally, the determination as to whether a shutdown is planned will be made by the end of January at which time the Union will be notified.

SECTION 5. VACATION PAY

Vacation pay shall be computed at the employee's base rate plus shift differential when applicable, but exclusive of all other premiums or overtime allowances, in effect at the time vacation is taken or at the time continuous active service is interrupted.

SECTION 6. HOLIDAYS DURING VACATION PERIOD

When one or more of the holidays set out in Article XIII falls within an eligible employee's vacation period, he shall be granted additional day/days of paid vacation on the first scheduled work day/days following his vacation.

SECTION 7. VACATION CREDIT YEAR

The vacation credit year shall be the period from June 1st of any calendar year through May 31st of the following calendar year. Employees may carry over unused vacation hours to a maximum of one (1) year of vacation credit hours. Any unused vacation in excess of one year's earnings on

the succeeding year's award date shall be lost.

Employees must file a written request for vacation carryover between May 1st and May 10th of any calendar year. Such request will remain on file unless changed in writing between May 1st and May 10th of any calendar year.

SECTION 8. PAY IN LIEU OF VACATION

Under normal circumstances, the Company desires that eligible employees take their vacation, but where necessary, the Company may ask an employee or employees not to do so. In such instances, employees may request pay in lieu of vacation hours denied.

ARTICLE XIII

HOLIDAYS

SECTION 1. DATES ON WHICH OBSERVED

Hourly-rated employees shall be paid for the holidays listed below, except as otherwise hereinafter provided.

HOLIDAYS	DATE OF OBSERVANCE
2002 HOLIDAYS	
Labor Day	Monday, September 2, 2002
Thanksgiving Day	Thursday, November 28, 2002
Friday after Thanksgiving	Friday, November 29, 2002
Winter Holiday	Tuesday, December 24, 2002
Winter Holiday	Wednesday, December 25, 2002
Winter Holiday	Thursday, December 26, 2002
Winter Holiday	Friday, December 27, 2002
Winter Holiday	Monday, December 30, 2002
Winter Holiday	Tuesday, December 31, 2002
2003 HOLIDAYS	
New Year's Day	Wednesday, January 1, 2003
Memorial Day	Monday, May 26, 2003
Independence Day	Friday, July 4, 2003
Labor Day	Monday, September 1, 2003
Thanksgiving Day	Thursday, November 27, 2003
Friday after Thanksgiving	Friday, November 28, 2003
Winter Holiday	Wednesday, December 24, 2003
Winter Holiday	Thursday, December 25, 2003
Winter Holiday	Friday, December 26, 2003
Winter Holiday	Monday, December 29, 2003
Winter Holiday	Tuesday, December 30, 2003
Winter Holiday	Wednesday, December 31, 2003
2004 HOLIDAYS	
New Year's Day	Thursday, January 1, 2004
Memorial Day	Monday, May 31, 2004
Independence Day	Monday, July 5, 2004
Labor Day	Monday, September 6, 2004
Thanksgiving Day	Thursday, November 25, 2004
Friday after Thanksgiving	Friday, November 26, 2004
Winter Holiday	Friday, December 24, 2004
Winter Holiday	Monday, December 27, 2004
Winter Holiday	Tuesday, December 28, 2004
Winter Holiday	Wednesday, December 29, 2004
Winter Holiday	Thursday, December 30, 2004
Winter Holiday	Friday, December 31, 2004

2005 HOLIDAYS

New Year's Day	Monday, January 3, 2005
Memorial Day	Monday, May 30, 2005
Independence Day	Monday, July 4, 2005

SECTION 2. UNWORKED HOLIDAYS

An employee shall receive eight (8) hours pay at his regular base hourly rate exclusive of all premiums, bonuses or overtime allowances for each such holiday not worked provided he meets the following conditions:

a. The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

b. The employee must have worked on the last scheduled work day prior to and on the next scheduled work day after such holiday. Provided that an employee may be excused from this requirement if he submits evidence satisfactory to the Company that he was absent because of jury duty, death in the immediate family, or illness starting within the three (3) days preceding or on the day following the holiday.

SECTION 3. ELIGIBILITY FOR HOLIDAY PAY

The Company may, at its option, observe the holidays listed in this section above by not operating its plants, departments or sections thereof or it may schedule such holidays as regular work days. An employee who is scheduled for work on any holiday and who fails to report for and perform such work shall not receive pay for the holiday.

An employee eligible for holiday pay under these provisions, who is scheduled to work and performs work on a holiday, shall receive pay for such work only in accordance with the applicable provisions of Article X of this Agreement.

In the event an employee performs work on a holiday and the hours worked are less than eight (8) hours, he shall receive triple time pay for all hours worked and straight time pay for the difference between the hours worked and eight (8) hours.

ARTICLE XIV

SICK LEAVE

It is understood that the purpose of the sick leave provisions of this Article is to provide monetary compensation to employees who are entitled to such payment during periods of illness up to a maximum of five (5) work days, and to encourage regular attendance on the job.

SECTION 1. ELIGIBILITY

Upon completion of one (1) year of continuous active service, a new employee will be credited with 3.33 hours of sick leave for each month of such service and for each month of continuous active service completed thereafter. However, absence for occupational disability will not be deducted when determining the (1) year of continuous active service.

Employees whose continuous active service is interrupted after completion of one (1) year because of layoff, retirement, extended sick leave, death, or induction into the military service shall be entitled to receive pay for their unused sick leave credit. If continuous active service is

interrupted for any other reason, pro-rata sick leave will not be paid.

SECTION 2. COMPUTATION OF SICK LEAVE CREDIT

a. Credit toward sick leave will be allowed for a month in which continuous active service begins on or before the 16th day and for a month in which the continuous active service is interrupted on or after the 15th day.

b. Continuous absence of thirty (30) calendar days or more for any reason will be deducted when sick leave credit is calculated. However, absence for occupational disability will not be deducted during the sick leave credit year when the occupational disability occurs.

SECTION 3. PAY FOR SICK LEAVE

a. Except as provided in Section 3-b, unused sick leave up to a maximum of five (5) work days will be accumulated for all employees. When an employee has accumulated a credit in excess of five (5) work

days by January 1st of any calendar year, he shall be paid an amount equal to his unused sick leave in excess of five (5) work days.

b. Unused sick leave up to a maximum of ten (10) work days may be accumulated by any employee if he files a written request between December 1st and December 10th of any calendar year. Such request can only be changed between December 1st and December 10th of any calendar year. When such employee has accumulated sick leave credit in excess of ten (10) work days by January 1st of any calendar year, he shall be paid an amount equal to his unused sick leave in excess of ten (10) work days.

c. Pay for one (1) day's sick leave shall be equivalent to eight (8) hours at the employee's regular base rate of pay plus shift differential if applicable at the time it is used. Exception will be in the case of an employee who has less than eight (8) hours of sick leave credits remaining in his account. Such employee will be paid the remaining number of hours, upon

request, when granted sick leave pursuant to Section 4 of this Article.

d. Sick leave pay for absence due to illness shall not be in excess of five (5) days in any one calendar year except where an employee has exercised his option under the provisions of Section 3-b.

SECTION 4. USE OF SICK LEAVE CREDIT

a. Sick leave will be allowed for full work days only, and in the event that an employee leaves his work because of illness before the end of his regularly scheduled shift, he shall only be paid for the hours worked that day.

b. In order to be entitled to sick leave pay, an employee must notify the Company on or prior to the day of absence due to illness. The employee, or a person authorized to do so in his behalf, shall call the Dispensary for his plant or his supervisor and advise of such absence due to illness.

c. Sick leave is not a form of vacation, and only in justifiable cases will sick leave be approved to come directly before or after vacation. For an employee to obtain approval for such paid sick leave, a written request must have been filed by the employee with the Company setting out the reasons therefore and enclosing substantiating evidence acceptable to the Company.

ARTICLE XV

BEREAVEMENT PAY

In the event of the death of the spouse, child, mother or father, sister or brother, father-in-law or mother-in-law, brother-in-law, sister-in-law, stepparent or a stepparent of a current spouse, stepchild, stepsister or stepbrother, grandparents of a current spouse, grandparents, grandchildren, son-in-law, and daughter-in-law of any employee covered by this Agreement, such employee shall be granted an excused absence of three (3) working days at his

base rate of pay, exclusive of all premiums, shift differentials or overtime allowances, for the purpose of attending the funeral and conducting other associated activities.

The Company may require proof of death prior to payment.

ARTICLE XVI

GROUP BENEFIT PLANS

SECTION 1. ELIGIBILITY AND EFFECTIVE DATE OF COVERAGE

The provisions of Article XVI of this Agreement shall be amended as described below for employees in active service or on authorized Union Leave of Absence on the dates of the amendments. For employees on other approved leaves or layoff, revised Medical benefits will be effective on the date of this amendment if still eligible for such coverage, and all other amendments (except for Union Leave of Absence) will be effective upon their return to active service. The provisions of the Group Benefit Plans

not specifically modified below will remain in full force and effect.

SECTION 2. GROUP LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLANS

Group Life and Accidental Death and Dismemberment coverage is provided to active P&M employees who are covered under the Accident and Sickness Weekly Indemnity Plan, as follows:

Life Plan	Accidental Death & Dismemberment Plan (Principal Sum)
$32,000	$32,000

Effective July 1, 2003, coverage will increase as follows:

Life Plan	Accidental Death & Dismemberment Plan (Principal Sum)
$35,000	$35,000

If a covered employee should become totally disabled before his sixtieth birthday and cannot engage in any work for nine months,

coverage will be kept in force for as long as such employee continues to be so disabled.

An employee on layoff from the Company shall have the right to continue his Life and Accidental Death and Dismemberment coverage for a maximum of twelve months following the month during which layoff occurs by paying the full cost of such coverage.

An early retiree under the Level Income Special Allowance (LISA) program may elect at the time of retirement to purchase the full active amount of life coverage, minus coverage as a retiree, by paying the current full group cost of this coverage. Such individual may retain coverage to the first day of the month following such individual's 62nd birthday.

SECTION 3. SURVIVOR INCOME BENEFIT PLAN

Survivor Income Benefit Coverage (Transition and Bridge Benefits) is provided for eligible participants as follows:

a. The monthly Transition Benefit for a qualified survivor not eligible for unreduced Social Security Benefits is $210. If the qualified survivor is eligible

for unreduced Social Security Benefits, the monthly benefit is $140.

b. The monthly Bridge Benefit for an eligible surviving spouse is $210.

Effective July 1, 2003, coverage will increase as follows:

a. The monthly Transition Benefit for a qualified survivor not eligible for unreduced Social Security Benefits is $240. If the qualified survivor is eligible for unreduced Social Security Benefits, the monthly benefit is $160.

b. The monthly Bridge Benefit for an eligible surviving spouse is $240.

SECTION 4. ACCIDENT AND SICKNESS WEEKLY INDEMNITY PLAN

Accident and Sickness Plan benefits are available to all subscribing employees as follows:

Employee's Labor Grade	Weekly Benefit Amount
1-4	$280
5-9	$300
10-13	$330

Effective July 1, 2003, coverage will increase as follows:

Employee's Labor Grade	Weekly Benefit Amount
1-4	$300
5-9	$320
10-13	$350

The monthly cost to subscribing employees is $3.29 and will not increase during this contract.

Benefit payments begin on the first day of disability if disabled because of accident and on the eighth day of disability if disabled because of sickness. However, benefits will commence on the first day of hospital confinement for sickness or on the first day following outpatient surgery costing $25 or more.

The maximum duration of benefits is 52 weeks.

Accident and Sickness Plan benefits are reduced by the amount of any primary Social Security disability benefits for which the employee is eligible.

SECTION 5. MEDICAL BENEFITS

The current medical benefits coverage for eligible employees and dependents is continued subject to the following coverage revisions effective July 1, 2003.

The provisions of the revised Medical Plan are described in a separate document entitled Health Care Plans (summary plan description).

Medical Plan Options

1. The Company will continue to offer the current medical plan options.

2. In the event of layoff, medical coverage for employees and dependents will continue until the employee is covered by any other group medical plan either as an employee or as a dependent, but in no event beyond six months after the date of layoff. Required contributions, if any, must be paid during any period of such continuation of coverage. Additional months of coverage will be provided in accordance with the extended medical benefits coverage provisions

described in Section 8 of this Article XVI.

Traditional Medical Plan

The Traditional Medical Plan will be revised as follows:

1. The individual annual deductible will increase from the greater of $125 or 0.2 percent of the employee's base annual wage to $175. For families of three or more, the annual deductible maximum will increase from the greater of $375 or 0.6 percent of the employee's base annual wage to $525.

2. The deductible no longer will apply to network office, home, or hospital outpatient physician visits. Instead, a $15 copayment will apply to each office, home, or hospital outpatient visit to a network provider (except for covered preventive care and smoking cessation services). Allowed charges in excess of the copayment will be paid in full.

3. Other covered services currently paid in full will be paid at 95 percent after the deductible, including network provider services and ambulance services. Hospital alternatives (Christian Science sanatorium, hospice agency, and skilled nursing facility) will continue to be paid at 100 percent. Non-network services will continue to be paid at 60 percent. Covered services for preventive care and smoking cessation treatment will continue to be paid in full to the applicable benefit limits.

4. The prescription drug card program will continue to be offered. New copayments will be:

   a. $10 for generic drugs.

   b. $15 for brand-name drugs.

   c. The program will continue to provide up to a 34-day supply for these copayment amounts.

5. The mail service program also will continue to be offered. New copayments will be:

a. $20 for generic drugs.

b. $30 for brand-name drugs.

c. The program will continue to provide up to a 90-day supply for these copayment amounts.

Coordinated Care Plans

Coordinated Care Plan coverage will be revised as follows:

1. The office visit copayment will increase to $10.

2. Under the retail pharmacy program, copayments will be:

   a. $10 for generic drugs.

   b. $15 for brand-name drugs.

3. Under the mail service program, copayments will be:

   a. $20 for generic drugs.

   b. $30 for brand-name drugs.

4. If a Coordinated Care Plan does not offer the negotiated plan design, the Company will substitute the closest available plan design.

SECTION 6. COST OF MEDICAL PLANS

The cost of medical plans for eligible employees and dependents will be paid as follows:

1. Employee contributions for coverage under the Traditional Medical Plan will be as follows:

Traditional Medical Plan	7/1/03 – 6/30/04	7/1/04- 6/30/05	7/1/05- 6/30/06		
Employee only	$20	$30	$40		
Employee and spouse or same-gender domestic partner	$40	$60	$80		
Employee and child(ren)	$40	$60	$80		
Employee, spouse or same-gender domestic partner, and child(ren)	$60	$80	$100		

2. The Company will continue to pay the full cost of coverage under the Coordinated Care Plans.

3. The employee is required to contribute an additional $100 each month for medical coverage under the Group Benefit Plans to enroll a spouse or same-gender domestic partner if the spouse or same-gender domestic partner is eligible for medical coverage under another employer-sponsored plan and waives such coverage. This $100 contribution will not be required for a spouse or same-gender domestic partner who waived coverage under another employer-sponsored plan prior to eligibility for medical coverage under the Group Benefit Plans, provided the spouse or same-gender domestic partner enrolls at the other plan's next enrollment period or, if earlier, at an enrollment date allowed by the other plan.

4. If an employee fails to enroll, the employee automatically will be enrolled in employee-only coverage in the Traditional Medical Plan.

Medical benefit costs for eligible retirees and dependents will be paid as follows:

1. For eligible retirees who commenced receiving retirement benefits prior to January 1, 1993, as well as employees on the active payroll, on layoff, or on leave of absence on December 31, 1992, the Company will provide medical coverage for the duration of this agreement for retirees, their spouses and eligible dependents, surviving spouses and eligible dependents of the following categories, except as described in Paragraph 3 below:

   a. Of a pensioner who receives Company pension.

   b. Of an active employee who died while eligible to retire.

   Where coverage can be integrated with Medicare – Part B for retirees, it will be so integrated and the Company will continue the payment of Medicare – Part B premium.

2. For employees who are hired on or after January 1, 1993, the Company

will contribute 3 and 1/3 percent of the cost of retiree medical coverage for each year of service earned under the Non-Contributory Retirement Plan. Company contributions will be made only if such retiree authorizes deduction of the balance of such costs, if any, from the monthly retirement benefit payment.

3. The retired employee is required to contribute $100 a month to enroll a dependent spouse for Retiree Medical coverage if the spouse is eligible for coverage under another employer-sponsored plan as an active employee and waives such coverage. In no case will the retired employee be required to contribute more than the greater of the amount required in Paragraph b. above, or this paragraph, to enroll such spouse.

   For those eligible retired employees or eligible dependents whose coverage is with a health maintenance organization, the Company will contribute up to the amount the Company would otherwise be paying for retiree

medical coverage for such person under the Traditional Medical Plan.

Arrangements for medical coverage may be made through the Company to cover sponsored dependents of:

1. Employees.

2. Retirees covered under the Medical Plan benefits at the Company's expense, and

3. Surviving spouses of employees (if the sponsored dependents have been covered prior to the employees' death), but only if the surviving spouses are eligible for Medical Plan benefits at the Company's expense.

The employee, retiree, and surviving spouse will pay the full cost of the sponsored dependent's coverage monthly in advance. Employee payment shall be made by payroll deduction.

SECTION 7. ENROLLING IN THE MEDICAL PLANS

In designated locations, the Company provides employees with a choice among medical plans. The Traditional Medical Plan offers enhanced benefits when a member of its network is used. Coordinated Care Plans also rely on selected networks of providers.

Employees receive enrollment instructions at the time of employment and may elect medical coverage under one medical plan during the first 31 days of employment or by the date indicated on the enrollment worksheet, if later. All family members, including the employee, must be enrolled in the same medical plan.

The Company provides medical coverage as follows:

1. For employees who live or work in a Coordinated Care Plan service area.

   Employees who live or work in a coordinated care plan service area may enroll in a Coordinated Care Plan or the Traditional Medical Plan.

2. For employees who do not live or work in a Coordinated Care Plan service area.

   Employees may enroll in the Traditional Medical Plan.

3. Each employee with a spouse or same-gender domestic partner must provide information regarding coverage available through another employer to determine whether or not special contributions are required to enroll the spouse or same-gender domestic partner. If the employee does not authorize a required contribution, the spouse or same-gender domestic partner will not be enrolled for medical coverage. The employee will not be able to enroll the spouse or same-gender domestic partner until the earlier of:

   a. The next annual enrollment period.

   b. The date the spouse loses the option to be covered under the other employer-sponsored medical plan.

The Company will require periodic verification of data.

Transfer between Plans:

Transfer between plans is permitted only during annual enrollment periods or following a change of residence.

1. Annual enrollment period

   The Company establishes an annual enrollment period on or before July 1 each year when employees may change medical plans.

2. Change of residence

   An employee who moves either into or out of a coordinated care plan service area has 31 days to select among approved alternative plans. It is the employee's responsibility to notify the Company of this change within the 31-day period.

SECTION 8 . MEDICAL COVERAGE – DURING LAYOFF

In the event of layoff, the Company will provide medical coverage for laid off employees and their eligible dependents as described in Section 5.2. of this Article XVI. Additional months of medical coverage will be provided to laid off employees and their eligible dependents in accordance with the following schedule:

Years of Seniority at Commencement of Layoff	Max No. of Months of Extended Medical Benefits Coverage
Less than 1	0
1 but less than 2	1
2 but less than 4	2
4 and over	3

SECTION 9. DENTAL PLAN

The fully Company-paid comprehensive dental plan will continue to be provided to active employees and their eligible dependents, subject to the following coverage revision effective July 1, 2003.

A. The annual benefit maximum will be increased to $2,000.

In the interest of providing coverage for quality dental care in a cost-effective manner, the Company and Union agree that during the term of this Collective Bargaining Agreement, if an alternate prepaid provider (capitation) or similar dental program becomes available, the Company and Union will consider and if mutually acceptable, implement such a program on a dual employee election basis.

SECTION 10. VISION CARE PLAN

A Company-paid Vision Care Plan will continue to be provided to eligible actively employed employees and their eligible dependents.

SECTION 11. MISCELLANEOUS

a. The details of the Group Life, Accidental Death and Dismemberment, Accident and Sickness, Survivor Income Benefit, Medical, Dental and Vision Care coverages are set out in a booklet (Summary Plan Description)

which will be available to all participants.

b. The Group Life, Accidental Death and Dismemberment, Accident and Sickness, Survivor Income Benefit, Medical, Dental and Vision Care Plans will be administered by the Company, or an administrative agent selected by the Company. The Group coverage starting date for a new employee shall be on the first day of the month following one full month of employment. Recalled employee benefit coverage shall become effective on the first of the month following recall.

c. Employees who, prior to the effective date of this Agreement were not insured under the Group Life, Accidental Death and Dismemberment, Accident and Sickness, Survivor Income Benefit, Medical and Dental Plans, or who desire to be reinstated in those plans, must enroll within ninety (90) days of the effective date of this Agreement. Thereafter, such employees will be required to complete a statement of

Physical Condition and be approved in compliance with provisions of the policies.

d. The parties hereto recognize that circumstances may dictate the advisability of a change in the present practice of administering the benefits hereunder with the present insurance carriers or administrative agents. In the event that a change becomes desirable with respect to group benefits, the Company will notify the Union as soon as practicable and in any event prior to the effective date of such change.

e. The Company will not pay applicable plan costs for any employee during the time said employee is on leave of absence, except during such periods that he is on vacation, sick leave and receiving Accident and Sickness Benefits or authorized leave to serve as an Officer of the Local Union. Payment of the $3.29 monthly employee cost is required. Dental and Vision Care coverage will not be continued at Company cost during leave of absence, except for authorized leave

to serve as an officer for the Local Union.

f. The Company will not pay applicable plan costs for any employee during the time said employee is on layoff except as provided in Section 8 above.

g. If during the term of this Agreement there is mandated by federal or state government a program that affords similar benefits (such as but not limited to medical, dental and vision care benefits) to those that are afforded by this Agreement, benefits afforded by this Agreement will be replaced by such federal or state program. The Company will comply with the provisions for the furnishing of such program to the extent required by law.

SECTION 12. GROUP BENEFIT PLANS NOT SUBJECT TO GRIEVANCE PROCEDURE

No matter respecting the provisions of these plans shall be subject to the Grievance Procedure established in this Agreement.

ARTICLE XVII

VOLUNTARY INVESTMENT PLAN

SECTION 1. CONTINUATION OF PLAN

Subject to the approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, a Voluntary Investment Plan (hereafter called the Plan) entered into by Boeing Rotorcraft, a division of The Boeing Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local 1069, shall be continued in accordance with the terms, conditions and limitations of the plan, subject to amendments as provided in Section 2. below.

SECTION 2. CHANGES IN PLAN

Subject to action by the Company's Board of Directors and to the approvals specified in Section 2.e.1., all provisions of the Plan are to remain unchanged with the exception of the following amendments, effective July 1, 2003:

a. For every dollar that an employee contributes, up to 4% of base pay, the Company will contribute 50 cents.

b. The employee contribution limit – for pretax and after-tax contributions combined – will be 20 percent of base pay.

c. The Boeing Stock Fund portion of the VIP will be designated as an ESOP (Employee Stock Ownership Plan). Employees who have all or a portion of their VIP account invested in the Boeing Stock Fund will be able to choose 100 percent cash payment of dividends. Alternatively, employees may continue automatic reinvestment of those dividends.

d. At such time as the Company has determined that it is able to comply with the relevant requirements under the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the Plan will be amended to permit "catch up contributions" by participants age 50 and older.

e. The following provisions will apply to the Voluntary Investment Plan:

1. Approval Of Plan

Approval of the Plan by the Commissioner of Internal Revenue as referred to in Section 1, means a continuing approval sufficient to establish that the Plan and related trust or trusts are at all times qualified and exempt from income tax under Section 401(a), - Section 401(k) and other applicable provisions of the Internal Revenue Code of 1986 and that contributions made by the Company under the Plan are deductible for income tax purposes in accordance with law. The cognizant governmental authorities referred to in Section 1 include, without limitation, the Department of Labor and the Securities and Exchange Commission, and their approval means their confirmation with respect to any matter within their regulatory authority that the Plan does not conflict with applicable law.

2. Continuation Beyond Agreement

The Company shall not be precluded from continuing the Plan in effect as to employees within the unit to which this Agreement relates, after expiration or termination of this

Agreement, subject to the terms, conditions, and limitations of the Plan.

3. Technology and Administrative Enhancements

Innovations in technology and administrative practices can give savings plan participants better access to information about their benefits, increased investment options, timely on-line transaction capability and enhanced administrative features. Accordingly, when the Company identifies administrative services that in its estimation reflect industry best practices, the Employee Benefit Plans Committee has discretion to adopt these changes to the VIP Plan. The Company will notify the Union in advance of implementation of any changes adopted by the Employee Benefit Plans Committee.

4. Required Plan Amendments

The Company reserves the right to amend the Plan to satisfy all requirements of Section 401(a), Sections 401(k) or any other

applicable provision of the Internal Revenue Code of 1986.

5. Participant Elective Contributions Not Applicable For Other Purposes

It is acknowledged that the election of a member to convert a portion of his or her base pay under the terms of the Plan will be effective for purposes of the Plan and will reduce the member's compensation insofar as certain payroll taxes may be applicable. However, for all other employment related purposes, including all of the member's rights and privileges under this labor agreement, his or her base pay or compensation will be considered as though no election had been made.

ARTICLE XVIII

RETIREMENT PLAN

The provisions of the Retirement Plan are set out in a separate document entitled "Non-Contributory Retirement Plan."

NON-CONTRIBUTORY RETIREMENT PLAN

The "Non-Contributory Retirement Plan" executed by Boeing Rotorcraft, a Division of The Boeing Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and its Local 1069, shall remain in full force and effect except as amended below:

> The monthly benefit rate for employees who retire or terminate from employment with a deferred pension entitlement on or after October 1, 2002, will be fifty-eight dollars ($58.00) for each year of credited service earned.

Pre-Retirement Surviving Spouse Benefit Improved:

- For terminated vested participants who start their retirement benefit after the effective date, the reduction in benefit to provide surviving spouse protection will be eliminated.
- Eliminate the one-year requirement of marriage for a spouse to be eligible for the pre-retirement survivor benefit.

Temporary Upgrades:

- Employees who on a temporary basis, are made non-union employees, for 1 day to 90 days, will be left this pension plan to continue accruing credits. If or when they are permanently reclassified to a non-union position, they would become an ineligible participant in this plan.

Small Benefit Payments:

- Allow for lump sum payments for benefits less than $5,000 upon commencement of benefit or death.

Normal Retirement Age:

- A participant's Normal Retirement age shall be age 65.

Carryover Hours for Laid Off Participants:

- Employees who are laid off will receive up to 1 year of credited service (1,700 hours). The credited service will be less than one year, if a participant retires, dies, rehires or loses seniority rights.

Optional Form of Benefit: Life with 10-Year Certain Option – Effective 3rd Quarter of 2003:

- A 10-year Certain and Life option will be offered. The new option will guarantee payments for the participant's lifetime, or for 10 years, whichever is longer. If the retiree dies before the end of the 10 years, payments will continue for the remainder of the 10-year period, payable to the retiree's named beneficiary. The benefit will be actuarially reduced to cover the cost of this option. This option will not be available to employees who take disability retirement.

The parties agree that the Plan shall continue in effect, that the amendments to the Plan negotiated by the Company and the Union shall be effective October 1, 2002 and the employees retired before October 1, 2002 shall be subject to the Plan provisions in effect. The parties further agree that, pursuant to Section 9.1.(b) of the Plan, the Company shall have the right, during the term of the Agreement, to make any amendment to the Plan, or any related trust, made necessary by the Employee

Retirement Income Security Act of 1974 ("ERISA") and to make any such amendment effective as required by ERISA.

ARTICLE XIX

BULLETIN BOARDS

SECTION 1. USE OF BULLETIN BOARDS

The Company will erect Bulletin Boards to be used by the Union for posting notices restricted to:

a. Notices of Union Recreational and Social Affairs.

b. Notices of Union elections, appointments, and results of Union elections.

c. Notices of Union meetings.

d. Such other notices as are mutually agreed upon.

SECTION 2. POSTING

A copy of all such notices shall be given to the Manager of Labor Relations (or his designee) before posting and shall be countersigned by the President of the Local Union. There shall be no other distribution or posting by employees of notices, pamphlets, advertising or political matter, or any kind of literature upon Company property, except as the parties may from time to time otherwise agree.

Distribution of the official newspaper of Local 1069, UAW, may be made outside the secured areas of the plants.

SECTION 3. NUMBER AND *LOCATION OF* BOARDS

The number and location of such Bulletin Boards shall be decided by the Company after consultation with the Union.

ARTICLE XX

SAFETY AND HEALTH

SECTION 1. OBJECTIVE

The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment.

The Union agrees that it will encourage its members to work safely and to cooperate to the fullest extent with the Company's safety regulations, in order to avoid accidents and eliminate any hazardous conditions within the plant.

SECTION 2. USE OF SAFETY DEVICES

Safety protective devices and wearing apparel for the safety of employees during working hours shall be supplied by the Company where the Company requires use of such devices or apparel as a condition of employment. Accordingly, with regard to safety shoes, the Company agrees to provide employees up to $50.00 per year toward the purchase of steel-toed safety

shoes where such shoes are mandatory due to regulatory compliance or Company discretion.

SECTION 3. SAFETY COMMITTEE

a. There shall be a Safety Committee composed of the Manager of Safety (or his designee), and a representative of the Manager of Labor Relations and a committee of not more than five (5) employees who have been appointed by the Union.

b. The Safety Committee will meet once a month for the purpose of making recommendations on safety and health conditions and for the purpose of making safety tours when mutually agreed upon by the Manager of Safety and the Chairman of the Union Safety Committee. The time for the safety tour, when taken, will be mutually agreed upon with the Manager of Safety and the Chairman of the Union Safety Committee.

SECTION 4. WORK ASSIGNMENTS

a. An employee shall not be discharged for refusing to work on a job if his refusal is based on the claim that said job is not safe or might unduly endanger his health, until a determination has been made by the Manager of Safety or a qualified member of his staff and/or the Medical Director as to whether the job is safe or unsafe.

b. In the event of any refusal covered in Section 4.a, the Union's Safety Committee member for the area, the Shop Steward and Committeeman will, upon request, be released for consultation with the employee, the Manager of Safety or a qualified member of his staff and/or the Medical Director.

c. Pending such determination, the employee will be given suitable work elsewhere in the plant, if such work is available. If no suitable work is available he shall be sent home. The time lost by the employee when so sent home shall not be paid for by the Company.

ARTICLE XXI

JOB EROSION COMMITTEE

Controversies between the Company and the Union, arising out of Union jurisdictional claims as to employees properly to be included in the collective bargaining unit defined in Article I, of this Agreement, and to work assignments of unrepresented individuals, shall be discussed by a Joint Committee. Such Committee shall be composed of the President of Local 1069, the Chairman of the Shop Committee, the UAW International Representative, the Manager of Labor Relations and the appropriate Department Head, or his designee. The purpose of such discussion shall be to attempt to resolve any such controversies.

ARTICLE XXII

MISCELLANEOUS

SECTION 1.

Nothing in this Agreement shall in any way limit the Company in the enforcement of its legal rights under state

or federal law or shall affect the Company's obligation to comply with the laws, regulations, or directives of the state or federal governments.

In the event that any provision of this Agreement shall be held to be invalid under state or federal law, the validity of its remaining provisions shall not be impaired.

SECTION 2.

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

ARTICLE XXIII

DURATION

This Agreement shall remain in full force and effect until midnight at the close of September 1, 2005, and thereafter for yearly periods unless notice is given in writing either by the Company or the Union to the other party, not less than sixty (60) days prior to the expiration of any such period, of its desire to modify, amend or terminate the Agreement. In the event that such notice is given, the parties shall begin

negotiations within forty-five (45) days prior to such September 1st.

If the parties are unable to reach agreement by midnight at the close of September 1, 2005, they may respectively resort to strike or lockout in support of their positions, not sooner than ten (10) days after September 1, 2005. Such action can be taken only if, after September 1, ten (10) days written notice is served on the other party of its intention to do so. During the ten (10) day period following the service of such notice, the contract will remain in full force and effect. The contract shall terminate after such ten (10) day period unless specifically extended by written agreement.

The Union, in consideration of the benefits, privileges, and advantages provided in this Agreement and as a condition to the execution of this Agreement, suspends meetings in collective bargaining negotiations with the Company during the life of this Agreement with respect to any further demands, including pension or insurance for employees or with respect to any question of wages, hours, or working conditions, except as otherwise herein specifically provided, or as may be

dealt with as a grievance under Article VI hereof.

The notice referenced in the first paragraph shall be sent by certified mail addressed, if to the Union, to Local 1069, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, 1000 East 4th Street, Eddystone, Pennsylvania 19022; and if to the Company, to Boeing Rotorcraft (A division of The Boeing Company), Boeing Center, P.O. Box 16858, Philadelphia, Pennsylvania 19142.

ARTICLE XXIV

GLOSSARY OF DEFINITIONS, TERMS AND PHRASES

The following definitions shall apply:

> **"As Directed"** means some determinations connected with the work assignment are usually and normally made by others and are given or made known to the employee directly concerned with the assignment.

"As Necessary" means the recognition of the need for (and the performance of) work operations, other than those routinely performed.

"As Required" or **"As Assigned"** means the performance of work operations if and when such are assigned.

"Assembly Prints" are reproductions of drawings whose primary purpose is to provide Assembly information.

"Assist" means to help or aid an employee in the performance of the duties described in his job description. The assisting worker is not expected to work wholly independently, but rather cooperatively and is entitled to, and should receive, the guidance and instructions necessary under the existing circumstances.

"Base Rate" an employee's hourly rate of pay determined under the applicable provisions of Article XI, Sections 2 and 3, excluding all

allowances, differentials, adjustments, bonuses, awards and premiums.

"Base Rate Ranges" the minimum and maximum rates of pay for each labor grade established under Article XI, Section 2.

"Company Standards of Good Housekeeping Practice" refers to the requirement for an employee to maintain his immediate work area in a specified condition of orderliness and cleanliness.

"Company Standards of Workmanship" means the identified requirements for dimensional accuracy, finish, condition and appearance of the work.

"Detail Prints" are reproductions of drawings whose primary purpose is to provide information for the fabrication of detail parts.

"Downgrade" shall refer to placement within a labor grade lower than the grade currently occupied.

"Incidental Work" shall be those tasks performed which fall outside of an employee's regular assignment, on an as needed basis, in the performance of daily work assignments. Examples include moving parts within the shop, clean-up, cross training, visual machine checks.

"Job Classification" shall refer to the job title and grade within a job family.

"Job Description" shall be the written description of tasks and responsibilities required to accomplish a portion of a manufacturing process.

"Job Family" shall refer to job classification groupings as defined in Appendix A & B, i.e., Maintenance

Mechanic is a job family which includes the job classification Maintenance Mechanic A and Maintenance Mechanic B.

"Lateral Reclassification" shall refer to transfer from one job classification to another with no change in labor grade.

"Lateral Transfer" shall refer to transfer between organizations, areas, buildings, etc., with no change in job classification or labor grade.

"Layoff" shall refer to a separation from the Company's active payroll status due to a surplus condition.

"Major Duties" shall be those tasks and responsibilities included in the job description that determine the labor grade of the work performed.

"May" when used as the first word in a sentence or phrase means that the function is performed by some of

the personnel holding the classification or the function is occasionally performed by all personnel holding the classification.

"Organization of Work" shall be the grouping of tasks / functions required for the accomplishment of a manufacturing process.

"Other Specified Documents" refers to materials, other than specifications or prints, which provide information relative to the work or equipment involved.

"Promotion" shall refer to placement within a higher labor grade than the grade currently occupied.

"Re-Activation" shall refer to a return to the active payroll from layoff status through application of a reactivation request.

"Re-Activation Request" shall refer to an employee-generated

request for recall to a job other than those in which he/she has recall rights.

"Seniority" shall mean the length of continuous service with Boeing Rotorcraft (A Division of the Boeing Company) computed from the employee's most recent date of hire. The possession of such seniority shall entitle the employee to certain rights hereinafter provided.

"Specifications" are technical information relative to materials, processes, procedures, tolerance and finish requirements, and the like.

"Surplus" shall refer to the Company determination that there are excess employees within a job classification.

"Use all materials, tools, equipment and instruments necessary in the performance of above duties." This statement is intended to cover the use of the

materials, tools, equipment or instruments normal to the trade or occupation as it is used in the Rotorcraft Division.

ARTICLE XXV

JOBS COMMITTEE AND JOBS DEVELOPMENT

SECTION 1. DEVELOPMENT OF NEW OR REVISED JOBS

When work operations involving new or substantially changed job requirements are established by the Company after the effective date of this Agreement and such requirements are not adequately or specifically described in an existing job, new or revised job descriptions will be established and installed for use as described below:

a. The Company, based on new or substantially changed job requirements, shall establish, describe and install a new job and suggest placement in an appropriate labor grade based on use of the jointly agreed upon classification system and submit such to The Joint Company and Union Jobs Committee (hereafter referred to as Jobs

Committee) for their review and recommendations, or;

b. The Jobs Committee will bring forward to the Company its recommendations for describing new or substantially change job requirements and suggest placement in an appropriate labor grade based on use of the jointly agreed upon classification system.

If the Union challenges the labor grade or the description of the tasks performed in regard to the new or revised job, the Jobs Committee Chairmen shall meet promptly, at a mutually agreed time, for the purpose of attempting to reach agreement as to the appropriate labor grade or description of the job tasks. The parties shall discuss the job description and changes shall be made by the Company in the interest of clarity, better understanding, or to more appropriately describe the tasks performed; however, the organization of work shall not be affected.

If the labor grade or job description is changed, such change will be retroactive to the date of the installation by the Company. In the event the parties are unable to reach

agreement on the labor grade or description of the job tasks performed, such dispute may be submitted to arbitration as stated in Article VI of the Agreement, within ten (10) days following the final Jobs Committee meeting. However, neither the organization of work nor the job tasks assigned shall be subject to arbitration.

SECTION 2. JOBS CLASSIFICATION COMMITTEE

a. A Joint Committee shall be established consisting of four (4) representatives appointed in writing by the Local Union President and four (4) representatives appointed in writing by the Company's Director of Labor Relations. The Company and the Union will each appoint a chairman of its group.

b. The Committee shall, as determined jointly by its Chairmen, review the current job classification system in order to maintain the integrity of the system and to develop and

implement plans for change that will provide job enhancement, employment security, and productivity improvements.

c. The Chairmen shall jointly recommend the adoption by the Company and the Union changes in the job classification system. Such recommendations, however, shall be wholly advisory and shall not reopen the Collective Bargaining Agreement.

d. The Committee will study, develop and make recommendations to the Company and the Union for establishment and installation of new or redefined job descriptions to support new or redefined work during the life of the Collective Bargaining Agreement.

e. The Committee will function through the life of the Bargaining Agreement.

f. The Company and Union Chairmen will establish Committee meeting locations, schedules, and procedures. Meetings shall be held no less than quarterly to support and facilitate anticipated changes in production systems during the life of the Bargaining Agreement.

BOEING ROTORCRAFT
(A Division of The Boeing Company)

BY: PATRICK M. SHANAHAN
VICE PRESIDENT & GENERAL MANAGER

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE & AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA (UAW)
AND ITS LOCAL UNION 1069

BY: CAL RAPSON
VICE PRESIDENT AND DIRECTOR
UAW AEROSPACE DEPARTMENT

JAMES P. DONAHUE
INTERNATIONAL REPRESENTATIVE

BRUCE PONTIA
INTERNATIONAL REPRESENTATIVE

JOHN M. DEFRANCISCO
PRESIDENT LOCAL 1069 UAW

JAMES R. JOHNSON
CHAIRMAN, SHOP COMMITTEE

HOWARD L. BISHOP - COMMITTEEMAN
ROBERT S. BROMLEY - VP/COMMITTEEMAN
CHARLES W. EVANS - COMMITTEEMAN
JOSEPH C. HILFERTY - COMMITTEEMAN
PATRICK C. HOFFMANN - COMMITTEEMAN
DONALD J. HUDSON - COMMITTEEMAN
JOHN P. JENNINGS - COMMITTEEMAN
DANIEL A. MCMULLIN - COMMITTEEMAN
JOSEPH D. PHILLIPS - SECY/TREASURER
DOUGLAS F. WILLIAMSON - RECORDING SECY.
RICHARD J. WYSOCKI - COMMITTEEMAN

MANUFACTURING SENIORITY UNIT
NON-INTERCHANGEABLE
OCCUPATIONAL GROUPS

FAMILY NAME	GRADE	JOB CLASSIFICATION
1. Dispatching	8	Surplus and Salvage Processor
	8	Senior Clerk-Receiving
	7	Material Handler A
	4	Material Handler B
	3	Clerk-Shop
2. Shipping & Receiving	3	Packager
3. Automotive	9	Construction Equipment Operator
	7	Tractor-Trailer Operator
	6	Senior Automotive Equipment Operator
	5	Automotive Equipment Operator
4. Tool Cribs	6	Toolkeeper
	3	Tool Crib Attendant
	3	Clerk-Shop
5. Welding	9	Welder-Combination
	5	Welder-Arc
6. Spot Welding	9	Resistance Welding-Certification Man
	7	Spotwelder
		Sheetmetal Worker B

FAMILY NAME	GRADE	JOB CLASSIFICATION
7. Wood Workers	12	Pattern and Model Builder
	9	Toolmaker-Wood A
	9	Maintenance Carpenter/Mason A
	6	Toolmaker-Wood B
	6	Maintenance Carpenter/Mason B
	2	Tank and Spray Booth Cleaner
	2	Laborer
8. Foundry	8	Die Molder and Finisher
9. Plaster Patterns	12	Breakdown Fabrication Man A
	11	Patternmaker-Tooling A
	8	Patternmaker-Tooling B
	2	Utilityman-Tools and Jigs
10. Flight Test & Final Assembly Mechanical	13	Flight Test Crew Chief
	10	Flight Test Mechanic A
	10	Mockup Mechanic
	9	Aircraft Mechanic
	7	Flight Test Mechanic B
	7	Aircraft Assembler

FAMILY NAME	GRADE	JOB CLASSIFICATION
11. Flight Test & Final Assembly	13	Instrumentation Mechanic A
	10	Electrician Auto Checkout
	10	Mockup Electrician
	9	Aircraft Electrician
	9	Instrumentation Mechanic B
	7	Electrical Bench Assembler A
	7	Aircraft Assembler
	4	Electrical Bench Assembler B
12. Aircraft Painter	7	Painter-Aircraft A
	4	Painter-Aircraft B
	2	Dip Line Attendant
13. Sheet-metal	10	Operator-Power Hammer
	10	Sheetmetal Mechanic A
	9	Sheetmetal Worker A
	8	Drop Hammer Operator
	7	Sheetmetal Mechanic B
	7	Hydropress Operator A
	6	Sheetmetal Worker B
	4	Hydropress Operator B
	2	Burrer

FAMILY NAME	GRADE	JOB CLASSIFICATION
15. Composite Fabricator	9	Weight Control Mechanic-Rotor Blade
	8	Blade Balancer
	8	Composite Fabricator
16. Heat Treating	8	Heat Treater-Steel
	6	Shotpeener
	5	Heat Treater-Steel Production
	5	Heat Treater-Aluminum
	4	Sandblaster and Finisher
	2	Alodizer and/or Dichromater
17. Plating & Processing	8	Process Man
	7	Process Man-Blade Spars
	5	Sandblaster and Finisher-Metal Spars
	4	Sandblaster and Finisher
	2	Alodizer and/or Dichromater
18. Assembly	8	Rotor Blade Mechanic
	8	Assembler-Sheetmetal A
	5	Assembler-Sheetmetal B
	3	Riveter
19. Fabric & Upholstery	10	Fabric-Mockup
	7	Fabric Man
	4	Sewing Machine Operator

FAMILY NAME	GRADE	JOB CLASSIFICATION
20. Tool & Die	13	Breakdown Man Tool and Die A
	12	Tool and Die Maker A
	12	Setup Coordinator-Machining
	12	Development Man-Gears
	11	Machinist Assembler
	11	Jig Borer Operator
	10	Layout Man
	10	Machinist A
	10	Breakdown Man Tool and Die B
	10	Gear Cutter and Grinder
	9	Tool and Die Maker B
	8	Machinist B
	2	Utilityman-Tools & Jigs
21. Jig & Fixtures	12	Breakdown Fabrication Man A
	11	Jig and Fixture Builder A
	11	Tool-Template A
	9	Breakdown Fabrication Man B
	9	Fittings Mechanic A
	8	Jig and Fixture Builder B
	8	Tool-Template B
	8	Tool Procurementman A
	6	Fittings Mechanic B
	6	Tool Procurementman B
	2	Utilityman-Tools & Jigs

FAMILY NAME	GRADE	JOB CLASSIFICATION
22. Turning	12	Setup Man-Turning
	9	Turning Operator-All Around
	8	Job Assembler-Turning
	7	Turning Operator
23. Milling	10	Setup Developer-Milling
	9	Milling Operator-All Around
	8	Job Assembler-Milling
	7	Milling Operator
24. Power Tool	9	Multiple Action Press Operator A
	8	Router Operator-All Around
	7	Stretch Forming Machine Operator
	7	Operator-Brake A
	6	Punch Press Operator A
	6	Multiple Action Press Operator B
	5	Shear Operator
	5	Bandsaw Operator A
	5	Router Operator
	4	Operator-Brake B
	3	Punch Press Operator B
	3	Bandsaw Operator B

FAMILY NAME	GRADE	JOB CLASSIFICATION
25. Drilling	8	Setup Developer-Drilling
	7	Radial Drill Press Operator
	6	Job Assembler-Drilling
	5	Drill Press Operator
26. Grinders	10	Tool and Cutter Grinder A
	10	Setup Developer-Grinding
	9	Grinder A
	7	Tool and Cutter Grinder B
	7	Job Assembler-Grinding
	6	Grinder B
	3	Drill Sharpener
27. Bench	7	Bench Mechanic A
	5	Bench Mechanic B
28. Maintenance Mechanic	10	Maintenance Mechanic A
	9	Maintenance Inspector
	9	Millwright A
	9	Automotive Equipment Mechanic
	8	Maintenance Mechanic B
	6	Millwright B
	4	Maintenance Oiler
	2	Tank and Spray Booth Cleaner
	2	Laborer

FAMILY NAME	GRADE	JOB CLASSIFICATION
29. Maintenance Plumbers	9	Maintenance Pipefitter-Plumber A
	6	Maintenance Pipefitter-Plumber B
	2	Tank and Spray Booth Cleaner
	2	Laborer
30. Maintenance Electrical	10	Maintenance Electrician A
	7	Maintenance Electrician B
	6	Overhead Crane Operator
	6	Crane Rigger
	2	Tank and Spray Booth Cleaner
	2	Laborer
31. Air Conditioning	9	Air Conditioning Mechanic A
	6	Air Conditioning Mechanic B
	2	Tank and Spray Booth Cleaner
	2	Laborer
32. Maintenance Metalman	9	Maintenance Metalman A
	6	Maintenance Metalman B
	2	Tank and Spray Booth Cleaner
	2	Laborer
34. Maintenance Boiler	8	Boiler Operator-High Pressure

FAMILY NAME	GRADE	JOB CLASSIFICATION
35. Maintenance Painters	7	Maintenance Painter A
	2	Tank and Spray Booth Cleaner
	2	Laborer
36. Tube Bending	7	Tube Bender and Mockup
	7	Aircraft Assembler
37. Yardman	5	Gardener
	2	Laborer
38. Locksmith	8	Locksmith
40. Timekeepers	7	Payroll Coordinator
41. Electronic Mechanical Assembly	4	Electronic Equipment Assembler
42. Dynamic Balancer	7	Dynamic Balancer
44. Electrical Circuit	6	Circuit Card Fabricator
45. Maintenance Electronics	12	Maintenance Electronics Man A
	9	Maintenance Electronics Man B
50. Whirl Tower	9	Whirl Tower Operator-Rotor Blades
51. Transmission & Rotors	10	Transmission Mechanic A
	8	Transmission Mechanic B

FAMILY NAME	GRADE	JOB CLASSIFICATION
52. Develop-mental	13	Senior Developmental Mechanic
	10	Developmental Mechanic A
	8	Developmental Mechanic B
53. Facilities Supply	7	Supplyman-Facilities
58. Facilities Services	3	Facilities Plant Services Dispatcher
59.Blueprint PCA	1	Blueprint Control Clerk

INSPECTOR SENIORITY UNIT NON-INTERCHANGEABLE OCCUPATIONAL GROUPS		
FAMILY NAME	**GRADE**	**JOB CLASSIFICATION**
80. Flight	13	Inspector-Pre Flight
	11	Inspector-Final Assembly
	9	Inspector-Whirl Tower-Rotor Blade
	8	Inspector-Fuselage Assembly

FAMILY NAME	GRADE	JOB CLASSIFICATION
81. Processing	8	Inspector-Process Control A
	8	Inspector-Magnetic and Penetrant A
	5	Inspector-Process Control B
	5	Inspector-Magnetic and Penetrant B
82. Tooling	13	Inspector-Research & Development
	12	Inspector-Tooling A
	11	Inspector-Precision
	9	Inspector-Tooling B
	8	Inspector-Receiving & Shipping A
	8	Inspector-Machined Parts
	5	Inspector-Receiving & Shipping B

FAMILY NAME	GRADE	JOB CLASSIFICATION
83. Sheet-metal	10	Inspector-Fabrication Development
	9	Inspector-Composites
	9	Inspector-Detail, Sheetmetal A
	8	Inspector-Mechanical Assembly A
	7	Inspector-Plating, Finishing and Fabrics
	6	Inspector-Detail, Sheetmetal B
	5	Inspector-Mechanical Assembly B
84. Electrical	12	Inspector-Mechanic Functional Test A
	10	Inspector-Mechanic Functional Test B
85. Non-Destructive Testing	11	Inspector-Non-Destructive Test
88. Cali-bration	12	Inspector-Calibration Certification A
	9	Inspector-Calibration Certification B

APPENDIX B

MANUFACTURING SENIORITY UNIT

INTERCHANGEABLE OCCUPATIONAL UNIT

FAMILY NAME	GRADE	JOB CLASSIFICATION
78.	1	Upholstery Helper
	1	Process Helper
	1	Parts Numberer
	1	Material Handler
	1	Masker and Cleaner
	1	Janitor
	1	Utility Man and Cleaner

APPENDIX C

PRODUCTION & MAINTENANCE CLASSIFICATIONS

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Air Conditioning Mechanic A	9	31
Air Conditioning Mechanic B	6	31
Aircraft Assembler	7	10, 11, 36
Aircraft Electrician	9	11
Aircraft Mechanic	9	10
Alodizer and/or Dichromater	2	17, 16
Assembler-Sheetmetal A	8	18
Assembler-Sheetmetal B	5	18
Automotive Equipment Mechanic	9	28
Automotive Equipment Operator	5	3
Bandsaw Operator A	5	24
Bandsaw Operator B	3	24
Bench Mechanic A	7	27
Bench Mechanic B	5	27

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Blade Balancer	8	15
Blueprint Control Clerk	1	59
Boiler Operator – High Pressure	8	34
Breakdown Fabrication Man A	12	21, 9
Breakdown Fabrication Man B	9	21
Breakdown Man Tool & Die A	13	20
Breakdown Man Tool & Die B	10	20
Burrer	2	13
Circuit Card Fabricator	6	44
Clerk – PCA Records	2	59
Clerk Shop	3	1, 4
Composite Fabricator	8	15
Construction Equipment Operator	9	3
Crane Rigger	6	30

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Development Man-Gears	12	20
Developmental Mechanic A	10	52
Developmental Mechanic B	8	52
Die Molder and Finisher	8	8
Dip Line Attendant	2	12
Drill Press Operator	5	25
Drill Sharpener	3	26
Drop Hammer Operator	8	13
Dynamic Balancer	7	42
Electrical Bench Assembler A	7	11
Electrical Bench Assembler B	4	11
Electrician Auto Checkout	10	11
Electronic Equipment Assembler	4	41

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Fabric Man	7	19
Fabric – Mockup	10	19
Facilities Plant Services Dispatcher	3	58
Fittings Mechanic A	9	21
Fittings Mechanic B	6	21
Flight Test Crew Chief	13	10
Flight Test Mechanic A	10	10
Flight Test Mechanic B	7	10
Gardener	5	37
Gear Cutter and Grinder	10	20
Grinder A	9	26
Grinder B	6	26
Heat Treater – Aluminum	5	16
Heat Treater – Steel	8	16
Heat Treater – Steel Production	5	16
Hydropress Operator A	7	13
Hydropress Operator B	4	13

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Inspector-Calibration/ Certification A	12	88
Inspector-Calibration/ Certification B	9	88
Inspector-Composites	9	83
Inspector-Detail, Sheetmetal A	9	83
Inspector-Detail, Sheetmetal B	6	83
Inspector-Fabrication Development	10	83
Inspector-Final Assembly	11	80
Inspector-Fuselage Assembly	8	80
Inspector-Machined Parts	8	82
Inspector-Magnetic & Penetrant A	8	81
Inspector-Magnetic & Penetrant B	5	81
Inspector-Mechanical Assembly A	8	83

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Inspector-Mechanical Assembly B	5	83
Inspector-Mechanic Functional Test A	12	84
Inspector-Mechanic Functional Test B	10	84
Inspector-Non-Destructive Testing	11	85
Inspector-Plating, Finishing and Fabrics	7	83
Inspector-Precision	11	82
Inspector-Pre Flight	13	80
Inspector-Process Control A	8	81
Inspector-Process Control B	5	81
Inspector-Receiving & Shipping A	8	82
Inspector-Receiving & Shipping B	5	82
Inspector-Research & Development	13	82
Inspector-Tooling A	12	82
Inspector-Tooling B	9	82

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Inspector-Whirl Tower-Rotor Blades	9	80
Instrumentation Mechanic A	13	11
Instrumentation Mechanic B	9	11
Janitor	1	78
Jig Borer Operator	11	20
Jig and Fixture Builder A	11	21
Jig and Fixture Builder B	8	21
Job Assembler-Drilling	6	25
Job Assembler-Grinding	7	26
Job Assembler-Milling	8	23
Job Assembler-Turning	8	22
Laborer	2	7, 28, 29, 30, 31, 32, 35, 37
Layout Man	10	20
Locksmith	8	38

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Machinist A	10	20
Machinist B	8	20
Machinist Assembler	11	20
Maintenance Carpenter/ Mason A	9	7
Maintenance Carpenter/ Mason B	6	7
Maintenance Electrician A	10	30
Maintenance Electrician B	7	30
Maintenance Electronics Man A	12	45
Maintenance Electronics Man B	9	45
Maintenance Inspector	9	28
Maintenance Mechanic A	10	28
Maintenance Mechanic B	8	28
Maintenance Metalman A	9	32
Maintenance Metalman B	6	32
Maintenance Oiler	4	28

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Maintenance Painter A	7	35
Maintenance Pipefitter-Plumber A	9	29
Maintenance Pipefitter-Plumber B	6	29
Masker and Cleaner	1	78
Material Handler (Labor Pool)	1	78
Material Handler A	7	1
Material Handler B	4	1
Milling Operator – All Around	9	23
Milling Operator	7	23
Millwright A	9	28
Millwright B	6	28
Mockup Electrician	10	11
Mockup Mechanic	10	10
Multiple Action Press Operator A	9	24
Multiple Action Press Operator B	6	24

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Operator-Brake A	7	24
Operator-Brake B	4	24
Operator-Power Hammer	10	13
Overhead Crane Operator	6	30
Packager	3	2
Painter-Aircraft A	7	12
Painter-Aircraft B	4	12
Parts Numberer	1	78
Pattern and Model Builder	12	7
Patternmaker-Tooling A	11	9
Patternmaker-Tooling B	8	9
Payroll Coordinator	7	40
Process Helper	1	78
Process Man	8	17
Process Man-Blade Spars	7	17
Punch Press Operator A	6	24
Punch Press Operator B	3	24

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Radial Drill Press Operator	7	25
Resistance Welding Certification Man	9	6
Riveter	3	18
Rotor Blade Mechanic	8	18
Router Operator-All Around	8	24
Router Operator	5	24
Sandblaster and Finisher	4	16, 17
Sandblaster and Finisher-Metal Spars	5	17
Senior Automotive Equipment Operator	6	3
Senior Clerk Receiving	8	1
Senior Developmental Mechanic	13	52
Setup Coordinator – Machining	12	20
Setup Developer – Drilling	8	25
Setup Developer – Grinding	10	26

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Setup Developer – Milling	10	23
Setup Man – Turning	12	22
Sewing Machine Operator	4	19
Shear Operator	5	24
Sheetmetal Mechanic A	10	13
Sheetmetal Mechanic B	7	13
Sheetmetal Worker A	9	13
Sheetmetal Worker B	6	13, 6
Shotpeener	6	16
Stretch Forming Machine Operator	7	24
Supplyman-Facilities	7	53
Surplus and Salvage Processor	8	1
Tank and Spray Booth Cleaner	2	7, 28, 29, 30, 31, 32, 35
Tool Crib Attendant	3	4
Tool & Cutter Grinder A	10	26

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Tool & Cutter Grinder B	7	26
Tool and Die Maker A	12	20
Tool and Die Maker B	9	20
Toolkeeper	6	4
Toolmaker-Wood A	9	7
Toolmaker-Wood B	6	7
Tool Procurementman A	8	21
Tool Procurementman B	5	21
Tool Template A	11	21
Tool Template B	8	21
Tractor-Trailer Operator	7	3
Transmission Mechanic A	10	51
Transmission Mechanic B	8	51
Tube Bender and Mock-Up	7	36
Turning Operator – All Around	9	22
Turning Operator	7	22
Upholstery Helper	1	78
Utilityman and Cleaner	1	78

JOB CLASSIFICATION	GRADE	FAMILY GROUP
Utilityman-Tools & Jigs	2	21, 20, 9
Weight Control Mechanic-Rotor Blades	9	15
Welder-Arc	5	5
Welder-Combination	9	5
Whirl Tower Operator-Rotor Blades	9	50

Leadman – "A Leadman's rate of pay shall be $.75 per hour higher than his rate of pay. The $.75 per hour shall be considered as $.75 Leadman differential."

LETTER OF UNDERSTANDING NO. 1

OFFSITE JOB CLASSIFICATIONS

Definition: Offsite Occupation - The in-plant classifications listed under the offsite job classification on the input Group List. For example, Assembler Mechanic B, Painter Aircraft B, and Assembler Sheetmetal B are inplant job classifications within the offsite job occupation of Offsite Mechanic B.

A meeting concerning offsite classifications was held on November 12, 1965. It was agreed by the Company and the Union that the specialized functional category in which the employee will be primarily required to perform under his offsite classification will be based on the function of his normal in-plant occupation. An employee will receive the rate of the offsite job to which he is assigned. If he performs work in a higher rated offsite occupation, he will be entitled to payment under the temporary loan clause provided he is not performing work within the recognized home base occupation as defined under Article VIII – Definitions. The Company may from time to time add in-plant job classifications to the offsite Input Group List.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

P&M INPLANT JOB INPUT FOR OFF-SITE CLASSIFICATIONS

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Leadman Off-site Senior Mechanic	13	Flight Test Crew Chief	13
		Senior Developmental Mechanic	13
		Instrumentation Mechanic A	13
		Breakdown Fabrication Man A	12
Off-site Senior Mechanic	12	Jig and Fixture Builder A	11
Off-site Mechanic - General	11	Developmental Mechanic A	10
		Flight Test Mechanic A	10
		Mock-up Electrician	10

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-site Mechanic - General (Cont'd)	11	Mock-up Mechanic	10
		Transmission Mechanic A	10
		Fabric-Mockup	10
		Aircraft Electrician	9
		Aircraft Mechanic	9
		Automotive Equipment Mechanic	9
		Instrumentation Mechanic B	9
		Sheetmetal Worker A	9
		Welder Combination	9
		Assembler Sheetmetal A	8
		Blade Balancer	8

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-Site Mechanic - General (Cont'd)	11	Composite Fabricator	8
		Jig and Fixture Builder B	8
		Rotor Blade Mechanic	8
		Tool Procurement Man A	8
		Developmental Mechanic B	8
Leadman Off-site Senior Inspector	13	Inspector - Pre Flight	13
		Inspector - Tooling A	12
		Inspector - Mechanical Functional Test A	12

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-site Mechanic A	8	Transmission Mechanic B	8
		Aircraft Assembler	7
		Flight Test Mechanic B	7
		Painter Aircraft A	7
		Tube Bender and Mock-up	7
		Sheetmetal Worker B	6
Off-site Mechanic B	6	Assembler Sheetmetal B	5
		Tool Procurement Man B	5
		Painter Aircraft B	4

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-site Supportman	8	Material Handler A	7
		Toolkeeper	6
Off-site Coordinator	8	Payroll Coordinator	7
Off-site Automotive Equipment Operator	7	Sr Automotive Equipment Operator	6
		Automotive Equipment Operator	5
Off-site Clerk	3	Clerk-Shop	3
		Blueprint Control Clerk	1

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-site Utilityman - General	2	Masker and Cleaner	1
		Utilityman and Cleaner	1
Off-site Senior Inspector	12	Inspector - Final Assembly	11
		Inspector - Non-Destructive Test	11
		Inspector - Precision	11
Off-site Inspector A	11	Inspector - Fabrication Development	10
		Inspector - Mechanic Functional Test B	10
		Inspector - Detail, Sheetmetal A	9
		Inspector - Composites	9

OFF-SITE CLASSIFICATION	L/G	INPLANT CLASSIFICATION	L/G
Off-site Inspector A (Cont'd)	11	Inspector - Tooling B	9
		Inspector - Fuselage Assembly	8
		Inspector - Magnetic & Penetrant A	8
		Inspector - Machined Parts	8
		Inspector - Mechanical Assembly A	8
Off-site Inspector B	8	Inspector - Plating, Finishing & Fabrics	7
		Inspector - Detail, Sheetmetal B	6
		Inspector - Magnetic & Penetrant B	5
		Inspector - Mechanical Assembly B	5

Generally, input to the Off-site Classifications would be by moving the in-plant job to the next higher off-site Labor Grade. Purpose of the off-site descriptions is to allow an employee while on assignment off-site to perform duties required by his primary classification and be able to perform additional duties required in the off-site job description. Exception would be where the off-site job description does not cover requirements of the primary classification selected and required off-site. In this instance, the individual would perform duties off-site to the extent required by the inplant description.

LETTER OF UNDERSTANDING NO. 2

BENEFITS REPRESENTATIVE

It is agreed that the Financial Secretary/Treasurer shall be recognized as the Benefit representative for all Bargaining Unit employees.

The functions shall be those established in grievance settlements and practiced during the period prior to this agreement.

It is further agreed and understood that the Company shall not be required to pay for time used to resolve benefit problems.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 3

COMMITTEEMAN SHIFT

The elimination of a second shift in an area that a Committeeman represents may require the reassignment of the Committeeman to regular first shift hours.

The Company agrees that when the area represented by a Committeeman is reactivated with a minimum of twenty-five (25) people, the Committeeman involved will be returned to the irregular hours if requested by the President of the Local Union.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 4

CONTINUATION OF EMPLOYEE INVOLVEMENT PROGRAM

In response to the Union's proposal relating to continuation of the Employee Involvement Program, the Company proposes the following:

1. At the beginning of the term of the new labor agreement, the Union President shall have the unqualified right to replace and subsequently appoint three (3) Trainers/Facilitators. The Union President agrees that the incumbent Union Director Employee Involvement will remain in place during the term of the labor agreement, subject to the immediate right of replacement by the Union President should the Company replace its Director Employee Involvement. Should the Union Director position, or any Trainer/Facilitator positions, become vacant during the term of the labor agreement, the Union President shall enjoy appointment authority for the positions.

2. Trainer/Facilitators will be placed in temporary Family Group 39, at a Labor Grade 12. In addition to the Trainer/Facilitator personnel, there will be one (1) UAW Employee Involvement Director who will be paid at a Labor Grade 12, plus an additional $.75 per hour.

3. The number of Employee Involvement Trainer/Facilitators required to support the program will be determined by the Company as a direct result of the Work Statement. The only allowable reduction in headcount numbers of UAW Employee Involvement personnel during the life of this labor agreement will be as a result of a surplus condition as determined by the Company. Such reductions in force in temporary job code 39, shall be in reverse seniority order in accordance with Article VIII of this Agreement.

a) There will be an Executive Council composed of the following:

Company:
Director of Operations
Human Resources Director
EI Director
Engineering Director
Quality Director
SM&P Director

Union:
President
Vice President
Recording Secretary
Financial Secretary
Shop Chairman
EI Director

5. Each team will elect a Team Leader who will be paid an additional $.75 per hour above their base rate and shift differential, if applicable. Team Leaders

will remain in the Lead position for a minimum of six (6) months. The only exception to the minimum time requirements shall be changes as a result of surplus activity.

6. As previously determined, the Company does not plan to cease other programs in effect, such as IPT's and AIW's. The Company Employee Involvement Director shall notify the Union Employee Involvement Director when any Employee Involvement Trainer/ Facilitator is involved with such programs. It is also agreed and understood that if a Trainer/Facilitator is so involved, such involvement shall be in strict compliance with the Bargaining Agreement between the Union and the Company.

7. It is not the intent of the Company to lay off employees as a direct result of their productivity within teams. If layoffs occur as a result of productivity gains derived from this program, the Company will assign such employee(s) to available position(s), provided such assignments are within the specific provisions of the labor agreement. In the event such assignments are not practicable and the employee(s) is laid off, the Company agrees to retrain such employees for available job openings consistent with Article VIII of the labor agreement.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 5

DRUG & ALCOHOL FREE WORKPLACE

Consistent with our Agreement reached during 2002 labor negotiations, the Company's Drug & Alcohol Free Workplace Program, otherwise denominated as PRO-388, shall apply with full force to all members of the Bargaining Unit. No deviations from the language of PRO-388 shall be recognized, except those herewith specifically delineated:

- Page 4, Subpart H, Drug Free Workforce Focal - A designated Labor Relations individual responsible for a specific site that performs specific administrative tasks and actions associated with verified/confirmed positive test results.
- Page 5, Subpart 2.B. - Two employees, one of whom must be a Manager (acting or permanent), Security or Labor Relations personnel are informed how to initiate a drug and alcohol test and the criteria for requesting reasonable suspicion and post-accident testing.
- Page 8, Subpart 4.B.3. - A request for testing may be based on one or more of the following indicators associated with impairment. Impairment indicators include, but are not limited to:
  - Speech: Thick, slurred, loud, hesitant, fast, slow
  - Gait: Unsteady, deliberate, swaying, weaving
  - Behavior: Difficulty in performing tasks, disoriented, confrontational, lethargic

The following physical factors may not be used alone to form the basis of a test request. They may, however, lead to a review of other indicators, which in turn, may lead to a request for testing:

- Odor: Alcohol, drugs
- Eyes: Red, watery, inflamed, dilated

- Page 8, Subpart B.5 - Two employees, one of whom must be a Manager (acting or permanent), Security or Labor Relations personnel (one of whom has been trained in observing and documenting impairment indicators) are required to initiate a reasonable suspicion test.

- Page 9, Subpart 4.B.6 - The individuals set out in the immediately preceding subparagraph need to follow these steps. (All other language in Paragraph 6 remains unchanged.)

- Page 9, Subpart 4.B.6.e. - At the end of said subpart, add the following language: A Union representative must be present upon the request of the employee per 4.B.4. Said representation shall commence immediately upon request.

- Page 9, Subpart 4.C.3 - Two employees, one of whom must be a Manager (acting or permanent), Security, Labor Relations, or SHEA personnel (at least one of whom has been trained in post-accident criteria), are required to initiate post-accident testing. A list of qualified SHEA representatives will be made available by the Company.

- Page 10.4.C.4 - Both individuals referred to in the immediately preceding subparagraph need to follow these steps. (All other

language in Paragraph 4.a. thru f. remains unchanged.)

- Page 10, Subpart 4.E.3 - The referenced subpart is deleted.
- Page 13, Subpart 7.A.2. - Confidentiality of Records - Other DFW documentation is considered confidential information and is included within the EAP Record.
- Page 14, Subpart 9 - Site Responsibilities – A. - DFW Focal – Labor Relations.
- Page 14, Subpart 9.B. - DFW Testing Manager – Nursing Manager.
- Page 15, Subpart 9.D. - Management.

    1. Management participates in education and training in support of recognizing and addressing substance abuse in the workplace.
    2. Management refers employees to the EAP when work performance or attendance issues arise.
    3. DFW issue CNMs to employees for a verified positive drug test and/or confirmed positive alcohol test result.
    4. DFW issues CNMs to employees when discharges in abeyance are granted.
    5. DFW communicates the terms, conditions and consequences of CNM to employees.
    6. Management initiates the Drug and Alcohol Testing Request Form for

reasonable suspicion and post-accident testing.

7. Management arranges transportation to the test site and away from the workplace for employees after reasonable suspicion and post-accident testing is completed.

8. Management will communicate the requests for testing to employees.

- Page 16, Subpart G (Security) 3. - May assist in decisions for reasonable cause and post-accident testing.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 6

DUES NOTIFICATION

In accordance with our agreement reached in negotiations, the Company shall include the total amount of Union dues (minus initiation or other fees) deducted during the year in the information section of the employee's W-2 Statement for that year.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 7

ELECTRICAL MAINTENANCE BUILDING 3-28

In accordance with our discussions, it was agreed that Boeing Rotorcraft will support SSG Information Services-Computing and Network Operations in maintaining the power for their equipment in Building 3-28 during the life of this Agreement.

Accordingly, the following shall apply:

1. The Company shall assign Maintenance Electrician A's.

2. 3-28 Building shall be considered a separate plant.

3. Employees may be assigned a non-regular workweek and shall be compensated seventy-five (75) cents per hour premium.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 8

EMPLOYEE ORIENTATION

It was agreed to continue the New Employee Orientation established in January 1987. Therefore, the Union shall be notified in advance, and upon completion of the Company's orientation, the Union shall have the opportunity to meet with the new employees.

It was further agreed, that the President, Financial Secretary and the Chairman of the Shop Committee shall conduct said meetings. However, due to their availability, the President of Local 1069 may appoint another Union Official.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 9

EMPLOYEE TRANSFER

The Company does not agree with individuals being transferred from shift to shift, or plant to plant, without regard to seniority when such transfer can be proven to be made capriciously or for a punitive purpose.

In the event the Union believes that an individual has been transferred either from one shift to another, or one plant to another, for either of the aforementioned reasons and brings it to the attention of the Company, such situations will be looked at very closely and unless the reason for such transfer can be proven to be a valid production requirement, the transfer will be rescinded.

The Company and Union agree that employees shall not be moved from their preferred shift or location when such move can be proven to be made capriciously or punitive.

For the purpose of this letter only, the definition of plant shall be that plants 3-57 and 3-60 are considered as a single plant.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 10

FLIGHT CREW RISK PAYMENTS

During selected flight test exercises, Flight Test Management will decide as to whether flights on a program may involve additional risk. During these flights, Flight Test Management may decide to pay flight crew risk payments to both pilots and crew participating in the flights. When a decision is made to pay risk payments, all members of the flight crew, including pilots and crew, will be paid the risk payments. Flight Test Management will determine the amount of risk payment.

The decision to pay and the amount paid is not subject to the grievance and arbitration procedure.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 11

LABOR DAY 2005 OBSERVANCE

In reference to our discussions during 2002 negotiations, the Company agrees to observe Labor Day 2005 as a holiday during the 10-day notification period as defined in Article XXIII.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 12

LUMP SUM PAYMENT FOR OCCUPATIONAL LEAVE OF ABSENCE

Production and Maintenance employees on an approved Occupational Leave of Absence who return to work within six (6) months of the date of a lump sum or contract-signing bonus payout, will receive the referenced lump sum bonus.

All Cost-of-Living allowances will be granted to any Production and Maintenance employee on an Occupational Leave of Absence.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 13

MAINTENANCE SUBCONTRACTING

In connection with the Collective Bargaining Agreement of this date between the Company and the Union, it is agreed that under and included within the meaning of the "Management Prerogatives" Article of the Agreement, the Company has the right to subcontract work and designate the work to be performed by the Company and the places where it is to be performed, which right shall not be subject to arbitration.

The Company will not subcontract any maintenance work now performed by members of the bargaining unit if such action would result in the layoff of any maintenance employees who are qualified to do such work or if such action would prevent the recall from layoff of any maintenance employees who are qualified to do such work, unless the Company does not have the equipment to perform such work or unless conditions require its immediate performance. Any claim by the Union that the Company has violated the limitation upon its right to subcontract maintenance work contained in this paragraph shall be subject to the grievance and arbitration provisions of Article VI of the Agreement.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 14

MAINTENANCE SUBCONTRACTING NOTIFICATION

In connection with the Collective Bargaining Agreement of this date between the Company and the Union, it is agreed that the Company will make every effort to meet with the appropriate Union official when subcontracting work. The purpose of such meeting will be to advise the Union of the particular job(s) to be subcontracted. The meeting will normally take place, whenever practicable, three (3) days prior to the subcontracting of work.

The parties recognize that there are some subcontracting jobs, which may arise which by their nature make it impossible for the above referenced meeting to take place. When this occurs, the Company will continue the practice of notifying the Union in writing of the subcontracted jobs.

This policy will not, however, be subject to Arbitration nor is this policy intended to affect the agreement regarding the meaning of the Management Prerogatives Article of this Collective Bargaining Agreement.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 15

MAINTENANCE SUBCONTRACTING OVERTIME

In connection with the Collective Bargaining Agreement of this date between the Company and the Union, the Company represents in this Letter of Understanding that it is the policy of the Company that maintenance subcontracting is not intended to be used to replace maintenance overtime work.

This policy will not, however, be subject to arbitration nor is this policy intended to affect the agreement regarding meaning of Management Prerogatives Article of this Collective Bargaining Agreement.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 16

MATERIAL HANDLER A – RED CIRCLE

As agreed to during the 2002 negotiations, those employees who became part of the grade seven (7) Material Handler job combination, who previously held labor grade eight (8) and labor grade nine (9) job classifications shall be red circled at grade eight (8) and grade nine (9) respectively.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 17

MISSING TOOLS

By this letter, the Company agrees to conform to the practice followed at other Boeing Divisions where charges are made only if the employee fails to complete and submit a Lost, Broken or Stolen Company Tool Report on the same day on which such occurrence takes place.

The Company will accept responsibility for employees' tools while they are in transit on a Company-owned vehicle or if they are damaged or lost due to the negligence of the Company.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 18

MUTUAL CONCERN MEETING

This letter is to confirm our agreement reached in negotiations that meetings between representatives of the Union and Company should be held for the purpose of discussing mutual problems. It was further agreed that such meetings would be scheduled for 10:00 AM on the first Wednesday of the month in the Labor Relations Office upon request of either party.

In the event either party requests a meeting be held prior to the next regularly scheduled meeting, such meeting will be held at a mutually agreed upon time and place.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 19

NEW TECHNOLOGY AND PILOT PROJECTS

Based on our discussions during the 1999 negotiations, the following shall apply:

A. New Technology

The Company and the Union agree that it is to their mutual benefit and a sound economic and social goal to utilize the most efficient machines, processes, methods and/or materials. In this way, the Company will be able to compete effectively in the marketplace and, thereby, provide economically secure jobs for its employees. It is the Company's policy to assure that training is available for its employees so that they may have the opportunity to acquire the knowledge and skills required by the introduction of new technology.

1. In order that employees can better prepare themselves for the skill requirements of the future, and in fulfillment of its obligation to provide information to the Union, the Company will, not less than annually, provide a briefing to the Union of the Company's plan for the introduction of new technology which may affect the employees. For the purposes of these briefings, new technology shall be defined as industrial robots, flexible manufacturing systems, CAD/CAM (Computer-Aided Design/Computer-Aid-

ed Manufacturing), and graphite composite automation.

For purposes of clarification, an industrial robot is a programmable, multi-functional manipulator designed to move materials, parts, tools or specialized devices through variable programmed motions for the performance of a variety of tasks; flexible manufacturing systems is a grouping of manufacturing/processing equipment mechanically linked by transport, storage and handling equipment and controlled through a computer network to provide an integrated machining, assembly or measuring system for a particular family of part configurations and materials; CAD/CAM is the application of computers to the design, fabrication and assembly process as it relates to the geometry of a part, assembly or installation; and graphite composite automation is the replacement of the graphite composite fabric hand layup fabrication process with fabrication by NC/CNC machine tools.

During these briefings, the Company will inform the Union of anticipated schedules of introduction of new technology, and will identify areas of skill impacts and any intended training programs associated with those impacts. Additional related subjects may be added to the briefings upon mutual agreement, and established technologies may be deleted. The Union, and its representatives, will protect the confidentiality of Company sensitive and

proprietary information disclosed in the briefings.

The Company and the Union agree that the intent and understanding of this letter fully sets forth the Company's obligation to provide information concerning new technology or any other introduction of new machines, processes, methods and/or materials. If the Union requests other information related to the introduction of new machines, processes, methods and/or materials, the request will be treated as a request to add additional subjects to the briefings.

2. A Joint Technology and Pilot Projects Committee shall be established, composed of five representatives of the Company and five members of the Union's staff designated by the Union. The Committee will develop a recommended training program for current and laid-off Company employees who desire to become better qualified for employment by the Company in jobs involving new technology as defined in this letter, or other skills identified by the Company. In developing its recommendations, the Committee will: (1) identify areas of skills which will be required by the Company in the future; (2) develop courses to provide those skills; (3) develop "basic skill" courses which would be prerequisites for additional training; (4) develop criteria for selecting candidates for training, giving priority among laid-off employees to those with recall rights; (5) establish – criteria to determine successful completion of the courses; (6) develop a

system to record successful completion for future consideration; and (7) develop a system to accomplish referrals between Primary Locations. The recommended training program will be developed, to the extent feasible, to be compatible with the Company's existing training programs. The Committee will also have responsibility for:

a. Reviewing and making recommendations regarding training delivery systems (e.g., technical schools, community colleges, home study programs, etc.) available to be used by the Company.

b. Evaluating the effectiveness of such training programs and courses and the delivery systems utilized.

c. Developing a program to inform active and laid off employees about the availability and purpose of the new training program and encouraging employees to participate in and successfully complete the available training, and

d. Investigating the availability of state and federal funds which could be used to augment the training effort.

Except for the costs and expenses of International Union representatives, the Company will be responsible for costs and expenses of the Committee. Members of the Committee may attend the annual briefings held pursuant to the above.

3. After receiving the recommended training programs from the Committee, the Company will establish a formal training program. Thereafter, the Company may revise or modify the formal training program after consultation with the Committee. Except as provided above, the Company will pay the costs associated with the training programs, such as tuition, facilities, staff, administration, publicity, equipment and materials.

4. Although there will be no guarantee that employees successfully completing training under the program will be offered a different job or re-employed by the Company, successful completion will be taken into account by the Company when openings occur.

5. Disputes concerning the training program or its operation or the selection of candidates shall first be referred to the Committee. If the Committee is not able to resolve the dispute, it will be referred to the Company and the Union for resolution and will not be subject to the grievance and arbitration procedures as defined in Article VI of the Agreement.

B. Pilot Projects

The Union and the Company agree that it is in their best interests to stimulate and support long-term, broad changes aimed at improving the quality of work life and productivity. This can be accomplished best by active involvement of the Union and the Company in planning, developing,

implementing and evaluating innovative programs to further these aims. Accordingly, the Technology and Pilot Projects Committee shall:

a. Review and evaluate Pilot Projects involving innovative approaches in the workplace and recommend action concerning their implementation, operation and assessment.

b. Assure that recommended Pilot Projects provide for employee and Union involvement through subcommittees whose membership will be jointly selected by the Committee and that such subcommittees participate in project implementation, operation and assessment.

c. Review experiences of other employers and unions with similar activities and provide for dissemination of information.

d. Assess the impact of existing work practices on the Pilot Projects and recommend appropriate changes by the Company and the Union. Such practices could include, but need not be limited to, job security, compensation, job descriptions/ classifications, training, and work schedules.

e. Following implementation and assessment of a Pilot Project, review the feasibility of broader application, and

f. Select consultants and other outside experts by mutual agreement.

1. Upon the recommendation of the Committee, the Union and the Company shall meet and confer concerning implementation of any Pilot Project including the necessary modifications to the Collective Bargaining Agreement. The details of any recommended Pilot Project which is agreed to by the parties shall be set forth in writing between the parties in a Pilot Project Agreement. It is the intent of the parties that implementation of a Pilot Project will not directly result in the layoff of employees or the reduction of the pay of employees assigned to a Pilot Project and that the Company will pay for costs such as training. Neither the Union nor the Company is under any obligation to agree to the implementation of a Pilot Project.

2. In addition to the on-going review by the Committee, the Union and the Company will review semi-annually the operation of all implemented Pilot Projects. While the parties anticipate that any implemented Pilot Project will continue throughout the duration of this Agreement, a Pilot Project may be terminated at any time by mutual agreement. In addition, it is agreed that following the first ninety (90) days of implementation of a project, either the Union or the Company may terminate a particular Pilot Project by giving written notice to the other, such notice to become effective on the sixtieth day thereafter.

3. No dispute concerning a Pilot Project or this Section B. shall be subject to the grievance and arbitration procedures of Article VI of the Agreement except for a dispute alleging a violation of a Pilot Project Agreement.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 20

NON-REGULAR WORKWEEK HOLIDAYS

Based on discussions during the 2002 negotiations, it is agreed that those employees who are on a non-regular workweek will have their holidays moved in compliance with Article X and Article XIII of the Collective Bargaining Agreement.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 21

OVERTIME RECORDS – OFFSITE

It has been mutually agreed that records of overtime on offsite will be applied in the following manner:

a. Employees who are assigned to an offsite location where employees are already stationed will be averaged in with the overtime of those employees on location.

b. Employees, upon return to their home base, will have the overtime actually worked while on offsite, transferred to their home base overtime records and converted to "hours paid", i.e., eight (8) hours worked will be shown as twelve (12) hours, reflecting a time and one-half rate, etc. This conversion formula will apply to all overtime for all employees who return from offsite.

c. Employees returning from offsite and assigned to their former classification, shop and shift, who are within a two-week period from the date of their return, reassigned to another shop or shift, will carry the overtime hours earned while on offsite to their new assignment. Such hours will be added to the average overtime hours existing in the newly assigned shop or shift. If such reassignments occur after two weeks from the date of his return from offsite, they will be averaged into the overtime

records in the new area, without regard for the overtime hours worked while on offsite.

d. When circumstances prevent an employee from being assigned immediately upon return from offsite to his former status or location, his offsite overtime paid hours will be added to the average of the overtime hours in the newly assigned classification or location.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 22

PILOT PROJECTS
SPECIAL OVERTIME SHIFTS

In accordance with the Pilot Project provisions agreed to by the parties, the Company proposes the following:

In those areas where it is in the best interest of both the Company and its employees, and notwithstanding other provisions of the Company/Union Agreement, six (6) hour shifts may be established on overtime days (i.e., Saturday, Sunday, holiday), with the second shift commencing immediately following the first shift and the third shift (where appropriate) commencing immediately following the second. The shift shall be a continuous six (6) hours with no break period and shall be paid at the appropriate rate.

Neither the Union nor the Company is under any obligation to agree to the permanent implementation of this shift. However, an ongoing review by the Company and Union will be done for the purpose of maintaining communication on the successful continuation of the six (6) hour shift.

The Company will notify the Union in advance of the start of such shifts and will give consideration to the Union's priority areas for scheduling.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 23

PRODUCTION SUBCONTRACTING

In connection with the Collective Bargaining Agreement of this date between the Company and the Union, it is agreed that under and included within the meaning of the "Management Prerogatives" Article of the Agreement, the Company has the right to subcontract work and designate the work to be performed by the Company and the places where it is to be performed, which right shall not be subject to arbitration. The parties further agree to the following with respect to subcontracting of production work for helicopters or other non-fixed wing aircraft.

The parties acknowledge that subcontracting work (moving work from a company facility to an outside supplier) and offloading work (moving work from one company facility to another company facility not covered by this Agreement) affect the job security of employees. The word "work" for purposes of this section refers to work of a type currently performed within the bargaining unit. Accordingly, notwithstanding any other provision of this Agreement, the Company agrees that employees will not be laid off as a direct result of subcontracting or offloading work. This restriction does not apply to the Commercial and the Strategic Manufacturing Center (FAB) work identified by the Company prior to the effective date of this Agreement, strategic work placement or offset arrangements (placing work in a foreign country as a condition of selling to that country); to a merger, sale, transfer, or other disposition of a plant or facility or operating unit

thereof; or to temporary subcontracting or offloading necessary because of required equipment overhaul or repair, labor disruptions, or events beyond the control of the Company (acts of God, natural disasters, equipment failure, major accidents, etc.). The parties agree that at least annually they will meet and discuss the impact of subcontracting and offset commitments on planned layoffs with the end in view of reducing, where possible, the impact on bargaining unit jobs. As part of this review, the Company will provide an overview of its policies and plans for subcontracting and offset commitments. To enable the Union to suggest alternatives that would allow the retention of work within the bargaining unit, the Company will, at least ninety (90) days prior to signing the subcontract, provide notice to the Union of any plans to subcontract a significant function involving work then being performed by bargaining unit employees which would directly result in the elimination of fifty (50) or more bargaining unit jobs. The notice will include the reason for the planned subcontracting. Although the Company will attempt to provide other information related to the planned subcontracting, the Company shall be under no obligation to provide any information, including, but not limited to, cost and pricing information, which it determines to be proprietary, confidential or subject to nondisclosure provisions. The parties recognize that some foreign subcontracting of significant functions involving market access decisions and offset commitments cannot be disclosed ninety (90) days in advance because of confidentiality concerns but in such event, the Company will give as much notice as is reasonably possible. Following notice of specific subcontracting plans, the parties shall, upon request of the Union, meet and discuss the impact on the bargaining unit and any proposals the Union might make. In addition to the meetings described above, the Company will meet at the Union's request to discuss issues or proposals related to subcontracting.

The Union will keep confidential, and not disclose, any information provided pursuant to this Letter of Understanding which the Company designates as not subject to disclosure.

The parties agree that bargaining unit employees should not be laid off as a result of subcontracting. Accordingly, the parties agree that any bargaining unit employee whose work is subcontracted will be offered reassignment, or retraining, for available work, subject to the provisions of Article VIII of parties' Agreement.

The parties recognize that the Company must compete in a highly competitive global economy, and commit to achieving the highest level of quality and productivity possible. Both parties recognize that ultimate job security can only be realized in a work environment.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 24

PRO-RATA VACATION WHILE ON LEAVE OF ABSENCE

As discussed during the 2002 negotiations, any employee who is on an approved medical Leave of Absence or occupational Leave of Absence in excess of 30 days shall have the option of receiving pro-rated vacation.

In the event an employee elects to receive pro-rated vacation, he shall be compensated upon request as outlined above.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 25

RATIFICATION BONUS

Effective September 29, 2002, all employees on the active payroll including those employees on approved Leave of Absence for ninety (90) days or less, shall receive a twenty-five hundred dollar ($2,500.00) lump sum payment subject to contract ratification effective September 29, 2002. Payment of Ratification Bonus will be made October 10, 2002.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 26

REPRESENTATION IN CLASSIFIED AREAS

The Company agrees to the permanent installation of one (1) additional steward area within a classified area (Black Hole), to provide required Union Representation in secured areas.

Virginia J. Sauve Director-Labor Relations	John DeFrancisco President - Local 1069

LETTER OF UNDERSTANDING NO. 27

SAFETY COMMITTEE

In accordance with our agreement reached in negotiations, any member of the Safety Committee who is assigned to the second and third shifts will be paid at the applicable straight time rate for time spent in attending the monthly safety meeting as required in Article XX - Safety and Health. Such employee will be excused after completing eight (8) hours of paid time on the day of such meeting.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 28

SPECIAL GRADE 8

Based on our discussions during the 2002 negotiations, the Company shall continue the practice of maintaining a maximum of 21¢ per hour over the SIS Max for Labor Grade 8 for those employees who on September 2, 2002 are in red circle position 10, Labor Grade 8.

Furthermore, the Company shall continue the practice as agreed during the 1986 negotiations in that if any employee who on September 2, 2002 is in red circle position 10, Labor Grade 8, moves out of Family Group from such rate, shall not return to the Special Grade 8.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 29

SUSPENSION POLICY

It has been the Company's consistent practice to suspend employees pending review/investigation pursuant to Article VI, Section 6. The Company agrees that employees will be granted an interview prior to removal from Company property. In addition to the employee, attendees will include Union representation, if requested, the employee's manager and the Labor Relations representative assigned to the area or his designee.

The Company retains its right to suspend pursuant to Article VI, Section 6, but will attempt to limit suspensions to cases in which immediate removal is critical (i.e., insubordination, violence, safety violations). In such cases, the above referenced interview requirement will not apply. An investigation will be made within five (5) working days of the event giving rise to the employee's removal. The overwhelming number of such investigations will be completed within five (5) working days. For those that extend beyond that time period, the Company commits to complete them as soon as practicable and to share the results with the Union without delay. While most investigations will be conducted by Labor Relations and the Union, the Company reserves the right to utilize the services of Security or other appropriate agencies as warranted by the circumstances.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 30

SUSPENSION UNION OFFICIAL

In accordance with our agreement reached in negotiations, the following is the procedure, which will be followed in handling discipline problems involving Committeeman and/or Stewards:

> A Committeeman or Steward will normally not be suspended on the floor of the shop. If a situation arises that indicated the possibility that disciplinary action may be required, the Union representative will first be requested to go to the Labor Relations Office. A meeting will be held between the President of Local 1069 or his designee and other parties in interest, in an effort to correct the situation leading to the incident. Appropriate disciplinary action may be taken at this meeting.

In the event the Union representative refuses to accompany the supervisor to the Labor Relations Office, he may be suspended immediately.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 31

TEMPORARY LOAN

In accordance with our agreement reached during negotiations, an employee who is placed on Temporary Loan to a classification to which he has recall and which he has previously held will be paid at a rate not less than he was making at the time he previously held such classification.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 32

TEMPORARY LOAN/OVERTIME

Based on discussions between the Company and the Union regarding Grievance Settlement 4-849 (Letter No. 8-1840-2230, dated 6/19/80), the 4th Step grievance answer from the referenced letter is as follows:

> "The Company has and will retain the sole right to temporarily assign employees from one shop to another within the same classification. In order to remove any misunderstandings and based upon numerous discussions between the parties, effective May 26, 1980, any employee who was placed on temporary assignment as indicated above shall be offered overtime after those employees who fall within Paragraph A of Article X, Section 5 of the Company/Union Agreement. (Furthermore, unless by mutual agreement, such assignment will not be longer than eight (8) weeks.)"

Below is the definition of "Temporary Assignment" vs. "Temporary Loan" for purposes of overtime:

TEMPORARY ASSIGNMENT:

Employee is working in his proper classification but is temporarily assigned to another location, has rights to overtime

in his parent location per Article X, Section 5, Paragraph (a), and in addition, has overtime rights in the location where he is temporarily assigned after everyone in that location has been asked to work overtime per Article X, Section 5, Paragraph (a) of the Company/Union Agreement.

TEMPORARY LOAN:

Employee is temporarily loaned to another occupation, has overtime rights per the terms of Article X, Section 5, Paragraph (c) of the Company/Union Agreement.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 33

TOTAL PRODUCTIVE MAINTENANCE (TPM)

The Company plans to establish a new process referred to as Total Productive Maintenance (TPM). The primary purpose of this process is to bring Production and Maintenance people together to accomplish a common goal - to stabilize equipment conditions and halt accelerated deterioration.

It is intended that this process will become Company-wide and begin on a gradual basis at some point during the life of this Agreement. The highlights of this process are as follows:

1. The operator will be required to perform proper lubrication including correct lubrication methods, and methods for checking lubrication.

2. The operator will be required to clean (inspect his equipment).

3. On an as-needed basis, assist the Maintenance crew in the repair or preventative maintenance requirement of his machinery. This assist by the operator in no way will serve as a replacement for the normal Maintenance crew who normally performs this function.

The Union will be informed approximately (30) days prior to this process being incorporated, and the Company will review, without any commitment to accept, suggestions/recommendations proposed by the Union.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 34

UNION DIRECTOR – EMPLOYEE INVOLVEMENT

In order to ensure the successful implementation of programs as defined in the Employee Involvement Letter of Understanding, the Local Union President may appoint one (1) UAW member to act in the capacity of Union Director - Employee Involvement. The Company agrees that this appointee will be on a full-time basis and will be paid at a rate equal to Labor Grade 12 plus seventy-five (75) cents per hour premium.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 35

VACATION AND SICK LEAVE USE

In connection with the 2002 Collective Bargaining Agreement between the Company and the Union, the parties agree to the following:

Vacation which has been pre-scheduled and approved by Supervision may be used in any increment up to a maximum of the hours, which are in the employee's vacation account at the time of scheduling.

Sick leave is not a form of vacation. An employee who reports for work and who subsequently is excused from work by Supervision or the Medical Section due to illness, will be permitted to use sick leave hours for the balance of that shift provided that the hours used shall not exceed those hours, which are in the employee's sick leave account at the time of such excusal.

The parties agree that nothing contained in this Letter of Understanding will otherwise add to, subtract from or amend Articles XII and XIV of the current Agreement.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069

LETTER OF UNDERSTANDING NO. 36

VOLUNTARY LAYOFF

When a surplus condition exists within a job classification, senior employees not affected by the surplus may volunteer for layoff, up to the surplus number declared by the Company. Employees volunteering for layoff will be eligible for a lump sum payment equal to one (1) week of pay (i.e., forty (40) hours at the employee's base rate plus cost-of-living adjustment in effect on the date of layoff, but excluding any shift differentials or other premiums) for each full year of Company service at the time of layoff, subject to a maximum benefit of thirteen (13) weeks. This lump sum payment is in addition to the income continuation clause as described in Article XI-A of the current Collective Bargaining Agreement. Requests for voluntary layoff will be approved in seniority order up to the number declared surplus. Employees must submit a written Request for Voluntary Layoff form through their manager to the Hourly Workforce Administrator within two (2) workdays of the surplus declaration.

Employees volunteering for layoff under the provisions of this LOU will forfeit all seniority and right to recall as defined in Article VIII, Section 5 and Section 6 of this Agreement.

Employees volunteering for layoff who plan to retire, must complete necessary retirement documents with an effective date of retirement the first day of the month following the date of layoff to qualify for retiree medical benefits. Retirement eligible employees who do not elect to retire effective the first of the month following layoff, will forfeit their retiree medical benefits.

Management may elect to retain employees who possess critical skills for the purpose of cross training for a maximum of ninety (90) days. This section is not subject to the grievance and arbitration procedure as outlined in Article VI of this Agreement.

Virginia J. Sauve	John DeFrancisco
Director-Labor Relations	President - Local 1069