

COLLECTIVE BARGAINING AGREEMENT

Between

SPIRIT AEROSYSTEMS, INC.

And

**SOCIETY OF PROFESSIONAL ENGINEERING EMPLOYEES IN
AEROSPACE**

Wichita Technical and Professional Unit

Effective Date: July 11, ~~2005~~2011

Spirit Proposal 9-8-11

1 **COLLECTIVE BARGAINING AGREEMENT**

2 **Between**

3 **SPIRIT AEROSYSTEMS, INC.**

4 **And**

5 **SOCIETY OF PROFESSIONAL ENGINEERING EMPLOYEES IN**

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

7
8
9 **PREAMBLE**

10
11 THIS AGREEMENT, dated as of the 11th day of July ~~2005~~2011, is made and entered into by and
12 between Spirit AeroSystems, Inc. (hereinafter referred to as “the Company”), and the Society of
13 Professional Engineering Employees in Aerospace – Wichita Technical and Professional Unit
14 (hereinafter referred to jointly as “the Union”).

15
16 **PREFACE**

17
18 **Company and Union Cooperation.**

19
20 This agreement is a reflection of the parties’ commitment to these shared principles:

- 21
- 22 • To maintain a respectful, cooperative relationship; recognizing that the employees are the most
23 valued resource the Company has.
 - 24
 - 25 • To work together to further the mutual success of both parties; so that the Company will continue
26 to have a productive, flexible, competitive business with a highly-motivated, skilled and
27 involved workforce while enabling the Union to best represent and serve its members.
 - 28
 - 29 • To resolve issues to the greatest extent possible through a collaborative process marked by open
30 communication and respect for the employees, the Company and the Union.
 - 31
 - 32 • To appreciate what the Union and the Company bring to our business.

1
2 The Company and the Union believe that a relationship built on cooperation and collaboration is
3 beneficial to the Company and its employees. It is agreed that the Company and the Union may discuss
4 suggestions, issues, or other matters either party wishes to present, provided that neither party shall be
5 bound to act upon any item presented or modify or change any provision of this Agreement.

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

12
13
14 **ARTICLE 1**
15 **BARGAINING UNIT**

16
17 **Section 1.1 Recognition.** For the purposes of collective bargaining with respect to rates of pay and
18 other conditions of employment, the Company recognizes the Union as the exclusive bargaining agent
19 for the collective bargaining unit described as follows:

20
21 **1.1(a) Non-engineering.** All full-time and regular part-time nonexempt employees and exempt
22 salaried non-engineering employees (except the Occupation/Family codes included below) primarily
23 employed and working in the Company's plants in Sedgwick County, Kansas, including persons
24 who are on travel status from such plants, but excluding all full-time and regular part-time
25 employees designated as being in the professional unit in the agreement with the Company, the
26 Union and the National Labor Relations Board in the Occupation/Family codes 6ANB, BBAQ,
27 BBAP, 7BTP, BCKK, 7BTN, 7BTR and the 7BTY employed within the SHEA Medical
28 Organization, confidential employees [1.1(b) below], managerial employees, guards and
29 supervisors as defined in the National Labor Relations Act, and all other employees.
30

1 **1.1(b)** The Company and the Union agree that a number of employees are excluded from the
2 bargaining unit because of their job functions and/or organizations. The following is a list of
3 categories of work that these employees do and/or the organizations they are in:
4

5 **1.1(b)(1)** Employees who work with confidential personnel information. The people in this
6 group include (a) all individuals working in human resource functions including employment,
7 organizational personnel representatives, compensation and benefits, equal employment
8 opportunity/workforce diversity, staffing and workforce, union relations, people systems and
9 management development; (b) all individuals working in the Employee Assistance Program; (c)
10 all individuals in the Law and Ethics organizations; and (d) all individuals in the Security and
11 Fire protection organization. Not included in this group of confidential employees are those
12 employees who coordinate and provide training programs.
13

14 **1.1(b)(2)** Employee who work with confidential business information. The people in this group
15 include all individuals in the Business Operations, in Internal Audit, in Communications and
16 Public Affairs, in State and Local Government Relations and all Executive Office
17 Administrators. Additionally, certain employees in the Finance Organizations in payroll,
18 payment services, insurance, estimating/pricing, investment analysis, cost management,
19 contracts, financial planning, overhead, tax specialists, sales accounting/billings and
20 finance/business management as further described in Appendix A are confidential. These
21 employees work regularly with data and information that is confidential because it includes one
22 or more of these elements: forward pricing, confidential information regarding litigation with
23 employees, employee personnel data, strategic business plans, decisions analysis and labor
24 forecasting.
25

26 **1.1(b)(3)** Employees in Information Technology who have systems level root authority.
27 “Systems level root authority” is defined as privileged access allowing employees to install,
28 update and upgrade restricted system software and parameters at the operating system level.
29 “Systems level root authority” also includes unlimited access to operating system passwords,
30 user passwords, and system data. “Unlimited access” is defined as the ability to inquire, update,
31 and/or delete information at operating system and/or database levels. The functions and job
32 codes included in the three groups described above are listed in Appendix A hereto which may
33 be updated from time to time by mutual agreement of the parties. Upon request, the Company

1 will provide the Union with job classification information sufficient to allow the Union to ensure
2 compliance with this Article.

3
4 **Section 1.2 Employees.** For purposes of the remaining articles of this Agreement, the term
5 “employees” shall include only those persons who are a part of the unit as described in Section 1.1.
6

7
8 **ARTICLE 2**
9 **RIGHTS OF MANAGEMENT**
10

11 **Section 2.1 Management of Company.** Except as expressly modified or restricted by a specific
12 provision of this Agreement, all statutory, common law, and inherent managerial rights, prerogatives,
13 and functions are retained and vested exclusively in the Company, including, but not limited to, the
14 rights in accordance with its sole and exclusive judgment and discretion to: establish reasonable rules
15 and regulations; manage the operation; direct the workforce; promote, demote, transfer and/or assign its
16 employees; discipline (up to and including discharge) employees for just cause; determine the number of
17 employees to be employed; and hire employees, determine their qualifications and assign their work and
18 work locations.
19

20 **2.1(a)** Company and the Union agree that due to the nature of the work performed by employees
21 represented by the Union, management employees may from time to time, perform work that would
22 otherwise be performed by bargaining unit members for the purposes of product development,
23 process improvement, employee training or emergencies.
24

25 **2.1(b)** The terms and conditions of this Agreement are minimum and the Company shall be free to
26 grant more favorable terms and conditions to any employee at its discretion.
27
28

29 **ARTICLE 3**
30 **DETERMINATION OF DISPUTES**
31

32 **Section 3.1 Establishment of Procedure.** Definition: The term “grievance” shall mean a written
33 complaint involving the interpretation or application of this Agreement. A grievance may include a

1 complaint about an act, communication or omission which occurs after the termination of this
2 Agreement, but no such grievance shall be subject to arbitration.

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

9
10 **Section 3.3 Grievance Steps.**

11
12 **Step 1 – Oral.** Any employee having a complaint shall first bring it to the attention of his
13 immediate supervisor. A Union Representative shall be present if requested by the Company or the
14 employee. The decision in this Step will be final and binding unless, within ten (10) workdays of the
15 decision, the employee proceeds to Step 2 of this procedure.

16
17 **Step 2 - Documented.** Any complaint not resolved in Step 1 – Oral, must be documented and
18 signed by the employee specified with alleged facts giving rise to the complaint, the Article or
19 Sections of this Agreement alleged to have been violated, and the remedy requested. The grievance
20 must be submitted to the employee’s supervisor within ten (10) working days of the Step 1 – Oral
21 decision. Within fifteen (15) calendar days of the manager’s receipt of a grievance, the supervisor or
22 his designee will meet with the employee and the Council Representative or designee in an effort to
23 resolve the grievance. A written answer shall be given to the employee with a copy to the Union
24 within three (3) workdays after the meeting.

25
26 **Step 3 – Pre-Arbitration.** The employee’s managers’ decision will be final and binding unless,
27 within ten (10) workdays of the issuance of that decision, the grievance is appealed in writing to
28 Human Resources. Within fifteen (15) calendar days of Human Resources’ receipt of appeal, a
29 Human Resource representative will meet with the employee and Union representative. The Human
30 Resources representative will give a written decision to the employee with a copy to the Union
31 within five (5) workdays from the date of such meeting. The parties attending such meetings shall
32 have full authority to make final and binding settlements.

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

3
4 **Step 4 – Arbitration.** The decision of Human Resources will be final and binding unless, within ten
5 (10) workdays of the issuance of the decision, the grievance is appealed in writing to arbitration.
6 Such appeal shall be directed to Human Resources. An impartial arbitrator shall then be appointed
7 by mutual agreement of the parties. Failing such agreement, a request shall be initiated by the
8 parties to the Federal Mediation and Conciliation Service to submit a panel of seven (7) names from
9 which a selection shall be made within fourteen (14) calendar days by the parties alternately striking
10 one person on the panel. The fees and expenses of the arbitrator and any other joint expense
11 incurred in connection with the arbitration proceedings shall be paid by the loser. The decision of
12 the arbitrator will be final and binding on the Company and the Union.

13
14 **Section 3.4 Agreement Not To Be Altered.** The jurisdiction and authority of this arbitrator shall be
15 confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at
16 issue between the Union and the Company. The arbitrator shall have no authority to add to, detract from
17 alter, amend or modify any provision of this Agreement, or impose on any party a limitation or
18 obligation not explicitly provided for in this Agreement. The arbitrator shall have no authority or power
19 to limit or impair any right that Article 2 of this Agreement reserves to Management as a Management
20 prerogative. The arbitrator shall not consider as a past practice any other event, ~~or policy, or grievance~~
21 ~~resolution~~ that occurred before the Effective Date of this Agreement.

22
23 **Section 3.5 Time Limit to Process Grievance.** The Company shall not be required to consider or
24 process any Step 1 – Oral grievance not presented within ten (10) workdays after the occurrence which
25 gave rise to the grievance, or any grievance which is not processed within the other time limits
26 established in this Article. Upon mutual agreement the parties may extend time limits. Should
27 Management not act within any prescribed time limit, the grievance shall automatically proceed to the
28 next step.

29
30 **Section 3.6 Arbitration Proceeding.** Unless otherwise agreed by the parties, each grievance appealed
31 to arbitration shall be the subject of a separate and distinct arbitration hearing and decision, and no
32 arbitrator shall be selected by the parties to hear or decide more than one (1) grievance in any one (1)
33 arbitration proceeding.

1
2 **Section 3.7 Investigatory Interviews.** Each employee ~~has~~shall be informed of the right, during an
3 investigatory interview, by personnel of the Company's Security Organization, the Employee Relations
4 Organization (ERO), or the Equal Employment Opportunity Organization (EEO), which ~~the employee~~
5 ~~reasonably believes~~ may result in discipline, to request the presence of ~~his~~ union representative, if the
6 union representative is available. If his union representative is not available, such employee may
7 request the presence of another immediately available union representative. The union representative
8 shall not obstruct or interfere with the purpose or timely completion of the interview. Reasonable delays
9 will be accommodated to assure representation is available.

10
11 **Section 3.8 Time Limitation as to Back Pay and Wage Overpayments.**

12 3.8(a) Grievance claims regarding retroactive compensation shall be limited to thirty (30) calendar
13 days prior to the written submission of the grievance to the Company; provided, however, that this
14 thirty (30)-day limitation may be waived by mutual consent of the parties. The parties commit to
15 make every effort to resolve arbitration cases as expeditiously as possible.

16 3.8(b) Company recovery of wage overpayments shall be limited to thirty (30) calendar days prior
17 to discovery of the overpayment.

18
19 **Section 3.9 Conferences During Work Hours.** All conferences resulting from the application of
20 provisions of this Article shall be held during working hours.

21
22
23 **ARTICLE 4**

24 **EMPLOYEE PERFORMANCE**

25
26 **Section 4.1 Employee Performance Process.** The Union and the Company agree that many factors
27 contribute to performance. The Company will establish, modify and continuously improve the
28 employee performance and evaluation process. The process will provide a documented means for the
29 employee and the manager to assess performance and an option to build ~~Employee Improvement~~
30 ~~Action~~Individual Development Plans (~~ref Article 7.10(b)).IDP~~). The Union and the Company will
31 discuss and the Company will consider in good faith any changes to the current process.

1 **4.1(a)** Both the employee and the manager are responsible for the completion of this process
2 annually. A copy of the completed final review shall be placed in the employee's Personnel file.
3

4 **4.1(b)** It is expected that occasional disagreement over Performance Evaluation content will be
5 resolved at the lowest possible level. A skip-level manager may be involved in the process for this
6 purpose. However, in those few instances where such resolution is not possible, the Union may
7 involve the Human Resource Director (or designee).
8

9 **4.1(c)** Failure to perform to identified performance standards may result in progressive discipline.

10
11 **Section 4.2 Individual Development Plan**

12
13 Employees who want to improve their skills in their current job or qualify for a job level upgrade may
14 develop an Individual Development Plan (IDP) with Management. The IDP will generally identify a
15 path of courses, activities, assignments and/or on the job training. Successful completion of an IDP
16 targeted at qualifying for a higher level job shall be considered by the Company if or when promotions
17 are available.
18

19
20 **ARTICLE 5**

21 **HOLIDAYS**

22
23 **Section 5.1 Dates Observed.** There will be twelve (12) scheduled paid holidays each calendar year.
24 The following holidays will be observed by the Company for the purpose set forth in this Article:
25

	2005	2006	2007	2008	2009	2010	2011
New Year's Day	Mon	Mon	Tues	Thurs	Fri	Mon	
	Jan 2	Jan 1	Jan 1	Jan 1	Jan 1	Jan 3	
Memorial Day	Mon	Mon	Mon	Mon	Mon	Mon	
	May 30	May 29	May 28	May 26	May 25	May 31	
Day Before		Mon					
Independence Day		July 3					

1	Independence Day	Mon	Tues	Wed	Fri	Fri	Mon
2		July 4	July 4	July 4	July 4	July 3	July 5
3							
4	Labor Day	Mon	Mon	Mon	Mon	Mon	Mon
5		Sept 5	Sept 4	Sept 3	Sept 1	Sept 7	Sept 6
6							
7	Thanksgiving Day	Thurs	Thurs	Thurs	Thurs	Thurs	Thurs
8		Nov 24	Nov 23	Nov 22	Nov 27	Nov 26	Nov 25
9							
10	<i>(Dates Observed cont.)</i>	2005	2006	2007	2008	2009	2010
11							2011
12	Day Following	Fri	Fri	Fri	Fri	Fri	Fri
13	Thanksgiving	Nov 25	Nov 24	Nov 23	Nov 28	Nov 27	Nov 26
14							
15	Winter Break	Fri	Mon	Mon	Wed	Thurs	Fri
16		Dec 23	Dec 25	Dec 24	Dec 24	Dec 24	Dec 24
17							
18	Winter Break	Mon	Tues	Tues	Thurs	Fri	Mon
19		Dec 26	Dec 26	Dec 25	Dec 25	Dec 25	Dec 27
20							
21	Winter Break	Tues	Wed	Wed	Fri	Mon	Tues
22		Dec 27	Dec 27	Dec 26	Dec 26	Dec 28	Dec 28
23							
24	Winter Break	Wed	Thurs	Thurs	Mon	Tues	Wed
25		Dec 28	Dec 28	Dec 27	Dec 29	Dec 29	Dec 29
26							
27	Winter Break	Thurs	Fri	Fri	Tues	Wed	Thurs
28		Dec 29	Dec 29	Dec 28	Dec 30	Dec 30	Dec 30
29							
30	Winter Break	Fri		Mon	Wed	Thurs	Fri
31		Dec 30		Dec 31	Dec 31	Dec 31	Dec 31

<u>2011 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 5, 2011</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 24, 2011</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 25, 2011</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 23, 2011</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 26, 2011</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 27, 2011</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 28, 2011</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 29, 2011</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 30, 2011</u>

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<u>2012 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Monday</u>	<u>January 2, 2012</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 28, 2012</u>
<u>Independence Day</u>	<u>Wednesday</u>	<u>July 4, 2012</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 3, 2012</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 22, 2012</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 23, 2012</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 24, 2012</u>
<u>Christmas Day</u>	<u>Tuesday</u>	<u>December 25, 2012</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 26, 2012</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 27, 2012</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 28, 2012</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 31, 2012</u>

<u>2013 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Tuesday</u>	<u>January 1, 2013</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 27, 2013</u>
<u>Independence Day</u>	<u>Thursday</u>	<u>July 4, 2013</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 2, 2013</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 28, 2013</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 29, 2013</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 24, 2013</u>
<u>Christmas Day</u>	<u>Wednesday</u>	<u>December 25, 2013</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 26, 2013</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 27, 2013</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 30, 2013</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 31, 2013</u>

<u>2014 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Wednesday</u>	<u>January 1, 2014</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 26, 2014</u>
<u>Independence Day</u>	<u>Friday</u>	<u>July 4, 2014</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 1, 2014</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 27, 2014</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 28, 2014</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 24, 2014</u>
<u>Christmas Day</u>	<u>Thursday</u>	<u>December 25, 2014</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 26, 2014</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 29, 2014</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 30, 2014</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 31, 2014</u>
<u>2015 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Thursday</u>	<u>January 1, 2015</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 25, 2015</u>
<u>Independence Day</u>	<u>Friday</u>	<u>July 3, 2015</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 7, 2015</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 26, 2015</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 27, 2015</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 24, 2015</u>
<u>Christmas Day</u>	<u>Friday</u>	<u>December 25, 2015</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 28, 2015</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 29, 2015</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 30, 2015</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 31, 2015</u>

<u>2016 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Friday</u>	<u>January 1, 2016</u>

<u>Memorial Day</u>	<u>Monday</u>	<u>May 30, 2016</u>
<u>Independence Day</u>	<u>Monday</u>	<u>July 4, 2016</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 5, 2016</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 24, 2016</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 25, 2016</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 23, 2016</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 26, 2016</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 27, 2016</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 28, 2016</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 29, 2016</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 30, 2016</u>

1

<u>2017 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Monday</u>	<u>January 2, 2017</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 29, 2017</u>
<u>Independence Day</u>	<u>Tuesday</u>	<u>July 4, 2017</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 4, 2017</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 23, 2017</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 24, 2017</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 22, 2017</u>
<u>Christmas Day</u>	<u>Monday</u>	<u>December 25, 2017</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 26, 2017</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 27, 2017</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 28, 2017</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 29, 2017</u>

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3

<u>2018 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Monday</u>	<u>January 1, 2018</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 28, 2018</u>

1

<u>Independence Day</u>	<u>Wednesday</u>	<u>July 4, 2018</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 3, 2018</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 22, 2018</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 23, 2018</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 24, 2018</u>
<u>Christmas Day</u>	<u>Tuesday</u>	<u>December 25, 2018</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 26, 2018</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 27, 2018</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 28, 2018</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 31, 2018</u>

2

<u>2019 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Tuesday</u>	<u>January 1, 2019</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 27, 2019</u>
<u>Independence Day</u>	<u>Thursday</u>	<u>July 4, 2019</u>
<u>Labor Day</u>	<u>Monday</u>	<u>September 2, 2019</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 28, 2019</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 29, 2019</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 24, 2019</u>
<u>Christmas Day</u>	<u>Wednesday</u>	<u>December 25, 2019</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 26, 2019</u>
<u>Christmas Break</u>	<u>Friday</u>	<u>December 27, 2019</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 30, 2019</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 31, 2019</u>

<u>2020 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Wednesday</u>	<u>January 1, 2020</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 25, 2020</u>
<u>Independence Day</u>	<u>Friday</u>	<u>July 3, 2020</u>

<u>Labor Day</u>	<u>Monday</u>	<u>September 7, 2020</u>
<u>Thanksgiving Day</u>	<u>Thursday</u>	<u>November 26, 2020</u>
<u>Day following Thanksgiving</u>	<u>Friday</u>	<u>November 27, 2020</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 24, 2020</u>
<u>Christmas Day</u>	<u>Friday</u>	<u>December 25, 2020</u>
<u>Christmas Break</u>	<u>Monday</u>	<u>December 28, 2020</u>
<u>Christmas Break</u>	<u>Tuesday</u>	<u>December 29, 2020</u>
<u>Christmas Break</u>	<u>Wednesday</u>	<u>December 30, 2020</u>
<u>Christmas Break</u>	<u>Thursday</u>	<u>December 31, 2020</u>

<u>2021 Holidays</u>	<u>Day of Week</u>	<u>Date of Observance</u>
<u>New Year's Day</u>	<u>Friday</u>	<u>January 1, 2021</u>
<u>Memorial Day</u>	<u>Monday</u>	<u>May 31, 2021</u>
<u>Independence Day</u>	<u>Monday</u>	<u>July 5, 2021</u>

Section 5.2 Unworked Holidays. Employees shall receive eight (8) hours pay for unworked holidays (those holidays designated above), at their Base Rate in effect at the time the holiday occurs, plus shift premiums where applicable, provided, however the employee works his last full working day prior to and after the holiday(s), unless excused by supervisor.

Section 5.3 Worked Holidays.

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

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

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

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

**ARTICLE 6
EARNED TIME OFF**

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

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

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

Section 6.2 Unused Credit.

1
2 **6.2(a)** All earned time off must be taken before the expiration of twelve (12) months after the date
3 the earned time off day is earned. However, days earned up to the maximum accrual during an
4 anniversary year may be carried over into the succeeding anniversary year. At no time shall an
5 employee carry a balance of more than two (2) times their annual accrual.
6

7 **6.2(b)** An employee may choose to be paid, upon written request, for a total of up to five (5) ten (10)
8 earned time off days in any calendar year. An employee may request payment on two occasions
9 during the year: (1) on their anniversary service date; and (2) one other time during the calendar year
10 at the employee's discretion.
11

12 **Section 6.3 Use of Credit.** All earned time off shall be taken at a time as to not seriously interfere with
13 scheduled operations. So far as practicable, the Company will ~~attempt to schedule~~permit all earned time
14 off for the period for which employees express preference. Employees, including exempt employees,
15 may take earned time off in one tenth (.10) hour increments up to a maximum accrual per the
16 appropriate schedule.
17

18 **Section 6.4 Bereavement Leave.** Up to three (3) days bereavement leave with pay will be granted to
19 an employee on the active payroll who, because of death in his immediate family, takes time off from
20 work during his normal work schedule as such term is defined in Section 10 of this Agreement. Such
21 pay shall be at the employee's straight time base rate, including shift differential and cost of living
22 adjustment where applicable for each such day off; however, such pay will not be applicable if the
23 employee receives pay for such days off under any other provision of this Agreement. Bereavement
24 leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar
25 days following the death (or evidence of belated notification of death). For the purposes of this Section
26 6.4 the "immediate family" is defined as follows: spouse, mother, father, mother-in-law, father-in-law,
27 children, brother, sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren,
28 stepmother, stepfather, stepchildren, stepbrother, stepsister, half-~~brother~~, half-~~sister~~ ~~and~~, spouse's
29 grandparents, domestic partner, step-grandparents, and spouses step-grandparents. In addition, an
30 employee will be granted bereavement leave for a stillborn child ~~if the employee provides a certificate of~~
31 ~~fetal death, which has been certified by the attending physician.~~
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ARTICLE 7
WORKFORCE

Section 7.1 Objective. The parties agree that it is in their mutual interest to ensure that appropriate employment, advancement, retention, redeployment, and layoff practices are implemented.

Section 7.2 Surplus. The term refers to a condition in which the Company determines that the assigned number of individuals exceeds the needs of the activity, project, program or organization to which the individuals are assigned. A surplus may or may not result in layoffs. To the extent deemed practicable by the Company, surpluses will be resolved by placing individuals in other assignments.

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

Section 7.4 Procedure Relating to the Filling of Positions.

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

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

1 7.4(b) The Company will first seek qualified candidates from within the existing active workforce
2 for all available positions, giving first consideration in the following order:

3 ~~7.4(b)(1) Reassignments of surplus employees and surplus individuals from management,~~
4 ~~engineering, or other salaried payrolls.~~

5
6 ~~7.4(b)(2) Non-promotional reassignments of non-surplus employees (as, for example, to staff~~
7 ~~new programs or to avoid surpluses).~~

8
9 ~~7.4(b)(3) Return of employees from layoff status or from leaves of absence.~~

10
11 ~~7.4(b)(4) Transfers into the bargaining unit of individuals who at some previous time were~~
12 ~~assigned to a Job Classification currently within the bargaining unit.~~

13
14 ~~7.4(c) An "in-place" promotion is the promotion of an employee to a higher level within the~~
15 ~~same Job Classification. This promotion results from expansion of the employee's~~
16 ~~own work assignment and is not for the purpose of filling a position vacated by another~~
17 ~~employee. Such an in-place promotion does not constitute the filling of position within the~~
18 ~~meaning of 7.4, and the~~ The Company may make such in-place promotions without limitations.

19
20 ~~7.4(d) All vacant positions other than those filled as described in 7.4(b) and 7.4(c) shall be~~
21 ~~designated as open positions.~~

22
23 ~~7.4(e) The Company will seek candidates from within the existing workforce for all positions that~~
24 ~~are designated by the Company as open positions. Employees on the active payroll who have been~~
25 ~~declared surplus and/or who have been previously downgraded shall have priority rights to open~~
26 ~~positions as described in 7.4(e)(1) and 7.4(e)(2), respectively. For open positions remaining after the~~
27 ~~provisions of 7.4(e)(1) and 7.4(e)(2) have been met, other candidates shall receive consideration as~~
28 ~~described in 7.4(e)(3).~~

29
30 ~~7.4(e)(1) If an open position occurs for a Job Classification in which layoffs are authorized, an~~
31 ~~employee already assigned to that Job Classification shall be selected for the open position.~~

32
33 ~~7.4(e)(2) If, after application of 7.4(e)(1), the open position still exists, first consideration shall~~
34 ~~be given to an employee who meets all the following conditions:~~

35
36 ~~7.4(e)(2)a~~ 7.4(b)(2) Reassignments of individuals within the bargaining unit who have
37 been identified for redeployment

38 7.4(b)(3) Reassignments of individuals from other payrolls who have been identified for
39 redeployment

40 7.4(b)(4) Employees who were, within six (6) years preceding the date on which the open

1 position is designated, while on the active payroll, downgraded for other than performance
2 reasons from the same Job Classification as the open/available position, or from a higher level of
3 that Job Classification, or from a directly related management, engineering, or other payroll
4 position and has not declined a Company offer of return to the Job Classification from which
5 downgraded.

6
7 ~~7.4(e)(2)b Has not declined a Company offer)(5)~~ Transfers into the bargaining unit of
8 return individuals who at some previous time were assigned to the Job Classification from which
9 downgraded.

10
11 ~~7.4(e)(3) If the open position still exists following application of 7.4(e)(1) and 7.4(e)(2), other~~
12 ~~candidates will receive consideration in the following order:~~

13
14 ~~7.4(e)(3)a-b)(6)~~ Individuals on file for recall as described in 7.9(b) and candidates

15 7.4(b)(7) Candidates who make timely application for the open position through the
16 Company's/Company's Employee Requested Transfer system/process.

17
18 ~~7.4(e)(3)b)-(8)~~ Others. The Company will select

19 7.4(c) Workforce Deployment. Because of changing business practices or organizational structure,
20 a need to re-deploy employees may occur. In such cases, the Company will give as much advance
21 notice to the Union as is practicable.

22 7.4(c)(1) If an open position occurs for a Job Classification in which employees have been
23 identified for re-deployment, an employee already assigned to that Job Classification shall be
24 selected for the open position whichever of the considered candidates it determines will best
25 achieve the purposes set forth in.

26
27 ~~7.4(a)-~~

28
29 ~~7.4(f)d)~~ **Employee Requests for Transfers.** The Company will maintain an environment in which
30 employees can make known their interest in transferring to other positions for which they are
31 qualified to perform and which may satisfy their personal needs. A job posting and transfer process
32 will be maintained which will allow employees, without fear of reprisal, to make application for

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

6
7 **Section 7.5 Reductions-in-Force.** Should reductions-in-force become necessary, the Company will
8 retain employees with the best performance or as warranted by business need in each job classification.

9
10 **7.5(a) Retention Rating.** The Company will establish and communicate to the employees and the
11 Union, a retention rating process consisting of three (3) categories. Employees will be given written
12 notification of their rating.

- 13
14 i. Category A shall represent the employees rated in the top 70% of the employees in each
15 classification.
- 16
17 ii. Category B shall represent the employees rated in the next 20% of the employees in each
18 classification.
- 19
20 iii. Category C shall represent the employees rated in the lowest 10% of the employees in each
21 classification. Employees rated in Category C will be notified of their vulnerability to layoff
22 during a reduction-in-force.

23
24 **7.5(a)(1) Adjustments for Company Service.** Employees with twenty (20) or more years of
25 Company service who are ranked in the Category C will be adjusted to a Category B retention
26 rating, and employees with twenty (20) or more years of Company service who are rated in
27 Category B will be adjusted to a Category A retention rating. Such adjustments will be reflected
28 in the written notification to each employee.

29
30 **7.5(a)(2) Retention Rating Appeals.** An employee who feels the assigned retention rating is
31 inappropriate may at any time discuss the matter with his or her immediate supervisor. If within
32 thirty (30) calendar days following notification of the assigned retention rating the employee

elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:

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

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

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

7.5(a)(4) Retention Rating Frequency. Retention ratings will occur at least every eighteen (18) months. A retention rating may be conducted in any retention groups in advance of any contemplated surplus.

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

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

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

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

3
4 **7.5(a)(5)d** ~~The effective date, and~~ A description of the jobs and levels included in the
5 retention group.

6
7 **7.5(a)(5)e** ~~A description of the jobs~~ “Designation” status, in accordance with Section
8 7.10.

9
10 **7.5(a)(5)f** Manager signature and levels included in ~~date the notification was presented to~~
11 ~~the retention group employee, and employee signature acknowledging receipt (the~~
12 ~~employee’s signature does not represent agreement but merely that the employee was~~
13 ~~notified of the information provided above).~~

14
15 **7.5(b) Out-of-Sequence Retention Rating.** The retention rating of an employee who is reclassified
16 between periodic retention rating reviews will be sustained or revised as defined in 7.5(b)(3).

17
18 **7.5(b)(1)** With downward movement between sequenced rating groups, the employee will
19 become a Category A until the next periodic retention rating review.

20
21 **7.5(b)(2)** With an upward movement between sequenced groups, the employee will
22 automatically receive a retention rating of Category C until the next periodic retention rating
23 review.

24
25 **7.5(b)(3)** When no level sequencing between groups is involved, the employee will retain the
26 same retention rating as before the reclassification until the next periodic retention rating review.

27
28 **7.5(b)(4)** An employee who returns from leave of absence between periodic retention rating
29 reviews shall retain the same rank until the next periodic retention rating review.

30
31 **7.5(b)(5)** An individual who enters the bargaining unit between periodic retention rating reviews
32 shall automatically be assigned a retention rating of Category C until the next periodic retention
33 rating review.

1
2 **7.5(b)(6)** An individual who returns from layoff shall be assigned the retention rating of record
3 at the time of layoff, providing there has not been a retention rating review during the layoff
4 period. The individual will automatically be assigned a retention rating of Category C if a
5 retention rating review has been conducted during the layoff period.
6

7 **7.5(b)(7)** The out-or-sequence retention rating assigned under the provisions of 7.5(b)(1)
8 through 7.5(b)(7) will be reaffirmed or superseded by the rank assigned during the next periodic
9 retention rating review.
10

11 **7.5(c) Retention Rating Group Makeup.** Management will assign the retention rating by Job
12 Classification for each employee to who this Article applies, with the basic objective of identifying
13 those employees who in the opinion of Management, are best able to maintain or improve the
14 efficiency of the Company, further its progress and success and contribute to the successful
15 accomplishment of the Company's current and future business. Each retention group will consist of
16 all the employees in the appropriate identified Job Classification. Exempt and non-exempt
17 employees will not be in the same retention group.
18

19 **7.5(d) Application.** When a workforce reduction is determined by management to be necessary
20 within one or more retention rating groups, management will follow the applicable provisions of
21 Article 8 and designate for layoff the required number of employees within such retention rating
22 groups, beginning with the lowest rating index.
23

24 **7.5(d)(1) Exceptions.** Exceptions to the designation for layoff may be made by the Company
25 where it desires to retain a maximum of 10% of employees who are Category C, 10% of
26 employees who are Category B, and ~~1%~~10% of employees who are Category A within an
27 affected Retention Index Group as of the time of the most recent retention index review.
28 Exceptions will be identified in writing to the Union representative.
29

30 **7.5(d)(1)a** One (1) employee may be subject to the 10% exception if there are one (1) to
31 fourteen (14) employees in the retention rating group;
32

33 **7.5(d)(1)b** Two (2) employees may be subject to the 10% exception if there are fifteen (15)
34 to twenty-four (24) employees in the retention rating group;
35

36 **7.5(d)(1)c** Three (3) employees may be subject to the 10% exception if there are twenty-five
37 (25) to thirty-four (34) employees in the retention rating group;

1
2 **7.5(d)(1)d** Higher numbered retention rating groups may be rounded similarly.
3

4 **7.5(d)(2)** Employees designated for layoff in a retention rating group that is sequenced by levels
5 with a group that has lower levels and which is populated will be allowed a downgrade in lieu of
6 layoff.
7

8 **7.5(d)(3)** Employees on travel status that is expected to continue for thirty (30) or more days
9 may not be laid off while on such status. Such employees shall not be counted among or reduce
10 the number of exceptions permitted by the provisions of Section 7.5 nor shall their rating prevent
11 the layoff or downgrade of employees with a higher rating who are otherwise subject to such
12 action.
13

14 **7.5(d)(4)** Employees selected by management to participate in a program of formal training in a
15 field outside their current Job Classification, which training is conducted or approved by the
16 Company, and employees who at management's request transfer from one major functional area
17 to another for a Company-sponsored skill transition and retraining program will be assigned a
18 unique job code upon entering the training program or upon transfer to the new functional area
19 respectively. The trainee shall retain this unique code for a period of six (6) months following
20 completion of training or transfer to the new functional area, as the case may be, in order to
21 allow time for the trainee to demonstrate his or her adaptability to the new assignment. During
22 the period in which the trainee is assigned the unique code, he or she will retain the retention
23 rating held at the time of assignment to the unique code. In the event a surplus is declared in the
24 trainee's new assignment and if the trainee's rating would cause him or her to be an individual
25 surplus, the trainee will be returned for assignment to an area under his or her last held regular
26 assigned Job Classification and the retention rating of record.
27

28 **7.5(d)(5)** Employees laid off after refusing less than equivalent job offers made as a result of re-
29 deployment activities will be coded as a layoff and will be regarded for all Company purposes as
30 a laid off employee.
31

32 **7.5(d)(6)** The Company and the Union agree that, any provision in the parties' Collective
33 Bargaining Agreements to the contrary notwithstanding, an employee may request that he or she
34 be voluntarily laid off without regard to assigned rating or adjustments for company service. If

1 the request is approved by management, the employee will be coded as a layoff and will be
2 regarded for all Company purposes as a laid off employee. The Union will be advised of all
3 employees approved for voluntary layoff.
4

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

6

7 **7.6(a)** Management, with bona fide requirements, can conduct temporary layoffs without regard to
8 retention, provided the number of such layoffs per month does not exceed 5% of the total number of
9 employees employed in the bargaining unit on the first day of that month. Temporary layoffs will be
10 voluntary whenever practical and will not exceed ~~ninety (90) days. Employees on a temporary lay~~
11 ~~off will receive health and welfare benefits during such layoffs~~ sixty (60) days, within a rolling twelve
12 (12) month period. Employees on a temporary layoff will receive health and welfare benefits as
13 provided for by the Health and Welfare Benefit Plans during such layoff. The union shall be notified
14 of plans for temporary layoff as early in the process as practicable. Contract personnel within the
15 same job codes and Program shall be terminated prior to implementing temporary layoffs, except
16 when the Company determines that it needs to retain any key contract labor in order to avoid
17 significant customer disruption or impact on a Program. Such exceptions must be approved by the
18 Senior Executive in the Program, and the Union shall be notified.
19

20 **7.6(b)** If deemed necessary to avoid a layoff, management will ask for volunteers but may in its
21 discretion schedule short workweeks of not less than 24 hours for a period not to exceed 180
22 consecutive calendar days. Health and welfare benefits will not be prorated during this time period.
23 The union shall be notified of plans for short workweeks as early in the process as practicable.
24 Contract personnel within the same job code and Program shall also be placed on short workweeks
25 during any time employees in the same job code and Program are assigned to short workweeks,
26 except when the Company determines that it needs to retain any key contract labor in order to avoid
27 significant customer disruption or impact on a Program. Such exceptions must be approved by the
28 Senior Executive in the Program, and the Union shall be notified.

29 **7.6(c)** The Company shall provide the union with a list of Key Contract Labor at least annually,
30 and shall update it as necessary.
31

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

2
3 ~~7.7(a) The Company may lay off employees without regard to the provisions of the layoff~~
4 ~~procedures set forth in this section, provided the number of such layoffs per month does not exceed~~
5 ~~.25% (one quarter of one percent) of the total number of employees employed in the bargaining unit~~
6 ~~on the first day of that month.~~

7
8 ~~7.7(b)~~ In instances where in the opinion of the Company the layoff procedures set forth in this
9 section do not achieve the objectives stated in 7.3, exceptions thereto, without any limitation as to
10 the number, may be made not more than one time during the contract term when approved by the
11 Chief Executive Officer or designated representative. It will be the responsibility of any supervisor
12 who recommends such an exception to prepare and transmit, a detailed report of the proposed
13 exception(s) and the reasons therefore. An explanation, prior to implementation, will be provided to
14 the Union.

15
16 **Section 7.8 Layoff Notice.** The Company will attempt to give at least two (2) weeks notice prior to
17 layoff to the employees affected, except when the layoff is caused by unexpected events (WARN Act
18 definition), termination of a Government or other production contract, or when the affected employees
19 are absent.

20
21 **Section 7.9 Layoff Status.**

22
23 **7.9(a) Maintenance of Layoff Status.**

24
25 **7.9(a)(1)** Each employee laid off under the provisions of this Article will remain on layoff status
26 for a total period of three (3) years from the date the layoff was effective, subject to 7.9(a)(2).

27
28 **7.9(a)(2)** An employee shall remain on layoff status in accordance with Section 7.5, provided he
29 or she does not:

30
31 **7.9(a)(2)a** Fail to respond to a formal offer from the Company of a job within ten (10)
32 workdays after it is extended or by such later date as may be stipulated by the Company, or
33

1 **7.9(a)(2)b** Refuse a formal offer from the Company for a full-time job within the bargaining
2 unit or in the same labor market area from which laid off, for which the salary or level
3 offered is equal to or greater than the employee's salary at the time of layoff plus the
4 inflation adjustment in effect at the time of layoff, or

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

8
9 **7.9(a)(2)d** Elect retirement thereby removing themselves permanently from layoff status.

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

14
15 **7.9(a)(4)** Laid off employees who are prevented from meeting the conditions described in
16 7.9(a)(2)a, 7.9(a)(2)b or 7.9(a)(2)c solely due to medical disability, verified to the Company's
17 satisfaction by their personal physician, shall upon request be granted a waiver for the missed
18 requirement(s).

19
20 **7.9(b) Return to Active Employment.**

21
22 **7.9(b)(1)** It is a mutual objective of the Company and the Union that laid off employees who
23 have not been determined ineligible be recalled to active employment, and a mutual desire that
24 such recall into the Company the laid off employee be offered in approximate reverse order,
25 within a 60-day range, from the Job Classification from which the employee was laid off.

26
27 **7.9(b)(2)** At the time of layoff, the Company automatically will place in the file for priority
28 consideration return to active employment the names of all laid-off employees. In order to
29 maintain such recall status, the employee must keep the Company informed of his or her interest
30 in returning to active employment by submitting a letter so stating. The employee must register
31 by letter at time of layoff and no later than December 31st of each calendar year following the
32 year in which the layoff occurs. Such letter must contain the individual's name, employee
33 identification number, address, and telephone number. The Company's sole

1 ~~obligation~~obligations to provide notice of recall shall be to (1) send a certified written notice to
2 the last mailing address provided by the employee and (2) notify the Union of the employees to
3 be recalled.
4

5 **7.9(b)(3)** Prior to hiring from outside the Company, the Company shall extend job offers to
6 those eligible on the recall list. Nothing in Article 7.9 will preclude the Company from hiring
7 from sources outside the Company when projected requirements exceed the number of
8 employees in applicable job classifications eligible to be recalled from the priority recall list.
9

10 **7.9(b)(4)** If any employee on layoff status disputes his or her recall status as reflected in
11 Company records, Company records shall prevail unless rebutted by either (a) a Company
12 receipt, or (b) a properly addressed U.S. Postal Service return receipt evidencing filing of the
13 salaried payroll employment availability form (or letter) during the calendar period in question.
14

15 **7.9(c) Salary and Level of Returning Laid-Off Employees.** Company offers extended to laid-off
16 employees for return to active employment in the same area will be, at a minimum, the salary and
17 level from which laid off. The Company will review salary on a case-by-case basis and make
18 adjustments as appropriate. Rejection of a formal Company offer for a position outside the
19 bargaining unit or in a labor market area other than from which laid off will not be cause for removal
20 from layoff status.
21

22 **7.9(d) Retiree Medical Eligibility.** Employees who are on layoff status may credit up to 30
23 months of time spent on layoff towards eligibility for retiree medical benefits.
24

25 **7.9(e) Record Maintenance.** The Company will maintain a record of all laid-off employees who
26 are on layoff status under the above provisions.
27

28 **Section 7.10 Designated Employees.**

29

30 **7.10(a)** The Company may designate employees who either will be declared ineligible for first
31 consideration recall rights or will not receive a service adjustment or both. Any such designation
32 shall be subject to the following requirements:
33

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

5
6 7.10(a)(2) Designated employees must have an assigned Category C retention rating.

7
8 7.10(a)(3) Designated employees will be identified by ~~skill team~~the appropriate management
9 team.

10
11 **7.10(b) Employee Improvement Action Plan.** Employees who have been identified as
12 “designated” will be provided with an Employee Improvement Action Plan within thirty (30)
13 calendar days of the designation, which will identify the specific conditions leading to the
14 designation and improvements necessary to avoid such designations in the future. Management and
15 the employee will have on-going, scheduled discussions about the employee’s progress in achieving
16 the objectives outlined in the action plan. The Company will promptly notify the Union of the
17 identities of designated employees. The identification ~~of~~ designated employees shall not be subject
18 to Article 3; (Determination of Disputes); however, designated employees may appeal the
19 designation regardless of their previous retention index rating in accordance with Section 7.5(a)(2).
20 Designations pursuant to this section will remain in effect until the next scheduled retention rating
21 review exercise or until the employee satisfactorily completes the Improvement Action Plan and has
22 been removed from designation. The employee and union will be informed of the removal of the
23 designation.

24
25 7.10(b)(1) All employees have the opportunity to request an Employee Improvement Action
26 Plan within (30) calendar days of their retention rating.

27 28 **Section 7.11 Temporary Recall.**

29
30 7.11(a) The parties acknowledge that Article 8 limits the use of contract personnel during workforce
31 reductions or when employees are on active recall status. The parties acknowledge further that
32 occasionally situations arise when short-term assignments, expected to be of no more than six (6)
33 months duration, require additional staffing. The Company could choose to contract out these work

1 packages. The Company in its sole discretion has from time to time preferred to have this work
2 performed by employees on active layoff status. In recognition of the fact that the work under
3 discussion involved short-term assignments, the parties agree to the implementation of the process
4 described immediately below.

5
6 **7.11(b)** The process shall be known as Temporary Recall and shall be defined as the temporary re-
7 employment of individuals on active layoff status (hereinafter “employees”).

8
9 **7.11(c)** Temporary Recall assignments may be designated for specific programs or projects whose
10 normal maximum will be six (6) months. Assignments will normally be full-time (average eighty
11 (80) hours in a pay period).

12
13 **7.11(d)** The Company will determine which employees will be offered Temporary Recall
14 assignments. Temporary Recall will be strictly voluntary on the part of the employee. Refusing to
15 consider an employee for Temporary Recall or an employee’s rejection of an offer of Temporary
16 Recall will not affect the employee’s active layoff status.

17
18 **7.11(e)** Temporarily-recalled employees will receive the same salary they were receiving prior to
19 layoff.

20
21 **7.11(f)** Eligibility for coverage for medical/dental insurance, life insurance, accidental death and
22 dismemberment insurance, business travel accident insurance, long-term and short-term disability
23 insurance, and voluntary personal accident insurance begins on the first day which the re-
24 employment commences.

25
26 **7.11(g)** With regard to the Retirement Plan, unused sick leave, and Earned Time Off, employees on
27 Temporary Recall will be set up in the system based on their respective layoff/recall circumstances.
28 This will include the reactivation of unused but earned credits and the generation of future benefits
29 consistent with standard policies. 401(k) Plan contributions ~~may~~shall be resumed, (subject to the
30 terms of the Plan), beginning upon recall.

31
32 **7.11(h)** Company service will be earned beginning the first day back on the active payroll.
33

1 **7.11(i)** Active layoff status will not be interrupted. Filing requirements once during each year for
2 first consideration recall status will remain.

3
4 **7.11(j)** Employees on Temporary Recall will not receive a retention index based on Temporary
5 Recall assignments.

6
7 **7.11(k)** Employees on Temporary Recall will generate funds for a selective adjustment exercise if
8 they meet contractual criteria.

9
10 **7.11(l)** Employees on Temporary Recall will not be eligible for additional layoff benefits when their
11 Temporary Recall assignment ends.

12
13 **7.11(m)** Employees on Temporary Recall are not eligible to apply for internal job postings.

14
15 **Section 7.12 General Provisions.**

16
17 **7.12(a) Compensable Injuries.** Any employee who has been wholly or partially incapacitated for
18 that employee's regular work by compensable injury or compensable occupational disease while in
19 the employ of the Company may, while so incapacitated, be employed in work which the employee
20 can do without regard to the provisions of this Agreement. The Union shall be notified of persons to
21 whom this waiver applies and the effective dates of such waiver.

22
23 **7.12(b) Veterans.** The Company and the Union, recognizing that the reemployment rights of
24 employees entering or inducted into the Armed Forces of the United States are the subject matter of
25 legislation, agree that nothing contained in this Agreement will preclude the Company from
26 reemploying such employees in compliance with provisions of applicable laws.

27
28 **7.12(c) Transfer Return Rights.** An employee who is transferred by the Company from the
29 bargaining unit described in Article 1 of this Agreement to another SPEEA-represented bargaining
30 unit, and at the time of such transfer is accorded return rights by the Company in writing, will not be
31 laid off while assigned at such other unit, but will be transferred back to the original unit in
32 accordance with the return rights previously accorded by the Company. An exception will be made
33 if the employee elects to be laid off in which case the employee will waive transfer return rights.

1
2 **Section 7.13 Reclassification to a Lower Level at Employee’s Request or in Lieu of Layoff.**

3
4 **7.13(a)** The Company may at the employee’s request effect a reclassification to a lower level.

5
6 **7.13(b)** The Company may offer an employee a reclassification to a lower level in lieu of layoff.

7
8 **Section 7.14 Acting Supervisors.** The Company agrees to inform the Union in a timely manner when
9 it intends to use a member of the bargaining unit as an acting supervisor. If the employee remains as an
10 acting supervisor for more than six (6) consecutive months, the employee shall be reclassified to
11 management or returned to his or her bargaining unit position. Deviations shall require the consent of
12 the Union.

13
14 **Section 7.15 Probationary Period.** Employees ~~hired after the Effective Date that do not have Boeing~~
15 ~~job rights,~~ may be terminated within the first ninety (90) days of employment for any reason deemed
16 appropriate by management. The Company will maintain a process to provide feedback to new
17 employees during this Probationary Period, generally at thirty (30), sixty (60), and ninety (90) days. A
18 discharge during this Probationary Period is not grievable.

19
20
21 **ARTICLE 8**

22 **CONTRACT LABOR AND SUBCONTRACTING**

23
24 **Section 8.1 Contract Labor.**

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

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

9
10 **Section 8.2 Procedure and Limitations.**

11
12 **8.2(a)** The Company shall notify the Union of the basis for the need, the approximate number of
13 Contract personnel required and the Job Classification normally held by employees performing the
14 type of work involved during the quarterly Labor/Management business meeting.

15
16 **8.2(b)** If based on a variety of factors (including but not limited to the nature of the assignment, the
17 status of the program, the overall need for the skills at issue, and the purpose of using Contract
18 personnel described above) the Company needs the skills supplied by Contract personnel on a long-
19 term basis, the position shall be made available in accordance with the Company job posting
20 process. Individual contract personnel may not perform work for the Company for more than
21 eighteen (18) consecutive months without the written approval of the appropriate senior level
22 executive. With such approval of the appropriate senior level executive, the individual contract
23 personnel may perform work for the Company for an additional eighteen (18) months. No further
24 extensions shall occur without agreement by the Union.

25
26 **8.2(c)** The Company and the Union agree that it is normally inappropriate to hire Contract personnel
27 as direct hires in periods of surplus activity within a Job Classification. Deviations will be subject to
28 approval by the appropriate senior-level executive and provided, in writing, to the Union. The
29 granting of a deviation to allow such hiring shall not be subject to the grievance and arbitration
30 process.

31
32 **8.2(d)** Contract personnel shall not be authorized to make decisions normally associated with
33 management responsibility including salary determination, retention and discipline. They shall not

1 be assigned lead positions ~~for a period in excess of six months. Individual contract personnel may~~
2 ~~not perform work for the Company for more than eighteen (18) consecutive months without the~~
3 ~~written approval of the appropriate senior level executive.~~

4
5 **8.2(e)** No employee shall be laid off while Contract personnel are still employed in the Skill
6 Classification, except when the Company determines that it needs to retain any contract labor while
7 surplus employees in order to avoid significant disruption or impact on the committed packages
8 of work. In such cases, the approval of the Human Resource leader and the appropriate senior level
9 executive shall be required. Notification of such decision will be provided to the Union as soon as
10 practicable.

11
12 **8.2(f)** Employees will not be laid off until their skills have been reviewed to determine if they can
13 replace contract personnel in other than their job classifications.

14
15 **Section 8.3 Data.** On request, the Company shall supply the Union with data that displays the number
16 of contract personnel utilized by Job Code, so that compliance with all limitations identified in 8.2 can
17 be monitored. The data shall include names, Job Classifications as applicable, organizations, and start
18 dates.

19
20 **Section 8.4 Subcontracting.**

21
22 **Section 8.4(a)** The Company and the Union agree that subcontracting, market access/offset
23 agreements or other assignments of work may be a part of the Company's business strategies. ~~The~~
24 ~~Company will provide the Union with advance notification and opportunity for discussion~~
25 ~~concerning any significant movement of customer work and the reasons for the movement.~~

26
27 **Section 8.4(b)** With respect to the subcontracting of work currently performed by bargaining unit
28 employees, the parties recognize that from time to time such subcontracting may be necessary. ~~To~~
29 ~~enable the Union to suggest competitive alternatives which might allow the retention of work within~~
30 ~~the bargaining unit, the Company will, at least sixty (60) days prior to signing any agreement to~~
31 ~~subcontract work currently being performed by bargaining unit employees, provide notice to the~~
32 ~~Union of its plans to subcontract work which would directly result in the displacement of twenty-~~
33 ~~five (25) or more bargaining unit employees. The Company will provide information related to the~~

1 potential subcontracting other than information it considers to be confidential, proprietary or subject
2 to nondisclosure provisions.

3
4 **Section 8.4(c)** The parties recognize that some subcontracting decisions cannot be disclosed
5 within the sixty (60) day period referred to above, due to confidentiality concerns. In such
6 circumstances, the Company will provide the Union as much notice as practicable.

7
8 **Section 8.4(d)** Following notice of specific plans to subcontract work currently performed by the
9 bargaining unit that would directly displace twenty-five (25) or more of bargaining unit employees,
10 the parties shall, upon the request of the Union, meet and discuss the impact on the bargaining unit.
11 The Company agrees to consider any proposal the Union might make which would result in a less
12 costly way to retain such work in the bargaining unit. The Union must present any such proposals
13 within thirty (30) calendar days of receipt of the Company's plans. The decision to implement any
14 such union proposal instead of subcontracting the work shall be the Company's. The parties will
15 meet periodically to review the implementation of any such union proposals selected by the
16 Company. If the Company chooses to implement the union proposal instead of subcontracting the
17 work, and if the Union's projected savings are not realized within any ninety (90) day period
18 following implementation, the Company may subcontract the work.

19
20
21 **ARTICLE 9**
22 **JOINT MEETINGS**

23
24 **Section 9.1 Joint Meetings.**

25
26 **9.1(a)** Should either party desire to discuss with the other any matter affecting generally the
27 relationship of the parties, a meeting of Union and management representatives shall be arranged
28 upon request of either party. Such meeting shall take place at a time mutually convenient to both
29 parties. Any use of Company time for attendance at such meetings shall be arranged in advance by
30 mutual agreement.

31
32 **9.1(b)** This Article is intended to provide an open avenue of communication between the Union and
33 the Company, and suggestions, complaints, or other matters may be presented by either party,

1 provided that neither party shall be required to discuss any item brought up by the other party nor be
2 bound to act upon any item presented. However, both parties agree to discuss information
3 grievances and complaints.
4

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

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

12 The parties will establish a joint committee to oversee labor management initiatives the parties
13 undertake. These joint initiatives are intended to enhance and develop employees as the Company's key
14 resource. The oversight function can include: (1) establishing subcommittees to handle the initiatives;
15 (2) reviewing, expanding where appropriate, and resolving issues related to ongoing initiatives; and (3)
16 formulating future labor-management cooperative initiatives. The Company at its sole discretion will
17 provide administrative staff and appropriate funding to support the initiatives. To create a proper
18 environment for the committee's work, no aspect of the committee's proceedings shall be used as the
19 basis for, or as evidence in, any proceedings under Article 3.
20

21 **9.3(a) Committee membership:** Joint Committee with ~~WEU,~~ WTPU and the Company. The Joint
22 Union-Company Oversight Committee shall consist of up to four persons representing the Company
23 and up to 4 persons representing the Union, ~~2 persons from each unit.~~ The Company
24 representatives will be appointed from the Business Unit(s) and Human Resources management.
25 The Union representatives will be selected from the bargaining unit's membership. Each party shall
26 appoint a chairperson of its group.
27

28 **9.3(b)** The Joint Oversight Committee may oversee initiatives:
29

- 30 • Review proposed changes to the job descriptions and job structure.
- 31 • Discuss Salary Reference Tables and Salary Planning Fund, including size and management
32 training materials, Company compensation philosophy, and market relationships.
33

- 1 • Monitoring and exploring developments in the areas of education and training, skill
2 utilization and application, and career development as those link to emerging technologies,
3 including the possibility of utilizing third-party training providers jointly selected by the
4 Company and the Union.
5
- 6 • Monitoring developments in the areas of use of compensatory time off, child and elder care,
7 Drug and Alcohol-Free Workplace Program, and the Employee Assistance Program.
8
- 9 • Exploring alternate forms of compensation and delivery methods, salary planning process,
10 market relationships and compensation philosophy.
11
- 12 • Discussion groups on topics of mutual interest.
13
- 14 • Exploring healthcare costs and plan details.
15
- 16 • Career Enhancement, including:
17
 - 18 – Programs to provide employees the information, training, and opportunity to influence
19 their career direction.
20
 - 21 – A program to provide a meaningful career alternative for those employees who choose to
22 remain on a technically oriented career path (as opposed to a managerial track).
23
 - 24 – Coordination with related activities to maximize efficiency and involve appropriate
25 people and viewpoints as required.
26
- 27 • Discuss the potential Company employee transfer process.
28
- 29 • Conducting briefings on the Company's plans for the introduction of new technological
30 change that may affect employees, including schedules of introduction and areas of skill
31 impacts.
32

- Planning, developing, implementing and evaluating pilot projects involving innovative approaches in the workplace aimed at improving the quality of work life and productivity.
- Reviewing on a quarterly basis, if requested, data regarding overtime worked by employees.

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

9.3(d) Joint Benefits Committee.

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

- Explore the possibility of self-funding the medical plans
- Explore health care audit program
- Explore retirement program structure
- Healthy Spirit strategy for Kansas employees
- Programs, events, rewards, etc.
- Healthcare Reform and anticipated impacts
- Medical trend information –Quarterly reviews
- Summary of Material Modifications to the Summary Plan Descriptions
- Employee Education and Communication
- Jointly develop education and communication materials
- Explore bereavement leave immediate family definition
- Other pertinent items as they come up

ARTICLE 10

HOURS OF LABOR

Section 10.1 Regular Hours.

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

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

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

Section 10.2 Shift Premiums. An employee who works second ~~and~~ shift shall be paid a shift premium of one dollar (\$1.00) per hour and an employee who works third shift shall be paid a shift premium of seventy-five cents (\$.75) per hour. An employee who works third shift of six and one-half (6-1/2) hours will receive an adjustment equivalent to one and one-half hours' pay at his base rate. A prorated portion of that adjustment will be paid when the employee works less than six and one-half hours on a regular third shift.

Section 10.3 Work Schedule Premiums.

10.3(a) An employee assigned to either Saturday or Sunday as a regular day of work will receive two dollars fifty cents (\$2.50) per hour in addition to Base Rate of pay for hours worked on Saturday and/or Sunday.

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

1
2 **Section 10.4 Shift Preference or Variable Work Week Schedule.**
3

4 **10.4(a)** When staffing a shift or variable work week schedule, the Company maintains the right to
5 assign employees necessary to accomplish the work, including the right to assign employees with
6 key skills regardless of their shift preference. The Company will attempt to complete such staffing
7 from volunteers, assignments from other shifts in reverse seniority order, promotions and new hires.
8

9 **10.4(b)** Where appropriate, the employee and management shall agree to flexible work schedules to
10 accommodate personal or business needs.
11

12 **Section 10.5 Overtime Rate.**
13

14 **10.5(a) Non-exempt Employees.** Time worked in excess of forty (40) hours in one (1) work week
15 shall be paid at one and one-half (1-1/2) times employee's statutory regular hourly rate. All
16 overtime worked in excess of 12 hours in a workweek will be paid at double his or her base rate.
17 Time worked on one's scheduled second day of rest will be paid at a rate of two (2) times one's Base
18 Rate if the employee also worked on first scheduled day of rest.
19

20 **10.5(b) Exempt Employees.** The hourly rate to be paid for scheduled overtime worked by
21 employees will be straight time plus \$6.50 ~~herper~~ hour.
22

23 **Section 10.6 Reporting Pay.** If a non-exempt employee reports for work in accordance with
24 instructions, he shall receive a minimum of eight (8) hours pay at his Base Rate plus shift premiums
25 where applicable.
26

27 This will not apply in case of emergency shutdowns arising out of any condition beyond the Company's
28 control. An employee who leaves work of his own volition, or because of incapacity (other than
29 industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the
30 number of actual hours worked during that day. An employee who leaves work because of incapacity
31 due to industrial injury will be paid eight (8) hours pay at his Base Rate plus shift premiums where
32 applicable.
33

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

7
8 **Section 10.8 Overtime Scheduling.** It is the intent of the Company to distribute overtime as equally as
9 reasonably practicable in light of the work to be performed by shift, classification, and skill. Both the
10 Union and the Company recognize that the employees who are assigned the work must be qualified to
11 perform the specific work. The Company will strive to meet its overtime requirements on a voluntary
12 basis when practical. In the event there are insufficient qualified volunteers to meet the requirement,
13 Management may designate and require the necessary number of employees to work overtime.

14
15 **10.8(a)** Accordingly, the Company and the Union agree, subject to the exceptions noted below, that
16 no employee shall normally be required, and need not be permitted, to work more than 144 overtime
17 hours in any budget quarter, more than 576 overtime hours in a twelve-month period, more than
18 three (3) weekends consecutively without the next weekend off, or more than eight (8) hours on a
19 Saturday or a Sunday or other regularly-scheduled day of rest. Overtime work on ~~either a Saturday~~
20 ~~and a Sunday, the first~~ or ~~a Saturday second day of scheduled rest,~~ or ~~a Sunday on the first and second~~
21 ~~days of scheduled rest,~~ shall constitute a weekend worked. All overtime on a holiday as set forth in
22 the Agreement or on the weekend which immediately precedes a Monday holiday or immediately
23 follows a Friday holiday shall be voluntary for those on weekday work schedules.

24
25 **10.8(b)** All overtime in excess of the above limits shall be strictly on a voluntary basis and no
26 employee shall suffer retribution for his refusal or failure to volunteer. An employee may be
27 required to perform overtime work beyond the above limitations where necessary for delivery of
28 Company products to a customer, where necessary for the timely submission of proposals where
29 related to customer-requested emergency repair of delivered products, or for Government DX or
30 Government DO rated orders.

31
32 **Section 10.9 Meal Periods.** Non-exempt employees will work schedules which provide a fixed unpaid
33 meal period to start not more than five (5) hours after start time, consisting of a forty (40) minute lunch

1 period, ten minutes of which shall be paid time and thirty (30) minutes of which shall be unpaid. Non-
2 exempt employees working in excess of an eleven (11) hour shift are entitled to a second unpaid meal
3 period, to start not more than eight (8) hours after start time, consisting of a minimum of thirty (3)
4 minutes. Meal periods will be paid if the employee is not fully relieved of his or her duties.

5
6
7 **ARTICLE 11**
8 **LEAVES OF ABSENCE**
9 **AND JURY/WITNESS DUTY**
10

11 **Section 11.1 Authorized Leaves of Absence.** Leaves of Absence will be granted in accordance with
12 the Family and Medical Leave Act (FMLA) and the Company local policy. Employees are not required
13 to use available earned time off concurrently with their FMLA authorized leaves of absence. ~~In such~~
14 ~~cases, all employees shall be entitled to retain up to eighty (80) hours of earned time off for other use.~~
15 Other leaves of absence may be granted to any employee with a minimum of ninety (90) days active
16 service for any reason deemed satisfactory to the Company or as required by law. Where practical, a
17 request for a leave of absence must be made in writing to one's supervisor five (5) working days prior to
18 the beginning of the leave.

19
20 **Section 11.2 Leave of Absence Condition.** An employee, while on leave of absence, shall be deemed
21 to have voluntarily resigned from the Company upon accepting other employment, or engaged in
22 business for himself that prevents his return from leave, or is inconsistent with the ~~medial~~medical or
23 other limitations that provide the basis for the ~~employees~~employee's leave of absence from the
24 Company.

25
26 **Section 11.3 Military Leave of Absence.** An employee who is a member of a reserve component of
27 the United States Armed Forces or a State's National Guard, who is absent due to required active annual
28 training duty or temporary special services duty, shall be paid Base Rate plus shift premiums where
29 applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of
30 schedule adjustments by the reserve component, receives orders to report for two (2) training periods in
31 one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum
32 provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive
33 year period (either current and previous calendar years or current and following calendar years) and the

1 employee was a member of the reserve component during both of the applicable consecutive years.
2 Employees with military orders to serve additional days of duty will be placed on unpaid authorized
3 leave of absence. The amount due the employee under this Section shall be reduced by the amount
4 received from the government body identified with such training duty or services, for the period of such
5 duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel
6 allowance shall not be included in determining pay received from state or federal government. Members
7 of a reserve component of a uniformed service ordered to temporary special duty under Military U.S.
8 Code Title 10 or mobilized by the applicable state agency are eligible for military differential pay up to a
9 maximum of (ninety) 90 calendar days for each occurrence.

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

21 **ARTICLE 12**

22 **JOB CLASSIFICATIONS AND SALARIES**

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

30
31 **12.1(a) Definition:** The term “Job Classification” shall be used to classify similar or related work
32 activities that constitute a position of employment based on primary assignment, common products

1 or processes, and employee skills. There will be elements of the job classification that from time to
2 time the Company may use for varying purpose.
3

4 **12.1(b) Individual Employee’s Job Classification or Skills Management Code Review.** An
5 individual employee may request a review of his or her job classification or level based on the
6 contention the work assigned by the Company differs from the job classification or skills
7 management code to the extent and in such a manner as to warrant reclassifying the employee to a
8 different existing job classification or skills management code. Employees will attempt to resolve
9 classification first by discussion with first-line management. In the absence of a resolution mutually
10 agreeable to both management and the employee, the following steps will be utilized in the review
11 process. The review process shall be completed within ninety (90) days of request for review under
12 12.1(b)(1), below, unless mutually extended by the Company and Union:
13

14 **12.1(b)(1)** If the employee contends that a classification or level issue still exists, he or she
15 along with his or her Union Representative will notify the Skill Teamnext-level Manager to
16 request a review.
17

18 **12.1(b)(2)** The Skill Teamnext-level Manager will meet with the employee and the Union
19 Representative to fully discuss the employee’s issue in an effort to reach mutual resolution.
20

21 **12.1(b)(3)** If the employee and Union Representative do not agree with the Skill Teamnext-level
22 Manager’s decision, the Skill Teamnext-level Manager, the appropriate Human Resources
23 Representative and the Union Representative will meet to resolve the matter by a majority
24 decision.
25

26 **Section 12.2 Base Rate.** “Base rate” is an employee’s hourly rate of pay, excluding all, allowances,
27 awards, bonuses, and premiums.
28

29 **Section 12.3 Salaries.** Salaries are set forth by Job Family, Job Title and Rate Table in the Company’s
30 compensation web site or other accessible means.
31

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

TABLE I

**SELECTIVE SALARY ADJUSTMENT FUND
COMPUTATION DATES, EFFECTIVE DATES,
AND INCREASE PERCENTAGES**

<u>Review Period</u>	<u>Fund Computation Date</u>	<u>Increase Effective Date From Date Of Close</u>	<u>Increase Percentage</u>	<u>Minimum Increase</u>
1	10 months	12 months	3.5%	\$750
2	22 months	24 months	3.5%	\$750
3	34 months	36 months	3.5%	\$750
4	46 months	48 months	3.5%	\$750
5	48 months	60 months	3.5%	\$750

In February of 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 a review of market increases will be conducted. If survey data indicates a market adjustment has occurred, a Selective Salary Adjustment Fund (“Fund”) will be generated, with selective salary adjustments made no later than the first pay period following July 1 of that year. The following process shall be followed in calculating the Fund.

- The SIRS High Technology Composite Salary Budgets Report (“Report”) will be used. Should the SIRS report be discontinued or its methodology significantly changed, a similar report will be used. No geographical adjustment shall be made to this Report.
- Three groupings in the Report shall be used in calculating a Fund amount:
 - Exempt
 - Non-Exempt – Office Clerical
 - Non-Exempt – Technical Support
 - Below is an example of how the Fund percentage shall be calculated each year. Only for the purpose of illustrating this calculation, assume there were 1100 exempt employees and the SIRS report projected a 2.8% increase for exempt employees,

1 there were 100 non-exempt office clerical employees and the SIRS Report projected
2 a 2.7% increase, and there were 1100 non-exempt technical support employees and
3 the SIRS Report projected a 3.1% increase, the Fund would be calculated in the
4 following way:

$$(((1100*0.028)+(100*0.027)+(1100*0.031))/2300)*100 = 2.9\%$$

- 5
- 6
- 7
- 8 • If the Company score for the M&S Bonus Plan (Section 12.6) was less than 0.5 in the
9 previous year, the Fund percentage shall be reduced by one percentage point. If the
10 Company score for the M&S Bonus Plan (Section 12.6) was 0.5 to 0.99 in the previous year,
11 the Fund percentage shall be reduced by one half of one percentage point.
- 12 • Once the fund percentage has been determined, the Fund shall be calculated by multiplying
13 the fund percentage by the total WTPU base salaries in February of the year of calculation.
14 The Fund maximum percentage generated from employee salaries at or above a *comparatio* of
15 0.97 shall be 3.0% in 2012-2015, and 3.5% in 2016-2020. No maximum percentage shall be
16 applied for fund generation associated with the salaries of employees with a *comparatio* less
17 than 0.97. The Company will continue to use the current process for calculating *comparatios*,
18 but the calculation shall not be grievable and shall be at the sole discretion of the Company.
- 19 • If the Fund calculation is more than one point above the Fund maximum percentage for three
20 consecutive years, this Agreement may be opened but only for the purpose of negotiating
21 adjustments to the Fund.
- 22 • A portion of the Fund equal to 0.5 of total WTPU base salaries shall be reserved for
23 promotions and out-of-sequence raises during the year.
- 24 • Selective salary adjustments shall be made no later than the first pay period following July 1
25 of that year.
 - 26 ○ Each year, the Company will establish guidelines regarding the relationship of
27 individual performance, *comparatio*, and distribution of the selective salary
28 adjustments.
 - 29 ○ These guidelines shall be communicated to the Union and supervisors before the
30 selective salary adjustment exercise.
 - 31 ○ Exceptions to the guidelines require approval of the Director of the Organization.
 - 32 ○ Individual salary adjustments shall not be grievable.
 - 33

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

3
4 **Section 12.6 Performance Bonus Plan.**

5
6 **12.6(a)** The Company intends to pay a performance bonus when financial performance equals or
7 exceeds the established targets. Beginning with the 2011 Plan Year, employees covered by this
8 collective bargaining agreement will participate in the Spirit AeroSystems Holdings, Inc. Incentive
9 Award Plan for Salaried Employees (M&S Bonus Plan), as it may be amended from time-to-time.
10 Targets will be the same as in the existing M&S Bonus Plan or any changes to the existing plan
11 during the duration of this agreement. If the M&S Incentive Award Plan is discontinued for the
12 M&S Payroll, and employees on that Payroll are moved to a different Incentive Plan, the WTPU
13 Bargaining Unit employees covered by this Agreement will be afforded an opportunity to participate
14 in that new plan in lieu of continued participation in the M&S Incentive Award Plan. Payments will
15 be as follows:

16
17 ~~**12.6(b)** Employees in the bargaining unit will share, proportionately to their headcount relative to~~
18 ~~total Company headcount, in fifty (50) percent of the amount by which operating income (EBIT) in~~
19 ~~any year exceeds twelve (12) percent of revenues, as determined by the Company and its~~
20 ~~accountants and excluding unusual and non-cash items, to a maximum of three (3) weeks pay.~~

21
22 ~~**12.6(c)** The Company intends to make the first payout, assuming it is earned, not later than the first~~
23 ~~quarter of 2007 based on full year 2006 performance.~~

- 24
25 • ~~**12.6(d)**~~ Plan Years 2011, 2012, and 2013: 3% of Eligible Pay at Target and 6% of Eligible Pay
26 at Maximum. For Plan Year 2011, a Two Thousand (\$2,000) Dollars guaranteed advance on
27 the 2011 Plan Year payment will be paid within thirty (30) calendar days of ratification to
28 each active employee in the WTPU unit on the date of ratification. This advance shall reduce
29 the employee's Incentive Award Plan payment in March 2012 by Two Thousand (\$2,000)
30 Dollars, but not below \$0.00.
- 31 • Plan Years 2014, 2015 and 2016: 4% of Eligible Pay at Target and 8% of Eligible Pay at
32 Maximum.
- 33 • Plan Years 2017 and 2018: 5% of Eligible Pay at Target and 10% of Eligible Pay at
34 Maximum.

- Plan Years 2019 and 2020: 6% of Eligible Pay at Target and 12% of Eligible Pay at Maximum.

12.6(b) Eligible Pay shall be defined as total earnings from straight-time and overtime hours worked in the appropriate Plan Year, except for Plan Year 2011. For Plan Year 2011, Eligible Pay shall be defined as total earnings from straight-time and overtime hours worked from July 1, 2011 through December 31, 2011.

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

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

12.6(e) Nothing will prevent the Company from making payments in excess of those provided, or where none is provided, for in this section, including maximums set out in 12.6(ba), or from making improvements to the plan.

Section 12.7 ~~Cost~~ Long Term Awards

(a) 2016 Lump Sum Award. A lump sum equal to two percent (2.0%) of ~~Living Adjustments~~ an employee's earnings from straight-time and overtime hours worked from January 1, 2015 through December 31, 2015 shall be paid to all eligible employees. All active WTPU employees on the payroll on December 31, 2015 shall be eligible for this lump sum payment. This lump sum shall be paid as soon as practical after year-end 2015, but no later than January 31, 2016.

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

~~12.7(b) Determination of Cost of Living Adjustments shall be made in reference to the series U.S. city average "Consumer Price Index Urban Wage Earners and Clerical Workers" published by the~~

Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-1984 = 100, such Index being referred to herein as the BLS Index.

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

~~12.7(d) During the life of this Agreement, Cost of Living Adjustments shall be computed using the three month average of the BLS Index for the periods specified in Table II and the corresponding BLS Index threshold values expressed as percentage increases over the base period. The formula will be: percentage of Cost of Living Adjustment equals fifty percent (50%) of the percentage increase in the BLS Index, from the base period to the BLS Index Comparison Quarter, that exceeds the BLS Index Threshold Percentage shown in Table II. In order to preclude recognition, on more than one effective date, of the same percentage increase in the BLS Index, any recognition on one effective date of a percentage increase over the applicable BLS Index Threshold Percentage will cause that percentage to be set aside and disregarded in ensuing computations [e.g., if the BLS Index for February, March, April 2006 represented a 13.0 percent increase over the base period (yielding a 2.5 percent Cost of Living Adjustment effective June 16, 2006), no Cost of Living Adjustment would result for the June 15, 2007 effective date unless, and to the extent, the BLS Index for February, March, April 2007 represented an increase in excess of 21.3 percent (21.3%) over the base period.] BLS Index three (3) month averages, BLS Index increase percentages, and salary increase percentages will be rounded to the nearest tenth, with five hundredths rounded upward to the nearest tenth.~~

TABLE II

Effective Date	BLS Index	BLS Index
of Adjustment	Comparison Quarter	Threshold Percentage
6/16/2006	Feb, Mar, Apr 2006	8.0%
6/15/2007	Feb, Mar, Apr 2007	16.3%
6/13/2008	Feb, Mar, Apr 2008	25.0%
6/12/2009	Feb, Mar, Apr 2009	34.0%
6/18/2010	Feb, Mar, Apr 2010	43.3%
6/17/2011	Feb, Mar, Apr 2011	53.1%

(a) 2019 Lump Sum Award. A lump sum equal to two percent (2.0%) of an employee's earnings from straight-time and overtime hours worked from January 1, 2018 through December 31, 2018 shall be paid to all WTPU eligible employees. All active employees on the payroll on December 31, 2018 shall be eligible for this lump sum payment. This lump sum shall be paid as soon as practical after year-end 2018, but no later than January 31, 2019.

ARTICLE 13
UNION OFFICIALS

1 **Section 13.1 Union to Furnish List of Officials.** The Union shall inform the Company in writing of
2 the names of its officials (not more than one (1) council representative per two hundred (200)
3 employees, or major fraction thereof) who are accredited to represent it, which information shall be kept
4 up to date at all times. Only persons so designated will be accepted by the Company as representatives
5 of the Union. If the geographical dispersion of represented employees in parts of the Wichita facility
6 leads to an inordinate amount of in-plant travel by a counsel representative, the Company will consider
7 any requests by the Union to designate additional council representatives for these particular areas.
8

9 **Section 13.2 Union Officials – Access to Plant.** The Union Leadership and Staff Representatives, not
10 employed by Company, will be permitted access to the Company’s facility during normal working
11 hours. The Union will provide advance notification to the Company of such visits. Such visits shall be
12 subject to such regulations as may be made from time to time by any governmental or government
13 affiliated agency of the United States, other customers, or the Company. The Company will not impose
14 regulations that are designed to exclude the Union Leadership and Staff Representatives from the plant
15 or render ineffective the intent of this provision. No union meetings involving more than ~~forty (40)~~
16 sixty-
five (65) will occur on company property without express written permission.
17

18 **Section 13.3 Union Activity During Working Hours.** The Company agrees not to discriminate in any
19 way against any employee for Union activity, but such activity shall not be carried on during working
20 time, except as specifically allowed ~~by the provisions of this Agreement~~below.
21

22 ~~**Section 13.4 Bulletin Boards.** The Union shall have the right to use designated bulletin boards on the~~
23 ~~Company property for the purpose of posting notices of Union meetings and other activities which are~~
24 ~~officially approved by the Union prior to posting.~~
25

26 ~~**Section 13.5 Time Working Union Issues.** Each~~13.3(a) Upon request of his or her
27 supervisor, each employee, before leaving his or her assigned work on Union business, shall have
28 authorization from the Union and shall notify his or her supervisor prior to taking such leave. The
29 Union shall provide to the designated Company Representative oral confirmation of such
30 authorization at least one day prior to such leave and written confirmation immediately thereafter.
31

1 **~~13.5(a)~~ ~~3(b)~~ SPEEA-paid Time.** Time worked for union-related issues, limited to regular
2 working hours, shall be charged to a special charge account number and the Union agrees to
3 reimburse the Company at the employee's regular hourly rate for all such time so spent.
4

5 **~~13.5(b)~~ ~~3(c)~~ Employer-paid Time.** Time worked for contract-related issues, limited to
6 regular working hours, shall be charged to an employer charge account number that identifies the
7 organization in which the contract-related issue is worked.
8

9 Section 13.4 Bulletin Boards. The Union shall have the right to use designated bulletin boards on the
10 Company property for the purpose of posting notices of Union meetings and other activities which are
11 officially approved by the Union prior to posting.
12

13 **Section 13.65 Grievance and Contact Administration.**
14

15 **13.65(a)** The Union shall investigate and adjust grievances, perform contract administration,
16 support employee disciplinary hearings and conduct information sharing meetings with bargaining
17 unit members in the work area, exclusively through Executive Board members and Council
18 Representatives, who shall be employees, and Union Staff Representatives.
19

20 **13.65(b)** Each Executive Board Member and Council Representative shall notify and obtain
21 permission from his or her supervisor before leaving the work assignment for the purpose of
22 investigating complaints or claims of grievance on the part of employees in his or her work area.
23 Such permission shall be granted except where the supervisor considers such absence would
24 seriously interfere with the performance of the group of which the representative is a part. Time
25 spent on such approved investigations and discussions shall be considered work time provided such
26 activity does not extend beyond the time that the supervisor considers reasonable under the
27 circumstances. Any Executive Board Member and Council Representative in the conduct of his or
28 her investigation, and before contacting an employee, shall obtain permission of the supervisor of
29 such employee and advise the supervisor of the ~~nature of the complaint or grievance and the~~
30 estimated time required for the discussion. Such permission shall be granted except where the visit
31 would seriously interfere with the work of the group.
32

33 Section 13.6 is intentionally blank

1 | **Section 13.7 Leaves of Absence.**

2
3 **13.7(a) Duration.** Leaves of absence of at least thirty (30) days without pay shall be granted for the
4 following reasons:

- 5
- 6 • Full-time employment by the Union or its national organization.
 - 7
 - 8 • Union business authorized by the Executive Board and approved in writing by the designated
9 Company Representative, which approval shall not be withheld absent legitimate business
10 circumstances.
 - 11

12 **13.7(b) Return from Leave of Absence.** The Company will reinstate employees on such leaves at
13 not less than his or her former grade level and salary. The Company will review salary on a case-by-
14 case basis and make adjustments as appropriate.

15
16 **Section 13.8 Substitute Council Representative.** In the absence of a Council Representative for any
17 reason, the Union may designate a temporary substitute.

18
19 **Section 13.9 Protection of Union Officials.**

20
21 **13.9(a)** Executive Board members and Council Representatives shall not be laid off during their
22 respective terms of office except as described herein.

23
24 **13.9(a)(1)** Executive Board members and Council Representatives will be given a retention
25 rating while serving during their term of office that will be adjusted to indicate that the employee
26 is at the top of the highest retention rating in the applicable skill or job activity code. So rated,
27 the Representatives will be subject to all terms and conditions of Article 7 of the parties'
28 Agreements. Once the Representatives are no longer in office, the retention rating will be
29 readjusted to the otherwise applicable rating.

30
31 **13.9(a)(2)** If Council Representatives are relocated, due to transfer or otherwise, out of the
32 district in which they were elected, the Representatives will continue to be protected from layoff

1 for the balance of their term of office so long as they remain recognized members of the Council.
2 Each designated Council position can be filled by only one member.

3
4 **13.9(a)(3)** Nothing herein precludes an Executive Board Member or Council Representative
5 from requesting a voluntary or accelerated layoff.

6
7 **13.9(a)(4)** Layoff protection does not apply to Executive Board members and Council
8 Representatives who, at the time of election or appointment, have received an active advance
9 notice of potential layoff, unless the Board of Members or Council Representative is running for
10 reelection to a consecutive term of office.

11
12 **13.9(b)** In the event management deems it necessary to involuntarily transfer or loan a Council
13 Representative, and other employees then represented by the Council Representative would remain
14 in the same skill code, when practicable the Company will inform the Union of the proposed transfer
15 or loan thirty (30) days prior to its effective date and will discuss with the Union the feasibility of
16 transferring or loaning another employee.

17
18 **Section 13.10 Union Requests for Employer Data.** The Company will provide the data to the Union
19 which is listed in the memorandum from the Union to the Company effective June 30, 2005, subject to
20 such revisions in the future as may be made by mutual agreement of the parties. Nothing herein is
21 intended to waive any right the Union may have to receive additional data.

22
23 **Section 13.11 SPEEA Access to the Web.** The parties hereby agree that SPEEA shall have access to
24 the Company's internal Web page. To that effect, the parties agree as follows:

25
26 **13.11(a)** SPEEA shall maintain the confidentiality of all information, data and computer programs
27 ('Information Assets') to which SPEEA has access, along with any passwords or access procedures
28 given to facilitate access to 'authorized SPEEA users'.

29
30 **13.11(b)** SPEEA shall only access the Information Assets specified by the Company Computing
31 Access Focal Point, and then only in accordance with the access procedures.

1 **13.11(c)** SPEEA shall not access any other Information Assets not approved by the Company
2 Computing Access Focal Point.

3
4 **13.11(d)** SPEEA shall not remove any Information Assets from Company computing systems, or
5 delete, change or otherwise modify any Information Assets.

6
7 **13.11(e)** Access to Information Assets marked ‘Company Limited’ or bearing Government
8 classified markings is strictly prohibited. The Company may re-evaluate access at any time. Any
9 decision by the Company to withdraw access shall not be subject to the provisions of Article 3.

10
11
12 **ARTICLE 14**
13 **PAYROLL DEDUCTION FOR UNION DUES**
14

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

23
24
25 **ARTICLE 15**
26 **STRIKES AND LOCKOUTS**
27

28 **Section 15.1 Strikes and Lockouts.**
29

30 **15.1(a)** During the term of this Agreement neither the Union (including its officers, agents,
31 representatives, and members) nor any employee covered by this Agreement shall in any way,
32 directly or indirectly, authorize, cause, assist, encourage, participate in, ratify or condone any strike
33 (whether it be an economic strike, sympathy strike, unfair labor practice strike or otherwise) slow

1 down, walk out, boycott, picketing, or any other interference with the Company's operations by
2 bargaining unit members, including any refusal to cross any other labor organization's or other
3 party's picket line. Nothing in 15.1 shall require employees to work in an unsafe environment. Any
4 employee who violates this Article may be subject to disciplinary action.

5
6 Consistent with the foregoing, during the term of the Agreement, the Union has the right to engage
7 in informational picketing provided that such picketing does not have an effect of inducing any
8 individual employed by any person in the course of his employment to refuse to pick up, deliver, or
9 transport any goods, or not to perform any services.

10
11 **15.1(b)** The Union will make every effort to stop and discourage any action prohibited by Section
12 15.1, if it should occur and will keep the

13
14 **15.1(c)** The Company agrees that there shall be no form of lockout during the term of this
15 Agreement.

16
17 **15.1(d)** The Parties agree that violations of the no strike/no lockout provisions of this Article will
18 cause irreparable harm and therefore they agree that either party may enforce the obligations of this
19 Article by injunction action in the courts without any requirement that the grievance and arbitration
20 procedure of this Agreement be invoked or exhausted. The parties further agree that the Company,
21 at its option, may file a grievance alleging a violation of the no strike obligation of this article and
22 the Union, at its option, may file a grievance alleging violation of the no-lockout obligation at Step 3
23 – Pre-Arbitration of the Grievance Procedure in Article 3.2.

24
25
26 **ARTICLE 16**
27 **GROUP INSURANCE AND RETIREMENT PLANS**

28
29 ~~As **16.1 Benefits.** Benefits shall be provided as defined in the Summary Plan Description Plans and as~~
30 ~~described in the summary. The Summary Plan Description will be printed at a later date. Attachment A.~~

31
32
33 **ARTICLE 17**

HEALTH AND SAFETY

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

Section 17.2 Health and Safety In The Workplace.

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

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

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

Section 17.3 Drug and Alcohol-Free Workplace.

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

17.3(b) For reasonable suspicion and post-accident testing only, the employee has the right to request the presence of a Union Representative at the collection site. The Union Representative shall

1 not in any way interfere with or otherwise obstruct the collection process. The parties agree that the
2 collection may be delayed a reasonable period, not to exceed thirty (30) minutes, to await the arrival
3 of the Union Representative. The thirty (30) minute period will commence when the Union, to
4 include a Union Representative, is notified.
5

6
7 **ARTICLE 18**
8 **NON-DISCRIMINATION**
9

10 **Section 18.1 Non-Discrimination.**
11

12 **18.1(a)** All terms and conditions of employment included in this Agreement shall be administered
13 and applied without regard to race, color, religion, national origin, status as a disabled or Viet Nam
14 era veteran, age, sex, sexual preference, marital status, or the presence of a disability except in those
15 instances where age, sex or the absence of a disability may constitute a bona fide occupational
16 qualification.
17

18 **18.2(b)** Administration and application of the Agreement that is not in contravention of federal or
19 state law shall not be considered discrimination under this Article. The parties recognize that the
20 Company is required to comply with applicable federal and state disability discrimination laws, and
21 agree that the Company may take actions necessary to stay in compliance. The Company agrees to
22 notify the Union in advance in the event that compliance with such laws affects the employee rights
23 set forth in this Agreement.
24

25 **Section 18.2 Non-Discrimination Grievances.** Notwithstanding any other provision of Article 3, a
26 grievance alleging a violation of this Article 18 shall be subject to the grievance and arbitration
27 procedure of Article 3 only if it is filed on behalf of and pertains to a single employee. Class grievances
28 under Article 18 shall not be subject to the grievance and arbitration procedure under this Agreement.
29
30

31 **ARTICLE 19**
32 **SCOPE OF AGREEMENT**
33

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

7
8 **Section 19.2 Severability.** If any term or provision of this Agreement is, at any time during the life of
9 this Agreement, adjudged by a court or administrative body of competent jurisdiction to be in conflict
10 with any law, such term or provision shall become invalid and unenforceable, but such invalidity or
11 unenforceability shall not impair or affect any other term or provision of this Agreement.

12
13
14 **ARTICLE 20**
15 **MISCELLANEOUS**

16
17 **Section 20.1 Child and Elder-care Referral.** The Company will maintain a child and elder-care
18 referral program consisting of referrals of employees to licensed care facilities, consultation with
19 employees to determine individual needs, and providing educational materials and programs.

20
21 **Section 20.2 Printing of Contracts.** The parties agree, in the spirit of labor/management cooperation,
22 that they will equally share the costs of printing the labor agreement.

23
24
25 **ARTICLE 21**
26 **PERIOD OF AGREEMENT**

27
28 **Section 21.1 Duration.** This Agreement shall be effective for a ~~six (6) year~~ period from the date of
29 contract ratification ~~July 11, 2005~~, and shall remain in force through the ~~sixth anniversary~~
30 ~~thereof~~ January 31, 2021. This Agreement shall remain in force from year to year thereafter, unless
31 either party shall notify the other, in writing by registered mail, not more than ninety (90) calendar days
32 nor less than sixty (60) calendar days prior to the anniversary of the Effective Date in the year in which

1 contract termination is desired. Unless terminated, this Agreement shall remain in full force and effect
2 from year to year thereafter.

3
4 **Section 21.2 Notification.** Notice under Section 1 above shall be served on the senior Human
5 Resources manager for the Company and the designated representative for the Union.

6
7 ~~**Section 21.3 Contract Review.** The parties agree to reopen the collective bargaining agreement for the
8 sole purpose of negotiating over bargaining unit structure, a wage increase, health care, pension and/or
9 other economic items for the contract years after the 36th month. The Parties will meet sixty (60) days
10 prior to the contract's third anniversary date for this purpose, but in no event shall any changes occur
11 until after the third anniversary of the Effective Date. The parties shall not propose lesser terms than the
12 current agreement. The parties further agree that they will expressly reaffirm the Agreement for its
13 duration with any modifications agreed to during the re-opener. In the event that the parties cannot
14 reach agreement on new terms, the parties shall expressly reaffirm the existing terms, which shall
15 remain in effect for the duration of this Agreement. Even if the parties do not agree to the issues under
16 negotiation for this period, the Union and the employees will not have the right to strike or otherwise
17 disrupt the Company's business or operation.~~

18
19 **Section 21.3 CONTRACT REAFFIRMANCE**

20
21 The Company and the Union agree and commit that they will, on the day of the third, sixth, and ninth anniversary
22 of this Agreement, or such other date as either party requests, mutually sign and execute a written amendment to
23 this Agreement, which expressly reaffirms this Agreement for its remaining stated term.

24
25 Signed at Wichita, Kansas, and dated this ~~11th~~ _____th day of ~~July, 2005~~ _____, 2011.

26
27 **Society of Professional Engineering** _____ **Spirit AeroSystems, Inc.**
28 **Employees in Aerospace**

29
30 By _____ By

31
32 ~~Jennifer MacKay~~ _____ ~~Jeffrey V. Clark~~

33 ~~Tom McCarty~~ _____ ~~Adam Pogue~~

34 President _____ ~~Director~~ Vice President – Labor Relations
35 and Workforce Strategies

APPENDIX A

Spirit Proposal 9-8-11

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APPENDIX A

**ORGANIZATIONS/FUNCTIONS WITH CONFIDENTIAL EMPLOYEES AND
CURRENT JOBS IDENTIFIED AS CONFIDENTIAL**

A. CONFIDENTIAL GROUP 1 – PERSONNEL INFORMATION

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

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

2. Employee Assistance Program

- 7BTW – EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATOR

3. Law and Ethics

- CABN – COUNSEL
- UAMX – ADMINISTRATIVE ASSISTANT
- SAMT – ETHICS ADVISOR

4. Security & Fire Protection

- BCBH – DESKTOP SYSTEMS INSTALLER
- BACS – COMPUTING SECURITY SPECIALIST
- LAHQ – INDUSTRIAL SECURITY SPECIALIST
- LAHR – ACCESS ADMINISTRATOR
- LAHS – INVESTIGATOR
- LAHW – S & FP MULTIPLE OPERATIONS SPECIALIST
- LAHT – UNIFORMED SECURITY OFFICER
- UAWL – OFFICE ADMINISTRATOR

1 |
2 **B. CONFIDENTIAL GROUP 2 – BUSINESS INFORMATION**
3

4 **1. Program Management Office**

- 5 • 2AGP – WRITER/EDITOR
- 6 • KADN – MARKETING AND SALES REPRESENTATIVE
- 7 • KADQ – STRATEGY & ANALYSIS SPECIALIST
- 8 • KADS – CUSTOMER RELATIONS SPECIALIST
- 9 • KADT – MARKETING AND SALES PROCESS SPECIALIST
- 10 • UAMC – PROGRAM MANAGEMENT SPECIALIST
- 11 • WASV – PROGRAM MANAGEMENT SPECIALIST (P & L)
- 12 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 13 • UAMX – ADMINISTRATIVE ASSISTANT
- 14 • UANR – STAFF ANALYST

15
16 **2. Internal Audit**

- 17 • 9AHL – INTERNAL AUDITOR

18 **3. Communications & Public Affairs and State & Local Government Relations**

- 19 • 2AGR – GRAPHIC ARTIST
- 20 • 4ADL – COMMUNICATIONS SPECIALIST
- 21 • MACU – COMMUNITY RELATIONS SPECIALIST
- 22 • MACV – EDUCATION RELATIONS SPECIALIST
- 23 • MACX – GOVERNMENT RELATIONS SPECIALIST
- 24 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 25 • UAMX – ADMINISTRATIVE ASSISTANT
- 26 • UANR – STAFF ANALYST

27
28 **4. Finance**

- 29 • 9AWC – ACCOUNTANT CONFIDENTIAL
- 30 • 9AWE – BUSINESS AND PLANNING ANALYST CONFIDENTIAL
- 31 • 9AHN – TAX SPECIALIST
- 32 • 9AWG – ESTIMATING AND PRICING SPECIALIST CONFIDENTIAL
- 33 • 9AHK – INSURANCE/RISK MANAGEMENT ANALYST
- 34 • 9ARA – GOVERNMENT PROPERTY ANALYST
- 35 • 5AAD – CONTRACTS & PRICING ADMINISTRATOR (Levels 4 & 5)

- 1 • 5AAE – EXPORT ADMINISTRATOR
- 2 • 5AAH – IMPORT ADMINISTRATOR
- 3 • 5AMS – COMMERCIAL A/C CONTRACTS ADMINISTRATOR

5 | **5. Executive Office Administrators/Executive Support**

- 6 • UAWL – OFFICE ADMINISTRATOR CONFIDENTIAL
- 7 • BCWD – EXECUTIVE SUPPORT

9 **C. CONFIDENTIAL GROUP 3 – INFORMATION TECHNOLOGY**

11 **1. Systems Level Root Authority**

- 12 • BCWD – SYSTEM DESIGN & INTEGRATION SPECIALIST CONFIDENTIAL
- 13 • BDBA – DATABASE ADMINISTRATOR

Spirit Proposal 9-8-11

**LETTER OF UNDERSTANDING
RELATING TO STATEMENT OF INTENTIONS**

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

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

Dated ~~June 28, 2005~~July , 2011

Spirit AeroSystems, Inc.

By

~~Jeffrey V. Clark~~
~~Director~~Adam Pogue
Vice President – Labor Relations and Workforce Strategies

**LETTER OF UNDERSTANDING
RELATING TO RELATIONSHIP**

~~We are writing~~ Letter of Understanding
Relating to reiterate Section 3.7

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

~~Dated conversations we have had with you~~ [Bob Brewer, Midwest Director, July __, 2011

~~Society of Professional Engineering-~~ Spirit AeroSystem, Inc.
~~Employees in Aerospace – WTPU~~

By _____ By

Tom McCarty _____ Adam Pogue
President _____ Vice President – Labor Relations and Workforce Strategies

~~to the~~ Letter of Understanding
2011 EBIT Performance Bonus Plan

~~The EBIT Performance Bonus Plan in the current WTPU Collective Bargaining Agreement (2005 – 2011) will remain in effect that Spirit AeroSystems, Inc. values a relationship with SPEEA and understands the mutual benefits, both to our for the January 2011 – June 2011 time period. A pro-rated payment will be made to all eligible represented employees and to our business, that can flow from it. We appreciate and respect what SPEEA brings to our company. We look forward to building that relationship and finding new ways to work together. Please feel free to share this with all SPEEA represented employees. June 29, 2005~~

Spirit AeroSystems, Inc.

~~By~~ _____ ~~By~~

~~Jeffrey L. Turner~~ _____ ~~Nigel S. Wright~~
~~CEO~~ _____ ~~Managing Director~~ ~~Onex Corporation~~

LETTER OF UNDERSTANDING
RELATING TO IPO STOCK OPPORTUNITIES

~~This Letter of Understanding is entered into between the parties concurrently with the execution of their collective bargaining agreement dated July 11, 2005. The purpose of this letter is to reflect our mutual understanding regarding the availability of stock for investment by SPEEA represented employees at and following the time of an initial public offering (an "Initial Public Offering"), when and if one occurs, of shares of the common stock of the parent company of Spirit AeroSystems, Inc. (the "Company").~~

~~The Company will use reasonable commercial efforts in connection with an Initial Public Offering to secure for employees represented by SPEEA the ability to purchase for their own accounts common stock in the Initial Public Offering, at the offer price, without the payment of brokerage fees, up to a reasonable limit.~~

~~In the event that the Company or its parent company institutes a general employee stock purchase plan following an Initial Public Offering, then other salaried and hourly employees of the Company will be entitled to participate in such general plan on the same basis as SPEEA.~~

~~Following an Initial Public Offering, the Company will give due consideration to establishing an employee stock ownership plan providing for the purchase of stock by employees of the Company, including through available tax efficient means if the plan meets the specific payout targets.~~

Dated July 11, 2005, 2011

Society of Professional Engineering — Spirit AeroSystems AeroSystem, Inc.
Employees in Aerospace – WTPU & WEU

By — By
Jennifer MacKay — Jeffrey V. Clark

Tom McCarty — Adam Pogue
President — Director Vice President – Labor Relations and
Workforce Strategies

Spirit Proposal 9-8-11

Spirit Proposal 9-8-11

1 **SOCIETY OF PROFESSIONAL ENGINEERING**
2 **IN AEROSPACE – WTPU**

3 **Represented**

4
5 **Letter of Understanding**
6 **Regarding Technical Product Designers**

7
8 The parties agree a job analysis will be performed pursuant to Section 12.1(b) on all employees in the
9 6ASE, Technical Product Designer job code. It is further agreed 6ASE employees performing
10 administration responsibilities will remain under the current “technical support” job classification.
11 6ASE employees providing design responsibilities to support engineering will be moved to an
12 “engineering support” Designer function/job classification.

13
14
15 Dated __, 2011

16
17 Society of Professional Engineering Spirit AeroSystem, Inc.

18 **Employees in Aerospace – WTPU**

19
20 By _____ By _____

21
22
23 Tom McCarty Adam Pogue

24 President Vice President – Labor Relations and any Workforce
25 Strategies

Letter of Understanding
Regarding Medical Plan Auditing

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

Dated _____, 2011

Society of Professional Engineering Spirit AeroSystem, Inc.
Employees in Aerospace – WTPU

By _____ By _____

Tom McCarty Adam Pogue
President Vice President – Labor Relations and Workforce Strategies

Attachment [A](#)

Spirit Proposal 9-8-11