Voted and approved by SPEEA bargaining unit members on Thursday, June 24.

COLLECTIVE BARGAINING AGREEMENT

between

TRIUMPH COMPOSITE SYSTEMS, INC.

and

SOCIETY OF PROFESSIONAL ENGINEERING EMPLOYEES IN AEROSPACE, IFPTE LOCAL 2001

Effective July 1, 2010 through September 27, 2013

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

COLLECTIVE BARGAINING AGREEMENT
Between
TRIUMPH COMPOSITE SYSTEMS, INC.
And
SOCIETY OF PROFESSIONAL
ENGINEERING EMPLOYEES IN AEROSPACE,
IFPTE LOCAL 2001

This Agreement is executed as of this 1st day of July, 20~~07~~10, by and between Triumph Composite Systems, Inc., a Delaware corporation having its principal place of business in Spokane, Washington (the "Company"), and the Society of Professional Engineering Employees in Aerospace ("SPEEA" or the "Union"). The Union is the bargaining agent for the collective bargaining unit described in Article 1.

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

- To maintain a respectful, cooperative relationship.
- To work together to further the mutual success of both parties: positioning the Company for continued competitive success in the marketplace while enabling SPEEA to best represent and serve its members.
- To resolve issues, to the greatest extent possible, through a collaborative process, marked by open communication and respect for each other's interests.

ARTICLE 1 – RECOGNITION
Section 1.1 Recognition.

For the purposes of collective bargaining with respect to rates of pay and other conditions of employment, the Company recognizes the Union as the exclusive bargaining agent for all exempt and non-exempt salaried employees who regularly apply engineering and technical disciplines to research, design, develop, manufacture, test and evaluate Company products and processes and engineers and technical employees whose assignments primarily are industrial, manufacturing, quality, materials, product and plant engineering and technology and excluding all other employees, guards and supervisors as defined in the National Labor Relations Act. Functional areas include planning, design, analysis, tooling, product support, laboratory testing, process improvement and R&D.

ARTICLE 2 – RIGHTS OF MANAGEMENT
Section 2.1 Rights of Management.

2.1(a) The terms and conditions of this Agreement are minimum and the Company shall be free to grant more favorable terms and conditions and to pay salaries higher than the minimums shown in Article 11 to any employee.

2.1(b) The management of the plant and direction of the workforce is vested exclusively in the Company which shall include, but in no way limit, the right to hire, promote to supervision, suspend, demote from supervision, discipline or discharge for cause, to transfer or lay off because of lack of work or for other legitimate reasons, to determine the type of products to be manufactured and the method of manufacturing, to determine the location of the plant, or any department thereof, to determine whether components, pieces, parts or assemblies or sub-assemblies shall be manufactured or purchased, to determine whether research, design, inspection and maintenance services will be performed by members of the bargaining unit or purchased from others, and to plan and schedule production, determine methods and processes and means of manufacturing, to enforce reasonable plant rules on a uniform basis, and to determine what constitutes good and efficient plant practices or operation. The foregoing management rights clause is limited only by and subject to those matters specifically set forth in this Agreement.

ARTICLE 3 – NON-DISCRIMINATION
Section 3.1 Non-Discrimination.

All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, sex, marital status, sexual orientation, or the presence of a disability, except in those instances where age, sex or the absence of a disability may constitute a bona fide occupational qualification. Administration and application of the Agreement that is not in contravention of federal or state law shall not be considered discrimination under this Article.

Section 3.2 Non-Discrimination Grievances.

Notwithstanding any other provision of Article 17, a grievance alleging a violation of this Article shall be subject to the grievance and arbitration procedure of Article 17 only if it is filed on behalf of and pertains to a single employee. Class grievances under this Article shall not be subject to the grievance and arbitration procedure under this Agreement.

ARTICLE 4 – PERFORMANCE EVALUATION
Section 4.1

The Company and the Union agree that many factors contribute to performance, including but not limited to: initiative, ingenuity, quality and quantity of output,

cooperation, attitude and knowledge. It is further agreed that both the Company and the employee share an equal responsibility and a shared commitment to continuous improvement.

Section 4.2

Any performance evaluation system must consist of the following factors:

4.2(a) A mutual understanding of both the employee's responsibilities and objectives as well as those of the immediate manager.

4.2(b) A discussion of methods and skills needed to achieve those responsibilities and objectives.

4.2(c) Periodic reviews between the employee and manager in regard to the progress of the mutually understood responsibilities and objectives.

4.2(d) An appeal process which the employee may use if agreement on responsibilities or objectives cannot be reached, or the final evaluation is deemed by the employee to be unfair.

4.2(e) An assessment of employee performance.

4.2(f) A discussion of and plan for employee development, which shall include discussion of available and recommended work-related training and educational programs, and specific goals for the future.

Section 4.3 Bases for Performance Evaluation.

Any system used to evaluate employee performance must:

4.3(a) Promote open, on-going communication between the employee and management.

4.3(b) Enhance employee satisfaction, dignity and trust.

4.3(c) Promote fairness.

4.3(d) Be clearly understandable.

Section 4.4 Frequency.

Any performance evaluation system will be based upon a common, minimum annual cycle for the employees within the bargaining unit. The initial review and the final evaluation must be completed within thirty (30) calendar days of the annual commencement and conclusion of the review.

The employee will be given adequate time prior to each discussion with management to review and compile duties and assignments as well as assess accomplishments.

The Company will give notice to the Union sixty (60) days prior to the commencement of this process.

Section 4.5 Review Process.

Before a clear and accurate performance definition can be achieved, individual objectives need to be balanced with organizational responsibilities. The employee and immediate manager will meet to develop and mutually understand the employee's job requirements, performance responsibilities and objectives, and the plan for their achievement. This discussion will be held at the beginning of the performance evaluation cycle or upon a significant change in the employee's primary duties and responsibilities.

The discussion will be finalized by a written document reflecting the following:

4.5(a) Clear and accurate job requirements, responsibilities expected of, and mutually understood by the employee and immediate manager.

4.5(b) What constitutes successful fulfillment of stated responsibilities and objectives.

4.5(c) A training and development plan for the following twelve (12) months.

Section 4.6 Interim Reviews.

After the initial responsibilities and objectives are agreed upon by the employee and manager, there shall be a mandatory meeting prior to the end of the seventh calendar month after the evaluation cycle commences. During this meeting the employee's progress toward mutually understood goals and objectives will be reviewed. In addition, any other significant factors will be discussed. At the employee's or manager's discretion, more frequent reviews may be accomplished.

Section 4.7 Appeal Process.

An employee who feels that the responsibilities and objectives or the evaluation as to the success of reaching those responsibilities and objectives is inappropriate may, at any time during the evaluation cycle, request that a Union Representative, the appropriate Senior Manager, and the Human Resources Manager, or designee, meet and respond to the issues raised. Such response shall not be later than thirty (30) calendar days from the date the issues were raised to management. Such response time may be extended by mutual agreement of the parties.

Section 4.8 Disciplinary Problems.

The sole purpose of a performance evaluation system is to review an employee's job performance. Problems of a disciplinary nature, such as a violation of company rules, shall be addressed through the established disciplinary process and will not be a proper subject of any performance evaluation review.

Section 4.9 Modification.

Development and changes to the performance evaluation system will be at the sole discretion of the Company, provided that Sections 4.2 and 4.3 principles will continue to apply in any modified system. The Company will maintain a performance evaluation system for the life of the contract. The Company will not implement any changes to the system until thirty (30) days after notice of the changes to the Union and opportunity for discussion and Union input.

ARTICLE 5 – VACATION PLAN
Section 5.1 General.

Reasonable time away from the job is conducive to good health and well being and is considered in the best interest of the employee and the Company. Each employee should have the opportunity to schedule and take vacation each year and thereby use their vacation credits, allowing adequate staffing for Company operations.

Section 5.2 Accumulation of Vacation.

5.2(a) Vacation credits are accrued on a per-compensated hour basis excluding overtime and awarded weekly with credits increasing on the basis of established increments as follows:

Company Service	**Annual Vacation**
1 thru 2 years	40 hours
3 thru 4 years	80 hours
5 thru 9 years	96 hours
10 and 11 years	120 hours
12 and 13 years	128 hours
14 and 15 years	136 hours
16 and 17 years	144 hours
18 years or more	160 hours

Company service date will be used to determine the credits to be awarded. Vacation credits may accumulate to a maximum of 40 additional hours above Annual Vacation credit (as determined from above schedule). No additional

vacation credits will be accrued until the number of credits in the account drops below the maximum.

Vacation credits will not be accrued in excess of ninety (90) calendar days on a leave of absence.

Section 5.3 Use of Vacation Credits.

5.3(a) Subject to management approval based on Company work schedule requirements, previously awarded vacation credits may be used by the employee without limit. Management will encourage employee use of vacation for time off within the period credits are available. Use of vacation at times convenient to the employee will be arranged to the extent permitted by Company work schedule requirements. Employees may be required to provide the Company with 24 hours advance notice.

5.3(b) Vacations are to be taken as time off and there will be no pay in lieu of time off. Unused vacation credits, in excess of the maximum limit, will be paid in lieu (at the employee's base rate, including shift differential where applicable) if the nonuse of vacation was due to the fault of the Company.

5.3(c) Subject to 5.3(a), vacation credits ~~must~~may be used in ~~full or half-day~~ two (2) hour increments with twenty-four (24) hour notice.

5.3(d) Holidays occurring while an employee is on vacation are not deducted from vacation credits.

5.3(e) Payment for vacations will be made at the employee's base rate in effect at the time vacation is taken, including shift differential.

5.3(f) An employee on leave of absence shall be required to use one-half of these vacation credits at the time of the leave consistent with Article 6 subject to the provisions of Section 5.3(c). This provision does not apply in the case of industrial illness or injury.

Section 5.4 Vacation Payment on Termination.

An employee who terminates for any reason will be paid for all unused credits in his or her vacation account and all earned but unawarded credits through the last day worked.

ARTICLE 6 – PTO, LEAVE OF ABSENCE, MEDICAL LEAVE, AND PERSONAL LEAVE
Section 6.1 PTO.

On January 1, 2008 and on January 1 each year thereafter, eligible employees will be credited forty (40) paid time off ("PTO") hours. Each eligible employee's current sick leave bank balance as of December 31, 2007 will transfer over to PTO hours as well, without reduction or offset to this forty (40) hours credit.

There will be no cash out of unused sick leave on December 31, 2007. The prior (2003-2007) contract's sick leave provisions will continue to apply up to, but will become inoperative and of no further force and effect on, September 1, 2007.

PTO is to be scheduled, whenever possible, in advance (end of shift prior day). This PTO program is not intended to allow a pattern of abuse of unscheduled PTO use by employees, and such activities may be subject to the attendance policy.

Unused PTO will be cashed out in January 2009 and in January every year thereafter.

1. If all PTO use in prior year was scheduled, 125% of unused balance will be cashed out.

2. If no PTO used at all, 150% of unused PTO balance will be cashed out.

Pre-shift call in for sickness in an eight (8) hour increment will count as a scheduled PTO. PTO use after shift has started is considered unscheduled.

Employees can use PTO in minimum of one (1) hour increments.

To be eligible for the annual forty (40) hours PTO, employees must have actually worked some part of the calendar year prior to December 31 of the year in question (forty (40) hours annual credit reduced pro-rata if employee is absent for any reason longer than ninety (90) days in prior calendar year).

PTO credit will be pro-rated for new hires, following their probationary period:

1. If hired July 1, and employee gains seniority on October 1, then he gets twenty (20) hours immediately on October 1, forty (40) more hours on January 1 of next year.

2. The Company will allow ten (10) hours up front to probationary employees; then at ninety (90) days populate their account with pro-rated forty (40) hours, but as per the above example, minus what has previously been used of the ten (10) hours "up front" credit.

3. If employee is hired December 1, and gains seniority on March 1 of the next year, he would then vest forty (40) hours, plus one-twelfth (1/12) of forty (40) hours to account for his December work. This ten (10) hours shall not be subject to cash out if January 1 occurs during the probationary period.

For FMLA, still require fifty percent (50%) vacation usage first, but PTO usage is employee choice.

PTO must be used, if available, to cover any unscheduled absence except FMLA, that is, non-FMLA unscheduled days are always PTO if PTO is available.

Vacation can be used only in four (4) hour increments to cover unscheduled absence only after PTO is exhausted in a calendar year, except that scheduled and approved absences with twenty-four (24) hour notice can be used in two (2) hour increments – See Section 5.3(c) above.

Section 6.1(a) Payout of Unused Paid Time Off (PTO). PTO will be paid out to an employee when his/her employment ends as follows:

A. Termination for Cause – Zero payout of balance
B. Layoff – Full payout of balance
C. Voluntary Resignation with greater than 2-week notice – Half payout of balance
D. Voluntary Resignation with less than 2-week notice – Zero payout of balance

Section 6.2 Medical Leave of Absence.

An employee, upon written request accompanied by proper medical documentation satisfactory to the Company, shall be granted a medical leave of absence without pay for a period of time equal to his length of service from the last date of hire ~~or rehire~~ to a maximum of two (2) years.

The Company may, at its discretion, require any employee to be examined at the Company's expense by a physician of its choice, who is a board certified specialist in the appropriate field.

The Company may, at its discretion, grant the employee the privilege of renewing such medical leave for a like period of time, provided that in the initial leave or any renewal thereof, the employee shall maintain contact with the Company, informing said Company of medical progress; and the Company may, at its discretion and its expense, require that the employee returning from a leave of absence be subject to a medical examination before returning to work.

The Company shall comply with the provisions of the Family and Medical Leave Act (FMLA). Eligible employees who apply for a leave under the FMLA which is not covered by other provisions of the Agreement may be required to first exhaust any accumulated paid sick leave or vacation time provided under other provisions of the agreement in accordance with Federal law. Such decision will not be subject to the provisions of Article 17, Grievance Procedure.

Section 6.3 Personal Leave of Absence.

A leave of absence may be granted for personal reasons and without pay for a definite period of time not to exceed fifteen (15) working days and may be renewed for a further period upon application to the Company. Personal leaves and extensions thereof shall be at the discretion of the Company, it being understood that the Company shall give special consideration to those cases involving sickness, and his or her absence from work will not cause undue interference with production. Applications for leave and extensions shall be in writing signed by the employee and shall contain information concerning the reason for the leave and the period of leave time requested. Copies of leaves and extensions shall be provided to the Union Staff Representative.

An employee who obtains a leave of absence under this provision and engages in other employment, or gives a false reason for leave of absence, or engages in other activity other than that for which the leave was granted, or shall fail to return to work at the end of the leave period will lose his or her employment with the Company.

The Company agrees to grant a leave of absence without pay to any employee, not to exceed two (2) employees in number, for the purpose of attending a labor conference, it being further understood that such leaves shall not accumulate to more than ten (10) working days in any calendar year, and that such leaves of absence shall be requested by the employee in writing and countersigned by the Union. These provisions are above and beyond the provisions of Article 12, Union and Company Relations.

Section 6.4 Military Leave of Absence.

> **6.4(a) Military Leave.** An employee who is a member of a reserve component of the Armed Forces, who is absent due to required active annual training duty or temporary special services duty, shall be paid his normal straight time earnings, including shift differential where applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two (2) training periods in one (1) calendar year may receive time off with pay in excess of the ten (10) day annual maximum provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be excused on unpaid authorized leave of absence. The amount due the employee under this Section 6.4(a) shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government.

6.4(b) Selected Duty Under Federal Armed Services Act. Employees will continue to earn service credit while on leave of absence granted for the purpose of serving in the Armed Forces of the United States.

Section 6.5 Bereavement Leave.

Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his or her immediate family, takes time off from work during his or her normal work schedule as such term is defined in Section ~~5~~11.1 of this Agreement. Such pay shall be for eight (8) hours at his or her straight time base rate, including shift differential where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section, the "immediate family" is understood to be spouse, mother, father, step-mother, step-father, mother-in-law, father-in-law, children, stepchildren, brother, sister, step-brother, step-sister, half sister, half brother, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandparents, spouse's grandparents, and grandchildren. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death which has been certified by the attending physician.

ARTICLE 7– HOLIDAYS
Section 7.1 Dates on Which Observed.

The following holidays shall be observed by the Company for the purposes set forth in this Article 7:

~~Independence Day Wednesday July 4, 2007~~
~~Labor Day Monday September 3, 2007~~
~~Thanksgiving Day Thursday November 22, 2007~~
~~Friday following Thanksgiving Friday November 23, 2007~~
~~Winter Break Monday December 24, 2007~~
~~Winter Break Tuesday December 25, 2007~~
~~Winter Break Wednesday December 26, 2007~~
~~Winter Break Thursday December 27, 2007~~
~~Winter Break Friday December 28, 2007~~
~~Winter Break Monday December 31, 2007~~
~~2008 Holidays Day Date of Observance~~
~~Winter Break Tuesday January 1, 2008~~
~~Memorial Day Monday May 26, 2008~~
~~Independence Day Friday July 4, 2008~~
~~Labor Day Monday September 1, 2008~~
~~Thanksgiving Day Thursday November 27, 2008~~
~~Friday following Thanksgiving Friday November 28, 2008~~
~~Winter Break Wednesday December 24, 2008~~

~~Winter Break Thursday December 25, 2008~~
~~Winter Break Friday December 26, 2008~~
~~Winter Break Monday December 29, 2008~~
~~Winter Break Tuesday December 30, 2008~~
~~Winter Break Wednesday December 31, 2008~~
~~2009 Holidays Day Date of Observance~~
~~Winter Break Thursday January 1, 2009~~
~~Memorial Day Monday May 25, 2009~~
~~Independence Day Friday July 3, 2009~~
~~Labor Day Monday September 7, 2009~~
~~Thanksgiving Day Thursday November 26, 2009~~
~~Friday following Thanksgiving Friday November 27, 2009~~
~~Winter Break Thursday December 24, 2009~~
~~Winter Break Friday December 25, 2009~~
~~Winter Break Monday December 28, 2009~~
~~Winter Break Tuesday December 29, 2009~~
~~Winter Break Wednesday December 30, 2009~~
~~Winter Break Thursday December 31, 2009~~
~~2010 Holidays Day Date of Observance~~
~~Winter Break Friday January 1, 2010~~
~~Memorial Day Monday May 31, 2010~~

2010 Holidays	**Day**	**Date of Observance**
Independence Day	Monday	July 5, 2010
Labor Day	Monday	September 6, 2010
Thanksgiving Day	Thursday	November 25, 2010
Friday following Thanksgiving	Friday	November 26, 2010
Winter Break	Friday	December 24, 2010
Winter Break	Monday	December 27, 2010
Winter Break	Tuesday	December 28, 2010
Winter Break	Wednesday	December 29, 2010
Winter Break	Thursday	December 30, 2010
Winter Break	Friday	December 31, 2010

2011 Holidays	**Day**	**Date of Observance**
Winter Break	Monday	January 3, 2011
Memorial Day	Monday	May 30, 2011
Independence Day	Monday	July 4, 2011
Labor Day	Monday	September 5, 2011
Thanksgiving Day	Thursday	November 24, 2011
Friday following Thanksgiving	Friday	November 25, 2011
Winter Break	Friday	December 23, 2011
Winter Break	Monday	December 26, 2011
Winter Break	Tuesday	December 27, 2011
Winter Break	Wednesday	December 28, 2011

Winter Break	Thursday	December 29, 2011
Winter Break	Friday	~~December~~ 30, 2011

2012 Holidays	**Day**	**Date of Observance**
Winter Break	Monday	January 2, 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 4, 2012
Labor Day	Monday	September 3, 2012
Thanksgiving Day	Thursday	November 22, 2012
Friday following Thanksgiving	Friday	November 23, 2012
Winter Break	Monday	December 24, 2012
Winter Break	Tuesday	December 25, 2012
Winter Break	Wednesday	December 26, 2012
Winter Break	Thursday	December 27, 2012
Winter Break	Friday	December 28, 2012
Winter Break	Monday	December 31, 2012

2013 Holidays	**Day**	**Date of Observance**
Winter Break	Tuesday	January 1, 2013
Memorial Day	Monday	May 27, 2013
Independence Day	Thursday	July 4, 2013
Labor Day	Monday	September 2, 2013

Section 7.2 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 applicable shift differential if, on the holiday, they are on the active payroll, including those on approved leave of absence for not longer than ninety (90) calendar days.

Section 7.3 Worked Holidays.

Employees who are required to work on the above-named holidays shall receive the pay due them for the holiday, plus double their base rate for all hours worked on such holiday, plus shift differential if applicable, unless the employee starts to work at 10:00 P.M., or thereafter on that day.

Section 7.4 Holidays During Vacation.

Holidays occurring while an employee is on vacation are not deducted from vacation credits.

Section 7.5 Employees on Non-Regular Workweek.

For those employees who regularly work on Saturday and/or Sunday, receiving two (2) consecutive days off during the week, the two (2) days off shall be treated as "Saturday" and "Sunday," in that order, for the purposes of this Article 7. Should any of the holidays observed by the Company occur on such a "Sunday," the following day shall be considered as a holiday for such employees. Should any of the holidays observed by the Company occur on such a "Saturday," the preceding day shall be considered as a holiday for such employees.

Section 7.6 Employees on Third Shift.

Those employees who are assigned to work on third shift shall observe holidays in accordance with Sections 7.1 through 7.5 except when Independence Day falls on a Monday, Tuesday, Wednesday or a Thursday. When this occurs, they shall observe the Independence Day holiday on the fifth of July.

ARTICLE 8 – WORKFORCE ADMINISTRATION
Section 8.1 Procedure Relating to the Filling of Positions.

8.1(a) The parties agree 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 open positions, priority consideration will be given to the development, advancement and retention of the existing workforce. The existing workforce is defined as those employees on the active payroll or on approved leave of absence or on active layoff.

8.1(b) Reassignment of qualified surplus employees and non-promotional reassignments of non-surplus employees may be made by the Company in accordance with Company procedure regarding the reassignment of salaried employees and without regard to the provisions of Section 8.1(c). Positions so filled shall not be regarded as open positions.

8.1(c) The Company will seek qualified candidates from within the existing workforce for all positions that are designated by the Company as open positions. The Company may designate a position as open when there is a need for additional resources within a job classification or when a position is vacated and the Company determines that the vacated position should be filled.

Employees on the active payroll who have been declared surplus and/or who have been previously downgraded shall have priority consideration for open positions. Other candidates shall be considered as follows:

8.1(c)(1) The Company may reassign a qualified employee from within the existing workforce.

8.1(c)(2) The Company may return a qualified laid off employee from active recall status.

8.1(c)(3) The Company may hire a qualified candidate from external sources.

The Company will select for the open position whichever of the considered candidates it determines will best achieve the purposes set forth in Section 8.1(a).

8.1(d) Employee Requests for Reassignment. The Company will maintain an environment in which employees can make known their interest in being reassigned to other positions for which they are qualified to perform and which may satisfy their personal needs. A job posting and reassignment process will be maintained which will allow employees, without fear of reprisal, to make application for reassignment and receive consideration as a candidate for open positions for which they are qualified. The Company will provide the Union with a copy of the request for reassignment procedure and any changes thereto.

Section 8.2 Retention System and Redeployment Procedure.

8.2(a) Objective. The general objective of the procedure stated in this Section 8.2 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, to the extent practicable, the job classifications and numbers of employees apt to be affected. Affected employees will be given as much notice as possible and at least two (2) weeks' notice prior to layoff, and will receive consideration for open positions in accordance with Section 8.1(c).

8.2(b) Retention Index. On a periodic basis, but not less than once in any twelve (12) month period, each employee will be assigned by the Company a retention rating as follows, giving consideration to the employee's competence, diligence, and demonstrated usable capabilities as well as current and previous

performance. Length of Company service will be a positive factor to the extent that the experience so gained continues to be reflected in increased capability.

8.2(b)(1) Retention Index Group Make-up. Retention index groups shall be comprised of employees with identical job classifications.

8.2(b)(2) Review Process. The Company will determine the retention rating of each employee, the members of management who will participate in retention index reviews, the retention index groups to be used, the timing, and the other details of such reviews. It is recognized that any practicable process of assigning a retention rating to each employee cannot be completely free of error as to method used or as to resulting retention rating, taking into account: the numbers of employees, job classifications, organizations and requirements involved; the fact that numerous management representatives necessarily must participate in the process; and that many of the factors which must be dealt with are intangible in nature. An individual's contention that their rating is inappropriate shall not be subject to the grievance and arbitration procedure; however, an employee may appeal the employee's assigned retention rating as provided in Section 8.2(b)(5).

8.2(b)(3) Retention Index Distribution. Each employee will be assigned a retention index such that, as nearly as is mathematically practicable, the retention index for each retention index group is R1 = 38% - 42%, R2 = 38% - 42%, R3 = 18% - 22%. In no case will there be less than one employee assigned to retention index R1 in any retention index group.

8.2(b)(4) 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, or as soon as practicable. The written notification will contain the following elements:

8.2(b)(4)(a) The number of employees in each of the three (3) retention index categories within the employee's retention index group and the total number of employees in the job classification within the Organization.

8.2(b)(4)(b) The effective date.

8.2(b)(5) Retention Index Appeals. An employee who feels the retention rating assigned during the periodic retention index review is inappropriate may at any time discuss the matter with his or her immediate supervisor. If within thirty (30) calendar days following notification of the assigned retention rating the employee elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:

8.2(b)(5)(a) The assigned retention rating represents a one or more position drop from the previous assigned rating, and it is substantiated that the drop is not due to the effect of workforce reduction and/or consolidation of retention index groups.

8.2(b)(5)(b) The employee has remained in the same job classification and been assigned a retention rating of R3 during four (4) or more consecutive retention reviews.

8.2(b)(5)(c) The employee so affected will address his or her concerns in writing to the Union setting forth the basis for such appeal.

8.2(b)(5)(d) If the Union believes the employee's appeal warrants further review, the Union will notify the Company designee of the applicable Organization within ten (10) workdays of receipt of the employee's appeal.

8.2(b)(5)(e) Within ten (10) workdays following such notice, the appropriate Human Resources Representative and a Union Representative will meet to resolve the appeal. Pertinent information may be obtained from the employee, the immediate supervisor, and/or other appropriate management for this meeting. The employee may participate in the meeting.

8.2(b)(5)(f) The parties identified in Section 8.2(b)(5)(e), above, will resolve the appeal by majority decision at the meeting or within five (5) 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 General Manager. Resolution by majority decision or by decision of the General Manager will be final and binding and will conclude the appeal process.

8.2(b)(5)(g) If the result of an appeal over a two-position drop in retention level is in favor of the employee, one of the following options may be selected as determined by Company and Union representatives:

- Restoration to the previous retention rating of R1, or
- Modification of the assigned retention rating to R2.

8.2(c) Out-of-Sequence Retention Index.

8.2(c)(1) The retention rating of an employee who is reclassified between periodic retention index reviews will not change except as follows:

8.2(c)(1)(a) With a reduction in level within a job family, the employee will automatically receive a retention rating of R1 until the next retention index review.

8.2(c)(1)(b) With an increase in level within a job family, the employee will automatically receive a retention rating of R3 until the next retention index review.

8.2(c)(2) An employee who returns from leave of absence between periodic retention index reviews shall retain the same retention rating as before the leave of absence until the next retention exercise.

8.2(c)(3) An individual who is hired into the bargaining unit or returns from layoff between periodic retention index reviews shall automatically be assigned retention rating R3 until the next retention exercise.

8.2(c)(4) The out-of-sequence retention rating assigned under the provisions of Section 8.2(c)(1) through Section 8.2(c)(3) will be reaffirmed or superseded by the retention rating assigned during the next periodic retention index review.

8.2(d) Redeployment Procedures.

8.2(d)(1) Application. When a workforce reduction is determined by management to be necessary, management will follow the applicable provisions of Article 9 and designate for layoff the required number of employees within such job classification(s) beginning with the lowest retention index, except when the remaining employees do not have the requisite knowledge, customer relationships, certifications, availability, or skills to perform the required work.

Employees designated for layoff who are in Level 2 or B and above shall receive a downgrade offer as an option to layoff, if, within the Company, there are lower level employees (regardless of retention index) within the same job classification.

8.2(d)(2) Nothing in this Article is intended to preclude management from using other actions, such as employee reclassifications, reassignments, or combinations thereof, based on the employee's knowledge, skills, and abilities, which are not inconsistent with the terms and conditions set forth in this Agreement, in order to avoid or reduce the necessity to initiate or carry out workforce reductions.

8.2(d)(3) During periods of surplus activity, the Company may make available programs intended to mitigate the impact of layoffs. The Company will advise the Union of these programs and their availability.

Section 8.3 Layoff Status and Return to Active Employment.

8.3(a) Maintenance of Layoff Status.

8.3(a)(1) Each employee laid off under the provisions of this Article will remain on layoff status for a total period equal to their length of Company service up to a maximum of two (2) years from the date the layoff was effective, subject to Section 8.3(a)(2). Employees on the active payroll of the predecessor Company immediately prior to closing shall be credited with their length of service from the predecessor Company.

8.3(a)(2) An employee shall remain on layoff status in accordance with Section 8.3(a)(1), provided he or she does not:

8.3(a)(2)(a) Reject consideration for employment, for example, fail to respond to a Company contact, letter of interest, or formal offer from the Company of a job within ten (10) workdays after such contact by the Company or by such later date as may be stipulated by the Company, or

8.3(a)(2)(b) Refuse a formal offer from the Company for a full-time job within the bargaining unit for which the salary and level offered is equal to or greater than the employee's salary at the time of layoff.

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

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

8.3(a)(4) Laid-off employees who are prevented from meeting the conditions described in Section 8.3 solely due to medical disability, verified to the Company's satisfaction by their personal physician, shall upon request be granted a waiver for the missed requirement(s).

8.3(b) Return to Active Employment.

8.3(b)(1) It is a mutual objective of the Company and the Union that laid-off employees who have not been determined ineligible under Section 8.3(b)(3), be recalled to active employment in approximate reverse order of layoff. Accordingly, employees on file for recall pursuant to Section 8.3(b)(3) will be offered return to active employment within the applicable job classification in reverse order of layoff, prior to workforce additions from sources external to the Company, subject to the following limitations:

8.3(b)(1)(a) Nothing will preclude the Company from hiring from sources outside the Company when projected requirements exceed the number of employees in applicable job classification(s) who are eligible for an offer of recall.

8.3(b)(1)(b) In making recall and hiring decisions, the Company will review the specific qualifications of individuals on the basis of product familiarity, specialized experience or education, customer requirements, and the need to achieve the most efficient and accurate match of individual capabilities to job requirements.

8.3(b)(2) Within forty-five (45) days of layoff, the employee must file for priority consideration for return to active employment. The Company will maintain a list of the names of all eligible laid-off employees. In order to maintain such recall status, the employee must keep the Company informed of his or her interest in returning to active employment by submitting a letter so stating. The employee must register by letter once each consecutive calendar half-year period (January through June; July through December) during the applicable recall period. Registration letters must be received within forty-five (45) days prior to the expiration of the current half-year period and contain the individual's name, social security number, address, and telephone number. Individuals who do not properly register in each calendar period will be removed from the priority consideration eligibility list. Failure to register properly will result in priority consideration being revoked for the remainder of the individual employee's recall period. Eligible employees on file for return to active employment are subject to the provisions of Section 8.3(a).

8.3(c) Salary and Level of Returning Laid-Off Employees. Company offers to laid-off employees for return to active employment will be extended at whatever salary and level is deemed by management to be appropriate. Rejection of a formal Company offer for a position outside the bargaining unit, or at a salary lower than the employee's salary at time of layoff, or a level lower than the level from which laid off, or a part-time assignment, will not be cause for removal from layoff status.

8.3(d) The Company will maintain a record of all laid off employees who are on layoff status under the above provisions.

Section 8.4 General Provisions.

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

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

8.4(c) Layoff Benefits. When an employee is laid off:

8.4(c)(1) All vacation time scheduled for periods subsequent to the layoff will be cancelled.

8.4(c)(2) The total dollar value of all the employee's vested, unused vacation will be calculated. This sum will be "previously accrued compensation" ("PAC"), payable on layoff. The employee may choose to receive a PAC payment as of layoff, or to receive such payment sixty (60) days after layoff, as long as such sixty (60) day period does not end in January or February of a calendar year. The employee must make a choice between these two options. At either date, one hundred percent (100%) of the PAC will be paid out. If the employee chooses option two and returns from layoff before the sixty (60) day period ends, the employee's PAC will not be paid out, but will instead still be available under Company policy.

Section 8.5 Dispute Resolution.

Any dispute as to the Company's compliance with the processes and procedures in this Article shall be subject to Article 17, but end result decisions and outcomes shall not be so subject, provided the processes and procedures have been complied with.

ARTICLE 9 – CONTRACT PERSONNEL
Section 9.1 Purpose.

The Company and the Union recognize that Contract personnel are a practical source of skilled temporary labor that allows the Company to acquire skilled engineering and technical support in a timely manner. The Company and Union recognize that

requirements for experienced Contract personnel must be balanced with the need to build and maintain the Company's experience base and to support our mutual objective of workforce stabilization by minimizing employee layoffs.

Section 9.2 Definition.

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

Section 9.3 Procedures and Limitations.

9.3(a) Except where there is supporting documentation of performance deficiencies, or except when bargaining unit employees do not have the requisite skills and availability to perform the required work no employee from a surplusing organization shall be involuntarily laid off while Contract personnel are still employed in that job classification within that organization. Furthermore, except in the above situations, no Contract personnel will be employed within a given job classification while employees populate the active recall list for such given classification. The parties, in layoff situations, will meet to discuss all issues in connection with layoffs, and may agree on layoff rules and procedures to address the special facts and circumstances in any particular layoff situation. The Company will utilize its best efforts to maximize work for SPEEA-represented employees in all situations involving contract personnel working at the Spokane facility.

9.3(b) The Company shall notify the Union of the basis for the need, the approximate number of Contract personnel required and the job family normally held by employees performing the type of work involved.

9.3(c) Contract personnel shall not be authorized to make decisions normally associated with management responsibility including salary determination, retention and discipline.

Section 9.4 Data.

The Company shall supply the Union Staff Representative on a monthly basis with data that displays the number of contract personnel utilized by job code and Organization, so that compliance with all limitations identified in Section 9.3 can be monitored. The data

shall include names, work location, job title, group/organization name, contract labor type codes, and start dates.

ARTICLE 10 – JOINT MEETINGS
Section 10.1 Communication.

Realizing that certain commitments from both Management and the Union are essential for the long-range success of the Company, the parties agree to take the following necessary steps to achieve both business and personal goals. By working together with mutual respect and a positive business attitude, the parties will be able to share in profit-making decisions which are necessary to carry the Company successfully through the twenty-first century.

10.1(a) The parties will work closely together in a cooperative relationship that extends from the shop floor to the top executive offices in order to solve problems quickly and effectively in a harmonious manner.

10.1(b) Both parties will work at improving communication skills in various ways. As a starting point the following commitments will be agreed to as positive means to add structured communication to the organization.

10.1(b)(1) The Management of the Company will, at a minimum, agree to hold Company meetings which share honest, relevant information about past business performance and future business plans.

10.1(b)(2) A joint committee of Union and Management representatives will meet bimonthly to discuss day-to-day matters, which may include issues related to Contract personnel and to vendors/subcontractors.

10.1(c) In the interest of achieving a positive business operation, Union and Management representatives agree mutual responsibility “must” be shared for establishing a positive, productive work environment. To that degree, it is agreed that:

10.1(c)(1) A Senior Manager will be available at all times to intercede in matters of importance on the shop floor which require immediate attention. The parties especially recognize that any behavior that outwardly shows disrespect for individuals will not be tolerated by Union or Management personnel and must be dealt with immediately.

Section 10.2 Lean Manufacturing.

It is the intent of labor and management to promote a culture of continuous improvement. To this end, all products new and existing will be produced in keeping with lean manufacturing principles.

At the time of introduction of a new product or re-configuration of an existing product, the manpower and skills requirements will be identified and assigned to meet the planned production hours to manufacture the product. The employees assigned to the team will perform tasks required to support, manufacture and ship the product.

By applying Lean Manufacturing Principles, it is our objective to:

- Create a sense of ownership among workers.
- Make improvements an expectation of workers.
- Create a structure of teams to utilize workers' ideas.
- Be open to new ideas from teams.
- Provide workers with training required to improving technologies and strategies.
- Support teams as partners in improvements.
- Encourage a culture that permits change and experimentation to improve our processes.

In all these matters we recognize mutual support reflects mutual success. These commitments have been developed to enhance the collective bargaining procedure, not to replace it and will not supercede other articles of this agreement. Bargaining unit work boundaries will be respected and maintained.

ARTICLE 11 – WORK SCHEDULES
Section 11.1 Workweek.

The normal work schedule shall consist of five (5) consecutive workdays, Monday through Friday, followed by two (2) days of rest (Saturday and Sunday). The Company may, after concurrence from the Union, schedule employees to work a non-standard work schedule consisting of shifts of longer duration, workweeks of less than five (5) full consecutive days, or non-consecutive days off, for a total workweek of forty (40) hours. The Union shall not unreasonably deny concurrence.

Section 11.2 Short Workweek.

The Company, upon receiving prior agreement with the Union, may deem it advisable to work any number of employees on a short workweek. The Union and the affected employees will be notified in advance which days are to be worked and such days worked shall be consecutive.

Section 11.3 Shifts; Lunch Periods; Rest Periods.

Each employee shall be assigned to a definite shift with designated times of beginning and ending. ~~All shifts shall be an eight hour and forty-five minute period which shall include a forty-five (45) minute unpaid lunch period.~~ All shifts shall be an eight (8) hour

thirty (30) minute period, which shall include a thirty (30) minute unpaid lunch period. The designated times of beginning each shift during the scheduled workweek shall be: first shift - between 5:00 A.M. and 8:30 A.M.; second shift - between 1:30 P.M. and 6:00 P.M.; third shift - between 10:00 P.M. and 1:30 A.M. of the following day. Each employee shall be given a fifteen (15) minute rest period in each half of the shift to which he is assigned, the time of starting each such rest period to be designated by the Company. Each employee who is required to report for work two (2) or more hours prior to the start of his regular shift shall receive a ten (10) minute rest period prior to the start of his regular shift. Each employee who is scheduled to work two (2) or more hours of overtime after his regular shift shall receive a ten (10) minute rest period prior to the start of the overtime. Changes of shift assignments shall be made on the first day of a new workweek whenever practicable. Employees may, at their request and with management's approval, make a temporary modification of their work schedule through movement of hours from one day to another within a 40-hour workweek.

11.3(a) Report Time. If an employee reports for work in accordance with instructions, he or she shall receive a minimum of four (4) hours pay at his or her straight time base rate, including shift differential where applicable. Report time will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his or her own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day. An employee who leaves work because of incapacity due to industrial injury or illness will be paid eight (8) hours pay at his or her straight time base rate, including shift differential where applicable.

Section 11.4 Shift Preference.

In order to ensure operational efficiency, the Company shall have the exclusive right to assign employees to any shift. Subject to the foregoing, employees who have a shift preference on file shall be given preference over employees who have not filed a shift preference, and are assigned to the same job classification and shift, returning non-bargaining unit employees, new hires, recalls from layoff, and promotional candidates for placement in openings in their job classification and organization. Shift preferences must be filed more than three (3) working days prior to an organization effecting a shift change or declaring a job opening by submission of a dated open requisition. If an employee does not file a shift preference, it shall be assumed that he is on his preferred shift. If an employee does file a shift preference, it shall be assumed that it is his or her shift preference, and the Company shall have the right to act on it. Under no circumstances will the provisions of this Section 11.4 be construed to enable an employee, at his instance and request, to displace another employee from his job and shift.

11.4(a) As stated, shift preferences as defined will not apply in instances where the exercise of such rights would affect the efficiency of Company operations in any organization on any shift. When such instances arise, it shall be the

responsibility of the Company to prepare an exception request. Exception requests shall be discussed with the Union prior to submittal for final approval.

11.4(a)(1) When staffing a new shift, the Company maintains the right to assign employees necessary to accomplish the work, including the right to assign employees with key skills regardless of their shift preference. The Company will attempt to complete such staffing from volunteers, assignments from other shifts, promotions, and new hires.

11.4(b) The Company will de-staff a shift in the following order: first, by shift preference filings, and second, among remaining employees. In cases where the shift is to be eliminated, employees will be notified in advance and given the opportunity to file a timely shift preference.

Section 11.5 Pay Rates.

11.5(a) For payroll computation purposes, hourly rates of pay will be computed on the basis of 2080 compensable hours each calendar year.

11.5(b) Rate Ranges.

11.5(b)(1) The Level minimums for Technical Employees on the payroll as of June 30, 2010 are set forth in Table I below and will be in effect July 1, 20~~07~~10:

TABLE I – TECHNICAL EMPLOYEE MINIMUM SALARIES

New Job Description	Minimum
Equipment Test Analyst I	~~$30,400~~$33,520
Equipment Test Analyst II	~~$32,000~~$35,120
Equipment Test Analyst III	~~$33,280~~$36,400
Manufacturing Planner I	~~$37,432~~$40,552
Manufacturing Planner II	~~$39,120~~$42,240
Manufacturing Planner III	~~$42.250~~$45,370
Numerical Control Programmer I	~~$37,432~~$40,552
Numerical Control Programmer II	~~$39,120~~$42,240
Numerical Control Programmer III	~~$42,250~~$45,370
Quality Assurance Investigator I	~~$37,432~~$40,552
Quality Assurance Investigator II	~~$39,120~~$42,240
Quality Assurance Investigator III	~~$42.250~~$45,370
Design Technician I	~~$38,400~~$41,520
Design Technician II	~~$47,200~~$50,320
Design Technician III	~~$53,600~~$56,720
Tool Designer I	~~$33,689~~$36,809
Tool Designer II	~~$37,432~~$40,552

New Job Description	Minimum
Tool Designer III	~~$39,120~~$42,240
NCQA Planner I	~~$33,280~~$40,552
NCQA Planner II	~~$37,432~~$42,240
NCQA Planner III	~~$39,120~~$45,370
Process Technician I	~~$37,468~~$40,588
Process Technician II	~~$44,840~~$47,960
Process Technician III	~~$47,880~~$51,000

All above minimums include an additional $3,120.00 in lieu of Company contributions ($1.50 per hour) to the 401(k) plan, which contribution terminates effective July 1, 2010.

11.5(b)(2) The Level minimums for Professional Employees on the payroll as of June 30, 2010 are set forth in Table II below and will be in effect July -1, 20~~07~~10.

TABLE II – PROFESSIONAL EMPLOYEE MINIMUM SALARIES

New Job Description	Minimum
Design Engineer I	~~$40,094~~$43,214
Design Engineer II	~~$49,906~~$53,026
Design Engineer III	~~$57,317~~$60,437
Process Engineer I	~~$39,120~~$42,240
Process Engineer II	~~$47,410~~$50,530
Process Engineer III	~~$51,200~~$54,320
Stress Engineer I	$45,942
Stress Engineer II	$49,028
Stress Engineer III	$53,354

Formatted: Font: Bold, Font color: Auto

Formatted: Font: Bold, Font color: Auto

All above minimums include an additional $3,120.00 in lieu of Company contributions ($1.50 per hour) to the 401(k) plan, which contribution terminates effective July 1, 2010.

11.5(b)(3) The Company in its sole discretion may increase the salaries shown in Tables I and II.

~~**11.5(b)(4) Guaranteed Wage Increases.** Guaranteed Wage Increases will be established as follows:~~

~~1 7/1/07 4%~~
~~2 7/1/08 3%~~
~~3 7/1/09 3%~~

11.5(b)(~~5~~4) Selective Increases. Selective Increases shall be as follows:

Selective Increase Effective Date	Total Increase Pool
7/1/~~07~~10	~~2~~1%
7/1/~~08~~11	~~1~~2%
7/1/~~09~~12	~~1~~3%

The above percentages will be multiplied times the prior twelve (12) months base annual salary for engineers, and the straight time hourly rate times two thousand eighty (2,080) hours for techs. The Company must allocate the entire pool to active employees as of the Selective Increase effective date. It is in the Company's sole discretion as to which individuals receive the Selective Increase and in what amount. Such adjustments are not subject to the provisions of Article 17, Grievance and Arbitration.

The Company will, as deemed appropriate by the Company, review the salary ranges for individual Technical and Professional employees to determine what selective salary adjustments, if any, are required. ~~The "Guaranteed" portion of Section 11.5(b)(4) increases will be applied to each bargaining unit employee uniformly.~~

11.5(b)(5) Lump Sum Bonus. A description of the lump sum bonus schedule effective for the period of this Agreement is in Attachment C.

Section 11.6 Shift Differentials.

11.6(a) An employee assigned to the second or third shift shall receive a shift rate differential of seventy-five (75) cents per hour which shall be added to his or her base rate and made a part thereof.

Section 11.7 Jury Duty and Witness Service.

11.7(a) Jury Duty. An employee absent from work due to (1) required jury duty (including grand jury duty), (2) to testify as a witness for the Company, (3) to respond to a subpoena to appear as a witness in any legal proceeding, (4) to appear at an arbitration resulting from the referral, by a court, for a lawsuit that has been filed with the court (excluding arbitration pursuant to a Collective Bargaining Agreement or other contractual provisions) or (5) to respond to a subpoena to appear for a deposition will be paid for such lost hours at his or her current straight time rate, up to a maximum of normally-scheduled hours per day, for each regular work day of required jury or witness duty. Employees will be

excused from their scheduled shift for each day they serve if they miss four (4) hours of their shift for such duty. In addition, an employee will not be required to report to work prior to jury duty, but shall report back to work if released from jury duty before noon. Second and third shift employees summoned to jury or witness duty will be temporarily assigned to first shift on a weekly basis during the time required to serve. Fees received for jury or witness duty may be deducted from such pay. To be eligible for time off with pay, the employee must furnish a copy of this summons or subpoena to management, before the appearance, to indicate that the absence from work is necessary to appear for jury duty or to serve as a witness. In addition, management may require verification of such appearance. An employee is not entitled to pay under this Section 11.7(a) in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his or her own behalf in an action in which he or she is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his or her outside employment or outside business activities; or (5) is subpoenaed as a witness while on leave of absence except when serving as a Company witness.

Section 11.8 Overtime For Non-Exempt Employees.

11.8(a) The Company will attempt to meet its overtime requirements on a voluntary basis among the employees. In the event there are insufficient volunteers to meet the requirements, management may designate and require the necessary number of employees to work the overtime.

11.8(b) For time worked in excess of forty (40) compensated hours in a workweek, other than the 2nd day of rest, an employee shall be paid one and one-half times his or her base rate. All time worked on the second day of rest will be paid at double his or her base rate after forty (40) compensated hours in that work week, provided that at least eight (8) hours were worked on the first day of rest. All overtime worked in excess of ten (10) hours in a work day will be paid at double his or her base rate.

11.8(c) No non-exempt employee shall be required to work overtime shifts as defined in Section 11.8 more than two (2) consecutive weekends; more than two (2) weekends in a calendar month; or more than thirty-two (32) hours total in a calendar month. Any non-exempt employee working more than one hundred twenty-eight (128) hours in a calendar quarter shall be paid double time for hours one hundred twenty-nine (129) and above.

Section 11.9 Overtime for Exempt Employees.

11.9(a) The hourly rate to be paid for scheduled overtime worked by employees will be straight time plus $6.50 per hour.

11.9(b) The term "scheduled overtime" as used in this paragraph will refer to a program of work in excess of eighty (80) compensated hours in a two-week pay period authorized as scheduled overtime by the Company to meet increased workload.

11.9(c) The provisions of 11.9 will not be applicable to the following:

11.9(c)(1) Time enroute on travel assignments at the request of the Company.

11.9(c)(2) All hours worked in excess of the scheduled hours which are not requested by the Company.

Section 11.10 Labor Charging System.

Except as expressly provided in this Agreement, the Company shall have the right to require employees to record time worked (however categorized) and to administer the overtime and all other aspects of its labor charging system in the manner the Company may determine from time-to-time.

Section 11.11 Classifications.

When, pursuant to the provisions of Article 1, the Company classifies an individual in one of the Engineer classifications listed in Attachment B, it will give consideration to the nature of the work involved and the qualifications of such individual. Inclusion in these classifications shall be limited to those employees who, in the performance of their assigned work, regularly apply engineering disciplines to the research, design, development, test and evaluation of Company products or processes, and who satisfy the definition of "professional employee" as stated in Section 2(12) of the National Labor Relations Act as set forth below:

> "(a) any employee engaged in work (i) predominately intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (ii) involving the consistent exercise of discretion and judgment in its performance; (iii) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (iv) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or (b) any employee, who (i) has completed the courses of specialized intellectual instruction

and study described in clause (iv) of paragraph (a) and (ii) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (a)."

Section 11.12 Gain Sharing.

The Company will maintain a productivity-based incentive plan for bargaining unit employees during the life of this Agreement. This Gain Sharing Program is designed to motivate employees to meet or exceed Company goals, which will be established solely by management. Changes in the gain sharing formula, criteria, or structure shall be made at Company discretion after consultation with the Gain Sharing Committee and Contract Administrator.

ARTICLE 12 – UNION AND COMPANY RELATIONS
Section 12.1 Union Officials.

12.1(a) The Union shall inform the Company in writing of the names and positions of its officials currently and any changes thereto. Only persons so designated to the Company will be accredited as representatives of the Union. Accreditation shall be effective on the third day following the Company's receipt of the notification.

12.1(b) Solicitation of Union membership, collection or checking of dues, or reading of Union newsletters or publications will not be permitted during working time. Distribution of Union newsletter or publication will not be made during working time or in work areas. The Company agrees not to discriminate in any way against any employee for legitimate Union activity, but such activity shall not be carried on during working time except as specifically provided for in this Agreement.

12.1(c) Executive Board Members or Elected Officials, Council Representatives, Negotiating Team members or bargaining unit members, before leaving their assigned work on Union business, shall present authorization from the Union and shall notify their manager. For Union business outside of the plant, the Union shall provide the Human Resources Manager with at least one (1) day prior notice of such leave and permission may be withheld if such leave interferes with the Company's operations. All unworked time shall be charged to a special charge account number and the Union agrees to reimburse the Company at the employee's regular base rate and fringe benefit rate for all time so spent.

12.1(d) Grievance and Contract Administration.

12.1(d)(1) The Union shall investigate and adjust grievances and perform contract administration exclusively through Council Representatives, who shall be employees, and Union Staff Representatives.

12.1(d)(2) Council Representatives shall notify and obtain permission from their manager before leaving the work assignment for the purpose of investigating complaints or claims of grievance on the part of employees in their work area. Such permission shall be granted except where the manager considers such absence would interfere with the performance of the group of which the representative is a part. Time spent on such approved investigations and discussions shall be considered work time provided such activity does not extend beyond the time that the manager considers reasonable under the circumstances. All Council Representatives in the conduct of their investigations, and before contacting an employee, shall obtain permission of the manager of such employee and advise the manager of the estimated time required for the discussion. Such permission shall be granted except where the visit would interfere with the work of the group. Except as provided in Sections 12.1(d) and 10.1(b), all time lost from work due to Union business shall be handled in accordance with Sections 12.1(c) or 12.1(e).

12.1(d)(3) Access by Union Staff Representatives shall be governed by Section 12.2 below.

12.1(e) Union Requested Leave of Absence. Leave of absence without pay and Company provided benefits shall be granted for the following reasons:

12.1(e)(1) Full-time employment by the Union or its national organization.

12.1(e)(2) Union business authorized by the Executive Board or Executive Director. If such leaves of absence do not exceed thirty (30) days, the employee shall retain full rights and privileges enjoyed prior to the leave. In the case of leaves granted under Section 12.1(e)(1) which exceed thirty (30) calendar days, the Company will reinstate such individual at not less than the employee's former rate range or salary plus any general salary increases which occurred during the period of the leave of absence.

12.1(f) The Company and the Union recognize that each individual within the bargaining unit has a full-time work assignment for the Company and, if Union business impairs such work assignment, the Company and Union agree to make arrangements to prevent such impairment in the future.

12.1(g) Council Representatives.

12.1(g)(1) The Union may designate one (1) Council Representative for each fifty (50) employees, or major fraction thereof, up to a maximum of

three (3) Council Representatives in the bargaining unit. The Company and the Union may, however, by mutual agreement, establish more Council Representatives.

12.1(g)(2) In the absence of a Council Representative for any reason, the Union may designate a temporary substitute in writing.

12.1(h) Protection of Union Officials.

12.1(h)(1) Council Representatives shall not be laid off during their term of office provided that:

12.1(h)(1)(a) ~~The Council Representative had a retention index of R1 or R2 at the time of the most recent election as a Council Representative, provided that, if the Council Representative's retention index was the result of Section 8.2, the previous retention index will apply, and~~

~~**12.1(h)(1)(b)**~~ The Council Representative shall be able to perform the available work.

12.1(h)(1)(~~c~~b) Other employees then represented by the Council Representative remain in the same job classification.

12.1(h)(1)(c) The Union will not pursue a grievance alleging non-contractual or improper layoff by an employee laid off instead of the Council Representative.

12.1(h)(2) The Negotiating Team members, not to exceed four (4) in number, shall not be laid off within the three (3) months immediately preceding the expiration date of this Agreement.

Section 12.2 Union Staff Representatives - Access to Plants.

Union Staff Representatives not employed by the Company will be permitted access during working hours to areas in the Company's facilities where employees in the bargaining units defined in Article 1 are assigned, to the extent government and customer regulations permit. Such access shall be only for the purpose of investigating complaints or claims of grievance on the part of employees or the Union and shall be subject to the following:

12.2(a) The Company shall be required to admit only those Staff Representatives who have been agreed to in writing or as may be agreed to by the Company throughout the remainder of this Agreement. Staff Representatives shall notify the Human Resources Manager of their contemplated visits.

12.2(b) Staff Representatives who are entitled to admittance to the Company's facilities shall sign in where required through the Company designated organization at the plant or facility they desire to enter. Upon being admitted, they shall proceed to the organization they wish to visit, contact the manager then present, state the purpose of their visit and obtain permission prior to contacting any employee in such organization. Such permission will be granted except where there is a reason for delaying the contact due to safety conditions or the fact that an operation is in process. Upon leaving the plant or facility they shall sign out where required and return any temporary identification badges which were issued for the purpose of the specific visit.

12.2(c) Staff Representatives who fail to comply with provisions of Section 12.2 shall forfeit their admittance rights.

Section 12.3 Union Staff Representative, Executive Board Member or Council Representatives – Investigatory Interviews.

Each employee has the right, during an investigatory interview which the employee reasonably believes may result in discipline, to request the presence of the designated Union Staff Representative or Council Representative, if the Union Staff Representative or Council Representative is available. If that Union Staff Representative or Council Representative is not available, such employee may request the presence of another immediately available Council Representative.

Section 12.4 Bulletin Boards.

The Company agrees to provide at least one bulletin board, in a location agreed upon by both the Company and the Union, for the purpose of notifying employees of matters pertaining to Union business. The Union will have the responsibility to properly maintain all Union bulletin boards. All notices shall be posted with a seal and signed by a representative of the Union who is authorized by the Union to approve notices. The Company shall be informed in writing of the Union's designated authority.

Section 12.5 Contract Printing Costs Sharing.

In the spirit of labor-management cooperation, the parties will equally share the costs of printing labor agreements.

ARTICLE 13 – UNION SECURITY
Section 13.1 Union Membership.

Subject to Section 13.2 below, and unless otherwise prohibited by applicable state law, all employees within the bargaining units defined in Section 1.1 shall pay dues or an agency fee to the Union within 31 days following the beginning of such employment, or within 31 days following the execution of this Agreement, whichever is later, and shall

thereafter maintain their dues or agency fee paying status in good standing during the life of this Agreement, as a condition of continued employment.

Section 13.2 Satisfaction of Obligation.

Employees who, under Section 13.1, are required to pay dues or an agency fee to the Union may satisfy that obligation by periodically, but not less than quarterly, tendering to the Union an amount equal to the Union's regular and usual monthly dues. Employees who demonstrate sincere religious objection to the payment of such dues or an agency fee may satisfy their obligations under Section 13.1 by paying sums equal to the Union's regular and monthly dues to a tax-exempt nonreligious, non-labor charitable organization.

Section 13.3 Failure to Satisfy Obligations.

In the event an employee who, as a condition of continued employment, is required under this Article to pay dues or an agency fee to the Union but fails to do so, the Union will notify the Company in writing through the Company Offices Union Relations Office, or through such other office as may be designated by the Company, of such employee's delinquency. The Company agrees to advise such employee that his/her employment status with the Company is in jeopardy and that his/her failure to meet this obligation under this Article within five days will result in the termination of his/her employment.

Section 13.4 Payroll Deduction for Union Dues.

The Company shall make payroll deductions for the Union's regular and usual monthly dues or agency fee, upon receipt by the office designated by the Company of a voluntary written assignment from the employee covering such deductions on a form mutually agreed to by the Union and the Company. The list of such deductions will be itemized to include each such employee's permanent employee number, name, and amount of deduction, and such itemization will be forwarded to the Union. The regular and usual monthly dues shall either be in amounts that are specified on such assignments, or pursuant to a written formula, submitted by the Union to the Company which, in either case, the Company has approved in writing in advance as being administratively practicable. The Company agrees to make monthly payroll deductions for Union dues for those employees on travel assignment scheduled to be ninety (90) days or less who have a valid authorization card on file, regardless of the employee's payroll classification while on such assignment.

Section 13.5 Indemnity and Waiver of Claims.

The Union will indemnify and hold the Company harmless from and against any and all claims, demands, charges, complaints or suits instituted against the Company which are based on or arise out of any action taken by the Company in accordance with or arising out of the foregoing provisions of this Article 13. Both the Company and the Union will utilize due diligence in administering and reviewing, respectively, the dues

deduction system. In the event the Union discovers administrative errors in the Company's administration of the system, the Union will give the Company prompt and timely notice of same, whereupon the Company will endeavor to make reasonable administrative corrections consistent with applicable state and federal law. Respecting Company administration of the system, the Union expressly waives as against the Company any and all claims, demands, suits, or other forms of liability that may arise out of or by reason of good faith action taken or not taken by the Company for purposes of complying with this Article.

ARTICLE 14 – STRIKES AND LOCKOUTS

Section 14.1 Strikes and Lockouts.

The Union agrees that during the term of this Agreement, and regardless of whether an unfair labor practice is alleged (a) there will be no strike, sit-down, slow down, picketing, walk-out or any other interruption of work and (b) the Union will not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location. Any employee who violates this clause shall be subject to discipline. The Company agrees that during the term of this Agreement there will be no lock-out of employees covered by this Agreement. Any claim by either party that the other party has violated this Article 14 shall not be subject to the grievance procedure or arbitration provisions of this Agreement, and either party shall have the right to submit such claim to the court.

ARTICLE 15 – GROUP BENEFITS

Section 15.1 Type of Group Benefits Program for Employees on the Active Payroll.

Effective July 1, 20~~07~~10, the Company will provide life insurance benefits, accidental death and dismemberment benefits, weekly disability benefits, medical benefits and dental benefits for eligible employees and medical benefits and dental benefits for covered dependents of eligible employees as summarized in the document entitled Attachment A. The Company reserves the right to change or modify the benefits listed on Attachment A, so long as the benefits provided are similar to those listed in Attachment A.

Section 15.2 Cost of the Group Benefits Program for Employees on the Active Payroll.

15.2(a) Life Insurance and Disability Benefits. The Company will pay the full cost of the Life Insurance, Accidental Death and Dismemberment, and Weekly Disability Plans for eligible employees.

15.2(a)(1) The Life Insurance Benefit is two (2) times the annual base wage, including shift differential if applicable but excluding overtime hours, to a maximum benefit of $150,000.00.

15.2(a)(2) Weekly disability benefit is seventy percent (70%) of weekly base wage, including shift differential if applicable, for weeks 2 through 13 and sixty percent (60%) for weeks 14 through 26.

15.2(b) Medical/Dental Benefits. The Company and the employee will share the monthly premiums for health insurance, with employees paying fifteen (15) percent of the monthly premium for the coverage selected. The employee's share from 2011 through 2013 cannot exceed the maximum rates as noted in the tables below. Maximum rates shown in the tables below reflect possible inflationary increases up to eight percent (8%) maximum. If the fifteen percent (15%) premium payment obligation in any year exceeds the rates in the tables below for that year, the Company will pay the excess amount.

Current 2010 Premium Cost Sharing
2010 Medical Monthly Premiums

		EPO Plan	
	Total	**TCS**	**Employee**
Employee	$442.00	$375.70	$66.30
Employee + 1	$884.00	$751.40	$132.60
Family	$1,326.00	$1,127.10	$198.90

		PPO Plan	
	Total	**TCS**	**Employee**
Employee	$488.00	$414.80	$73.20
Employee + 1	$976.00	$829.60	$146.40
Family	$1,464.00	$1,244.40	$219.60

2010 Delta Dental Premiums

	Total	**TCS**	**Employee**
Employee	$33.11	$28.14	$4.97
Employee + 1	$66.22	$56.29	$9.93
Family	$99.32	$84.42	$14.90

2011 Medical Monthly Premiums

EPO Plan	
	Employee
Employee	$71.60

Employee + 1	$143.21
Family	$214.81

PPO Plan	
	Employee
Employee	$79.06
Employee + 1	$158.11
Family	$237.17

2011 Delta Dental Premiums

	Employee
Employee	$5.37
Employee + 1	$10.72
Family	$16.09

2012 Medical Monthly Premiums

EPO Plan	
	Employee
Employee	$77.33
Employee + 1	$154.66
Family	$232.00

PPO Plan	
	Employee
Employee	$85.38
Employee + 1	$170.76
Family	$256.14

2012 Delta Dental Premiums

	Employee
Employee	$5.80
Employee + 1	$11.58
Family	$17.38

2013 Medical Monthly Premiums

EPO Plan	
	Employee

Employee	$83.52
Employee + 1	$167.04
Family	$250.56

PPO Plan	
	Employee
Employee	$92.21
Employee + 1	$184.42
Family	$276.63

2013 Delta Dental Premiums

	Employee
Employee	$6.26
Employee + 1	$12.51
Family	$18.77

Section 15.3 Administration.

The Group Benefits Program shall be administered by the insurance companies, health care contractors or administrative agents with whom the Company enters into contractual relationships for the purpose of providing and/or administering the coverage contemplated by the Group Benefits Program. No question or issue arising under the administration of such Group Benefits Program or the contracts and/or administrative agreements identified therewith shall be subject to the grievance procedure or arbitration provisions of this Agreement. No new medical or dental plans will be added or existing plans deleted without prior consultation with and notification to the Union.

Section 15.4 Copies of Policies to be Furnished to Union.

Copies of the policies, contracts, and administrative agreements executed pursuant to this Article shall be furnished to the Union and the coverages and benefits indicated in the Group Benefits Program, the rights of eligible employees in respect of such coverages, and the settlement of all claims arising out of such coverages shall be in accordance with the provisions, terms and rules set forth in such contracts.

Section 15.5 Federal or State Programs.

If during the term of this Agreement there is mandated by federal or state government a program that affords to employees covered by this Agreement similar benefits (such as but not limited to medical benefits and dental benefits) to those that are afforded by this Agreement, benefits afforded by this Agreement will be replaced by such federal or state program. The Company will comply with the provisions for the furnishing of such program to the extent required by law. No question or issue regarding the level of

benefits under the state or federal program shall be subject to the grievance procedure or arbitration provisions of Article 17 of this Agreement.

Section 15.6 Quality Health Care Commitment.

The Company and the Union will meet at least annually to assess health care costs and quality. The Company commits to providing access to the highest quality health care by requiring accreditation of all managed care networks by NCQA, or other nationally recognized group, and encouraging hospital and physician groups to ensure the reduction of medical errors through national efforts such as the Leapfrog Initiative.

Section 15.7 Health Care Reimbursement Accounts and IRS Code Section 125 Benefits.

The Company agrees to provide IRS Code Section 125 benefits for its employees. This includes pre-tax dollars for an employee's portion of health and benefits premiums. Effective January 1, 2008, the Company will match actual employee contributions into the flexible spending account, health care reimbursement plan, of up to a maximum of $200 per calendar year.

ARTICLE 16 – RETIREMENT PLAN

Section 16.1

The Company has developed a 401(k) Retirement Plan. The following is a summary of the plan provisions and contribution rates. Participants should refer to the plan documents for more complete information.

1. To be eligible, an employee must have a minimum of six (6) months of service.

2. The current Administrator and Custodian of Funds is the Vanguard Group, and the Company reserves the right to change custodians.

3. All participants are one-hundred percent (100%) vested in their account balance at all times.

4. At the time of enrollment, each employee must file an investment election form to determine how they wish to allocate their account between equity or money market funds. The election can be changed once daily at close of markets.

5. Account balances are distributed to employees upon death or termination of employment. This distribution is normally made, within sixty (60) calendar days following the end of the calendar quarter in which death or termination of employment occurs, in a lump sum.

6. Employees who meet certain criteria may apply for a hardship withdrawal of any employee contributions.

7. Employee contributions are at the employee's option in one percent (1%) increments, subject to federal maximums. This election can be changed monthly. The maximum employee contribution allowed will be calculated by the Custodian.

8. Company contributions:

~~**7/1/07 $1.25 per hour (excluding overtime hours) 50% of first 6% of employee contribution 7/1/08 $1.40 per hour (excluding overtime hours) 50% of first 6% of employee contribution 7/1/09 $1.50 per hour (excluding overtime hours) 50% of first 6% of employee contribution**~~

In return for elimination of Company 401(k) contributions ($1.50 per hour under the final year of the 2007-2010 contract), existing annual salaries for engineers on the payroll as of June 30, 2010, will be increased by $3,120.00. Hourly pay for techs on the payroll as of June 30, 2010 shall be increased by $1,50 per hour.

9. Both the employee and the employer contributions are remitted by the Company to the custodian on a monthly basis.

10. Net investment earnings are credited daily to each participant's fund.

11. Participants will receive reports on a quarterly basis as to the balance in their accounts and employee contributions made, if any.

12. Loan feature is available for withdrawal of employee contributions. Processing fees for loans are paid by employee.

13. Plan has internet access for participants.

14. A per employee fee, as determined by the Custodian, at $23/year in 2003, will be deducted quarterly from the employee's account. This fee is negotiated annually with the Custodian and any increases are borne by the employee.

ARTICLE 17 – GRIEVANCE PROCEDURE AND ARBITRATION
Section 17.1.

Should differences arise between the Company and its employees (either individually or collectively) as to the meaning and application of the provisions of this Agreement or should differences arise about matters not specifically mentioned in this Agreement having to do with wages, hours, or conditions of employment, an earnest effort shall be made to settle any such differences at the earliest possible time by use of the following procedure:

STEP 1: The aggrieved employee shall present his grievance to his Supervisor with a Council Representative present, and the grievance shall be answered by the Supervisor before the end of the second working day following the day on which the grievance was presented to the Supervisor. The grievance must be presented within ten (10) working days of the event resulting in the grievance or within ten (10) working days after the subject of the grievance is known to the employee, or shall not be considered.

STEP 2: If the grievance is not adjusted satisfactorily in Step 1 of the Grievance Procedure, it shall be reduced to writing, signed by the employee and/or Council Representative, and presented to the Senior Manager or his designate. Said Management shall meet with the Council Representative at a time mutually agreed upon, but in no event later than five (5) working days after receipt of such written grievance. Management's written answer shall be given within two (2) working days following the meeting in which the limit may be extended by mutual agreement between the parties. Both the Company and the Union may have additional parties participate in meetings at this step of the Grievance Procedure, and it is understood that such persons shall have reasonable access to the plant for the purpose of discussing the grievance.

STEP 3: If the grievance is not satisfactorily settled, the Union may move the grievance to Step 3 within ten (10) days of receipt of the Company's written Step 2 answer. The HR Director or his designee agrees to meet with the Union Contract Administrator and Council Representative for the purpose of resolving any outstanding grievances. The employee may be present at this meeting. The Company will provide a written response to the Union within five (5) days of the Step 3 meeting.

STEP 4: Grievances not satisfactorily settled in Step 3 may be appealed to an impartial arbitrator. If the Union or the Company desires to arbitrate a grievance, they shall notify the other party in writing to that effect within thirty (30) calendar days following receipt of the Company's written Step 3 response. The parties will attempt to agree on an arbitrator. If the parties cannot agree upon an arbitrator, the grieving party will request a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service. The parties shall alternately strike names from the list until one (1) name remains; this shall be the arbitrator to hear the grievance. The parties will flip a coin to determine who strikes first. The decision of the arbitrator shall be final and binding on both parties to this Agreement. Each party shall bear the expense of its own presentation. The

arbitrator shall be paid equally between the Company and the Union. The arbitrator's authority shall be limited to those matters concerning interpretation of this Agreement. In the event an employee shall be suspended or discharged from employment for any reason, such discharge shall constitute a grievance matter to be handled in accordance with the procedure set forth herein, including arbitration. The time limitations set forth herein for presenting and deciding grievances may be extended by mutual consent of the parties; except that the Company agrees that in matters of discharge the Union shall, upon request, be granted an extension of time not to exceed five (5) working days in which to present discharge grievance. A grievance concerning a suspension or discharge may begin at Step 2 of the grievance procedure and must be filed within ten (10) working days of the suspension or termination.

ARTICLE 18 – SEPARABILITY
Section 18.1 Separability.

Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree by a court of competent jurisdiction, such invalidation of any such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

ARTICLE 19 – JOB CLASSIFICATIONS
Section 19.1 Authorized Job Classifications.

Each job classification listed in Attachment B shall, for the period of this Agreement, remain in effect, subject to revisions as provided in Section 19.3, unless made inactive by mutual agreement of the Union and the Company.

Section 19.2 Application and Intent of Job Classifications.

19.2(a) Job classifications provide a broad description of the tasks for a given job. Level descriptions identify various levels of responsibility and skill within the job classification. During the life of this Agreement, the Company shall have sole responsibility for making work assignments. The Union, however, may challenge the classification rate of any employee covered by this Agreement based on the contention that the work assigned by the Company differs from the job description to the extent and in such a manner so as to require assigning the employee to an existing or new job that would be in a higher classification rate after applying the guidelines of this Article. Disputes based on such contention may be appealed by the Union to the Senior Manager of the Organization.

19.2(b) An employee may perform some of the work of a higher level and/or some of the work of a lower level in the performance of the work assignment. It is

not anticipated that any employee will perform all the duties set forth in the job description. Any work assignment may include:

19.2(b)(1) Teaching, instructing, leading or providing assistance to others.

19.2(b)(2) The use of equipment to facilitate the work assignment.

19.2(b)(3) The submission of completed work or any portion thereof for checking or approval.

19.2(b)(4) The reporting of any work impairment such as errors in materials, processes, equipment, etc.

Section 19.3 New or Revised Job Classification and Levels.

If, after the effective date of this Agreement, the Company or the Union determines that no existing job classification or level appropriately covers a new or reorganized work assignment, either party may initiate a request for evaluation and review. The Union, with the assistance of one (1) employee from the affected job classification, will participate as a voting member on the Company's team in the identification, evaluation, and review of all proposed changes to job classification and levels for classifications listed in Attachment B. The Company's team shall include one human resources official, the applicable company director, and one Union official, each of whom may receive input from other interested parties. The Company will implement changes by (1) revising or deleting an existing job classification or level; or by (2) developing a new job classification, with supporting descriptions, which will be incorporated into Attachment B through the issuance of an installation memo; or (3) the Company will establish a Temporary Job Classification in accordance with Section 19.3(a).

19.3(a) Temporary Job Classification or Level. A temporary job classification or level may be established by the Company for new or revised work for which no current job classification or level is applicable and which requires a period of time to stabilize job duties. This period will not exceed ninety (90) days unless extended by mutual agreement. The Union will be notified of the effective date and approximate duration. Employees will be assigned to such new work at not less than their current levels until the job classification and level is made permanent. If the temporary job classification or level is made permanent at a higher level than the levels of the assigned employees, these employees will be paid within the range of the higher level for the time assigned to the work covered by the permanent job classification or level. Effective upon and after the Company's determination that a temporary job classification and/or level has become permanent, the provisions of Section 19.4 shall apply.

Section 19.4 Individual Employee Job Classification.

19.4(a) It is a mutual objective of the Union and the Company that the job classification of each employee be an accurate and timely reflection of the work assigned; however, the Company shall retain the exclusive right to reassign employees as necessary to meet work requirements, and employees shall comply with such reassignments notwithstanding the employees' job classifications of record at the time. If the Company determines, by reference to the applicable job classification and level, that an employee's level is higher than is appropriate for the work to which the employee is assigned, the Company may permit the employee to continue in the same assignment without reclassification for whatever period of time the Company elects; or the Company may add to the employee's current assignment or reassign the employee to other work for which the employee's level is appropriate; or, within the limitations stipulated in this Article 19, the Company may reclassify the employee to the level that the Company deems appropriate for the work assigned.

19.4(b) Because an employee may be assigned work at a level lower than the employee's current level without being reclassified to the lower level, the levels or work assignments of individuals other than the employee shall not be introduced or regarded as pertinent evidence for the purposes of a grievance, unless by mutual agreement of the parties.

19.4(c) Employees may be reclassified to a higher level irrespective of their assigned retention index.

19.4(d) Challenges Concerning Individual Employee's Job Classification or Level. An individual employee may request a review of his or her job classification or level based on the contention the work assigned by the Company differs from the job classification to the extent and in such a manner as to warrant reclassifying the employee to a different existing job classification or level. Employees will attempt to resolve these issues first by discussion with first-line management. In the absence of a resolution mutually agreeable to both management and the employee, the following steps will be utilized in the review process:

> **19.4(d)(1)** If the employee contends that a classification or level issue still exists, he or she along with his or her Union Representative will notify the Senior Manager to request a review.
>
> **19.4(d)(2)** The Senior Manager will meet with the employee and the Union Representative to fully discuss the employee's issue in an effort to reach mutual resolution.
>
> **19.4(d)(3)** If the employee and Union Representative do not agree with the Senior Manager decision, the General Manager, the appropriate Human Resources Representative and the Union Representative will meet

to resolve the matter by a majority decision. The employee may attend the meeting.

Section 19.5 Reclassification to a Lower Level.

The Company may alter employee work assignments or reassign employees to lower level work for which the Company deems they are qualified, and effect commensurate reclassification to lower level, either as required to comply with the layoff procedure described in Section 8.2 or to accomplish reorganizations of work deemed by the Company to be necessitated by changing business conditions.

19.5(a) Conditions Applicable to Reclassifications to Lower Levels.

19.5(a)(1) No employee in Level 2 or B and above shall be reclassified to a lower level so long as there are in the same job classification any employees in a lower retention index.

19.5(a)(2) Within the same job classification, no employee shall in any one transaction be reclassified to a level lower than the next authorized level.

19.5(a)(3) Employees shall be permitted to elect layoff in lieu of reclassification to lower level. Employees rejecting reclassification to lower level will be subject to layoff effective two (2) calendar weeks from the date of the reclassification offer, irrespective of the layoff notice provisions of
Section 8.2.

19.5(a)(4) All reclassification to lower level offers shall be stated in writing and then provided to the affected employee at least two (2) weeks prior to the effective date.

19.5(a)(5) Employees reclassified to a lower level while on the active payroll shall have priority rights to open positions as described in Section 8.1.

19.5(a)(6) The reclassified employee's work assignment shall be consistent with the applicable job classification and level.

19.5(a)(7) The Company will strive to minimize reclassifications to lower levels in the handling of workforce surpluses and employee reassignments, consistent with the provisions of Article 8; however, the determination of business conditions necessitating reclassifications to lower levels shall continue to be made exclusively by the Company, and shall not be subject to the grievance and arbitration procedure of Article 17.

19.5(b) Additional Condition Applicable to In-Place Reclassifications to Lower Levels Only.

19.5(b)(1) If an in-place reclassification to a lower level offer is made as a result of the removal of a portion of the assignment which previously justified the higher level, the employee and manager will define the revised assignment closing out the Performance Evaluation plan and initiating a new plan in conjunction with the reclassification offer.

19.5(c) Employee Preference for Reclassification to a Lower Level. The Company may, at its sole discretion, effect the reclassification to a lower level of any employee who expresses a preference for reclassification as an alternative to discharge for a documented record of unacceptable performance.

Section 19.6 Dispute Resolution.

Any dispute as to the Company's compliance with the processes and procedures in this Article shall be subject to Article 17, but end result decisions and outcomes shall not be so subject, provided the processes and procedures have been complied with.

ARTICLE 20 – HEALTH AND SAFETY

Section 20.1 Mutual Objective.

The Union and Company recognize the value of working together to maintain high standards of occupational health and safety throughout the Company. Both parties commit to work together to create an environment that promotes a positive approach to processes, attitudes and activities that bring about the changes necessary to achieve a workplace free of incidents, accidents and injuries. It is our intent that no employee shall be required to perform work that involves an imminent danger to health or physical safety.

20.1(a) Health and Safety in the Workplace. The Union and the Company are committed to working together to maintain a healthy and safe workplace. Both parties agree that all employees should be actively involved in creating a safe workplace and complying with all applicable safety and health policies and procedures. Both parties recognize that good physical health and being prepared to do physical work may reduce injuries. Together, the parties will explore methods to promote health programs.

Section 20.2 Health and Safety Focal Points.

The Union and the Company will designate a health and safety focal point for the facility. The Union will designate a Council Representative or appropriate delegate as the Union's focal point. The Company will designate the appropriate site safety manager, or his designee, as the Company's focal point. The focal points will be the

contact for occupational health and safety issues at the facility. In addition, the Union focal point will represent the Union at health and safety regulatory agency site reviews requiring Union participation, including walk-around inspections and complaint investigations. All focal point assignments from the Union and the Company shall change every two (2) years.

Section 20.3 Use of Safety Devices.

20.3(a) The Company will furnish proper, modern and sanitary safety devices ~~(except eyeglasses ground and fitted to individual requirements)~~ for all employees working on potentially hazardous work. It shall be mandatory for all employees to use such devices when the Company determines that they are necessary. The Company shall replace any Company approved employee provided prescription safety glasses or approved safety shoes accidentally and irreparably damaged while performing their job assignment if the employee's own negligence or lack of care was not a primary factor.

20.3(b) The Union and the Company have a longstanding commitment to individual employee safety and regulatory compliance. This commitment extends to issues regarding personal protective equipment and safety devices and the value of working together to create an injury-free workplace. To further their commitment, the parties have agreed that the Company will maintain a process that will provide employees up to $75.00 per year towards the purchase of approved safety shoes where such shoes are mandatory due to regulatory compliance or Company directive.

20.3(c) Effective September 1, 2010, on employee request, the Company will provide prescription safety glasses to employees. Once provided, no additional prescription safety glasses will be provided for a twenty-four (24) month period thereafter. The Company will contract with vendors either outside the plant, or who are willing to visit the plant.

Section 20.4 Safety Health and Environmental Reporting Process (SHERP).

The parties agree that the preferred process for addressing health and safety matters is the SHERP process. SHERPs are a tool that formally allows the employee, manager, and other parties, as needed, to work together to resolve health and safety concerns and document the solutions. Further, it is the intent of the parties to immediately resolve safety-related problems at the location where the safety or health concern arises; therefore, the parties encourage the appropriate Company and Union focal points to be an integral part of the resolution process. A copy of the closed SHERP form shall be furnished to the safety office.

Section 20.5 Requirement of Medical Examination.

In the interest of continued health and safety of individuals and their fellow employees, any applicant for employment, any employee returning from layoff or leave of absence, any employee requesting return from disability retirement or medical layoff, any employee with a medical recommendation, or any other active employee may be required by the Company to undergo a medical examination by a Health Care Provider of the Company's selection. Applicants and employees will be furnished a copy of the Health Care Provider's report and/or medical recommendation upon their request.

If an employee is found to be incapable of performing the work functions of the job title because of a medical recommendation, the Company will attempt to place such employee in available work that, in the opinion of the Company, he is medically capable of performing. In the event that reassignment to a lower level, denial of promotion, denial of return to active employment, involuntary separation from the payroll or other adverse action results from the Company's finding of medical disqualification, the Union may take such finding through the regular grievance channels; and such grievance, in order to be processed, (a) must be supported by medical testimony which is contradictory to the Company's findings and (b) must be filed by the Contract Administrator with the designated representative of the Company within seven (7) workdays after the date of such reassignment to a lower labor grade, such denial of promotion, such denial of return to active employment, such involuntary separation from the payroll or such other adverse action.

20.5(a) The Company will maintain emergency first aid services at their location unless such service is readily available from other sources.

20.5(b) When an employee at work requires immediate medical attention by a private medical practitioner or at a hospital due to an industrial injury/illness or exposure to hazardous agents in the work environment, and the employee is not able to provide his own transportation, the Company will provide the transportation to and from the employee's normal work location. If such an employee is returned to his work location too late to use his normal transportation home, the Company will provide that transportation.

Section 20.6 Medical Recommendations.

20.6(a) A medical recommendation is a description of an employee's functional capabilities (i.e. physical or cognitive abilities) which are limited due to a medical condition. Medical recommendations are issued by the Company based on a review of relevant information, including information from the employee's community Health Care Provider, when available.

20.6(b) An employee who may need a new medical recommendation or the removal of a current medical recommendation, shall have the responsibility to report to the Company designated location and provide the following information, as applicable:

20.6(b)(1) Upon the employee's return to work, the employee's community Health Care Provider's statement including the date the employee is released to return to work, and the employee's functional capabilities;

20.6(b)(2) To report for re-evaluation when the period of a time-limited medical recommendation has elapsed, with a statement from the employee's community Health Care Provider regarding the functional capabilities if available;

20.6(b)(3) A statement by the employee's community Health Care Provider pertaining to his medical condition, or change to such condition, including a statement of the employee's functional capacities. If the Company agrees that the medical condition of the employee warrants the initiation, removal or modification of a medical recommendation, such action will be taken. A medical recommendation placed in an employee's folder will be removed when the medical recommendation expires, or is discontinued by the Company.

Section 20.7 Employees with Injuries or Illnesses.

The parties agree to follow the Company's Return to Work Policy for employees who are unable to perform any functions of their job because of injury or illness.

Section 20.8 Employee Assistance.

The parties will cooperate in expanding employee assistance programs in order to promote the health and well-being of the workforce. These programs include the following:

20.8(a) Wellness Programs. The Company will emphasize programs to improve the health and wellness of the workforce. Examples would include health monitoring, exercise, hypertension classes, weight loss programs and stop-smoking classes.

20.8(b) Joint Company-Union Alcohol and Drug Dependency Program. The parties recognize that drug and alcohol usage can adversely affect an employee's job performance and the maintenance of a safe and productive work environment and can undermine public trust and confidence in the Company's products. Accordingly, they agree to cooperate in substance abuse awareness and education.

Section 20.9

The Company and the Union mutually recognize the necessity for the Company's policy on drug and alcohol abuse.

ARTICLE 21 – MISCELLANEOUS
Section 21.1 Masculine - Feminine References.

In construing and interpreting the language of this Agreement, reference to the masculine, such as “he”, “him”, and “his”, shall include reference to the feminine and vice versa.

Section 21.2 Technical/Professional References.

In construing and interpreting the language of this Agreement, references made to Professional, Engineer and Exempt employees are intended to refer to the same Union members. References made to Technical and Non-Exempt employees are intended to refer to the same Union members.

Section 21.3 Data Reports.

The Company and the Union will develop a list of employee data to be provided to the Union on a regular basis, subject to such revisions in the future as may be made by mutual agreement of the parties. Nothing herein is intended to waive any right the Union may have to receive additional data.

Section 21.4 Voluntary Layoffs.

The Company and the Union agree that, any provision in the parties’ Collective Bargaining Agreements to the contrary notwithstanding, an employee may request that he or she be voluntarily laid off. If the request is approved by management, the employee will be coded as a layoff and will be regarded for all Company purposes as a laid-off employee. The Union will be advised of all employees approved for voluntary layoff.

Section 21.5 Inventions.

21.5(a) Employees shall be permitted to retain ownership of an invention conceived or developed by them if the invention (a) was developed entirely on the employee’s own time and the invention is one for which no equipment, supplies, facilities, or trade secret information of the Company was used; and (b) does not (i) relate directly to the business of the Company or to the Company’s actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employees for the Company. All other inventions shall be the property of the Company, and employees shall assist the Company in the protection of such inventions as directed by the Company.

21.5(b) No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement which contravenes the provisions of this Section.

Section 21.6 Frequent Flier Mileage.

The Company agrees that frequent flier mileage for business travel will be credited to personal employee accounts and may be applied toward personal travel.

ARTICLE 22 – DURATION
Section 22.1 Duration.

This Agreement shall become effective as of the beginning of first shift on or after July 1, 20~~07~~10 (sometimes referred to as the "effective date of this Agreement") and shall remain in full force and effect until midnight at the close of ~~June 30~~September 27, 201~~0~~3 and shall automatically be renewed for consecutive periods of one (1) year thereafter, unless either party shall notify the other in writing, at least sixty (60) days but not more than ninety (90) days prior to ~~June 30th~~September 27th of any calendar year, beginning with 201~~0~~3, of its desire to terminate the Agreement, in which event this Agreement shall terminate at midnight at the close of such ~~June 30~~September 27th, unless renewed or extended by mutual written agreement. In the case of such notice the parties agree to meet immediately thereafter for the purpose of negotiating a new Agreement or a written renewal of this Agreement.

Signed at Spokane, Washington and dated as of this 1st day of July, 20~~07~~10.

Society of Professional Engineering Employees in Aerospace	**Triumph Composite Systems, Inc.**
By: _____	By: _____
Tom McCarty, President	Timothy A. Stevens, President

ATTACHMENT A

ATTACHMENT B

ATTACHMENT C - Lump Sum Bonus

Bonus Amounts

Formatted: Font: Bold, Font color: Auto

1. Bargaining unit employees on the payroll effective July 1, 2010 who meet the qualifications listed below will receive a lump sum bonus of six percent (6%) of the employee's July 2009 to June 30, 2010 salary (engineers) or straight time earnings (techs), or $4,000.00, whichever sum is greater, paid on July 30, 2010. This bonus payment is expressly conditional on first vote ratification of the entire Company offer by the bargaining unit, and will be automatically and permanently withdrawn in the event the contract is not so ratified.

2. Bargaining unit employees on the payroll effective July 1, 2011 who meet the qualifications listed below will receive a lump sum bonus of Two Thousand Three Hundred ($2,300.00), paid on July 29, 2011.

3. Bargaining unit employees on the payroll effective July 1, 2012 who meet the qualifications listed below will receive a lump sum bonus of Two Thousand Three Hundred ($2,300.00), paid on July 27, 2012.

Qualifying for Bonus

Seniority employees as of July 1 each year are eligible, and also probationary employees on July 1 are eligible for a pro-rated bonus as described below, if they subsequently earn seniority.

All Company straight-time compensated hours, whether actually worked or paid leave, such as vacation, holiday, or PTO, will count as an hour worked for the pro-rated formula below.

Workers' compensation leave or military leave time shall count as hours worked (up to eight (8) hours per day, forty (40) hours per week).

Bargaining unit employees who worked less than full time during the twelve (12) months prior to July 1 of any year – for example, employees on other types of leaves (other than military or workers' compensation) or new hires in the twelve (12) months prior to July 1 – will receive a bonus as follows:

a. Employees who have a minimum of one thousand forty (1,040) straight time compensated hours in the twelve (12) months prior to July 1 – full bonus.

b. Employees who have less than one thousand forty (1,040) straight time compensated hours in the twelve (12) months prior to July 1 – bonus pro-rated according to the following formula:

$$\frac{\text{Straight-time compensated hours}}{1{,}040 \text{ hours}} = \text{Percent bonus payment}$$

LETTER OF UNDERSTANDING NO. 1

Subject: Layoff Protection/Work Transfer

From July 1, 2010 through September 27, 2013, the Company will not lay off any current employees (on the seniority list dated July 1, 2010) due to work unavailability. Exception: When such unavailability is caused by a Boeing strike, an act of God such as a natural disaster, an act of terrorism, or other unforeseeable event beyond the Company's control. This is a one-time, non-precedent work preservation agreement based on the unique facts of current Company business projections, which will no longer apply on and after September 28, 2013.

_____
Timothy A. Stevens, President
Triumph Composite Systems, Inc.

_____
Tom McCarty, President
SPEEA