

**COLLECTIVE BARGAINING AGREEMENT**

**Dated March 19, 2009**

**Between**

**THE BOEING COMPANY**

**And The**

**AIRPLANE MANUFACTURING PILOTS ASSOCIATION**

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**Between**

**THE BOEING COMPANY**

**and the**

**AIRPLANE MANUFACTURING PILOTS ASSOCIATION**

This Agreement is executed this 19<sup>th</sup> day of March, 2009, effective February 10, 2009, by and between The Boeing Company (the Company) and the Airplane Manufacturing Pilots Association (the Union). The Union is the bargaining agent for the collective bargaining unit described in Article 1.

The intent for this final agreement is a reflection of the parties' commitment to these shared values:

To maintain a respectful, cooperative relationship.

To work together to position the Company for continued competitive success in the marketplace.

To work towards resolving issues through a process marked by open communication and respect for each other's interests.

The Company and the Union agree as hereinafter set forth with respect to employees represented by the Union (the employees).

**ARTICLE 1**  
**UNION RECOGNITION**

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

All pilots employed by Boeing in Instructor Pilot positions with flying duties and requiring a current FAA pilot certificate employed at the Longacres Training Center, located at 1301 S.W. 16th Street, Renton, Washington; excluding all other employees, confidential employees, guards, and supervisors within the meaning of the National Labor Relations Act (as amended).

**ARTICLE 2**  
**MANAGEMENT RIGHTS**

1. The terms and conditions of this Agreement are minimum and the Company shall be free to grant more favorable terms and conditions to any employee at its discretion.
2. The management of the Company and the direction of the workforce are vested exclusively in the Company subject to the terms of this Agreement. Without limitation, implied or otherwise, all matters not specifically and expressly covered or treated by the language of this Agreement may be administered by the Company in accordance with such policy or procedure as the Company from time to time may determine.
3. The Company retains the exclusive right to reorganize, transfer, contract or subcontract out, discontinue, or relocate any or all of the operations of the business, including, but not limited to, work being or scheduled to be performed by Instructor Pilots, which right shall not be subject to the grievance and arbitration procedure of this Agreement.
4. The Company retains the exclusive right to assign work customarily performed by Instructor Pilots to other Company pilots outside the bargaining unit covered by this Agreement, and to assign work customarily performed by such other Company pilots to Instructor Pilots. Such assignments shall be for the purpose of ensuring that the assigned pilots maintain proficiency, qualification, and up-to-date knowledge required by their respective job assignments or for the purpose of providing or receiving assistance during periods of workload imbalance.

## ARTICLE 3

### WORKFORCE ADMINISTRATION

#### 1. Seniority

“Seniority” means an Instructor Pilot’s number on the seniority list. “Seniority date” means the date of an Instructor Pilot’s seniority as shown on the seniority list. “Seniority List” means the Instructor Pilots’ Seniority List.

The seniority of an Instructor Pilot includes all time spent as an Instructor Pilot, and/or a Supervisor of Instructor Pilots on the active payroll of the Company, plus time on leave of absence granted for the purpose of serving in the Armed Forces of the United States. Seniority numbers and corresponding positions on the Seniority List shall be assigned in order of the employee’s seniority date. Seniority dates will be assigned to individuals as of the first day of their most recent employment as Instructor Pilots. In the event two or more individuals have the same seniority date, they will be added to the Seniority List by order of the last four digits of their BEMS ID number. Individuals with higher numbers will be assigned the lowest seniority numbers. If two or more newly hired Instructor Pilots with the same seniority date share identical last four digits of their BEMS ID numbers, placement on the Seniority List will be determined by drawing numbers.

The Company will maintain a current, updated Seniority List of all Instructor Pilots covered by this Agreement. The updated list will be available in the office of the Chief Pilot, Flight Training – Airplane.

#### 2. Reduction in Force

When a workforce reduction is determined by management to be necessary, management will provide the Union with the total number and the individual names of Instructor Pilots designated for layoff.

Reductions in force will be determined by seniority, those with less seniority being laid off first. Seniority is based on the most recent hire date as a Boeing Instructor Pilot within this bargaining unit. Notwithstanding that rule, the Company’s Chief Pilot, Flight Training – Operations, may determine, based on reasonable business considerations, that an individual who would be designated for layoff pursuant to the rule will be bypassed, and a more senior employee designated for layoff. The Company will advise the Union when and why such a determination has been made.

#### 3. Return to Active Employment

If in the Company’s sole discretion business conditions warrant the hiring of one or more Instructor Pilots following a workforce reduction, the Company will use the following rules in recalling to employment Instructor Pilots who were laid off. Instructor Pilots will retain recall rights for (four) 4 years following the effective dates of their respective layoffs. An Instructor Pilot will lose recall rights if he or she has failed to comply with written instructions to provide periodic notification to the Company indicating a desire to return to employment. (Notices of interest and of recall will normally be sent by certified mail.) Recalls will be made in reverse order of layoff. The Company may bypass an individual otherwise in line for recall if, based on reasonable business considerations, such individual does not possess the qualifications the Company deems necessary to accomplish the Company’s current and future business. The Company will advise the Union when and why such a determination has been made. Qualified Instructor Pilots with recall rights will be

offered return to active employment before the Company can hire Instructor Pilots from sources external to the Company.

**4. Training Work**

Instructor Pilots shall continue to provide training at Longacres in conjunction with the sale of aircraft and described more specifically in paragraphs 2.1 and 2.6 of the customer support variables of the purchasing agreement between the Company and its customers, and paragraphs 1.1 and 1.2 of the customer support variables of the purchasing agreement between the Company and its customers for the 787; the customer support variables are defined on the effective date of this Agreement. The Company may hire simulator-only instructors at Longacres on an as-needed basis to perform the above-defined work and other types of training, but no Instructor Pilot hired on or before the effective date of this Agreement shall be laid off as a result thereof. The Company recognizes that it may be required to hire additional Instructor Pilots with flying duties into this bargaining unit at Longacres on an as-needed basis.

**5. Transfer of Training Work**

If the Company permanently transfers the above-defined training work to another Company location, the Company will first attempt to fill openings at the new location by offering jobs to surplus members of the bargaining unit. The offers will be made in order of seniority of those Instructor Pilots qualified to fill the openings (i.e., type rated and qualified in the applicable model through the Boeing flight training program). Those offers will include no less than lateral salary, the Company's standard relocation package for management employees, any domestic assignment allowance applicable under Company policy, and rights to return (if any) to fill openings at the Longacres facility under conditions set forth in the offer letter.

**6. Contracting or Subcontracting Training Work**

If the Company contracts or subcontracts the above-defined training work to another entity, surplus Instructor Pilots hired on or before the effective date of this Agreement will be transferred to other open jobs within the Company for which they are qualified.

**ARTICLE 4**  
**PILOT SUPERVISORS**

**1. Supervisors Performing Instructor Work**

Supervisors of Instructor Pilots may perform work customarily performed by Instructor Pilots. No Instructor Pilot shall be laid off in order to allow a Supervisor to perform work customarily performed by Instructor Pilots.

The Chief Pilot, Flight Training – Airplane, may perform training work in accordance with Article 3, section 4, “Training Work.”

**2. Union Membership**

Supervisors (excluding the Chief Pilot) may be members of the Union on Executive Inactive status (customary rights of active membership except Supervisor members shall not have the right to vote, to assume or hold any form of office or committee assignment, to attend Union meetings, or to be on the active membership mailing list of the Union), but they shall be directly responsible to the Company for the conduct of the employees under their direction and for the efficient and economical administration of their work units. If members of the Union, Supervisors shall not be disciplined by the Union for carrying out the orders of the Company. No Supervisor shall be subject to fine, discipline, or expulsion by the Union for any act in performance of his or her duties as a Supervisor.

**3. Seniority**

Each Supervisor shall be granted seniority for all time spent as an Instructor Pilot for the Company plus all time spent as a Supervisor of Instructor Pilots. If the Supervisor is transferred to an Instructor Pilot classification, the Supervisor shall commence work as an Instructor Pilot with the seniority he or she had at the time he or she became a Supervisor, plus the seniority accumulated while working as a Supervisor.

**4. Disciplinary Action**

Supervisors may be transferred to an Instructor Pilot classification at the sole discretion of the Company. In addition, Supervisors may be dismissed from employment for unacceptable conduct or any other violation of a Company rule or standard. In the event of dismissal, the Supervisor will be transferred to Instructor Pilot classification and dismissed from that classification. For lesser forms of discipline, Supervisors may invoke the Company’s Alternative Dispute Resolution process.

**ARTICLE 5**  
**COMPENSATION AND BENEFITS**

**1. Pay Rates, Titles, and Salary Ranges**

The minimum and maximum salary attendant to each job classification, effective February 27, 2009, will be as follows:

<b>Classification</b>	<b>Minimum Salary</b>	<b>Maximum Salary</b>
Instructor Pilot	Per paragraph 5.3	Per paragraph 5.3
Deputy Pilot	Per paragraph 5.3	Per paragraph 5.3
FAA Designee	Per paragraph 5.3	Per paragraph 5.3
Supervisor	Per paragraph 5.3	Per paragraph 5.3

**2. Salary Adjustment Funds**

The Company will establish salary adjustment funds as follows:

February 27, 2009	Same as 2009 BCA SJC non-union base salary adjustment fund percentage
February 26, 2010	Same as 2010 BCA SJC non-union base salary adjustment fund percentage
February 25, 2011	Same as 2011 BCA SJC non-union base salary adjustment fund percentage
February 24, 2012	Same as 2012 BCA SJC non-union base salary adjustment fund percentage

Employees are eligible to participate in the salary adjustment exercise as long as they were hired prior to previous November 1st and remain in the bargaining unit.

If neither party has requested termination or amendment of this Agreement pursuant to Article 12, then salary adjustments will continue on an annual basis on or about the first Friday of March in each subsequent year.

**3. Salary Structure Table and Years**

The Salary Structure Table is defined below. This table identifies the base salary and automatic progression step increases for each job by years as an Instructor Pilot.

**Salary Structure – Year Three (eff 2/29/2008)**

	<b>L5S INSTRUCTOR PILOT</b>		<b>L3S FAA</b>		<b>L2S DEPUTY</b>		<b>L1F BOX POSITION</b>	
<b>Years</b>	<b>Salary</b>	<b>Prog Step</b>	<b>Salary</b>	<b>Prog Step</b>	<b>Salary</b>	<b>Prog Step</b>	<b>Salary</b>	<b>Prog Step</b>
0	112,424		119,164		120,297		128,708	
1	114,743	2,150	121,645	2,300	122,723	2,250	131,350	2,450
2	117,061	2,150	124,125	2,300	125,257	2,350	133,993	2,450
3	119,380	2,150	126,605	2,300	127,684	2,250	136,581	2,400
4	121,753	2,200	129,032	2,250	130,164	2,300	139,331	2,550
5	124,017	2,100	131,458	2,250	132,752	2,400	142,027	2,500
6	126,390	2,200	133,885	2,250	135,287	2,350	144,669	2,450
7	128,762	2,200	136,365	2,300	137,767	2,300	147,311	2,450
8	131,027	2,100	138,845	2,300	140,193	2,250	150,007	2,500
9	133,345	2,150	141,326	2,300	142,674	2,300	152,703	2,500
10	135,664	2,150	143,806	2,300	145,100	2,250	155,291	2,400
11	137,983	2,150	146,286	2,300	147,634	2,350	157,987	2,500
12	140,301	2,150	148,767	2,300	150,115	2,300	160,629	2,450
13	142,620	2,150	151,247	2,300	152,649	2,350	163,271	2,450
14	144,938	2,150	153,674	2,250	155,129	2,300	165,913	2,450
15	147,203	2,100	156,154	2,300	157,664	2,350	168,609	2,500
16	149,576	2,200	158,526	2,200	160,036	2,200	171,359	2,550
17	151,894	2,150	160,953	2,250	162,570	2,350	173,948	2,400
18	154,213	2,150	163,379	2,250	165,105	2,350	176,590	2,450
19	156,531	2,150	165,913	2,200	167,693	2,300	179,394	2,400
20	158,797	0	168,284	0	170,169	0	181,975	0

#### **4. Salary Adjustments and Lump Sum Payments**

Effective on the salary adjustment dates shown in paragraph 5.2, the following actions will occur:

- 4(a) Automatic Progression Increases. Instructor Pilots eligible for an automatic progression increase will have their base salaries increased by the applicable automatic progression increase amount shown on the Salary Structure Table.
- 4(b) Salary Structure Increases. Instructor Pilots with base salaries at their applicable Salary Structure Table values will receive a salary structure increase. The size of the salary structure increase will be calculated by taking the size of the applicable salary adjustment fund from paragraph 5.2 and deducting the percentage of increase attributed to the automatic progression increases described in paragraph 5.4(a) (the total of such increases divided by the total of all Instructor Pilot salaries [prior to application of the automatic progression increases] as of the salary adjustment date). The Company will update the Salary Structure Table values by the size of the salary structure increase.
- 4(c) Lump Sums in Lieu of Salary Structure Increases. Instructor Pilots with base salaries above their applicable Salary Structure Table value will receive lump sum payments (less applicable withholdings). Each lump sum payment will be in an amount equal to that portion of the salary structure increase not paid as a base salary increase.
- 4(d) Starting with the 2009 table, the structure will be extended to cover 25 years of service.

#### **5. Changes in Job Classification**

Instructor Pilots who move to higher rated job classifications when their base salaries are at their applicable Salary Structure Table values will have their base salaries increased to the applicable Salary Structure Table values for the new jobs. Instructor Pilots who move to higher rated job classifications when their base salaries are above their applicable Salary Structure Table values will have their base salaries adjusted upward by the difference between the applicable Salary Structure Table values for the old and new jobs. Instructor Pilots who move to lower rated job classifications will have their base salaries decreased by the lesser of (a) the post conversion increase (if any) received upon moving to the higher rated classification or (b) the difference between the pilot's base salary and the applicable Salary Structure Table value for the lower rated classification; such pilots will be ineligible for any further automatic progression increases and lump sum payments until their base salaries reach the applicable Salary Structure Table values for their new jobs.

#### **6. Pilot Early Leave**

The Company will maintain the Pilot Early Leave program under the terms and conditions set forth in the program document revised dated December 22, 2008, except that for those Instructor Pilots in the bargaining unit as of the effective date of this Agreement (February 10, 2009), the last paragraph of the program document shall not apply.

**7. Benefits**

**7(a) Health and Insurance and Layoff Benefits**

The Company will provide Instructor Pilots the same Group Benefits (medical, dental, life, disability, accidental death and dismemberment) and layoff benefits that were negotiated with SPEEA in 2008 and are provided to the Company's SPEEA-represented employees in the Puget Sound region. The Group Benefits package plan design changes are effective July 1, 2009, and effective January 1, 2010, the benefit year will change from July 1 through June 30 to a calendar year, January 1 through December 31.

**7(b) Voluntary Investment Plan**

Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities and to the provisions of this section 7(b), the Company will provide Instructor Pilots benefits under the Company's Voluntary Investment Plan (VIP). Effective January 1, 2009, employees may elect to contribute to the VIP from 1 percent to 25 percent of base pay on a pre-tax, after-tax, or combination of pre-tax and after-tax basis, in 1 percent increments.

Employees hired or rehired before January 1, 2010, shall be eligible for a Company matching contribution for each pay period equal to 75 percent of the first 8 percent of base pay the employee contributes to the VIP. Employees who are hired or rehired on or after January 1, 2010, shall be eligible for a Company matching contribution for each pay period equal to 100 percent of the first 4 percent of base pay the employee contributes to the VIP and 50 percent of the next 4 percent of base pay the employee contributes to the VIP. Employees will be 100 percent vested immediately in this Company matching contribution.

Employees hired or rehired on or after January 1, 2010, will be eligible for an additional Company contribution to the VIP for each pay period in an amount equal to a percent of the employee's eligible pay (defined as base pay, shift differential, and employee incentive pay earned on/after 2010) for the pay period, according to the schedule below. Employees will be 100 percent vested immediately in this Company contribution. Employees whose most recent hire date is before January 1, 2010, are not eligible for this Company contribution.

<b>Age at End of Year</b>	<b>Company Contribution</b>
<b>Under age 40</b>	<b>3%</b>
<b>Age 40-49</b>	<b>4%</b>
<b>Age 50 or older</b>	<b>5%</b>

The parties agree that innovations in technology and administrative practices can give VIP 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 Company's Employee Benefit Plans Committee has discretion to adopt these changes to the VIP.

The Company, through the Board of Directors (or its delegate) reserves the right to amend the Plan to satisfy all requirements laws applicable to the Savings Plan, including but not limited to Section 401(a), Section 401(k), or any other applicable

provision of the Internal Revenue Code of 1986, as amended, or to satisfy fiduciary duties under the Employee Retirement Income Security Act of 1974, as determined by the Company, or to satisfy federal and state securities laws.

**7(c) The Boeing Company Employee Retirement Plan**

Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities and to the provisions of this section 7(c), the Company will provide Instructor Pilots benefits under The Boeing Company Employee Retirement Plan (Retirement Plan) as follows. Effective April 1, 2009, for employees whose most recent hire date is before January 1, 2010, the Basic Benefit will be increased to \$81.00 per month for all years of credited service for employees on the active payroll of the Company, or those on the authorized period of absence on or after April 1, 2009 (including those who retire from the employ of the Company on April 1, 2009). Effective January 1, 2012, for employees whose most recent hire date is before January 1, 2010, the Basic Benefit will be increased to \$83.00 per month for all years of credited service for employees on the active payroll of the Company, or those on the authorized period of absence on or after January 1, 2012 (including those who retire from the employ of the Company on January 1, 2012).

Employees hired or rehired on or after January 1, 2010, will not be eligible for participation in The Boeing Company Employee Retirement Plan.

Full benefits of the previous contract will remain in force until new benefits' dates become effective. Only questions concerning the amount of Credited Service under the Retirement Plan that an employee has accumulated by reason of employment after the effective date of the plan shall be subject to the grievance and arbitration procedure of this Agreement.

The Company shall have the right to unilaterally make any changes to actuarial assumptions and funding methods, provided such changes are determined by the Retirement Plan's enrolled actuary to be reasonable in the aggregate. The Company shall be entitled to unilaterally adopt such amendments to the Retirement Plan as may be required to obtain any approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities.

**7(d) Definition of "Hired or Rehired" and "Most Recent Hire Date"**

For purposes of this section 7, "hired or rehired" means the employee's most recent date of hire or rehire except as follows:

- (i) A rehire following a termination of employment due to layoff will not be treated as a rehire to the extent that the rehire occurs within 6 years of the layoff event,
- (ii) A return to employment directly from an authorized period of absence, without incurring a termination of employment, will not be treated as a rehire,
- (iii) A transfer of employment from a Boeing affiliate or subsidiary shall not be treated as a rehire.

If neither party has requested termination or amendment of this Agreement pursuant to Article 12, then the Union agrees to accept SPEEA's negotiated changes to their Group Benefits package (medical, dental, life, disability, accidental death and dismemberment), the Voluntary Investment Plan, the sick leave pay practices, the Retirement Plan, and the Layoff Benefit plans.

**8. Pay Practices**

The Company will provide Instructor Pilots the same vacation and sick leave pay practices and holiday schedule that are provided to the SPEEA-represented employees in the Puget Sound region.

**9. ShareValue**

The Company and the Union agree that all eligible represented employees may participate in the Boeing ShareValue Program (also known as the ShareValue Trust) for the duration of the Share Value program. The parties agree that the Company's success depends on the ability to return long-term value to the shareholders. The intent of this incentive program is to help inform employees about what makes a business run and produces shareholder value, and to allow employees to share in the results of their efforts to increase shareholder value.

Employees will be eligible to participate in accordance with the governing provisions of the ShareValue Program as set forth in the official program documents. In the event of any conflict between this article and the official ShareValue Program documents, the official ShareValue Program documents will prevail in every case.

Eligible participants will proportionally share in a ShareValue Program distribution based on the number of months they were eligible to participate during any investment period falling within the term of the Agreement or any preceding Agreement that provided for their participation in the ShareValue Program. If the Share Value Program is continued beyond its current termination date, all eligible bargaining unit employees may continue to participate.

**10. Paychecks**

For employees working in states where mandatory direct deposit is permitted by law, paychecks will be delivered via direct deposit on Thursday of every second week, covering all wages, including overtime, earned through Thursday of the preceding week, except when other circumstances intervening beyond the Company's control make such practice impossible.

**ARTICLE 6**  
**STRIKES AND LOCKOUTS**

1. Neither the Union (including its officers, agents, representatives, and members) nor any employee covered by this Agreement shall in any way, directly or indirectly, authorize, cause, assist, encourage, participate in, ratify, or condone any strike (whether it be an economic strike, sympathy strike, or otherwise), slowdown, walkout, boycott, picketing (including informational picketing), handbilling, or any other interference with the Company's operations, including any refusal to cross any other labor organization's or other party's picket line. Any employee who violates this article shall be subject to disciplinary action.
2. In addition to any other liability, remedy, or right provided by this Agreement or applicable law, should a violation of this article occur, the Union, within 24 hours of a request by the Company, shall:
  - a. Publicly disavow such action by the employees.
  - b. Advise the Company in writing that such action by the employees has not been called or sanctioned by the Union.
3. The Company agrees that there shall be no form of lockout during the term of this Agreement.
4. Any claim by either the Company or the Union that this article has been violated shall not be subject to the grievance and arbitration provisions of this Agreement, and either party shall have the right to submit such claim to the courts.

## ARTICLE 7

### GRIEVANCE AND ARBITRATION PROCEDURE

#### 1. Grievance and Arbitration Procedure

Grievances arising between the Company and its employees subject to this Agreement, or between the Company and the Union, with respect to the interpretation or application of any of the terms of this Agreement, shall be settled according to the following procedure. The grievance procedures of this Agreement and the judicial and administrative remedies provided by law are the sole and exclusive means for settling any dispute between the employees and/or the Union and the Company dealing with the interpretation or application of terms of this Agreement.

#### 2. Employee Grievances

- a. Grievances on behalf of employees shall be handled as follows:
  - Step 1. Submission of Grievance to Supervisor. The employee and, at his or her option, a Union Representative shall contact the employee's manager and attempt to effect a settlement of the grievance. Such notification shall be made within 10 workdays following the occurrence of the event giving rise to the grievance or following the discovery of such event if during the period between the dates of occurrence and discovery the event was unknown to the affected Instructor Pilot and the Union and could not have been discovered upon reasonable diligence.
  - Step 2. Submission of Grievance to Company Representative. If no settlement is reached, the Union Representative shall withdraw the grievance or immediately thereafter submit the grievance in writing to the designated Company Representative and attempt to effect a settlement.
  - Step 3. Arbitration. If no settlement is reached in Step 2, the Union Representative shall either withdraw the grievance or promptly request, in writing, that the matter be submitted to an arbiter.
- b. Employees shall not be discharged or suspended without just cause. An employee shall have the right to appeal a layoff, discharge, suspension, or involuntary resignation by filing a written grievance through the Union, beginning at Step 2, with the designated Company Representative within ten (10) workdays after the date of such layoff, discharge, suspension, or involuntary resignation.

#### 3. Union Versus Company and Company Versus Union

Grievances that the Union may have against the Company, or the Company may have against the Union, shall be submitted in writing to the party's designated representative within ten (10) workdays following the occurrence of the event giving rise to the grievance or following the discovery of such event if during the period between the dates of occurrence and discovery the event was unknown to the grievant and could not have been discovered upon reasonable diligence. If no settlement is reached, the grieving party shall either withdraw the grievance or request in writing that the matter be submitted to an arbiter.

#### **4. Selection of Arbitrator**

Contemporaneously with execution of this Agreement, the parties will agree upon a panel of two arbitrators. Selection of an arbitrator to hear a particular case shall be made from the panel on a rotating, alphabetical basis. Nothing in this article shall preclude the parties from mutually agreeing on an arbitrator to hear and decide a particular case.

#### **5. Arbitration – Rules of Procedure**

Arbitration proceedings shall be in accordance with the following:

- a. The arbitrator shall hear and accept pertinent evidence submitted by both parties and shall be empowered to request such data as the arbitrator deems pertinent to the grievance. The arbitrator shall render a decision in writing to both parties within sixty (60) days (unless mutually extended) of the completion of the hearing.
- b. The arbitrator shall be authorized to rule and issue a decision in writing on the issue presented for arbitration that shall be final and binding on both parties.
- c. The arbitrator shall rule only on the basis of information presented in the hearing unless, in the arbitrator's judgment, the hearing should be reopened to receive additional information from one or both parties.
- d. Each party to the proceedings may call such witnesses as may be necessary in the order in which their testimony is to be heard. The arguments of the parties may be supported by oral comment and rebuttal. Either or both parties may submit written briefs within a time period mutually agreed upon. Such arguments of the parties, whether oral or written, shall be confined to and directed at the matters raised at the hearing.
- e. Each party shall pay any compensation and expenses relating to its own witnesses or representatives.
- f. The Company and the Union shall, by mutual consent, fix the amount of compensation to be paid for the services of the arbitrator. The Union or the Company, whichever is ruled against by the arbitrator, shall pay the compensation and expenses of the arbitrator.
- g. The total cost of the stenographic record, if requested, will be paid by the party requesting it. If the other party also requests a copy, that party will pay one-half of the stenographic costs.

#### **6. Binding Effect of Award**

All decisions arrived at under the provisions of this article by the representatives of the Company and the Union, or by the arbitrator, shall be final and binding upon both parties and involved employees, provided that in arriving at such decisions neither of the parties nor the arbitrator shall have the authority to alter this Agreement in whole or in part.

#### **7. Time Limitation as to Back Pay**

Grievance claims regarding retroactive compensation shall be limited to thirty (30) calendar days prior to the written submission of the grievance to Company Representatives, provided, however, that this thirty (30)-day limitation may be waived by mutual consent of the parties. The limitation period will be extended to cover a

period of time if during that period facts justifying the filing of a grievance were unknown to the affected Instructor Pilot and the Union and could not have been discovered upon reasonable diligence.

**8. Extension of Time Limits by Agreement**

The time limits set forth in this article are recognized by the parties as being necessary for prompt resolution of grievances. Reasonable extensions of these time limits may be arranged by mutual written agreement. Grievances not presented, or presented and not pursued, within the specified or mutually extended time limits will be considered waived, and such failure shall constitute a bar to all future actions thereon.

**9. Signing Grievance Does Not Concede Arbitrable Issue**

The signing of any grievance by any employee or representative of either the Company or the Union shall not be construed by either party as a concession or agreement that the grievance is timely, constitutes an arbitrable issue, or is properly subject to the grievance procedure under the terms of this article.

**ARTICLE 8**  
**UNION SECURITY**

**1. Union Membership**

All employees within the bargaining unit shall pay dues or an agency fee to the Union within thirty-one (31) days following the beginning of such employment, or within thirty-one (31) days following the execution of this Agreement, whichever is later, and shall thereafter maintain their dues or agency fee paying status in good standing during the life of this Agreement.

Employees required to maintain Union membership pursuant to this article may satisfy their obligation by periodically tendering to the Union an amount equal to the Union's regular and usual monthly dues.

**2. Deduction of Union Dues**

The Company agrees to make monthly payroll deductions for Union dues upon receipt by the office designated by the Company of a voluntarily written assignment covering such deductions on a form mutually agreed to by the Union and the Company. Such assignment is to remain in effect until canceled by the employee so signing on a Company form or in any other written manner acceptable to the Company.

**3. Union Dues Changes**

In the event the Union desires to change the amount of dues to be deducted, the Union will notify the Company in writing at least sixty (60) days prior to the change becoming effective through payroll deduction.

**4. Indemnification**

The Union expressly agrees to indemnify the Company against any and all employee and governmental claims, demands, suits, or other forms of liability, including but not limited to, attorneys' fees and other costs of defense, that arise out of or by reason of action taken or not taken by the Company for the purposes of complying with this article. The Company agrees to tender promptly to the Union any such claim, demand, or suit.

**5. Waiver of Claims**

Both the Company and the Union will use due diligence in administering and reviewing, respectively, the dues deduction system. In the event the Union discovers administrative errors in Company administration of the system, the Union will give the Company prompt and timely notice of same, whereupon the Company will endeavor to make reasonable administrative corrections consistent with applicable state and federal laws. Respecting Company administration of the system, the Union expressly waives any and all claims, demands, suits, or other forms of liability that may arise out of or by reason of good faith action taken or not taken by the Company for purposes of complying with this article.

**ARTICLE 9**  
**WORK RULES**

**1. Definitions of Terms Used in This Article**

**A. CREW (Complement/Qualifications):**

**I. AUGMENT CREW**

An Augment Crew shall consist of three (3) pilots, at least two qualified to occupy the Captain's control position and at least one qualified to occupy the Co-Pilots control position during takeoff and landing. Customer pilots who have completed Type Certification Evaluations and any subsequent mandatory Airplane Training and/or Evaluation may be considered as crew members, provided at least one member of the augment crew is a Boeing Instructor Pilot.

**II. BASIC CREW**

A Basic Crew shall consist of two (2) pilots, one qualified to occupy the Captain's control position and one qualified to occupy the Co-Pilot's control position during takeoff and landing. Customer pilots who have completed Type Certification Evaluations and any subsequent mandatory Airplane Training and/or Evaluation will be considered as one of the previously noted pilot crew members

**III. DOUBLE AUGMENT CREW**

A Double Augment Crew shall consist of four (4) pilots, at least two qualified to occupy the Captain's control position and at least one qualified to occupy the Co-Pilot's control position, during takeoff and landing. Customer pilots who have completed Type Certification Evaluation and any subsequent mandatory Airplane Training and/or Evaluation will be considered as crew members, provided at least two Boeing Instructor Pilots or one Boeing Instructor Pilot and one fully qualified Customer crew; i.e. not in any type of training status, are members of the double augment crew. Any deviation to this crew complement must be approved by Flight Training management.

**B. DUTY TIME**

Duty time begins ninety (90) minutes prior to scheduled departure time, or when the Instructor Pilot reports for the flight at either Dispatch or Operations, whichever is earlier. Duty time ends thirty (30) minutes after the end of the final flight or surface deadhead of the duty period.

**C. FLIGHT TIME**

Flight time begins when the aircraft first moves for the purpose of flight or repositioning and ends when the aircraft comes to a stop, either at a destination or the point of origin.

**I. DOMESTIC FLIGHT**

A flight between two points, both located in the Continental United States, Alaska, Canada, and/or Mexico.

**II. INTERNATIONAL FLIGHT**

A flight between two points, at least one of which is not located in the Continental United States, Alaska, Canada, and/or Mexico.

**III. SERIES OF FLIGHTS**

Two or more flights within one duty period.

**D. WORK DAY**

Any calendar day (midnight to midnight local time) during which an Instructor Pilot performs a required assignment. Time spent on layover of less than 48 hours or in travel to, from, or between assignments shall be considered work days.

**2. Instructor Pilot’s Authority**

Irrespective of the maximum scheduled flight time and/or duty time and/or crew complement, an Instructor Pilot has the authority to terminate any flight, or series of flights, or duty period, when, in his or her opinion, to continue such flight, series of flights, or duty period would cause safety to be compromised. In the event an Instructor Pilot exercises such authority, he or she will document in writing all pertinent data, including but not limited to, date, time, circumstances resulting in his or her decision along with the names of Boeing and airline personnel contacted and a brief summary of those conversations. The written record will be retained for submission to Flight Training management as soon as practical.

An Instructor Pilot who performs training or evaluation duties on Company or customer aircraft shall normally be designated Pilot-In-Command and shall have full authority and discretion to assign or limit duties within the flight deck crew complement. In circumstances where regulatory restrictions prohibit the Boeing Instructor Pilot from being officially designated as Pilot-In-Command, the Boeing Instructor Pilot retains full authority to make safety of flight determinations in accordance with the preceding paragraph. A Boeing Instructor Pilot, acting under this paragraph, shall occupy the Control Seat of his, or her, choice on each takeoff and landing, unless such Instructor Pilot elects not to occupy a Control Seat on a specific takeoff or landing.

**3. Rostering**

Instructor Pilots shall normally be assigned flying, simulator, and other duties using a roster. Scheduled operators shall be requested to provide a roster of at least two (2) weeks’ duration. Non-scheduled operators shall be requested to provide a roster of at least three (3) days’ duration. If a change is required to an Instructor Pilot’s roster, he or she shall be notified as far in advance as possible and a new roster will be provided if feasible.

**4. Interruption of Crew Rest**

To allow for uninterrupted rest prior to commencing a flight assignment, an Instructor Pilot normally shall not be required to receive or acknowledge communications during a twelve (12)-hour period immediately prior to a scheduled report time for a

flight. Communications about the postponement or cancellation of a report time or training assignment will not be deemed to interfere with required rest periods.

**5. Applicability**

The maximum scheduled flight time and duty periods set forth below shall govern, except as provided in paragraph 2 of this Article, or in such instance as the Customer's maximum scheduled flight time and maximum duty periods are more restrictive, in which case the maximums of the Customer shall govern.

**6. Simulator Training**

No Instructor Pilot shall be scheduled for more than eight (8) hours combined briefing, Simulator Training, and debriefing in any one Simulator Training session. Subsequent to the end of debriefing of a Simulator Training session, a minimum of twelve (12) hours shall elapse before the beginning of the next scheduled activity.

**7. Base Training**

No Instructor Pilot shall be scheduled for more than five (5) hours airplane base training, plus a combined total of three (3) hours briefing and debriefing. Subsequent to the end of debriefing of an airplane base training flight, a minimum of twelve (12) hours shall elapse before the beginning of the next scheduled activity.

**8. Revenue Service Training (OE/IOE)/Delivery Flight/Ferry Flight**

**Maximum Scheduled Flight Time and Maximum Scheduled Duty Period**

No Instructor Pilot shall be scheduled for more than:

**Basic Crew** – Eight (8) hours flying and sixteen (16) hours on duty, except, in the case of a flight, or series of flights with no more than two (2) scheduled landings during the duty period; then the maximum flying hours shall be increased to ten and one-half (10.5) hours, and the maximum scheduled on-duty time shall be thirteen (13) hours. No Instructor Pilot shall be required to accept more than three (3) consecutive days as a basic crew with duty periods exceeding twelve (12) hours without a day off.

**Augment Crew** – Twelve (12) hours flying and eighteen (18) hours on duty, provided one (1) crew rest seat in First/Business Class is provided for exclusive use of the pilots. If the airplane has no First/Business Class seats installed, two side by side Economy Class seats will be provided. An enclosed Crew Rest Area with at least one horizontal sleeping surface may be used in lieu of seats. Deviation from this paragraph may occur with the concurrence of the senior Instructor Pilot in the augment crew.

**Double Augment Crew** – Sixteen (16) hours flying and twenty (20) hours on duty provided two (2) crew rest seats in First/Business Class (minimum of 55 inches pitch and fully reclining) are provided for exclusive use of the pilots. In the event an enclosed Crew Rest Area with two (2) or more horizontal sleeping surfaces is provided for exclusive use of the pilots on the aircraft, flying time is increased to eighteen (18) hours and duty hours shall increase to twenty-one (21) hours, except in the case of an aircraft with an endurance greater than eighteen (18) hours; then the flying time is increased to the nonstop

endurance of the aircraft, and duty time shall be two hours greater than the non-stop endurance of the aircraft.

**Maximum Actual Duty Period** – An Instructor Pilot’s actual maximum duty period may exceed the scheduled duty period by up to two (2) hours when an operational delay(s), i.e. maintenance, weather, etc., is (are) encountered after reporting for the duty period.

**Minimum Scheduled Rest Break** – Instructor Pilots shall be scheduled for the following crew rest periods (release from duty to reporting for duty):

Basic Crew scheduled for over eight (8) flying hours in one duty period – double the actual flying time.

All other scenarios:

Duty Period of 8 hours to less than 12 hours – 12 hours

Duty Period of 12 hours to less than 14 hours – 14 hours

Duty Period of 14 hours to less than 16 hours – 16 hours

Duty Period of 16 hours to less than 18 hours – 18 hours

Duty Period of 18 hours or more – 24 hours

**Minimum Actual Rest Break** – No Instructor Pilot shall receive a crew rest period (release from duty to reporting for any other scheduled activity) of less than twelve (12) hours. Longer rest periods will be required based on activities defined elsewhere in this article.

**9. Seven (7) Day, Thirty (30) Day, and Annual Maximum Flight Hours**

No Instructor Pilot may be scheduled to depart on a flight when his or her actual flight time for the 7-day, 30-day, or 12-month period, as appropriate, added to the scheduled time of the proposed flight exceeds:

**Basic Crew**

- Domestic Flight – 30 hours in any consecutive seven (7) days.
- International Flight – 32 hours in any consecutive seven (7) days.

**Augment or Double Augment Crews**

- No limitation in any consecutive seven (7) days.

**All Crews**

- Domestic Flight – No more than 100 hours in any consecutive thirty (30) days.
- International Flight – No more than 120 hours in any consecutive thirty (30) days.
- 1,000 hours in any consecutive twelve (12) months.

**10. Travel To, From, or Between Assignments (via air, surface, waterborne, or a combination thereof)**

No Instructor Pilot shall be required to remain on duty more than twenty (20) hours from departure from his or her home or hotel, as appropriate, until arrival at his or her home or hotel, as appropriate.

**11. Days Off**

Instructor Pilots will not normally be scheduled to work more than five (5) days in any seven (7)-day period, and shall not be scheduled to work more than ten (10) days in any fourteen (14)-day period, and shall not be scheduled in excess of six (6) consecutive days. After arrival at a travel location, if the elapsed time of the travel from the Instructor Pilot's domicile or last assignment, whichever is appropriate, is in excess of eight (8) hours, he or she shall be free of duty for twenty-four (24) hours.

**ARTICLE 10**  
**SCHEDULING POLICIES**

**1. Assignment Preparation**

To allow scheduled time to prepare for training assignments, and to complete program-related tasks at the end of such an assignment, the following guidelines will be used to the maximum extent possible.

(a) Prior to simulator training assignments at Longacres Training Campus, the following preparation days will be provided:

- 1) Program Lead Instructor for class with six (6) duty periods or more, three (3) business days.\*
- 2) All other instruction, one (1) business day.\*

\* While desired, preparation days may not necessarily immediately precede the first day of scheduled instruction.

(b) Prior to travel assignments requiring simulator instruction, airplane instruction, or airplane line flying assistance, the following preparation days will be provided:

- 1) Program Lead Instructor Pilots, five (5) days, at least three (3) days of which will be business days.\*
- 2) All other Instructor Pilots, three (3) days, at least one (1) of which will be a business day.\*

\* While desired, preparation days may not necessarily immediately precede the day of departure.

To the extent possible, the Program Lead Instructor Pilot will be identified at least two (2) weeks prior to the assignment. Changes to any of the periods described above will be made only with the concurrence of the affected Instructor Pilot.

(c) After return from a travel assignment, an Instructor Pilot will be provided the following days free of duty:

<b>Travel Assignment Duration (domicile to domicile)</b>	<b>Consecutive Non-Holiday Weekdays Free of Duty (The first Saturday and the first Sunday after return from travel and all Boeing holidays during the span will be considered as days free of duty and not counted against the total of earned days.)</b>
5 days or less	None
6 – 11 days	One
12 – 17 days	Two
18 – 23 days	Three
24 – 29 days	Four

30 – 35 days	Five
36 – 41 days	Six
42 – 47 days	Seven
48 – 53 days	Eight
54 days or more	Nine plus 1 day for each five days or fraction thereof above 54 days

## 2. Travel Assignments

To plan for the duration and number of travel assignments, the following criteria will be used:

- (a) **Thirty-Day Limit** – Normally, travel assignments will be limited to thirty (30) days, plus the required travel-only days from/to the Instructor Pilot’s residence. Required travel-only days as used in this paragraph are days free of any duty with the Customer. An Instructor Pilot shall not be assigned before departure, or extended after departure, to a travel assignment in excess of thirty (30) days, plus the aforementioned required travel-only days, without his or her concurrence.
- (b) **Number of Travel Assignments in a Twelve (12)-Month Period**
  1. Supervisors will normally be scheduled for no more than one thirty (30)-day training assignment, plus required travel-only days, within a consecutive twelve (12)-month period.
  2. Instructor Pilots with additional duties (check pilots, deputies, FAA designees, simulator liaison, etc.) will normally be scheduled for no more than two thirty (30)-day training assignments, plus required travel-only days, within a consecutive (12)-month period.
  3. All other Instructor Pilots will normally be scheduled for no more than four thirty (30)-day training assignments, plus required travel-only days, within a consecutive twelve (12)-month period.
  4. No Instructor Pilot will be assigned more than one hundred twenty (120) days of travel within a consecutive twelve (12)-month period unless the Chief Pilot, Flight Training – Airplane, determines no other Instructor Pilot is available for such assignment. Travel assignments that an Instructor Pilot volunteers for are excepted from the calculation of the one hundred twenty (120) days noted in this paragraph.
- (c) **Time Between Travel Assignments** – The minimum interval between the consecutive 30-day or longer travel assignments will be no less than 14 business days. This time will run concurrently with the compensatory time described in paragraph 1.(c) above.
- (d) **Advance Notification of Travel Assignments** – To allow adequate time to prepare for travel assignments, the Company shall designate Instructor Pilots for a travel assignment as far in advance of the departure date as possible. Instructor Pilots actually assigned to travel assignments shall be notified of the location, departure date, and duration in accordance with the following table:

<b>Scheduled Duration of Travel Assignment</b>	<b>Minimum Advance Notification</b>
1 to 3 days	24 hours
4 – 7 days	Four (4) calendar days
8 – 21 days	Five (5) calendar days
22 days or more	Seven (7) calendar days

(e) Additional assignments may be made if Customer demands or staffing constraints so require. Customer requirements or staffing constraints may require unforeseen deviations to scheduling policies. Such deviations will be documented and such documentation will include the rationale for the deviation.

**3. Local Availability**

To ensure adequate office staffing to meet Company and regulatory requirements, these guidelines will be followed:

- a. Supervisors will be scheduled for training assignments only after all other Instructor Pilots are utilized, with the exception of the criterion referenced in paragraph 2.b.(1).
- b. One Training Center Evaluator (TCE) and one Deputy Pilot for each of the Supervisor positions should be available for office duty when the Supervisor is unavailable. These pilots can be scheduled for local training programs if necessary.
- c. An Instructor Pilot who performs simulator liaison duties should be available during simulator acceptance periods.

**4. Family Separation**

In order to mitigate family hardships caused by long or repetitive international travel assignments, when such assignments are scheduled for forty two (42) days or longer, round-trip coach class airfare may be provided for a spouse or dependent, at the discretion of the Vice President – Alteon Training.

**5. REMHOL**

To compensate Instructor Pilots for working on travel assignments during scheduled Company holidays, these rules will be followed:

- a. One workday off with pay will be granted for each Company holiday worked or while on a travel assignment. If there was a weekend associated with the holiday, the affected Instructor Pilot will be granted a corresponding weekend free of duty within the 90-day period described below.
- b. The additional days off should be taken within ninety (90) days of the employee’s return. Management may grant exceptions.

**6. Winter Break**

In order to equitably distribute travel and work assignments over the Company's winter break, such assignments will first be made from volunteers, then from those Instructor Pilots who have never been so assigned, and then from those Instructor Pilots previously so assigned (working from most distant in time to most recent).

**7. Joint Scheduling Committee**

- a. The parties will establish a joint committee on scheduling policies. The committee will have two members appointed by the Union and two members appointed by the Company.
- b. The committee will meet as frequently as necessary, but in no event less than quarterly, to assess adherence to the scheduling policies and to recommend corrective action where policies are not being uniformly followed.
- c. The committee shall report to Union membership and Training management on a regular basis.
- d. Recommendations on how to improve compliance with the scheduling policies or to modify or add to those policies will be provided to the Chief Pilot, Flight Training – Airplane for appropriate action. As necessary, the Chief Pilot will refer issues to the Chief Pilot, Flight Training – Operations for resolution.

**8. Instructor Training**

- a. Instructor Pilot training (initial model qualification, subsequent model qualification, recurrent and proficiency training) will be conducted in accordance with Company Flight Training – Airplane, Pilot Training Program. The Company agrees to notify the Union in advance of any changes to the Company Flight Training – Airplane, Pilot Training Program and to consider any comments the Union may have regarding the changes.
- b. Every effort will be made by Flight Training management to ensure an Instructor Pilot's Qualification Training and Pilot Instructor Training (PIT) is conducted without interruption from additional duty assignments or duties on other airplane models.
- c. The Company shall make available a CD, or equivalent, video recording of all "mandatory" or "required" live classes or lectures. An Instructor Pilot who is unable to attend such live class or lecture, because he or she is on days off, paid leave, or other Company assignment, shall be permitted to check out the video recording in order to complete the required class/lecture at his or her leisure within a designated timeframe. After viewing the video recording, the Instructor Pilot shall sign a statement indicating his or her completion of the task.

**ARTICLE 11**  
**MISCELLANEOUS**

**1. Physical Examinations**

The Company will pay for the employee's FAA-required medical examinations (to include all lab work required to maintain an FAA medical certificate). The Company also agrees to provide the employees, at the Company's Medical Department and the employee's option, one additional physical examination per calendar year.

**2. Medical Certifications**

An FAA first-class medical certificate is required; however, if the instructor pilot is over the age of 60, a second-class medical certificate must be maintained. If the Company determines that its flight requirements (customer request) mandate that a pilot maintain or obtain a first-class medical certificate after age 60, a first-class medical certificate shall be maintained or obtained.

- a. An Instructor Pilot whose FAA medical certificate is suspended or denied due to a medical condition that temporarily prohibits performance of the essential functions of the employee's job will be treated as having temporary medical restrictions for a period of time not to exceed 12 consecutive months. Such employee will be temporarily assigned to bargaining unit work that the employee is qualified and able to perform, if bargaining unit work is available.
- b. For an Instructor Pilot who is assigned available bargaining unit work following the suspension or denial of a FAA medical certificate, if the employee's FAA medical certificate has not been restored after twelve (12) months have passed, then the Company will review the employee's case and determine whether the Company's interest is best served by the individual being placed on a medical leave of absence in accordance with Company policy or, at the employee's option, elect voluntary entry into the Company's reassignment process, or continuing work in the bargaining unit if such work is available and a reasonable prognosis exists that the individual will requalify for an appropriate medical certificate. This review by management will not be subject to the grievance and arbitration procedure of Article 7.
- c. In the event that an Instructor Pilot's FAA medical certificate has been suspended or denied due to a medical condition that temporarily prohibits the performance of the essential functions of the job, the Company may in its discretion provide the employee with the assistance of Virtual Flight Surgeon, or a similar service to be determined at the Company's discretion. During such period of suspension, the employee will make his or her best efforts to cooperate in lifting such FAA suspension. The employee will be required to provide the Company, at its request, with documentation of his or her efforts to reinstate the FAA medical certificate.

**3. Uniforms and Equipment**

When the Company requires that uniforms be worn, the Company shall provide the uniforms, pay to have them cleaned, and replace them when normal wear and tear renders them inappropriate for continued use. The Company shall also provide each

Instructor Pilot with a flight bag, headset, and all other Company-required flight equipment.

**4. Travel and Accommodation**

Travel shall be conducted and accommodations shall be arranged in accordance with current Company policy. When the suitability of travel arrangements or accommodations is of concern, the Instructor Pilot shall, if time permits, obtain prior approval from Flight Training management before making any changes thereto.

**5. Drug- and Alcohol-Free Workplace Program**

The Company will administer its drug- and alcohol-free workplace program in accordance with Companywide procedure, as that procedure may be changed from time to time. The Company agrees to notify the Union in advance of any changes. Random testing will be performed in accordance with applicable Department of Transportation regulations.

**6. Nondiscrimination**

All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, creed, national origin, religion, gender, sexual orientation, age, prior military service, or the presence of mental, physical, or sensory disabilities, except as permitted by law. Nothing herein is intended to require that any claim on the aforementioned grounds first be pursued through the grievance and arbitration process of this Agreement.

**7. Training**

The Company will assign employees to training on additional airplane models when business requirements so warrant. Employees will be selected for such training based on seniority as an Instructor Pilot, provided that the Chief Pilot, Flight Training – Airplane may, based on reasonable business considerations, bypass a more senior employee to select a more junior employee. The Company will advise the Union when and why such a selection has been made.

**8. Separability**

Should any provision or provisions of this Agreement become unlawful by virtue of a declaration of any court of competent jurisdiction or by reason of any existing or subsequently enacted legislation, such action shall not invalidate the entire Agreement. Any provisions of this Agreement not declared or otherwise deemed invalid shall remain in full force and effect for the life of this Agreement.

**ARTICLE 12**

**DURATION**

This Agreement shall become effective February 10, 2009, and shall remain in full force and effect until the close of February 9, 2013, and shall be automatically renewed for consecutive periods of one (1) year thereafter. Either party shall notify the other in writing, at least 60 days and not more than 90 days prior to February 9 of any calendar year, beginning with 2013, of its desire to either (1) amend this Agreement or (2) terminate this Agreement as of a date stated in such notice to terminate, which date shall be subsequent to such February 9. If either a notice to amend or a notice to terminate is timely given, the parties agree to meet thereafter for the purpose of negotiating an amendment to this Agreement or a new Agreement.

Dated this 19<sup>th</sup> day of March, 2009

AIRPLANE MANUFACTURING  
PILOTS ASSOCIATION

THE BOEING COMPANY

By 

By 

**LETTER OF UNDERSTANDING RELATING TO EMPLOYEE INCENTIVE  
PLAN**

Eligible employees covered by this Agreement may participate in The Boeing Company Employee Incentive Plan (EIP) for the duration of this Agreement as set forth below and subject to this Letter of Understanding and the terms of the EIP.

Employees will be eligible to participate in accordance with the governing provisions of the EIP as set forth in the official plan document. In the event of any conflict between this Letter of Understanding and the official EIP plan document, the official EIP plan document will prevail in every case.

The Board of Directors of the Company reserves the right to amend, modify, or terminate the EIP in its sole discretion. All terms and conditions of the EIP, as it may be amended or modified, will apply.

The Company shall not be required or obligated to provide any information to the Union that the Company determines to be proprietary or confidential, including but not limited to information regarding cost, pricing, and/or other financial information or data. Any information regarding cost, pricing, and/or other financial information or data will be provided at the Company's discretion if the Company deems it necessary or appropriate for Union review. If the Company so determines that such information should be released, the Union and/or its representatives may necessarily be required to execute a confidentiality agreement before such information is released. Any information that is released to the Union and/or its representatives will be held confidential and shall not be utilized by the Union and/or its representatives for any purposes that do not directly relate to the EIP.

Nothing in this Letter of Understanding or employee participation in the EIP will be subject to the grievance and arbitration procedure of Article 7.

Dated this 19<sup>th</sup> day of March, 2009

AIRPLANE MANUFACTURING  
PILOTS ASSOCIATION

THE BOEING COMPANY

By 

By 

**LETTER OF UNDERSTANDING RELATING TO PROBATIONARY  
EMPLOYMENT**

For the first 365 calendar days of employment, or until the successful completion of the first customer line assist period, whichever occurs first, bargaining unit employees shall be considered as on probation and without seniority. However, if a probationary employee is laid off and rehired within a period of time not in excess of the time he or she had previously spent as a probationary employee, he or she will be credited with the time previously worked toward the completion of the probationary period. Upon the completion of the probationary period, the employee's seniority date will then be established as the original date of hire.

During such probationary period, probationary employees may be laid off or terminated or reassigned at the discretion of the Company. Such layoffs, terminations, or reassignments during the probationary period shall not be subject to the grievance and arbitration procedure. The Company shall provide notice to the Union as soon as any employee is being considered for layoff, termination, or reassignment.

This Letter of Understanding will become effective for bargaining unit employees hired on or after the effective date of this Agreement.

Dated this 19<sup>th</sup> day of March, 2009

AIRPLANE MANUFACTURING  
PILOTS ASSOCIATION

THE BOEING COMPANY

By 

By 