

**Collective Bargaining Agreement Between Spirit AeroSystems, Inc. and
Society of Professional Engineering Employees in Aerospace – Wichita
Engineering Unit**

PREAMBLE

THIS AGREEMENT, dated as of the ~~11th~~^{2nd} day of December ~~2012~~2018, is made and entered into by and between Spirit AeroSystems, Inc. (hereinafter referred to as "the Company"), and the Society of Professional Engineering Employees in Aerospace – Wichita Engineering Unit (hereinafter referred to jointly as “the Union”).

PREFACE

Company and Union Cooperation

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

- To maintain a respectful, cooperative relationship; recognizing that the employees are the most valued resource the Company has.
- To work together to further the mutual success of both parties; so that the Company will continue to have a productive, flexible, competitive business with a highly-motivated, skilled and involved workforce while enabling the Union 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 the employees, the Company and the Union.
- To appreciate what the Union and the Company bring to our business.

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

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

ARTICLE 1

BARGAINING UNIT

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 the collective bargaining unit described as follows:

1.1(a) Engineering. All professional employees regularly employed in the Company's plants in Sedgwick County, Kansas, including persons who are on travel status from such plants, who are classified by the Company in one of the following

Classification Levels

- DE Quality Engineer
- EE Structural Design Engineer
- EF Mechanical/Electrical Systems Design Engineer
- EG Struct/Mech/Environ Test Engineer
- EH Systems Engineer
- EJ Advanced Product Development and Research Engineer
- EK Operations Research Engineer
- EL Material Review Engineer
- EM Material and Process Engineer
- EN Engineering Software
- EP Propulsion Analysis Engineer
- EQ Certification/Regulatory Compliance Engineer
- ES Structural Analysis Engineer
- ~~JA Engineer/Scientist~~
- KE Industrial Engineer
- KK Manufacturing Engineer
- KZ Tool Engineer
- ND Embedded Software Engineer
- SC Customer Support Engineer
- ST Software Quality Engineer
- RD Scientist

1.1(b) Travel Status. Employees regularly assigned to the Company's plants in Sedgwick County, Kansas but who are working away from these plants on travel status shall remain in the Bargaining Unit while on travel status.

Section 1.2. For purposes of the remaining articles of this Agreement, the terms “employee” or “engineer” shall include only those persons who are a part of the unit as described in Section 1.1.

ARTICLE 2

RIGHTS OF MANAGEMENT

Section 2.1. Management of Company

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

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

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

ARTICLE 3

DETERMINATION OF DISPUTES

Section 3.1. Establishment of Procedure

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

Section 3.2. Just Cause Requirement

Engineers shall not be disciplined or discharged without just cause. For grievances involving a layoff, discharge, suspension, or involuntary resignation engineers shall have the right to begin the grievance process at Step 3 of this procedure, with the designated Company representative within ten (10) workdays after the date of such layoff, discharge, suspension, or involuntary resignation.

Section 3.3. Grievance Steps

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

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

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

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

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

The parties agree that any grievance (as defined in Section 3.1 and subject to any other grievance exclusions in the contract) which the Union may have against the Company or the Company may have against the Union with regard to the interpretation or application by either party of any of the terms of this Agreement may be brought by the Union or the Company. Any limitations applying to individual employee grievances set forth in this Agreement shall continue to apply to any grievances brought by the Union. Grievances brought by the Union or the Company as described in this paragraph shall set forth the Section or Sections of this Agreement that are alleged to have been violated, the names of the employee(s) affected, and the remedy sought. Such grievances will commence at Step 3 of

the Grievance Steps, as set forth in this section, Section 3.3. The parties intentionally and knowingly supersede any restriction against Union or Company grievances recognized in the September 17, 2013, and March 15, 2017, rulings of the U.S. Tenth Circuit Court of Appeals. Specifically, SPEEA v. Spirit AeroSystems, Inc., 541 Fed. Appx. 817 (10th Cir. 2013) and SPEEA v. Spirit AeroSystems, Inc., No. 16-3022, 2017 U.S. App. LEXIS 4515 (10th Cir. 2017).

Section 3.4. Agreement Not To Be Altered

The jurisdiction and authority of the arbitrator shall be confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at issue between the Union and the Company. The arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of this Agreement, or impose on any party a limitation or obligation not explicitly provided for in this Agreement. The arbitrator shall have no authority or power to limit or impair any right that Article 2 of this Agreement reserves to Management as a Management prerogative. The arbitrator shall not consider as a past practice any other event, or policy that occurred before the Effective Date of this Agreement.

Section 3.5. Time Limit to Process Grievance

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

Section 3.6. Arbitration Proceeding

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

Section 3.7. Investigatory Interviews

Each engineer shall be informed of the right, during an investigatory interview, by personnel of the Company's Security Organization, the Employee Relations Organization (ERO), or the Equal Opportunity Organization (EEO), which may result in discipline, to request the presence of a union representative, if the union representative is available. If his union representative is not available, such engineer may request the presence of another immediately available union representative. The union representative shall not obstruct or interfere with the purpose or timely completion of the interview. Reasonable delays will be accommodated to assure representation is available.

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

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

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

Section 3.9. Conferences During Working Hours

All conferences resulting from the application of provisions of this Article shall be held during working hours

ARTICLE 4

ENGINEER PERFORMANCE EXPECTATIONS AND GOALS

Section 4.1. — Employee Performance Process

~~The Union and the Company agree that many factors contribute to performance. The Company will establish, modify and continuously improve the employee performance and evaluation process (the “Performance Management Process”). The process will provide a documented means for the engineer and the manager to assess performance and an option to build an Individual Development Plan (IDP) for the purpose of growth. The Company will provide notice to the Union of any changes to the PM Process before implementation. Any such changes will be fully communicated to the engineers prior to the beginning of the Performance Management cycle each year. No changes to the process will be permitted after the Define session each year without mutual consent of both parties. The Union and the Company will discuss and the Company will consider in good faith any changes to the current process.~~

~~4.1(a) Both the engineer and the manager are responsible for the completion of this process annually. A dated copy of the completed define session document and final review documents shall be placed in the engineer’s Personnel file. During the define session, Management and the engineer will, at a minimum, discuss and set performance objectives required to Meet Expectations, and which align with the Department, Business Segment, and Enterprise goals. The engineer and the manager are also encouraged to discuss and establish targets that go beyond meeting expectation.~~

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

~~4.1(c) The Company and employees mutually benefit when employee performance standards are met or exceeded. It is the Company’s intention to provide every engineer an opportunity to be successful. Similarly, the engineer has the responsibility to strive to meet~~

~~the performance objectives established in the Performance Management Plan established between the engineer and manager. During the normal Performance Management process, performance deficiencies shall be documented and discussed with an engineer before placing the engineer on a formal improvement plan (“Performance Coaching Plan”). During the formal Coaching Plan, the manager shall meet regularly with the engineer to discuss his or her progress and what help (tools, training, mentoring) are required for the engineer to be successful. Such discussions shall be summarized in writing by the manager, and a copy provided to the engineer and the Employee Relations Office.~~

~~The Company will provide notice to the Union of any changes to the process for Performance Coaching Plans before implementation of such changes. The Company will consider in good faith any input by the Union with regard to changes to the current process.~~

Section 4.1. Collaboration for Success

The Union and the Company agree that on-going, open, honest communication is critical to the success of the Company. This communication takes many forms and must be embedded in the culture of the Company at every level.

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

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

- The engineer’s goals in the context of value to the organization/corporation which may include the potential of reassignment to achieve success.
- Current roles and responsibilities for the individual and how they support the manager and the manager’s organization.
- Breaking down Corporate goals and attributes to measurable goals within the organization
- Individual performance, measured in a qualitative and/or quantitative sense and how that performance supports the success of the organization.

- Future roles and responsibilities
- Examination of work/life balance against organizational needs

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

ARTICLE 5 HOLIDAYS

Section 5.1. Dates Observed

There will be twelve (12) scheduled paid holidays each calendar year. The following holidays shall be observed by the Company for the purpose set forth in this Article:

2012 2018 Holidays	Day of Week	Date of Observance
Christmas Break	Monday	24-Dec- 12 18
Christmas Day	Tuesday	25-Dec- 12 18
Christmas Break	Wednesday	26-Dec- 12 18
Christmas Break	Thursday	27-Dec- 12 18
Christmas Break	Friday	28-Dec- 12 18
Christmas Break	Monday	31-Dec- 12 18

2013 2019 Holidays	Day of Week	Date of Observance
New Year's Day	Tuesday	1-Jan- 13 19
Memorial Day	Monday	27-May- 13 19
Independence Day	Thursday	4-Jul- 13 19
Labor Day	Monday	2-Sep- 13 19
Thanksgiving Day	Thursday	28-Nov- 13 19
Day following Thanksgiving	Friday	29-Nov- 13 19
Christmas Break	Tuesday	24-Dec- 13 19
Christmas Day	Wednesday	25-Dec- 13 19
Christmas Break	Thursday	26-Dec- 13 19
Christmas Break	Friday	27-Dec- 13 19
Christmas Break	Monday	30-Dec- 13 19
Christmas Break	Tuesday	31-Dec- 13 19

2014 2020 Holidays	Day of Week	Date of Observance
New Year's Day	Wednesday	1-Jan- 14 20
Memorial Day	Monday	26 25-May- 14 20
Independence Day	Friday	43 Jul- 14 20
Labor Day	Monday	17 -Sep- 14 20
Thanksgiving Day	Thursday	27 26-Nov- 14 20
Day following Thanksgiving	Friday	28 27-Nov- 14 20
Christmas Break	Wednesday Thursday	24-Dec- 14 20
Christmas Day	Thursday Friday	25-Dec- 14 20
Christmas Break	Friday Monday	26 28-Dec- 14 20
Christmas Break	Monday Tuesday	29-Dec- 14 20

Christmas Break	Tuesday <u>Wednesday</u>	30-Dec- 14 <u>20</u>
Christmas Break	Wednesday <u>Thursday</u>	31-Dec- 14 <u>20</u>

2015-2021 Holidays

	Day of Week	Date of Observance
New Year's Day	Thursday <u>Friday</u>	1-Jan- 15 <u>21</u>
Memorial Day	Monday	25 <u>31</u> -May- 15 <u>21</u>
Independence Day	Friday <u>Monday</u>	3 <u>5</u> -Jul- 15 <u>21</u>
Labor Day	Monday	7 <u>6</u> -Sep- 15 <u>21</u>
Thanksgiving Day	Thursday	26 <u>25</u> -Nov- 15 <u>21</u>
Day following Thanksgiving	Friday	27 <u>26</u> -Nov- 15 <u>21</u>
Christmas Break	Thursday <u>Friday</u>	24-Dec- 15 <u>21</u>
Christmas Day	Friday <u>Monday</u>	25 <u>27</u> -Dec- 15 <u>21</u>
Christmas Break	Monday <u>Tuesday</u>	28-Dec- 15 <u>21</u>
Christmas Break	Tuesday <u>Wednesday</u>	29-Dec- 15 <u>21</u>
Christmas Break	Wednesday <u>Thursday</u>	30-Dec- 15 <u>21</u>
Christmas Break	Thursday <u>Friday</u>	31-Dec- 15 <u>21</u>

2016-2022 Holidays

	Day of Week	Date of Observance
New Year's Day	Friday <u>Monday</u>	1 <u>3</u> -Jan- 16 <u>22</u>
Memorial Day	Monday	30-May- 16 <u>22</u>
Independence Day	Monday	4-Jul- 16 <u>22</u>
Labor Day	Monday	5-Sep- 16 <u>22</u>
Thanksgiving Day	Thursday	24-Nov- 16 <u>22</u>
Day following Thanksgiving	Friday	25-Nov- 16 <u>22</u>
Christmas Break	Friday	23-Dec- 16 <u>22</u>
Christmas Break	Monday	26-Dec- 16 <u>22</u>
Christmas Break	Tuesday	27-Dec- 16 <u>22</u>
Christmas Break	Wednesday	28-Dec- 16 <u>22</u>
Christmas Break	Thursday	29-Dec- 16 <u>22</u>
Christmas Break	Friday	30-Dec- 16 <u>22</u>

2017-2023 Holidays

	Day of Week	Date of Observance
New Year's Day	Monday	2-Jan- 17 <u>23</u>
Memorial Day	Monday	29-May- 17 <u>23</u>
Independence Day	Tuesday	4-Jul- 17 <u>23</u>
Labor Day	Monday	4-Sep- 17 <u>23</u>
Thanksgiving Day	Thursday	23-Nov- 17 <u>23</u>
Day following Thanksgiving	Friday	24-Nov- 17 <u>23</u>
Christmas Break	Friday	22-Dec- 17 <u>23</u>
Christmas Day	Monday	25-Dec- 17 <u>23</u>
Christmas Break	Tuesday	26-Dec- 17 <u>23</u>
Christmas Break	Wednesday	27-Dec- 17 <u>23</u>
Christmas Break	Thursday	28-Dec- 17 <u>23</u>
Christmas Break	Friday	29-Dec- 17 <u>23</u>

~~2018-2024~~ Holidays

	Day of Week	Date of Observance
New Year's Day	Monday	1-Jan- 1824
Memorial Day	Monday	2827 -May- 1824
Independence Day	Wednesday Thursday	4-Jul- 1824
Labor Day	Monday	32 -Sep- 1824
Thanksgiving Day	Thursday	2228 -Nov- 1824
Day following Thanksgiving	Friday	2329 -Nov- 1824

Section 5.2. Unworked Holidays

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

Section 5.3. Worked Holidays

Engineers shall receive the pay due them for the holiday, plus their Base Rate plus ~~\$6.50~~\$8.50 per hour for all hours worked on such holiday plus shift premiums where applicable.

Section 5.4 Holidays During Earned Time Off

Holidays occurring while an engineer is on earned time off are not deducted from earned time off credits.

Section 5.5 Engineers Prevented from Working Because of Local Holidays

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

ARTICLE 6
EARNED TIME OFF

Section 6.1. Computation of Credit

6.1(a) All earned time off must be approved in advance by one’s supervisor excluding illnesses. The amount of earned time off depends on the amount of ~~continuous~~ Spirit service and hire date. For Day One employees, Y years of service for Boeing engineers hired on or before the Effective Date shall apply if they have been continuously employed by Spirit. Earned time off will be accrued per pay period.

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

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

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

Section 6.2. Unused Credit

6.2(a) All earned time off must be taken before the expiration of twelve (12) months after the date the earned time off day is earned. However, days earned up to the maximum accrual

during an anniversary year may be carried over into the succeeding anniversary year. At no time shall an engineer carry a balance of more than two (2) times their annual accrual.

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

Section 6.3. Use of Credit

All earned time off shall be taken at a time as to not seriously interfere with scheduled operations. So far as practicable, the Company will attempt to ~~schedule~~ accommodate all earned time off for the period for which engineers express a preference. Engineers may take earned time off in one tenth (.10) hour increments up to a maximum accrual per the appropriate schedule.

Section 6.4. Bereavement Leave

Up to three (3) days bereavement leave with pay will be granted to an engineer on the active payroll who, because of death in his immediate family, takes time off from work during his normal work schedule as such term is defined in Section 10 of this Agreement. Such pay shall be at the engineer's straight time base rate, including shift differential and cost of living adjustment where applicable for each such day off; however, such pay will not be applicable if the engineer 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 engineer within ~~twenty (20)~~ thirty (30) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section 6.4 the "immediate family" is defined as the following family members of the employee or the employee's spouse: follows: spouse, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law, daughter-in-law, brother-in-law, sister-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half-brother, half-sister, in loco parentis, and others as management may approve. ~~and spouse's grandparents, domestic partners, step grandparents, and~~

~~spouse's step-grandparents.~~ In addition, an engineer will be granted bereavement leave for a stillborn child.

ARTICLE 7 WORKFORCE

Section 7.1. Objective

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

Section 7.2. Surplus

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

Section 7.3 Layoffs

The general objective of the procedure stated in this 7.3 is to provide for the accomplishment of layoffs for business reasons, to the end that insofar as practicable the layoffs will be made equitably, expeditiously and economically, and at the same time will result in retention on the payroll of those engineers 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 Company also recognizes that generally employees in a higher level of a job classification demonstrate a greater breadth of skills available to meet these goals. The occurrence and existence of any condition necessitating a layoff, and the number of engineers involved, will be determined exclusively by the Company. Following such determination, the Company will notify the Union of the anticipated layoff and, the affected retention groups and numbers of engineers that are likely to be affected.

Section 7.4 Procedure Relating to the Filling of Positions

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

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

7.4(b)(1) Reassignments of surplus engineers and surplus individuals from management, engineering, or other salaried payrolls.

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

7.4(b)(3) Return of engineers from layoff status or from leaves of absence.

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

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

7.4(d) All vacant positions other than those filled as described in 7.4(b) and 7.4(c) shall be designated as open positions. Internal applicants for such open requisitions will be identified and provided appropriate consideration given their employee status.

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

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

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

7.4(e)(2)a Was, within six (6) years preceding the date on which the open position is designated, while on the active payroll, downgraded for other than performance reasons from the same Job Classification as the open position, or from a higher level of that Job Classification, or from a directly related management, engineering, or other payroll position.

7.4(e)(2)b Has not declined a Company offer of return to the Job Classification from which downgraded.

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

7.4(e)(3)a Individuals on file for recall as described in 7.9(b) and candidates who make timely application for the open position through the Company's Employee Internal Promotion and Transfer Process.

7.4(e)(3)b Others. The Company will select for the open position whichever of the considered candidates it determines will best achieve the purposes set forth in 7.4(a).

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

7.4(g) **Redeployment.** Employees laid off after refusing less than equivalent job offers made as a result of re-deployment activities will be coded as a layoff and will be regarded for all Company purposes as a laid off employee.

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

7.5(a) **Voluntary Layoff.** 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. The Company will endeavor to accommodate those requests for Voluntary Layoff; however, if it is necessary to retain the employee in order to avoid significant disruption or impact, the Company may deny a request. The employee will be coded as a layoff and will be regarded for all Company purposes as a laid off employee but will not be placed on the recall list. The Union will be advised of all employees approved for voluntary layoff.

7.5(b) **Involuntary Reductions.** After Voluntary layoffs have been conducted pursuant to Section 7.5(a), involuntary reductions will be accomplished using a combination of: (1) a Company assessment of potentially impacted employees, and (2) Years

of Service. The Management Assessment shall account for half of the employee score and the Years of Service shall account for the other half of the employee's score. Reductions will occur with those employees scoring the lowest points first.

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

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

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

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

~~**7.5(a) Retention Rating.**—A retention rating process based upon the most recent three (3) Performance Management exercises and consisting of three (3) categories shall be used. The most recent three (3) Performance Management exercises shall be averaged using an overall rating of “Unacceptable” as equaling a score of “1,” “Meets Some” shall equal “2,” “Meets” shall equal “3,” “Exceeds” shall equal “4,” and “Exceptional” shall equal “5” for purposes of averaging the three (3) most recent Performance Management exercises.~~

~~i.—Category A shall represent the employees with an average rating score in the three (3) most recent Performance Management exercises of 3.5 or greater.~~

~~ii. Category B shall represent the employees with an average rating score in the three (3) most recent Performance Management exercises of 2.5 or more, but less than 3.5~~

~~iii. Category C shall represent the employees with an average rating score in the three (3) most recent Performance Management exercises of less than 2.5.~~

~~**7.5(a)(1) Adjustments for Company Service.** The Company understands the value of Company service and will strive to be fair and equitable when selecting employees for layoff in the event a reduction in force is necessary. Employees with twenty (20) or more years of Company service who are ranked in the Category B retention rating will be adjusted to a Category A retention rating. Such adjustments will be reflected in the written notification to each employee.~~

~~**7.5(a)(2) Performance Management Rating Appeals[†].** An employee who feels the assigned Performance Management rating 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 Performance Management rating the employee elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:~~

~~**7.5(a)(2)a** Employees ranked in "Meets Some" and "Unacceptable" will be allowed to appeal the rating.~~

~~**7.5(a)(2)b** Any employee experiencing a drop in two Performance Management rating categories will be allowed to appeal the rating.~~

~~**7.5(a)(2)c** Any employee experiencing a drop of one rating category in each of two consecutive years will be allowed to appeal the rating.~~

~~**7.5(a)(2)d** Final Appeal will reside with the Workforce Skill Team Strategist or HR Generalist, the Labor Relations Representative, and the Union Representative who will resolve the appeal by majority decision at the meeting or within five workdays~~

[†]Section 7.5(a)(2) would be moved to Article 4 and substituted for Section 4.1(b).

~~thereafter. In the event the Union considers the decision to be inappropriate to the facts of the case, the Union may advance its appeal to the Site Union Relations Manager whose decision will be final and binding and will conclude the appeal process. Pertinent information may be obtained from meeting with the employee, the immediate supervisor and/or the appropriate management representative.~~

~~**7.5(a)(3) Employee Notification.**~~

~~Engineers will be given written notification of their retention rating as part of the annual Performance Management process. The Company will provide each employee with a written notification of the employee's retention rating prior to the effective date, except where such is made impracticable due to the unavailability of the employee or the supervisor occasioned by vacations, travel assignments, etc. In such circumstance the notification will be given as soon as practicable. In addition, management will discuss the new retention rating with employees. The written notification will contain:~~

~~**7.5(a)(4)a** The employee's Job Classification;~~

~~**7.5(a)(4)b** The employee's retention rating prior to and following any adjustment under 7.5(a)(1);~~

~~**7.5(a)(4)c** The number of employees in each of the three retention index categories [as adjusted under 7.5(a)(1)], within the employee's retention index group;~~

~~**7.5(a)(4)d** A description of the jobs and levels included in the retention group;~~

~~**7.5(a)(4)e** "Designation" status, in accordance with Section 7.10;~~

~~**7.5(a)(4)f** Manager signature and the date that the notification was presented to the employee, and employee signature acknowledging receipt (the employee's signature does not represent agreement but merely that the employee was notified of the information provided above).~~

~~**7.5(b) Out-of-Sequence Ratings.** The retention rating of an employee who is reclassified between periodic Performance Management exercises will be sustained or revised as defined in 7.5(b)(1) through 7.5(b)(3).~~

~~**7.5(b)(1) Downward Movement.** With downward movement between sequenced rating groups, the employee will become a Category A until the next Performance Management exercise.~~

~~**7.5(b)(2) Upward Movement.** With an upward movement between sequenced groups, the employee will automatically become a Category C until the next periodic Performance Management exercise.~~

~~**7.5(b)(3) No Level Sequencing.** When no level sequencing between groups is involved, the employee will retain the same retention rating as before the reclassification until the next Performance Management exercise.~~

~~**7.5(b)(4) Reaffirmation of Retention Rating.** The out-of-sequence retention rating assigned under the provisions of 7.5(b)(1) through 7.5(b)(3) will be reaffirmed or superseded by the rate assigned during the next periodic Performance Management exercise.~~

~~**7.5(c) Leaves of Absence, New Bargaining Unit Employees, Returns from Layoff, and Promotions.**~~

~~**7.5(c)(1) Leave of Absence.** An employee who returns from leave of absence between Performance Management exercises shall retain the same rating until the next Performance Management exercise.~~

~~**7.5(c)(2) New Bargaining Unit Employees.** In the event of a layoff, an individual who enters the bargaining unit between periodic Performance Management exercises shall automatically be assigned a retention rating of Category C until assigned a Performance~~

~~Management rating, which shall be given no less than six (6) months after entering the Bargaining Unit. After being assigned a Performance Management rating, the rating shall be used until the employee has two or more ratings that could be averaged.~~

~~**7.5(c)(3) Return from Layoff.** In the event of another layoff, an individual who has returned from layoff shall be assigned the retention rating of record at the time of layoff.~~

~~**7.5(c)(4) Promotions.** An employee who is promoted between periodic Performance Management exercises will retain the same retention rating as before the reclassification until the next Performance Rating exercise.~~

~~**7.5(d) Retention Rating Group Makeup.** Management will assign the retention rating by Job Classification and Skill Management Code for each employee to who this Article applies. In the event of layoff, and in considering which employees will be retained within a retention rating, the Company will operate with the basic objective of identifying those employees who, in the opinion of Management, are 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 Company acknowledges that employees at a higher classification level within a Retention Rating Group generally have a greater breadth of skills. Each retention group will consist of all the employees in the appropriate identified Job Classification and Skill Management Code.~~

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

~~**7.5(e)(1) Exceptions.** Exceptions to the designation for layoff may be made by the Company where it desires to retain a maximum of 8% of employees who are Category C,~~

~~8% of employees who are Category B, and 8% of employees who are Category A within an affected Retention Index Group as of the time of the most recent retention index review. When considering possible exceptions, the Company will consider, at a minimum, Critical Thinking Skills, Transferable Skill Set, Flexibility, Resiliency, Adaptability, Skills Needed to Best Run the Business Function, and Skills Needed for Future Business Requirements. Exceptions will be identified in writing to the Union representative. When determining the number of affected employees the Company will round up to the next whole number.~~

~~**7.5(e)(2) Designated for Layoff.** Employees designated for layoff in a retention rating group that is sequenced by levels with a group that has lower levels and which is populated, will be allowed a downgrade in lieu of layoff.~~

7.5(ed)(31) Travel. Employees on travel status that is expected to continue for thirty (30) or more days may not be laid off while on such status. Such employees' scores shall not ~~be counted among or reduce the number of exceptions permitted by the provisions of Section 7.5 nor shall their rating~~ prevent the layoff or downgrade of employees with a higher rating score who are otherwise subject to such action.

7.5(ed)(42) Unique Job Code. Employees selected by management to participate in a program of formal training in a field outside their current Job Classification, which training is conducted or approved by the Company, and employees who at management's request transfer from one major functional area to another for a Company-sponsored skill transition and retraining program will be assigned a unique job code upon entering the training program or upon transfer to the new functional area respectively. The trainee shall retain this unique code for a period of six (6) months following completion of training or transfer to the new functional area, as the case may be, in order to allow time for the trainee to demonstrate his or her adaptability to the new assignment. During the period in which the trainee is assigned the unique code, in the event of a layoff, he or she will be scored as if s/he were in the last held regular assigned Job Classification. retain ~~the retention rating held at the time of assignment to the unique code. In the event a~~

~~surplus is declared in the trainee's new assignment and if the trainee's rating would cause him or her to be an individual surplus, the trainee will be returned for assignment to an area under his or her last held regular assigned Job Classification and the retention rating of record.~~

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

~~**7.5(c)(6) Voluntary Layoff.** 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 without regard to assigned rating or adjustments for company service. 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 7.6. ~~Temporary Layoff / Short Workweek~~

7.6(a) It is the Company's intent to the fullest extent possible to retain direct engineers over contract labor during times of ~~temporary layoffs and~~ reduced workweeks. No engineer shall be placed on ~~a temporary layoff or~~ reduced workweek while Contract personnel are still employed in their Skill Classification, except when the Company determines that it needs to retain any key contract labor in order to avoid significant customer disruption or impact on the Program. In such cases, the approval of the Human Resource leader and the appropriate senior level executive shall be required. Within thirty (30) days of contract execution, the Company shall provide the Union with a listing of key contract labor, and shall update said list as necessary, but no less frequently than quarterly. The list of the key contract engineers shall be no greater than 5% of the total number of the engineers employed in the bargaining unit on the first day of the quarter. ~~Temporary layoffs and r~~Reduced workweeks will not be utilized within the same rolling twelve (12) month period for any individual engineer, excluding holiday plant shutdowns.

~~7.6(b) Management, with bona fide requirements, can conduct temporary layoffs without regard to retention. Temporary layoffs will be voluntary whenever practical, shall be in increments of at least one week at a time (excluding holiday plant shutdowns), and will not be more than thirty (30) consecutive calendar days and not more than sixty (60) calendar days during any rolling thirty-six (36) month period for any individual engineer. Employees on a temporary layoff will receive health and welfare benefits during such layoff.~~

7.6(eb) If deemed necessary to avoid a layoff, management will ask for volunteers but may in its discretion schedule short workweeks of not less than 24 hours for a period not to exceed sixty (60) consecutive calendar days during any rolling thirty-six (36) month period for any individual engineer. Health and welfare benefits will not be prorated during this time period.

Section 7.7 Exceptions to Foregoing Procedures.

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

Section 7.8. Layoff Notice

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

Section 7.9. Layoff Status

7.9(a) Maintenance of Layoff Status

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

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

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

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

7.9(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

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

7.9(a)(3) Engineers removed from layoff status for any reason other than retirement or expiration of the ~~three (3)~~two (2) year period following layoff will be notified in writing of such removal, and the reasons therefore, by the Company.

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

7.9(b) Return to Active Employment

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

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

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

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

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

~~7.9(d) Retiree Medical eligibility. Engineers who are on layoff status may credit up to 30 months of time spent on layoff towards eligibility for retiree medical benefits.~~

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

Section 7.10. Designated Employees

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

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

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

7.10(a)(3) Designated employees will be identified by engineering skill teams.

~~7.10(b) Employee Improvement Action Plan~~

~~Employees who have been identified as "designated" will be provided with an Employee Improvement Action Plan within thirty (30) calendar days of the designation, which will identify the specific conditions leading to the designation and improvements necessary to avoid such designations in the future. Management and the employee will have on-going discussions about the employee's progress in achieving the objectives outlined in the action plan. The Company will promptly notify the Union of the identities of designated~~

~~employees. The identification of designated employees shall not be subject to Article 3; however, designated employees may appeal the designation regardless of their previous retention index rating in accordance with Section 7.5(a)(2). Designations pursuant to this section will remain in effect until the next scheduled retention rating review exercise or until the employee satisfactorily completes the Improvement Action Plan and has been removed from designation. The employee and Union will be notified of the removal of the designation.~~

~~7.10(b)(1) All employees have the opportunity to request an Employee Improvement Action Plan within thirty (30) calendar days of being informed of their retention rating.~~

Section 7.11. Temporary Recall

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

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

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

7.11(d) Selection of Engineer. The Company will determine which engineers will be offered Temporary Recall assignments. Temporary Recall will be strictly voluntary on the

part of the engineer. Refusing to consider an engineer for Temporary Recall or an engineer's rejection of an offer of Temporary Recall will not affect the engineer's active layoff status.

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

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

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

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

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

~~**7.11(j) Retention.** ——— Engineers on Temporary Recall will not receive a retention index based on Temporary Recall assignments.~~

7.11(k) Select Salary Adjustment. Engineers on Temporary Recall will generate funds for a selective adjustment exercise if they meet contractual criteria.

7.11(l) Additional Layoff Benefits. Engineers on Temporary Recall will not be eligible for additional layoff benefits when their Temporary Recall assignment ends.

7.11(m) Internal Job Postings. Engineers on Temporary Recall are not eligible to apply for internal job postings.

Section 7.12. General Provisions

7.12(a) Compensable Injuries. Any engineer who has been wholly or partially incapacitated for that engineer'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 engineer 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.

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

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

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

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

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

Section 7.14. Acting Supervisors

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

Section 7.15 Probationary Period

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

~~**Section 7.16 Secondary Skills**~~

~~The Company will give consideration to primary and secondary skill codes assigned to engineers when making reassignments associated with a reduction in force.~~

Section 7.16 Layoff Benefits

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

Section 7.16(a) Eligibility. All bargaining unit employees who have at least one year of service and who are involuntarily laid off from the Company are eligible to receive the benefit described in Section 7.16(b); provided, however, the following employees shall not be eligible for the benefit: employees who are temporarily laid off, employees who are laid off from the Company because of a merger, sale or similar transfer of assets and are offered employment with the new employer; employees who are laid off because of

an act of God, natural disaster, or national emergency; employees who are laid off because of a strike, picketing of the Company's premises, work stoppage or any similar action which would interrupt or interfere with any operation of the Company; and employees who terminate employment for any other reason other than layoff.

Section 7.16(b) Amount of payment and benefit. An eligible employee's income continuation benefit shall equal eight (8) weeks of pay for those employees with 1-10 years of Spirit service and ten (10) weeks of pay for those employees with over 10 years of Spirit service.

Section 7.16(c) Income continuation benefits will be paid in 80-hour increments. Income continuation benefits shall immediately cease upon the earlier of any of the following events: exhaustion of the employee's total income continuation benefit, re-employment with the Company or any of its subsidiaries or affiliates, failure to accept a formal offer of recall from layoff within ten workdays after it is extended; failure to report to work on the date designated by the Company or change in the employee's employment status from layoff to resignation, dismissal, retirement, death, or leave of absence.

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

ARTICLE 8

CONTRACT LABOR AND SUBCONTRACTING

Section 8.1. Intent Regarding Non-Employee Sources of Engineering Services

It is the Company's intent that non-employee sources of engineering services (e.g., Contract Labor, Industry Assist, Joint Ventures, Partnerships, and Purchased Services) will be used as a buffer to lessen the need for layoffs of engineering employees during times of reductions in force and as a resource not readily available to the Company otherwise. During the time of a general reduction in force in at the Company's plants in Sedgwick County, Kansas ~~Wichita~~ among engineering employees involving two (2) percent or more of the bargaining unit, the Company will consider whether engineering work performed by non-employee sources of engineering services that was previously performed by bargaining unit members may be reassigned to Company engineers. Prior to layoffs pursuant to Sections 7.3, 7.4 and 7.5, the Company will meet with the Union to review subcontracted work that was previously performed by the Unit ~~in~~ at the Company's plants in Sedgwick County, Kansas ~~Wichita Kansas facility~~. This review shall be completed within sixty (60) days of the first layoff notices to the affected skill management code. If all five (5) of the following conditions can be fully satisfied, the previously subcontracted work will be returned:

- 1) The direct dollars and cents cost of the work being performed by bargaining unit employees is equal to or less than the direct dollars and cents cost of the work continuing to be outsourced.
- 2) The schedule for completion of the work can be met utilizing currently employed employees on a straight time basis (without overtime).
- 3) The work being performed does not require specialized knowledge, skills, equipment, or training not immediately available within the Unit.
- 4) The Company owns all the necessary equipment to perform the work and it is sitting idle and available for use.
- 5) The work is not an offset or offset arrangement (condition of sale placement).

Work performed or to be performed within other Spirit AeroSystems facilities is not subject to the provisions of this section.

Section 8.2 Contract Labor

- A. **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 professional 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 experience base and to support our mutual objective of workforce stabilization by minimizing engineering layoffs.
- B. **Definition.** The term, contract personnel, refers to temporary personnel supplied 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 personnel 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 8.3. Procedures and Limitations

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

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

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

8.3(d) Contract personnel shall not be authorized to make decisions normally associated with management responsibility including salary determination, retention and discipline. They shall not be assigned lead positions for a period in excess of six (6) months. Individual contract personnel may not perform work for the Company for more than eighteen (18) consecutive months without the written approval of the Chief Technology Officer and this decision shall be reviewed no less frequently than every six (6) months.

8.3(e) No engineer shall be laid off while non-employee sources of engineering services in the same Skill Classification ~~Contract personnel~~ are still employed at the Company's plants in Sedgwick County, Kansas. ~~However, the company in the Skill Classification, except when the Company determines that it needs to retain~~ non-employee sources of engineering services ~~any contract labor~~ while surplus employees in the same Skill Classification at the Company's plants in Sedgwick County, Kansas in order to avoid significant disruption or impact on the committed packages of work where bona fide occupational qualifications of direct employees do not align. ~~Examples include defense packages, regulatory/OEM designations, duties involving coordination of offsite engineering services, or unique specialty skills.~~ In such cases, the approval of the Human Resource leader and the appropriate senior level executive shall be required. Notification of such decision will be provided to the Union as soon as practicable.

8.3(f) Engineers will not be laid off until their skills have been reviewed to determine if they can replace non-employee sources of engineering services who are performing work at the Company's plants in Sedgwick County, Kansas ~~contract personnel~~ in other than ~~their the~~ Engineers' job classifications.

Section 8.4: Data

During the time of a general reduction in force in Wichita among engineering employees as defined in Section 8.1~~On request~~, the Company shall supply the Union with data that displays the number of non-employee sources of engineering services ~~contract personnel~~ utilized at the Wichita site by engineering function or Job Code, if available, so that compliance with all limitations identified in 8.2 can be monitored. The data shall include names, Job Classifications ~~as applicable~~, organizations, and start dates as applicable.

Section 8.5: Subcontracting

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

Section 8.5(b) Union Notification. With respect to the subcontracting of work currently performed by bargaining unit employees, the parties recognize that from time to time such subcontracting may be necessary. To enable the Union to suggest competitive alternatives which might allow the retention of work within the bargaining unit, the Company will, at least sixty (60) days prior to signing any agreement to subcontract work currently being performed by bargaining unit employees, provide notice to the Union of its plans to subcontract work which would directly result in the layoff of two percent (2%) or more bargaining unit employees. The Company will provide information related to the potential subcontracting other than information it considers to be confidential, proprietary or subject to nondisclosure provisions.

Section 8.5(c) Confidentiality. The parties recognize that some subcontracting decisions cannot be disclosed within the sixty (60) day period referred to above, due to confidentiality requirements imposed by customers or other third parties~~concerns~~. In such circumstances, the Company will engage in a good faith effort to obtain consent to disclose such information and provide the Union as much notice as practicable.

Section 8.5(d) Union Proposal. Following notice of specific plans to subcontract work currently performed by the bargaining unit that would directly result in the layoff of two percent (2%) or more of bargaining unit employees, the parties shall, upon the request of the Union, meet and discuss the impact on the bargaining unit. The Company agrees to consider any proposal the Union might make which would result in a less costly way to retain such work in the bargaining unit. The Union must present any such proposals within thirty (30) calendar days of receipt of the Company's plans. The decision to implement any such Union proposal instead of subcontracting the work shall be the Company's. The parties will meet periodically to review the implementation of any such Union proposals selected by the Company. If the Company chooses to implement the Union proposal instead of subcontracting the work, and if the Union's projected savings are not realized within any ninety (90) day period following implementation, the Company may subcontract the work without repeating the notification process.

ARTICLE 9

COMPANY-UNION COLLABORATION

Section 9.1: Cooperative and Collaborative Relationship

9.1(a) The Union and the Company believe that a relationship built on cooperation will be beneficial to the Company and its employees. This Article is intended to describe the process by which the Company may seek input from the Union. The Company and the Union may discuss suggestions, issues, or other matters either party wishes to present, provided that neither party shall be required to discuss any item brought up by the other party nor be bound to act upon any item presented or modify or change any provision of this Agreement. However, both parties agree to discuss informal grievances and complaints.

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

Section 9.2 Joint Collaboration Committee (JCC) for Labor-Management Cooperative Initiatives

The parties will establish a joint committee to confer on labor management initiatives the parties undertake. These joint initiatives are intended to enhance and develop employees as the Company's key resource and improve productivity and efficiency. The JCC's responsibilities may include: (1) establishing subcommittees to confer on the initiatives; (2) reviewing, expanding initiatives where appropriate and resolving issues related to ongoing initiatives; and (3) formulating future labor-management cooperative initiatives. The Company at its sole discretion will provide administrative staff and appropriate funding to support the initiatives. To create a proper environment for the committee's work, no aspect of the committee's proceedings shall be used as the basis for, or as evidence in, any proceedings under Article 3.

9.2(a) Committee membership: The Joint Union-Company Collaboration Committee shall consist of up to five (5) persons representing the Company and up to five (5) persons representing the Union. The Company representatives will be appointed from the Business Unit(s) and Human Resources management. The Union representatives will be selected from the bargaining unit's membership. Each party shall appoint a chairperson of its group.

9.2(b) Business Overviews. The Joint Collaboration Committee will meet quarterly so that the Company may share information about Company business plans such as workforce planning, business outlook, facility and safety issues, subcontracting, surplus activity, employment of contract engineers, and other areas of interest as agreed to by the parties. Meetings shall be attended by appropriate Union, Human Resources and Business Unit Representatives. These quarterly meetings will be scheduled in January of each year.

9.2(c) The Joint Collaboration Committee may confer on the following topics:

- Methods of improving productivity, efficiency, cost effectiveness, and meeting business goals.
- Initiatives to find cost savings in health care expenditures.
- Review proposed changes to the job descriptions and job structure.
- Monitoring and exploring developments in the areas of education and training, skill utilization and application, and career development as those link to emerging technologies.
- Monitoring developments in the areas of use of compensatory time off, child and elder care, Drug and Alcohol-Free Workplace Program, and the Employee Assistance Program.
- Exploring alternate forms of compensation and delivery methods, salary planning process, market relationships and compensation philosophy.
- Discussion groups on topics of mutual interest.
- Exploring healthcare costs, issues and plan details.
- Career Enhancement, including:

- Programs to provide engineers the information, training, and opportunity to influence their career direction.
- A program to provide a meaningful career alternative for those engineers who choose to remain on a technically oriented career path (as opposed to a managerial track).
- Coordination with related activities to maximize efficiency and involve appropriate people and viewpoints as required.
- Review the Company's employee transfer process.
- Conducting briefings on the Company's plans for the introduction of new technological change and products that may affect engineers, including schedules of introduction and areas of skill impacts.
- Planning, developing, implementing and evaluating pilot projects involving innovative approaches in the workplace aimed at improving the quality of work life and productivity.
- Reviewing on a quarterly basis, if requested, data regarding overtime worked by engineers.

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

ARTICLE 10 HOURS OF LABOR

Section 10.1. Regular Hours

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

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

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

Section 10.2. Shift Premiums

An engineer who works second or third shift shall be paid Base Rate of pay plus 10% per hour. An engineer who works third shift of six and one-half (6 ½) hours will receive an adjustment equivalent to one and one-half hours' pay at his base rate. A prorated portion of that adjustment will be paid when the engineer works less than six and one-half hours on a regular third shift.

Section 10.3. Work Schedule Premiums

10.3(a) An engineer assigned to either Saturday or Sunday as a regular day of work as part of a non-standard work week to meet Company requirements will receive Base Rate of pay plus 10% for all hours worked during the engineer's scheduled work week.

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

Section 10.4. Shift Preference or Variable Work Week Schedule

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

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

Section 10.5. Overtime Pay

10.5(a) Engineers will be paid additional pay for hours worked in excess of forty-four hours worked in a workweek. The hourly rate to be paid for such hours will be straight time plus ~~\$6.50~~\$8.50 per hour.

10.5(b) It is the policy of the Company to permit employees to flex the first four hours of non-weekend overtime. If it is not possible to flex the time during the workweek, then such time as cannot be flexed shall be credited to a Compensatory/Incidental Time (CIT) Bank which may be used at the employee's discretion in the same manner as ETO. ~~So far as practicable, the Company will attempt to schedule all CIT time off for the period for which the employee expresses a preference.~~

10.5(b)1 When 24 hours of CIT has been accrued, no further time shall accrue until CIT has been used. When the CIT bank is at 24 hours, until further accrual is possible, employees will be paid additional pay at straight time plus ~~\$6.50~~\$8.50 per hour for hours 41 through 44 in the workweek. ~~Management has the right to direct that CIT time be used.~~

10.5(b)2 Employees shall not be entitled to be paid in lieu of taking CIT off.

10.5(c) Engineers will be paid additional pay for any scheduled overtime worked on ~~Saturday, Sunday~~scheduled day of rest or holidays, and for any emergency call out (e.g.

Liaison). The hourly rate to be paid for such hours shall be straight time plus ~~\$6.50~~\$8.50 per hour.

Section 10.6. Reporting Pay

If an engineer reports for work in accordance with instructions, he shall receive a minimum of eight (8) hours pay at his Base Rate plus shift premiums where applicable. This will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An engineer who leaves work of his 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 actual hours worked during that day. An engineer who leaves work because of incapacity due to industrial injury will be paid eight (8) hours pay at his Base Rate plus shift premiums where applicable.

Section 10.7. Call Back Pay

A minimum of four (4) hours pay at the applicable overtime rate will be paid for any call back work performed outside of one's regularly scheduled hours. An engineer who leaves work of his 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 engineer, who leaves work after call back, will be paid only for the number of hours actually worked unless authorized by management.

Section 10.8 Overtime Scheduling

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

10.8(a) Accordingly, the Company and the Union agree, subject to the exceptions noted below, that no engineer shall normally be required, and need not be permitted, to work

more than 144 overtime hours in any budget quarter, more than 576 overtime hours in a twelve-month period, more than three (3) weekends consecutively without the next weekend off, or more than eight (8) hours on a Saturday or a Sunday or other regularly-scheduled day of rest. Overtime work on any day of scheduled rest, shall constitute a weekend worked. All overtime on a holiday as set forth in the Agreement or on the weekend which immediately precedes a Monday holiday or immediately follows a Friday holiday shall be voluntary for those on weekday work schedules.

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

Section 10.9 Compensated Travel Time

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

ARTICLE 11

LEAVES OF ABSENCE AND JURY/WITNESS DUTY

Section 11.1. Authorized Leaves of Absence

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

Section 11.2. Leave of Absence Condition

An engineer, while on leave of absence, shall be deemed to have voluntarily resigned from the Company upon accepting other employment, or engaged in business for himself that prevents his return from leave, or is inconsistent with the medical or other limitations that provide the basis for the engineer's leave of absence from the Company.

Section 11.3. Military Leave of Absence

An engineer who is a member of a reserve component of the United States Armed Forces or a State's National Guard, who is absent due to required active annual training duty or temporary special services duty, shall be paid Base Rate plus shift premiums where applicable, up to a maximum of ten (10) workdays each calendar year. An engineer 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 engineer was a member of the reserve component during both of the applicable consecutive years. Engineers with military orders to serve additional days of duty will be placed on unpaid authorized leave of absence. The amount due the engineer under this Section 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. Members of a reserve component of a uniformed service ordered to temporary special duty under Military U.S. Code Title 10 or mobilized by the applicable state agency are eligible for military differential pay up to a maximum of ninety (90) calendar days for each occurrence.

Section 11.4. Jury/Witness Duty

When an engineer is required to report for jury duty, or compelled to testify in a case brought by someone other than the engineer or on his behalf, on his regularly scheduled workday, the engineer shall receive scheduled hours of pay at his Base Rate plus shift premiums where applicable. Engineers who report for jury/witness duty but are excused, are expected to return to

work if more than one-half (½) of their shift remains. Engineers shall receive holiday pay if a holiday occurs while on jury/witness duty. Proof of such service satisfactory to the Company must be given before this Section shall apply. Time spent on jury/witness duty is not to be counted as absenteeism for purposes of disciplinary action.

Section 11.5 Parental Leave

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

ARTICLE 12

JOB CLASSIFICATIONS AND SALARIES

Section 12.1. Job Classifications

It is agreed that it is the right and responsibility of Management to establish new job classifications, or eliminate existing classifications, and establish the appropriate pay rate for such classifications. Any such change in classifications will be reviewed and discussed with the Union at least thirty (30) days in advance of its establishment.

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

12.1(b) Individual Engineer's Job Classification or Skills Management Code Review. An individual engineer 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 or skills management code to the extent and in such a manner as to warrant reclassifying the engineer to a different existing job classification or skills management code. Engineers will attempt to resolve classification first by discussion with first-line management. In the absence of a

resolution mutually agreeable to both management and the engineer, the following steps will be utilized in the review process:

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

12.1(b)(2) The Skill Team Manager will meet with the engineer and the Union Representative to fully discuss the engineer's issue in an effort to reach mutual resolution.

12.1(b)(3) If the engineer and Union Representative do not agree with the Skill Team decision, the Engineering Skill Team Manager, the appropriate Human Resources Representative and the Union Representative will meet to resolve the matter by a majority decision.

Section 12.2. Classifications

When, pursuant to the provisions of Article 1, the Company classifies an individual as an Engineer in one of the classifications listed in Section 1.1(a), 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).”

This Section shall not be construed as affecting the Company's unilateral right to select and determine the employees to be included in each classification listed in Article 1, which right shall not be subject to Article 3.

Section 12.3. Base Rate

“Base rate” is an engineer's hourly rate of pay, excluding all allowances, awards, bonuses, and premiums.

Section 12.4. Salaries

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

Section 12.5. Rate Range and Discretionary Market Salary Increases

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

TABLE I

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

Review Period	Fund Computation Date	Increase Effective <u>Date</u> First Full Payperiod Following	Increase Percentage	Minimum Increase**
1	<u>02/26/2013</u> 4/1/2019	<u>07/01/2013</u> 7/1/2019	Market <u>Whichever is larger, Market or 3.5%</u>	<u>Minimum of \$1250 for any employee under comparatio of 1.0% Market Adjustment is greater than 3.0% ; minimum increase of \$750 per employee for all employees with a rating of Meets Expectations or higher on the most recent Performance Management Exercise</u>
2	<u>02/25/2014</u> 4/1/2020	<u>07/01/2014</u> 7/1/2020	Whichever is Larger—Market or 3%—Market	<u>Minimum of \$1250 for any employee under comparatio of 1.0% Market Adjustment is greater than 3.0% ;</u>

				<p>minimum increase of \$750 per employee for all employees with a rating of Meets Expectations or higher on the most recent Performance Management Exercise</p>
3	<u>02/24/2015</u> 4/1/2021	<u>07/01/2015</u> 7/1/2021	<p>Whichever is larger, Market or 3.5%Market</p>	<p>Minimum of \$1250 for any employee under comparatio of 1.0f Market Adjustment is greater than 3.0%; minimum increase of \$750 per employee for all employees with a rating of Meets Expectations or higher on the most recent Performance Management Exercise</p>
4	<u>02/24/2016</u> 4/1/2022	<u>07/01/2016</u> 7/1/2022	<p>Whichever is Larger—Market or 3%—Market</p>	<p>Minimum of \$1250 for any employee under</p>

				<u>comparatio</u> <u>of 1.0ff</u> <u>Market</u> <u>Adjustment</u> <u>is greater</u> <u>than 3.0%,</u> <u>minimum</u> <u>increase of</u> <u>\$750 per</u> <u>employee</u> <u>for all</u> <u>employees</u> <u>with a rating</u> <u>of Meets</u> <u>Expectations</u> <u>or higher on</u> <u>the most</u> <u>recent</u> <u>Performance</u> <u>Management</u> <u>Exercise</u>
5	<u>02/24/20174/1/2023</u>	<u>07/01/20177/1/2023</u>	Market	<u>Minimum of</u> <u>\$1250 for</u> <u>any</u> <u>employee</u> <u>under</u> <u>comparatio</u> <u>of 1.0ff</u> <u>Market</u> <u>Adjustment</u> <u>is greater</u> <u>than 3.0%,</u> <u>minimum</u> <u>increase of</u> <u>\$750 per</u> <u>employee</u> <u>for all</u> <u>employees</u> <u>with a rating</u> <u>of Meets</u> <u>Expectations</u> <u>or higher on</u> <u>the most</u> <u>recent</u> <u>Performance</u> <u>Management</u>

				Exercise
6	<u>02/24/2018</u> <u>4/1/2024</u>	<u>07/01/2018</u> <u>7/1/2024</u>	Market	<u>Minimum of</u> <u>\$1250 for</u> <u>any</u> <u>employee</u> <u>under</u> <u>comparatio</u> <u>of 1.0</u> <u>ff</u> <u>Market</u> <u>Adjustment</u> <u>is greater</u> <u>than 3.0%,</u> <u>minimum</u> <u>increase of</u> <u>\$750 per</u> <u>employee</u> <u>for all</u> <u>employees</u> <u>with a rating</u> <u>of Meets</u> <u>Expectations</u> <u>or higher on</u> <u>the most</u> <u>recent</u> <u>Performance</u> <u>Management</u> <u>Exercise</u>

** Minimum of \$1250 for any employee under comparatio of 1.00 and with hire dates six months or more prior to the Fund Computation Date

12.5(a)1 The “Market” rate salary increase is to be determined by reviewing a number of factors which include:

- The relative position of salaries to the market which is called the *comparatio*. Generally, the Company will be trying to achieve an average 0.97 comparatio after salary adjustments have been made.
- The estimated market salary escalation as determined by the SIRS poll or other like salary survey.
 - Consideration will be given for local, regional, and national market positions segmented by Aerospace Industry – High Tech groups. The Company will share the names of the companies included in the High Tech groups with SPEEA on an annual basis.
 - A trend analysis (Summarized to comply with Agreements from Survey Providers) will be prepared by the Company and shared with SPEEA on an annual basis.

- Consideration of mitigating factors which would include market differentiation and the relative leveling of positions.
- Any other relevant factors which the parties agree upon.

The Company will look at these factors, consult with the union and determine the increase percentage. The final determination shall be made by the Company and shall be not subject to the grievance and arbitration procedure detailed in Article 3.

12.5(a)2 Upon ratification of this contract on first vote, each engineer in the bargaining unit will receive a bonus of ~~\$2,500~~\$4,000 to be paid within thirty-five (35) days from the effective date of this contract.

In addition to the ratification bonus, for plan years starting 2019, 2020, 2021, 2022 and 2023, each employee that has enrolled in the Green, Blue or Orange Plan, shall receive a lump sum payment of \$1,500 on the first full pay period 90 days after the start of the Plan year. Employees shall have the option to divert these annual funds into their Health Savings Accounts.

12.5(b) Annually, and in addition to the selective salary adjustment fund above, the Company will provide a fund of one-half of one percent (0.5%) of the total unit salaries as of Fund Computation Date specifically to be used to manage both salary growth and promotions within the unit. ~~of the salary increases, to manage both salary growth and promotions based upon the business needs of the Wichita site.~~ Funds shall be spent before the following Selective Salary Increase Effective Date. ~~unspent during the period will be added to the next salary adjustment fund.~~

Section 12.6. Eligibility

Eligible engineers are those who were in the bargaining unit and on the active payroll on both the fund computation date and the increase effective date.

Section 12.7. ~~Performance Bonus Plan~~Short Term Incentive Plan

12.7(a) The Company intends to pay a performance bonus when financial performance equals or exceeds the established targets. Employees covered by this collective bargaining agreement will participate in the Spirit AeroSystems Holdings, Inc. Incentive Award Plan for

Salaried Employees (M&S Bonus Plan), as it may be amended from time-to-time. Targets will be the same as in the existing M&S Bonus Plan or any changes to the existing plan during the duration of this agreement. Eligible Pay shall be defined as straight-time (which includes leave with pay) and overtime wages, pay for Earned Time Off, and Holiday pay.

Payments will be ~~as follows:~~

- ~~• Plan Year 2012: 6% of Eligible Pay (straight time and overtime wages, pay for Earned Time Off, and Holiday pay) at Target and 12% of Eligible Pay at Maximum~~
- ~~• Plan Years 2013—2016: 7% of Eligible Pay at Target and 14% of Eligible Pay at Maximum~~
- ~~Plan Years 2017—2018:~~ 8% of Eligible Pay at Target and 16% of Eligible Pay at Maximum

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

ARTICLE 13

UNION OFFICIALS

Section 13.1. Union to Furnish List of Officials

The Union shall inform the Company in writing of the names of its officials (not more than one (1) Council Representative per two hundred (200) engineers, or major fraction thereof) who are accredited to represent it, which information shall be kept up to date at all times. Only persons so designated will be accepted by the Company as representatives of the Union. The total number of Council Representatives shall always be an odd number and rounded up.

Section 13.2. Union Officials - Access to Plant

The Union Leadership and Staff Representatives, not employed by Company, will be permitted access to the Company's facility during normal working hours. The Union will provide advance notification to the Company of such visits. Such visits shall be subject to such regulations as may be made from time to time by any governmental or government affiliated agency of the United States, other customers, or the Company. The Company will not impose regulations that

are designed to exclude the Union Leadership and Staff Representatives from the plant or render ineffective the intent of this provision. No union meetings involving more than forty (40) will occur on company property without express written permission.

Section 13.3. Union Activity During Working Hours

The Company agrees not to discriminate in any way against any engineer for Union activity, but such activity shall not be carried on during working time, except as specifically allowed by the provisions of this Agreement.

Section 13.4. Bulletin Boards

The Union shall have the right to use designated bulletin boards on the Company property for the purpose of posting notices of Union meetings and other activities which are officially approved by the Union prior to posting.

Section 13.5. Time Working Union Issues

Each engineer, before leaving his or her assigned work on Union business, shall have authorization from the Union and shall notify his or her supervisor prior to taking such leave. The Union shall provide to the designated Company Representative oral confirmation of such authorization at least one day prior to such leave and written confirmation immediately thereafter.

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

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

Section 13.6. Grievance and Contract Administration

13.6(a) The Union shall investigate and adjust grievances, perform contract administration, support engineer disciplinary hearings and conduct information sharing meetings with bargaining unit members in the work area, exclusively through Executive Board members and Council Representatives, who shall be engineers, and Union Staff Representatives.

13.6(b) Each Executive Board Member and Council Representative shall notify and obtain permission from his or her supervisor before leaving the work assignment for the purpose of investigating complaints or claims of grievance on the part of engineers in his or her work area. Such permission shall be granted except where the supervisor considers such absence would seriously 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 supervisor considers reasonable under the circumstances. Any Executive Board Member and Council Representative in the conduct of his or her investigation, and before contacting an engineer, shall obtain permission of the supervisor of such engineer and advise the supervisor of the nature of the complaint or grievance and the estimated time required for the discussion. Such permission shall be granted except where the visit would seriously interfere with the work of the group. Except as provided in 13.7(a) and 9.1(b), all time spent performing such Union business as well as time spent in joint committee and partnership activities shall be handled in accordance with the Company's overhead charging process and shall not be docked from the employee's pay.

Section 13.7 Leaves of Absence

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

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

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

Section 13.8. Substitute Council Representative

In the absence of a Council Representative for any reason, the Union may designate a temporary substitute.

Section 13.9. Protection of Union Officials

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

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

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

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

13.9(a)(4) Layoff protection does not apply to Executive Board members and Council Representatives who, at the time of election or appointment, have received an active

advance notice of potential layoff, unless the Board of Members or Council Representative is running for reelection to a consecutive term of office.

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

Section 13.10. Union Requests for Employer Data

The Company will provide the data to the Union which is listed in the memorandum from the Union to the Company effective June 30th 2005, 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 13.11. SPEEA Access to the Web

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

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

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

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

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

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

Article 3.

ARTICLE 14

PAYROLL DEDUCTION FOR UNION DUES

Section 14.1. Payroll Deduction for Union Dues

Whenever an engineer shall appropriately request in writing, the Company will deduct from such engineer's pay each month dues payable to the Union. The Union will promptly notify the Company of any changes in the rate of dues during the term of this Agreement. The agreed forms for use by engineers in making a request for deduction, as well as form of notice of withdrawal, will be furnished by the Union. The Company will not deduct dues or discontinue dues deductions absent authorization from the engineer. In no circumstances shall the Company be held liable for the payment of any dues to the Union. The Company agrees to recognize all current and new authorization cards on file

ARTICLE 15

STRIKES AND LOCKOUTS

Section 15.1. Strikes and Lockouts

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

Consistent with the foregoing, during the term of the Agreement, the Union has the right to engage in informational picketing provided that such picketing does not have an effect of

inducing any individual employed by any person in the course of his employment to refuse to pick up, deliver, or transport any goods, or not to perform any services.

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

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

15.1(d) The Parties agree that violations of the no strike/no lockout provisions of this Article will cause irreparable harm and therefore they agree that either party may enforce the obligations of this Article by injunction action in the courts without any requirement that the grievance and arbitration procedure of this Agreement be invoked or exhausted. The parties further agree that the Company, at its option, may file a grievance alleging a violation of the no strike obligation of this article and the Union, at its option, may file a grievance alleging violation of the no-lockout obligation at Step 3 – Pre-Arbitration of the Grievance Procedure in Article 3.3.

ARTICLE 16

GROUP INSURANCE & RETIREMENT PLANS

The Company will continue until June 30, ~~2013~~2019, the Group Benefits Package agreed to in the collective bargaining agreement of ~~October 8, 2009~~December 11, 2012, between the Company and the Union. Unless otherwise noted, effective July 1, 2019, Thereafter, the Company will provide the savings plan, retirement plan, medical, dental, vision, retiree medical benefits and ancillary benefits for eligible employees and retirees and covered dependents of eligible employees and retirees as summarized in the document entitled Attachment A, or as otherwise stated, as the Group Benefits Package.

ARTICLE 17

HEALTH AND SAFETY

Section 17.1. Mutual Objective

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

Section 17.2. Health and Safety In The Workplace

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

17.2(b) The Company will furnish personal protective equipment as required by the Occupational Safety and Health Act.

17.2(c) The Company is committed to a tobacco-free work environment based on the evidence that tobacco smoke and second-hand smoke is detrimental to engineer health. Accordingly the interior spaces of all Company facilities are tobacco-free. The Company may designate exterior spaces for smoking and use of other tobacco products. There shall be no use of tobacco products except in designated areas. If the Company chooses to no longer designate any exterior spaces for tobacco use, it will meet with the Union to devise a transition period in which to implement the change.

Section 17.3. Drug and Alcohol-Free Workplace

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

services is maintained. Both parties commit to work together to create an environment which promotes a drug and alcohol-free workplace and adhere to the Company's established policy.

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

ARTICLE 18

NON-DISCRIMINATION

Section 18.1. Non-Discrimination

18.1(a) All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status due to the Service in the Uniformed Services Act, age, sex, sexual preference, marital status, 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.

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

Section 18.2. Non-Discrimination Grievances

Notwithstanding any other provision of Article 3, a grievance alleging a violation of this Article 18 shall be subject to the grievance and arbitration procedure of Article 3 only if it is filed on behalf of and pertains to a single engineer. Class grievances under Article 18 shall not be subject to the grievance and arbitration procedure under this Agreement.

ARTICLE 19
SCOPE OF AGREEMENT

Section 19.1(a). Complete Agreement

This Agreement constitutes the entire contract between the parties hereto and supersedes and replaces any and all prior obligations and/or agreements, whether written, oral, expressed or implied between or concerning engineers and/or the Union and the Company. No amendment, modification or addition to this Agreement shall be effective unless it is reduced in writing and duly executed by the parties.

Section 19.1(b). Nothing herein limits the parties' obligation to bargain mandatory subjects arising during the term of this agreement.

Section 19.2. Severability

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

ARTICLE 20
PRINTING OF CONTRACTS

The parties agree, in the spirit of labor/management cooperation, that they will equally share the costs of printing the labor agreement.

ARTICLE 21
PERIOD OF AGREEMENT

Section 21.1. Duration

This Agreement shall be effective for a period from the date of contract ratification, and shall remain in force through December 1, ~~2018~~2024.

21.1(a) This Agreement shall remain in force from year to year thereafter, unless either party shall notify the other, in writing by registered mail, not more than ninety (90) calendar days nor less than sixty (60) calendar days prior to the anniversary of the Effective Date in the year in which contract termination is desired. Unless terminated, this Agreement shall remain in full force and effect from year to year thereafter.

Section 21.2. Notification

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

Section 21.3 Contract Reaffirmance

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

Section 21 .4. Successorship

It is the express intent of the Company and the Union that this Agreement shall remain in effect for its full term. To that end, the Company and the Union agree that this Agreement shall bind their successors, administrators, executors, and assigns in the event the Company sells, leases, or otherwise transfers all of its Wichita operations.

Society of Professional Engineering
Employees in Aerospace - WEU

Spirit AeroSystems, Inc.

By _____

By _____

Dated _____

Dated _____

Letter of Understanding
Relating to Statement of Intentions

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

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

Dated October 8, 2009

Letter of Understanding
Relating to Contracting and Overtime

This Letter of Understanding is entered into between the parties concurrently with the execution of their collective bargaining agreement dated October 8, 2009. The purpose of this letter is to reflect our mutual understanding regarding the matters set out below.

The Company and SPEEA-WEU will establish a subcommittee, with the participation of the Chief Technology Officer, to discuss and seek agreement on a percentage maximum utilization of contract engineers at the Wichita facility, to be measured over reasonable time periods and to have due regard for business circumstances from time to time, including increasing activity levels and the Company’s ability to recruit direct employees.

The Company will monitor and report on a periodic basis to SPEEA-WEU on the overtime activity levels for SPEEA-WEU represented engineering employees.

We look forward to working with you on these matters.

Dated October 8, 2009

LETTER of UNDERSTANDING
Relating to Section 2.1(a)

Regarding the provisions of Section 2.1(a), it is not the Company's intent to regularly and routinely assign engineering work to managers. It is parties understanding that "from time to time" shall not apply to something that is regularly and routinely occurring.

LETTER of UNDERSTANING
Relating to Section 3.7

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

~~LETTER of UNDERSTANDING~~
~~Regarding Section 7.5~~

~~The provisions negotiated in this Agreement in Section 7.5 shall become effective after the completion of the 2015 Performance Management exercise. Until such time, the provisions of Section 7.5 in the 2009 WEU collective bargaining agreement shall remain in effect.~~

~~The JCC will review and make recommendations regarding training that would be helpful in the implementation of Section 7.5 following the completion of the 2015 Performance Management exercise.~~

~~During 2013, the JCC shall be specifically tasked with reviewing the current Spirit Operating Values set out in the Spirit AeroSystems Manager User's Guide to Performance Management in order to make recommendations to the Company concerning the incorporation of concepts of~~

~~Critical Thinking Skills, Transferable Skill Set, Flexibility, Resiliency, Adaptability, Skills Needed to Best Run the Business Function, and Skills Needed for Future Business Requirements.~~

**LETTER OF UNDERSTANDING
Regarding Section 8.1**

The parties understand that the discussions arising due to the provision of Section 8.1 may involve the sharing of highly confidential and proprietary pricing data. The Union agrees that it will maintain the strict confidentiality of such data, that it shall be subject to a non-disclosure agreement, and that the data will not be shared with others not directly participating in the Section 8.1 discussions without the prior written agreement of the Company.

**LETTER of AGREEMENT
Regarding Section 13.6**

This Letter of Understanding is entered into between the parties concurrently with the execution of their collective bargaining agreement dated October 8, 2009. The purpose of this letter is to reflect our mutual understanding regarding the matters set out below.

The Company and the Union agree that nothing in the revisions of Section 13.6(b) is intended to change the Company and the Union's current practices regarding reimbursement by the Union to the Company for time spent by employees on Union business.

Dated October 8, 2009

**~~LETTER of UNDERSTANDING
Regarding Section 17.2(c) — Tobacco Free Working Environment~~**

~~The parties agree that if Spirit implements a Tobacco Free Working Environment and stops designating exterior spaces for tobacco use during the duration of this contract, all WEU represented employees will receive credit for one half of the incentives towards the “Life Style Based Premium Incentive Plan” during the following benefits enrollment cycle.~~

**LETTER of UNDERSTANDING
Regarding Gain Sharing Plan**

Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of the Gain Sharing plan in place on the ratification date of this agreement are to remain unchanged except that employees will no longer participate after the 2018 performance period (paid in spring 2019).

~~A. The Company and the Union will make their best efforts to establish a gain-sharing plan to be implemented no earlier than 2014 (or 2013 if this Agreement is ratified in December 2012) whereby employees are rewarded for Company productivity improvements.~~

~~B. The framework for such a Plan shall include:~~

- ~~• Target performance goals will be set for each year. Each year the Company will make a good faith effort to establish reasonable goals with a realistic chance of being achieved.~~
- ~~• Target and Outstanding goals will be communicated to the as soon as they have been set by the Company. The Company will meet quarterly with Union officials to discuss the targets that have been set and the quarterly progress with regard to the attainment of the target levels. The definition of goals will be communicated to the Union as soon as they have been set at the beginning of the Plan Year. Once set, the goals may not be changed to be more difficult to achieve during the Plan Year.~~
- ~~• If the Target goal are met, employees will be paid a gain-sharing payment equal to two (2.0) percent of the employee's straight-time and overtime wages (pay for hours worked) during the calendar year. If the Outstanding goal is met, employees will be paid a gain-sharing payment equal to four (4.0) percent of the employee's straight-time and overtime wages (pay for hours worked) during the calendar year.~~
- ~~• In the Plan's first year, the target shall focus on achieving a savings equal to at least twice the total payout.~~
- ~~• As a condition to be eligible for the gain-sharing payment, the employee must be employed by the Company in the SPEEA WEU bargaining unit position on December 31st of the particular calendar year for which the gain-sharing payment is being made. Payment shall be made by March 15 of the following year.~~

Attachment A

401k

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

- All Employee and Employer contributions shall be made as soon as administratively possible after each pay period
- Employees may choose to contribute up to 50% of Base Salary, up to federal limits
- Company Contributions
 - Matching: 75% match on first 8% of employee contributions
 - Company additional contributions:

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

Transition Contributions

<u>Service at Closing</u>	<u>Contribution</u>
<u>5-9 years</u>	<u>1.5%</u>
<u>10-14 years</u>	<u>2.5%</u>
<u>15+ years</u>	<u>3.5%</u>

Contribution continues for the lesser of 15 years from June 17, 2005 or completed years of Boeing service on June 17, 2005. Effective June 18, 2019 the transition contributions shall cease for all covered employees with the final payment for earnings made no later than April 15, 2020.

Transition contributions for day 1 former Boeing employees shall continue to accrue until June 17, 2020. Effective June 18, 2020 the transition contributions shall cease for all covered employees

☐

Spirit Retirement Plan:

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

- Subject to approval by the Spirit Board of Directors, SPEEA-WEU represented employees with an accrued pension benefit in the “Frozen Pension Plan” will have the ability to voluntarily elect to receive their frozen pension benefit value as a lump sum. Such approval shall not be unreasonably withheld. It is expected that they will roll it over into their 401(k). This benefit will not require that the employee terminate their employment with Spirit.

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

Medical Plans

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

Effective July 1, 2019, the Company shall provide access to the following plans:

- Core Plan
- Enhanced Plan

- Green Plan (HSA)
- Blue Plan (HSA)
- Orange Plan (HSA)

Effective July 1, 2021, the Company shall only provide access to the following plans:

- Green Plan (HSA)
- Blue Plan (HSA)
- Orange Plan (HSA)

Core Plan – 25% premium contribution

Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of the Core plan in place on the ratification date of this agreement are to remain unchanged. Beginning July 1, 2020, the Company contribution to the Core Plan shall be capped at the Company contribution to the Green Plan. Beginning July 1, 2021, the Core Plan will no longer be offered.

Enhanced Plan – 20% premium contribution

Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of the Enhanced plan in place on the ratification date of this agreement are to remain unchanged. Beginning July 1, 2020, the Company contribution to the Enhanced Plan shall be capped at the Company contribution to the Green Plan. Beginning July 1, 2021, the Enhanced Plan will no longer be offered.

Green Plan – July 2019 17% premium, July 2020 thereafter 20% Premium Contribution July 2021 22% premium thereafter

- The individual annual deductible (in-network) will be \$1,500 for single coverage, with the family deductible two times higher. If federal minimums are raised the deductible will be raised accordingly.
- Out-of-network deductible will be two times the in-network deductible.
- Preventative prescriptions shall be allowed before deductible, subject to OOP maximums.
- Non-preventative prescriptions shall be subject to the deductible and OOP maximums.

- The coinsurance for all in network services (incl retail and mail order drugs) will be 80%/20% (60%/40% out of network)
- The annual out-of-pocket maximum shall be two times the applicable deductible for network and four times the applicable deductible for out of network services.
- The applicable annual deductible will be included in the respective annual” out-of-pocket maximum.

Blue and Orange Plans – July 2019 17% premium, thereafter 20% Premium

Contribution

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

HSA Funding:

- Effective with the first pay period after June 30, 2019 the company shall contribute 90% of the applicable deductible into the employee’s HSA for those who enroll in the Green or Blue Plan. The Orange Plan HSA will be funded the same as the Blue Plan HSA.
- Effective with the first pay period after June 30, 2020 the company shall contribute 70% of the applicable deductible into the employee’s HSA for those who enroll in the Green or Blue Plan. The Orange Plan HSA will be funded the same as the Blue Plan HSA.

- Effective with the first pay period after June 30, 2021 the company shall contribute 60% of the applicable deductible into the employee's HSA for those who enroll in the Green or Blue Plan. The Orange Plan HSA will be funded the same as the Blue Plan HSA.
- Effective with the first pay period of each plan year thereafter, the company shall contribute 50% of the Green or Blue Plan's applicable deductible into the employee's HSA. The Orange Plan HSA will be funded the same as the Blue Plan HSA.
- The company shall permit employees the ability to make HSA contributions via payroll deduction.

Direct Primary Care

Spirit will provide employees with access to Direct Primary Care (DPC) services. DPC is an optional health care delivery model structured to improve health outcomes, lower costs, and provide an enhanced patient care experience. This will be an optional network, which employees may choose when completing annual enrollment activities beginning in the 2019/2020 benefit year. Employees who elect to participate in the DPC network will receive a 3% reduction in premium in the 2019/2020 year, and a 5% reduction in the premium contributions thereafter.

In order to preserve the health savings account (HSA) benefits and give employees the best of both the traditional and DPC models, where permitted by law, the DPC network shall have unlimited free primary care, unlimited free coverage for minor procedures (as defined by the DPC) and a listing of free generic drugs; where not permitted by law, the DPC clinic shall charge the lowest reasonable fee for the services and/or prescriptions provided.

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

Retiree Medical

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

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

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

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

Healthy Spirit Activities

The Healthy Spirit discounts will no longer apply after June 30, 2019.

Dental Benefits

The company shall offer the current Premier plan, the standard plan and the Basic Plus plan. Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of the Dental plans in place on the ratification date of this agreement are to remain unchanged with the exception of the following amendments:

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

Voluntary Vision Benefits

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

Safety Glasses

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

Flexible Spending Accounts:

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

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

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

Company Paid Life Insurance

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

Optional Supplemental Life Insurance

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

Company Paid Short Term Disability

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

Company Paid Long Term Disability

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

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

Accidental Death and Dismemberment

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

Company Paid Business Travel Accident (BTA)

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

Critical illness benefit

Except as the parties may otherwise agree pursuant to any Letter of Understanding, as well as any changes required by applicable law, all provisions of Critical Illness Plan currently in place are to remain unchanged.

Attachment A **WEU Represented Employees**

Savings/401(k) Plan									
Employee Contributions	Up to 50% of Base Salary, up to federal limits								
Matching Contributions	75% match on first 8% of employee contributions (per pay period)								
Additional Contributions (Contributions will be made no later than April 15 th of the applicable year)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;"><u>Age + Service*</u></td> <td style="text-align: center; border-bottom: 1px solid black;"><u>Contribution</u></td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;"><60</td> <td style="text-align: center; border-bottom: 1px solid black;">1.5%</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">>60 but <80</td> <td style="text-align: center; border-bottom: 1px solid black;">3.0%</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">>80</td> <td style="text-align: center; border-bottom: 1px solid black;">4.5%</td> </tr> </table>	<u>Age + Service*</u>	<u>Contribution</u>	<60	1.5%	>60 but <80	3.0%	>80	4.5%
<u>Age + Service*</u>	<u>Contribution</u>								
<60	1.5%								
>60 but <80	3.0%								
>80	4.5%								
Transition Contributions** (Contributions will be made no later than April 15 th of the applicable year)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;"><u>Service at Closing</u></td> <td style="text-align: center; border-bottom: 1px solid black;"><u>Contribution***</u></td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">5-9 years</td> <td style="text-align: center; border-bottom: 1px solid black;">1.5%</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">10-14 years</td> <td style="text-align: center; border-bottom: 1px solid black;">2.5%</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">15+ years</td> <td style="text-align: center; border-bottom: 1px solid black;">3.5%</td> </tr> </table>	<u>Service at Closing</u>	<u>Contribution***</u>	5-9 years	1.5%	10-14 years	2.5%	15+ years	3.5%
<u>Service at Closing</u>	<u>Contribution***</u>								
5-9 years	1.5%								
10-14 years	2.5%								
15+ years	3.5%								
Vesting: Employee Contributions	100% Immediate								
Matching Contributions	100% Immediate								
Additional Contributions	25% after 2 years, 50% after 3 years, 75% after 4 years and 100% after 5 years of service, separation at or after normal retirement age or terminates employment due to Total and Permanent Disability.**								
Transition Contributions	100% at completion of 3 years of service (Spirit service only); separation at or after normal retirement age or termination of employment due to Total and Permanent Disability.**								
Pay Definition	Base salary								
Payout Options	Lump sum Installment payout Direct Rollover								
	* Service includes employee's years of vesting service earned at Boeing and Spirit. ** Transition Contributions are provided only to employees hired on June 17, 2005. Boeing retirees are not eligible for Transition								

	<p style="text-align: center;">Contributions-</p> <p>***Contribution continues for the lesser of 15 years or completed years of Boeing service at the Closing Date (June 17, 2005).</p>
Spirit Retirement Plan	
Normal Retirement Benefit	Accrued benefit determined under Boeing Company Employee Retirement Plan (BCERP) and Pension Value Plan (PVP) as of the Closing Date (June 17, 2005).
Early Retirement	Early retirement provisions under BCERP/PVP as in effect on the Closing Date (June 17, 2005), applicable to frozen accrued benefit. Early retirement eligibility determined based on Spirit service plus service earned for retirement eligibility under BCERP/PVP through the Closing Date (June 17, 2005).
Payout Options	Same options as available to BCERP/PVP participants as of the Closing Date (June 17, 2005).
Medical	
Plan Design	Two plans, Core and Enhanced
Employee Premium Contribution	<p>All Years: Current Contribution continues until 7/1/13</p> <p>Core—15% of medical premium cost—7/1/12 to 6/30/14 16% of medical premium cost—7/1/14 to 6/30/15 18% of medical premium cost—7/1/15 to 6/30/16 20% of medical premium cost—7/1/16 to 6/30/18</p> <p>Enhanced—5% of medical premium cost beginning on 7/1/13. Company and Union are committed to reviewing plan design and other cost savings through the JCC to achieve the lowest total premium</p> <p>Premium contribution moving up by 1% on each plan year anniversary if premium cost on the low cost option (CCP) increases by more than 10% over the prior year.</p>
Contribution to FSA	Employees contribute at own discretion up to plan maximum, which will be the greater of \$4,500 or the Federal Maximum.
Dental	
Plan Design	Refer to Plan Summary
Employee Premium Contribution	Free from premium contributions for employees and their eligible dependents.
Vision	
Plan Design	Refer to Plan Summary
Employee Premium Contributions	Included in medical plan.
Retiree Medical	
Retire at Age 62 & 10 Years of service, if a former Boeing employee hired by Spirit on June 17, 2005.	Same medical benefit options and employee cost as provided to active employees. Employees with at least 10 years of service who are laid off by Spirit up to 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon reaching age 62.

	Subsidized coverage will be provided until the earlier of age 65 or Medicare eligibility. Subsidized retirees (not Medicare eligible) upon turning age 65 will become eligible for Access only retiree medical coverage to Medicare eligibility.
Retire at Age 55 & 10 Years of service	Same medical benefit options as active employees; retiree pays full cost of benefits (based on retired population costs). Employees with at least 10 years of service who are laid off by Spirit up to 30 months prior to meeting eligibility for this benefit will be eligible for this benefit upon reaching age 55. Upon retiree election, coverage will continue up to Medicare eligibility.
Ancillary Benefits (2080 hrs/yr)	
Company Paid Life Insurance	1.25 times annual base wage
Optional Life Insurance	Additional benefit is available on an employee pay all basis
Company Paid Short Term Disability	The plan will pay 80% of weekly base wage for weeks 2—13 and 60% of weekly base wage for weeks 14—26, irrespective of ETO balance.
Company Paid Long Term Disability	40% of base monthly wage up to a maximum of \$5,000 per month following a 26 week elimination period.
Optional Long Term Disability	Additional 20% benefit (\$2,500 monthly maximum) is available on an employee pay all basis
Company Paid AD&D	2 times annual base wage
Company Paid Business Travel Accident	2 times annual base wage

Core Plan Benefits at a Glance

1/1/2012

Benefit Summary	In-Network	Self—Referral
Deductible		
Individual	None	\$600
Employee+1 (Employee & Spouse or Employee & Child(ren))	None	\$1,200
Family	None	\$1,800
Annual Out of Pocket (OOP) Maximum (does NOT include deductible)		
Individual	N/A	\$1,500
Employee+1 (Employee & Spouse or Employee & Child(ren))	N/A	\$2,250
Family	N/A	\$3,000
Outpatient Care		
Surgery/Diagnostic Tests/X-Rays	\$0 or \$25 copay*	60% after deduct
Physician Office Visit	\$0 or \$20 copay*	60% after deduct
Inpatient Care		
Hospital Room & Board	\$100	60% after deduct
Physician Services	100%	60% after deduct
Emergency Room & Ambulance		

Emergency Room (waived if admitted)	\$50 copay	\$50—outside service area
Ambulance or other emergency related charges	\$20 copay	\$20 copay
Mental Health/Chemical Dependency		
Inpatient—		
Hospital Room and Board	\$100 Copay	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	100% Covered	60% after deduct
Physician Services	100% Covered	60% after deduct
Outpatient		
Physician Office Visit	\$0 or \$20 copay	60% after deduct
Other		
Home Health Care/Private Duty Nursing— \$10,000 annual max	\$20 per visit	60% after deduct
Maternity		
Initial Visit	\$20 Copay*	60% after deduct
Pre-Natal Visits After Initial Visit	\$0	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	\$100 Copay*	60% after deduct
Post-Natal Visits	\$0	60% after deduct
Therapy		
Occupational/Physical Therapy	\$20	60% after deduct
Speech Therapy	\$20	60% after deduct
Chiropractic Care	\$20	60% after deduct
Preventative	100%	Not Covered
Pharmacy		
In Network		
Out-of-Network		
Retail (30-day supply)		
Generic (mandatory chemically equivalent generic)	\$8 copay (\$5 with special network)	100% of allowed amount after copay
Formulary	\$15 copay	100% of allowed amount after copay
Non-Formulary	\$30 copay	100% of allowed amount after copay
Mail Order (90-day supply)		
Generic (mandatory chemically equivalent generic)	\$16 copay (\$10 with special network)	Not Covered
Formulary	\$30 copay	Not Covered
Non-Formulary	\$60 copay	Not Covered

Enhanced Plan (CDHP)

Benefits at a Glance

1/1/2012

Benefit Summary	In-Network	Out-of-Network
Deductible (In and Out of Network accumulate separately)		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,750	\$3,500
Family	\$2,500	\$5,000
Employer Funded Personal Care Account		
Individual	—————\$500	
Employee+1 (Employee & Spouse or Employee & Child(ren))	—————\$1,000	
Family	—————\$1,500	
Annual Out of Pocket (OOP) Maximum <i>(does NOT include deductible or copays, In and Out of Networks are separate)</i>		
Individual	\$1,000	\$2,000
Employee+1 (Employee & Spouse or Employee & Child(ren))	\$1,500	\$3,000
Family	\$2,000	\$4,000
Outpatient Care		
Surgery/Diagnostic Tests/X-Rays	90% after deduct	60% after deduct
Physician Office Visit	90% after deduct	60% after deduct
Inpatient Care		
Hospital Room & Board	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
Emergency Room & Ambulance		
Emergency Room	90% after deduct	90% after deduct— outside service area
Ambulance or other emergency related charges	90% after deduct	90% after deduct
Mental Health & Chemical Dependency		
Inpatient—		
Hospital Room and Board	90% after deduct	60% after deduct
Diagnostic Tests/X-Rays/Physician Services	90% after deduct	60% after deduct
Physician Services	90% after deduct	60% after deduct
Outpatient		
Physician Office Visit	90% after deduct	60% after deduct
Other		
Home Health Care/Private Duty Nursing— \$10,000 annual max	————90% after deduct	
Maternity		
Initial Visit	90% after deduct	60% after deduct
Pre Natal Visits After Initial Visit	90% after deduct	60% after deduct
Delivery/Hospital Services/Doctor Visits While in Hospital	90% after deduct	60% after deduct
Post-Natal Visits	90% after deduct	60% after deduct

Therapy		
Occupational/Physical Therapy	90% after deduct	60% after deduct
Speech Therapy	90% after deduct	60% after deduct
Chiropractic Care	90% after deduct	60% after deduct
Preventive	100%	Not Covered
Pharmacy	In-Network	Out-of-Network
Retail (30-day supply)		
Generic (mandatory chemically equivalent generic)	\$10 (\$7 copay for special network)	100% of allowed amount after copay
Formulary	\$20	100% of allowed amount after copay
Non-Formulary	\$35	100% of allowed amount after copay
Mail Order (90-day supply)		
Generic (mandatory chemically equivalent generic)	\$25 (\$17 copay for special network)	Not Covered
Formulary	\$50	Not Covered
Non-Formulary	\$85	Not Covered

~~Dental Benefits at a Glance~~

Benefit Summary	In-Network	Out-of-Network
Deductible	\$50	\$100
Annual Benefit Maximum per Individual	\$2,000	\$2,000
Coinsurance		
Preventative (deductible waived in network)	100%	80%
Basic	80%	70%
Major	50%	50%
Orthodontia		
Coinsurance	50%	50%
Lifetime Maximum	\$1,750	\$1,750

~~e – Incentive Plan In-Network~~

~~Vision Benefits at a Glance~~

Benefit Summary	In-Network	Out-of-Network
Exam – Limited to one exam per Benefit Period	\$20	Deductible and coinsurance
Hardware – Limited to one pair of lenses/frames or contact lenses per Benefit Period.		
Frames		\$82
Lenses:		
Single		\$78
Bifocal		\$160
Progressive		\$190
Trifocal		\$190
Lenticular		\$215
Contacts		\$210

~~The Company will continue to provide a personal (portable) critical illness benefit for the duration of the Agreement. In general terms, the Plan will include (the Plan document will govern):~~

- ~~○ \$15,000 Benefit~~
- ~~○ Portable~~
- ~~○ Covers :~~
 - ~~▪ Cancer~~
 - ~~▪ Carcinoma in SITU~~
 - ~~▪ Heart Attack~~
 - ~~▪ Coronary Artery Bypass Surgery~~
 - ~~▪ Stroke~~
 - ~~▪ Major Organ Transplant~~
 - ~~▪ Renal Failure~~