

**COLLECTIVE BARGAINING AGREEMENT**

**As Of June 26, 2010**

**Between**

**SPIRIT AEROSYSTEMS, INC.**

**and**

**INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS, AFL-CIO**

**and**

**DISTRICT LODGE 70 and LOCAL LODGE 839**



## TABLE OF CONTENTS

<b>PREAMBLE</b> .....	9
Cooperative and Collaborative Relationship .....	9
Regular Meetings .....	9
<b>PREFACE</b> .....	10
Company and Union Cooperation .....	10
<b>CONTRACT REAFFIRMANCE</b> .....	10
<b>ARTICLE 1 - BARGAINING UNIT</b> .....	11
Section 1.1. Union Recognition .....	11
Section 1.2. Employees Assigned Away from Primary Location - Unit Identification .....	11
Section 1.3. Data Reports .....	11
<b>ARTICLE 2 - PAYROLL DEDUCTION FOR UNION DUES</b> .....	12
Section 2.1. Payroll Deduction for Initiation Fees, Union Dues and Equivalent Service Fees .....	12
Section 2.2. Contributions to Machinists; Nonpartisan Political League .....	12
Section 2.3. Contributions to Guide Dogs of America .....	13
Section 2.4. Employee Benefits Systems Agreement (EBS) .....	13
Section 2.5. Indemnity .....	13
<b>ARTICLE 3 - UNION OFFICIALS</b> .....	13
Section 3.1. Union to Furnish List of Stewards .....	13
Section 3.1(a) Stewards .....	14
Section 3.1(b) Stewards/Layoff .....	14
Section 3.1(c) Steward/Status .....	15
Section 3.2. Business Representatives - Access to Plants .....	15
Section 3.3. Grand Lodge Representative - Access to Plants .....	15
Section 3.4. Conditions Relating to Access to Plants .....	15
Section 3.5. Union Activity During Working Hours .....	16
Section 3.6. Departure from Work Assignment by Stewards to Investigate Complaints or Claims of Grievance .....	16
Section 3.7. Departure from Work for Union Business .....	17
Section 3.8. Union Interview of New Employees .....	17
Section 3.9. Security Clearances .....	18
<b>ARTICLE 4 - RIGHTS OF MANAGEMENT</b> .....	19
Section 4.1. Management of Company .....	19

## TABLE OF CONTENTS

<b>ARTICLE 5 - JOB CLASSIFICATIONS AND WAGES</b> .....	19
Section 5.1. Job Classifications .....	19
Section 5.2. Definitions .....	19
Section 5.3. Jobs Committee .....	20
Section 5.4. Wages .....	21
Section 5.5. Rate Range and Wage Increases .....	21
Section 5.6. Performance Bonus .....	21
Section 5.7. Job Progression Increases .....	23
Section 5.8. Long-Term Rewards .....	23
Section 5.9. Team Leader .....	24
Section 5.10. Cost of Living Lump Sum Payment .....	27
Section 5.11. Garnishments .....	29
Section 5.12. Wage Payment Basis .....	29
Section 5.13. New Assignments .....	29
Section 5.14. Base Rates After Reclassifications .....	29
Section 5.15. Rate Retention .....	30
Section 5.16. Recalls from Layoff .....	30
Section 5.17. Returns from Leave of Absence .....	31
Section 5.18. Gain Sharing Plan .....	31
<b>ARTICLE 6 - HOURS OF LABOR</b> .....	33
Section 6.1. Regular Hours .....	33
Section 6.2. Variable/Alternative Work Schedules .....	35
Section 6.3. Variable Work Schedule Procedures .....	36
Section 6.4. Shift Premiums .....	40
Section 6.5. Work Schedule Premiums .....	41
Section 6.6. Shift Preference .....	41
Section 6.7. Overtime Rate .....	42
Section 6.8. Reporting Pay .....	43
Section 6.9. Call Back Pay .....	43
Section 6.10. Overtime Scheduling .....	43
Section 6.11. Paydays .....	47
<b>ARTICLE 7 - GRIEVANCE PROCEDURE AND ARBITRATION</b> ...	47
Section 7.1. Establishment of Grievance and Arbitration	47
Procedure .....	47
Section 7.2. Employee Grievances .....	47
Section 7.3. Dismissals, Suspensions, Layoffs, Etc .....	49

## **TABLE OF CONTENTS**

Section 7.4.	Union Versus Company and Company Versus Union Grievances .....	50
Section 7.5.	Retroactive Compensation .....	50
Section 7.6.	Selection of Arbiter - By Agreement .....	50
Section 7.7.	Selection of Arbiter - From Arbitration Panel .....	51
Section 7.8.	Procedure Where Permanent Panel Arbiter Not Available .....	51
Section 7.9.	Arbitration - Rules of Procedure .....	51
Section 7.10.	Extension of Time Limits by Agreement .....	52
Section 7.11.	Agreement Not to be Altered .....	52
Section 7.12.	Conferences During Working Hours .....	53
Section 7.13.	Business Representative, When Not Available, May Authorize Designee .....	53
Section 7.14.	Signing Grievance Does Not Concede Arbitrable Issue .....	53
Section 7.15.	Union Jurisdictional Claims .....	53
Section 7.16.	Steward-Manager Training .....	54
<b>ARTICLE 8 - LEAVES OF ABSENCE, BEREAVEMENT, JURY/WITNESS DUTY .....</b>		<b>55</b>
Section 8.1.	Authorized Leaves of Absence .....	55
Section 8.2.	Leave of Absence Condition .....	55
Section 8.3.	Military Leave of Absence .....	55
Section 8.4.	Bereavement Leave .....	56
Section 8.5.	Jury/Witness Duty .....	56
Section 8.6.	Return from Leave of Absence .....	57
Section 8.7.	Reinstatement Following a Medical Termination ...	58
<b>ARTICLE 9 - SENIORITY .....</b>		<b>58</b>
Section 9.1.	Accumulation of Seniority .....	58
Section 9.2.	Loss of Seniority .....	60
Section 9.3.	Reinstatement of Seniority Lost by Reason of Duration of Layoff .....	60
Section 9.4.	Nature of Seniority Rights .....	61
Section 9.5.	Transfer to Management .....	61
Section 9.6.	Elected/Appointed to Union Office .....	61
Section 9.7.	Employees on Overseas Assignment .....	62
Section 9.8.	Probationary Period .....	62

## TABLE OF CONTENTS

<b>ARTICLE 10 - HOLIDAYS</b> .....	62
Section 10.1. Dates Observed .....	62
Section 10.2. Un-worked Holidays .....	68
Section 10.3. Worked Holidays .....	68
Section 10.4. Holidays During Vacation .....	68
Section 10.5. Employees on Non-Regular Workweek .....	68
Section 10.6. Employees on Third Shift .....	68
<b>ARTICLE 11 - VACATION AND SICK LEAVE</b> .....	69
Section 11.1. General Description of Credit .....	69
Section 11.2. Computation of Credit .....	69
Section 11.3. Eligibility to Use Credit .....	70
Section 11.4. Use of Credit .....	70
<b>ARTICLE 12 - GROUP INSURANCE and RETIREMENT PLANS</b>	
<b>Synopsis of New Benefit Plans for IAM Represented Employees</b>	
<b>Medical and Dental Plan Options</b>	
Two Medical Plan Options Available through PHS .....	74
Coordinated Care (CORE) Plan (CCP) .....	75
CCP Prescription Coverage .....	75
Consumer Directed (Enhanced) Health Plan (CDHP) .....	75
CDHP Prescription Coverage .....	76
Medical Plan Monthly Contributions 8/1/2010 thru 6/30/2011 ..	77
Two Dental Plan Options Available .....	77
Dental Plan Monthly Contributions 8/1/2010 thru 6/30/2011 ...	77
Health Care and Dependent Care Spending Accounts .....	77
Welfare Coverage (includes) - Weekly Disability, Basic Life Insurance, Supplemental Life Insurance, Basic AD&D, Supplemental AD&D and Business Travel Accident Insurance .....	78
Retirement and Savings .....	78
Retiree Medical .....	79
<b>Benefits at a Glance</b>	
Coordinated Care (CORE) Plan .....	84
Consumer Directed (Enhanced) Plan .....	88
Dental HMO (Premier) Plan .....	92
Dental PPO (Preferred) Plan .....	93
<b>ARTICLE 13 - HEALTH AND SAFETY</b> .....	93
Section 13.1. Mutual Objective .....	93
Section 13.2. Health and Safety in the Workplace .....	93

## TABLE OF CONTENTS

Section 13.3.	Joint Programs .....	94
Section 13.4.	Drug and Alcohol-Free Workplace .....	95
Section 13.5.	First Aid/Personal Protective Equipment .....	95
Section 13.6.	Joint Committee on Health Care Cost & Quality ...	96
<b>ARTICLE 14 - MISCELLANEOUS</b>	.....	98
Section 14.1.	Inventions .....	98
Section 14.2.	Sabotage .....	98
Section 14.3.	Investigatory Interviews .....	98
Section 14.4.	Bulletin Boards .....	99
Section 14.5.	No Discrimination .....	99
Section 14.6.	Subcontracting .....	100
Section 14.7.	Masculine - Feminine References .....	101
Section 14.8.	Technology .....	101
Section 14.9.	High Performance Work Organization .....	101
Section 14.10.	Career Development .....	102
<b>ARTICLE 15 - STRIKES AND LOCKOUTS</b>	.....	103
Section 15.1.	Strikes and Lockouts .....	103
<b>ARTICLE 16 - WORKFORCE</b>	.....	103
Section 16.1.	Lateral Transfers and Change in Classifications	103
Section 16.2.	Promotion .....	104
Section 16.3.	Layoff .....	105
Section 16.4.	Temporary Layoffs .....	105
Section 16.5.	Recall .....	105
Section 16.6.	Recalls from Layoff .....	105
Section 16.7.	Layoff Notice .....	107
Section 16.8.	Accelerated Layoff .....	107
Section 16.9.	Downgrade .....	107
Section 16.10.	Emergency Classifications .....	108
Section 16.11.	Temporary Promotion .....	108
<b>ARTICLE 17 - JOB SECURITY, JOINT PARTNERSHIP AND SPECIFIC SUBJECT MATTER COMMITTEES, WORKPLACE STEWARD-MANAGER PARTNERSHIP, SUCCESSORSHIP</b>	.....	109
Section 17.1.	Job Security .....	109
Section 17.2.	Joint Partnership and Specific Subject Matter Committees .....	111
Section 17.3.	Workplace Steward-Manager Partnership .....	112

**TABLE OF CONTENTS**

Section 17.4. Successorship ..... 113  
**ARTICLE 18 - PENSIONS** ..... 114  
**ARTICLE 19 - 401(K) PLAN** ..... 115  
**ARTICLE 20 - DURATION** ..... 117  
Section 20.1. Duration/Notification ..... 117  
**ARTICLE 21 - SCOPE OF AGREEMENT** ..... 118  
Section 21.1. Complete Agreement ..... 118  
Section 21.2. Severability ..... 118  
**SCHEDULE A** ..... 120

**MEMORANDUM OF UNDERSTANDING**

#1 Hard Rights List ..... 122  
#2 Emergency Classification, Section 16.10. .... 123  
#3 Early Retirement Incentive ..... 124  
#4 Exception Request to Shift Preference, Section 6.6. .... 125  
#5 In-Line Promotion Process, Section 6.2. .... 127

1



1 **PREAMBLE**

2  
3 THIS AGREEMENT, dated as of the 26th day of June 2010, is made  
4 and entered into by and between Spirit AeroSystems, Inc.  
5 (hereinafter referred to as "the Company"), and the International  
6 Association of Machinists and Aerospace Workers, AFL-CIO and its  
7 District 70 and Local Lodge 839 (hereinafter referred to jointly as  
8 "the Union").

9  
10 **Cooperative and Collaborative Relationship**

11 The Company and the Union believe that a relationship built on  
12 cooperation and collaboration is beneficial to the company and its  
13 employees. This Preamble describes the processes that have been  
14 put in place to further this cooperative and collaborative  
15 relationship. It is agreed that the Company and the Union may  
16 discuss suggestions, issues, or other matters either party wishes to  
17 present, provided that neither party shall be bound to act upon any  
18 item presented or modify or change any provision of this Agreement.

19  
20 **Regular Meetings**

21 To further this cooperation and collaboration, the parties shall meet  
22 regularly to discuss and brief each other on issues and concerns  
23 that may affect the overall efficiency of the plant and the well-being  
24 of the members of the IAM bargaining unit.

25  
26 Quarterly, the Company shall brief the Directing Business  
27 Representative, any Business Representatives appointed by the  
28 Union to work with the Company, the Local Lodge President, and  
29 Union In-Plant Representatives on the Company's general economic  
30 status.

31  
32 Quarterly, an Executive Level representative of the Company shall  
33 brief all 1<sup>st</sup> level Managers, Union Stewards and Team Leaders on  
34 the general state of the Company.

1  
2 **PREFACE**  
3

4 **Company and Union Cooperation**

5 The Company and the Union have committed to jointly develop an  
6 interdependent, mutually beneficial partnership in order to achieve  
7 the highest levels of quality and productivity possible. This  
8 partnership is based on a commitment to create a new era in labor-  
9 management relations. The key goals of the partnership are to  
10 improve participation, flexibility, productivity, quality and the  
11 financial performance of the Company while enhancing earning  
12 opportunities, long-term employment, job satisfaction and safety for  
13 employees.  
14

15 The parties recognize that achieving this partnership will involve  
16 people in all parts of the Company in problem-solving and decision-  
17 making processes to a far greater extent than in the past. The IAM  
18 and Spirit AeroSystems recognize their collective responsibility to  
19 contribute to the success of the Company and the establishment of  
20 a positive work environment.  
21

22 The parties also understand that in a long-term cooperative  
23 relationship of this nature, developments may arise that neither  
24 party anticipated. In such circumstances, it may be in everyone's  
25 best interest to modify specific terms in this Agreement. The parties  
26 agree to approach such discussions with the utmost good faith in  
27 order to find solutions best for all. This Agreement has been  
28 constructed so as to maximize the likelihood of realizing these  
29 objectives in regard to the intent and spirit of this Agreement.  
30  
31

32 **CONTRACT REAFFIRMANCE**

33 The Company and the Union agree and commit that they will, on  
34 the day of the third, sixth, and ninth anniversary of this Agreement,  
35 or such other date as either party requests, mutually sign and  
36 execute a written amendment to this Agreement, which expressly  
37 reaffirms this Agreement for its remaining stated term.  
38  
39  
40

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**ARTICLE 1**  
**BARGAINING UNIT**

13  
14

**Section 1.1. Union Recognition**

15 The Company recognizes the International Association of Machinists  
16 and Aerospace workers, AFL-CIO District 70 and Local Lodge 839 as  
17 the sole and exclusive bargaining agent for all employees working in  
18 the production and maintenance classifications, excluding  
19 classifications currently represented by other bargaining units,  
20 employed by the Company at its Wichita, Kansas facility.  
21

22  
23  
24

**Section 1.2. Employees Assigned Away From Primary Location-Unit Identification**

25 It is recognized that the Company's business for the foreseeable  
26 future will require the establishment and maintenance, or continued  
27 maintenance of temporary or semi-permanent operations in various  
28 locations in North America and the islands related thereto and in  
29 each such instance where a designated Remote Location is involved,  
30 it is the intent of this Agreement that, subject to any further or  
31 supplemental agreement of the parties on the matter, employees  
32 that are assigned to work at such location shall be considered as  
33 remaining or being within the collective bargaining unit identified  
34 with the Primary Location of the Company that originally set up the  
35 work force identified with the business being conducted by the  
36 Company at such location; with the exception that in the case of  
37 employees at such location who are there by reason of temporary  
38 assignment from some Primary Location other than the one  
39 originally setting up such work force, the latter employees shall  
40 while on such temporary assignment continue to be identified with  
the collective bargaining unit at the Primary Location from which  
they were so assigned.

41  
42

**Section 1.3. Data Reports**

43 The Company will provide those data reports to the Union similar to  
44 what was provided in the past, subject to such revisions in the  
45 future as may be made by mutual agreement of the parties.  
46  
47  
48  
49  
50

1  
2 **ARTICLE 2**  
3 **PAYROLL DEDUCTION FOR UNION DUES**  
4

5 **Section 2.1. Payroll Deduction for Union Dues, Initiation Fees**  
6 **and Equivalent Service Fees**

7 The Company shall make payroll deductions for the Union's  
8 initiation fee as well as its regular and usual monthly dues or  
9 equivalent service fees, upon receipt by the office designated by the  
10 Company of a voluntary written assignment from the employee  
11 covering such deductions. The list of such deductions will be  
12 itemized to include each employee's permanent employee number,  
13 name, and amount of deduction, and such itemization will be  
14 forwarded to the Union. The Union dues or equivalent service fees  
15 shall be collected biweekly. Such dues or fees shall be remitted by  
16 the fifth (5) of each month. A list of the members or fee payers from  
17 whom dues or fees were collected shall be attached to the report  
18 given to the Union with the remittance. The initiation fee or regular  
19 and usual monthly dues or equivalent service fees shall either be in  
20 amounts that are specified on such assignments, or pursuant to a  
21 written formula, submitted by the Union to the Company which, in  
22 either case, the Company has approved in writing in advance as  
23 being administratively practicable. In no circumstances shall the  
24 Company be held liable for the payment of any dues or fees to the  
25 Union except as have been deducted in accordance with this  
26 Section. The Company agrees to recognize all current and new  
27 authorization cards on file.

28  
29 **Section 2.2. Contributions to Machinists; Nonpartisan Political**  
30 **League**

31 Upon receipt by the Company of a signed voluntary authorization by  
32 an employee, on a form approved by the Company, requesting that  
33 there be deductions made from his wages, in a monthly amount  
34 designated by the employee, such deductions to be forwarded to the  
35 Union for use by the Machinist's Nonpartisan Political League, the  
36 Company will thereafter make such deductions and forward them to  
37 the Machinists' Nonpartisan Political League, care of the Union.  
38 Such authorization will remain in effect for the duration of this  
39 Agreement, unless earlier canceled in writing by the employee.  
40

1  
2 **Section 2.3. Contributions to Guide Dogs of America**

3 Upon receipt by the Company of a signed voluntary authorization by  
4 an employee, on a form approved by the Company, requesting that  
5 deductions be made from his wages, in a monthly amount  
6 designated by the employee, such deductions to be forwarded to the  
7 Union for use by Guide Dogs of America, the Company will  
8 thereafter make such deductions and forward them to Guide Dogs  
9 of America, care of the Union. Such authorizations will remain in  
10 effect for the duration of this Agreement, unless earlier canceled in  
11 writing by the employee.  
12

13 **Section 2.4. Employee Benefit Systems Agreement (EBS)**

14 This Agreement acknowledges that the Company has agreed to allow  
15 the International Association of Machinist and Aerospace Workers to  
16 offer the Machinists Custom Choices Worksite Benefits program of  
17 supplemental insurance benefits to their employees in the  
18 bargaining unit through their designated agent, Employee Benefit  
19 Systems, Inc. (EBS). Members will be given an opportunity to spend  
20 up to fifteen minutes with an EBS Counselor at the worksite during  
21 normal working hours, once per year. Further, the Company will  
22 honor payroll deduction requests and make payments to the  
23 underwriting insurance companies for supplemental life, cancer and  
24 long term disability insurance. All policyholder service will be  
25 provided by the underwriter and Employee Benefit Systems, Inc.  
26

27 **Section 2.5. Indemnity**

28 The Union will indemnify and hold the Company harmless from and  
29 against any and all claims, demands, charges, complaints or suits  
30 instituted against the Company which are based on or arise out of  
31 any action taken by the Company in accordance with or arising out  
32 of the foregoing provisions of this Article 2.  
33

34 **ARTICLE 3**  
35 **UNION OFFICIALS**  
36

37 **Section 3.1. Union to Furnish List of Stewards**

38 The Union may designate one (1) employee as a steward for each  
39 one hundred (100) employees, or fraction thereof, for each shift in  
40 each shop. In instances where a shop has a unit geographically

1 separated from its main location, the Union may also designate a  
2 steward for each such separate unit for each shift provided that  
3 such unit consists of a minimum of four (4) employees, is not  
4 adjacent to the shop's main location and is not established on a  
5 temporary short-term basis; notwithstanding Section 3.1(a), when  
6 such unit drops below four (4) employees, no employee in such unit  
7 shall have steward status. If a geographically separated unit of a  
8 shop does not have a separate steward, arrangements will be made  
9 to permit employees in such unit to contact a steward upon request.  
10 In the absence of the regular steward for any reason, the Union may  
11 designate a temporary steward to act for the regular steward. Such  
12 designation shall be in writing. For the purpose of this Article 3, a  
13 shop shall be defined as any organization, geographically separated  
14 unit, or grouping of employees which the parties establish in  
15 advance by mutual agreement.

### 16 17 **3.1(a) Stewards**

18 An employee while serving as a Steward shall not be laid off,  
19 transferred or loaned from his job classification or his shop, or  
20 his shift so long as other employees remain in his job  
21 classification, and in the shop, and on the shift for which he is  
22 designated as Steward. If he/she is not eligible so to remain in  
23 his/her job classification, he/she will be offered a downgrade to  
24 the highest labor level job classification within his/her normal  
25 line of promotion which is then being utilized in the shop and  
26 on the shift for which he/she is designated as Steward. If  
27 he/she declines such a downgrade or if he/she is relieved of  
28 his/her Stewards status prior to such downgrade action,  
29 he/she will then be subject to normal surplusing procedures as  
30 provided in Section 16.3.

### 31 32 **3.1(b) Stewards/Layoff**

33 Stewards will be promoted and recalled from layoff on the same  
34 basis as provided in Section 16.5 for other employees, except  
35 that in the event a shift in a shop is deactivated and is  
36 reactivated by the Company within one hundred twenty (120)  
37 calendar days after such deactivation, the former Steward will  
38 be offered an opportunity to return to that shop and shift  
39 provided the Company determines to utilize the Steward's  
40 former job classification or a lower level in the same job



1 classification in such shop and on such shift within such one  
2 hundred twenty (120) calendar day period, and further  
3 provided that the former Steward has not been replaced as a  
4 Steward by the Union in the interim.

### 5 6 **3.1(c) Steward/Status**

7 A Steward will retain his/her Steward status while on approved  
8 medical leave of absence for a maximum of one hundred eighty  
9 (180) calendar days, provided that he/she has not been  
10 replaced as a Steward by the Union prior to expiration of such  
11 leave.

### 12 13 **Section 3.2. Business Representatives – Access to Plants**

14 The Company shall provide identification badges so that each  
15 Business Representative can have access during working hours to  
16 the area in which employees are assigned who are within the  
17 bargaining unit as defined in this agreement and for which area he  
18 is an accredited Business Representative, to the extent government  
19 or customer regulations will permit. The Business Representative  
20 may retain the badge affording such access during the period he is  
21 so assigned as a Business Representative.

### 22 23 **Section 3.3. Grand Lodge Representatives – Access to Plants**

24 Grand Lodge Representatives will be permitted access during  
25 working hours to areas in the Company's facilities where employees  
26 in the bargaining unit defined in this agreement are assigned, for  
27 the purpose of conducting Union business to the extent government  
28 or customer regulations permit.

### 29 30 **Section 3.4. Conditions Relating to Access to Plants**

31 Access of Union representatives to Company facilities for the  
32 purpose of investigating complaints or claims of grievance on the  
33 part of employees or the Union shall be subject to the following:

34 A. The Company shall be required to admit only those accredited  
35 Business Representatives who are being admitted as of the  
36 effective date of this Agreement, and such other Business  
37 Representatives as may be accredited by the Union as provided  
38 in Section 3.2 above.

39 B. Business Representatives and Grand Lodge Representatives  
40 who are entitled under Sections 3.2 and 3.3 to admittance to

1 the Company's facilities shall sign in where required through  
2 the Company-designated organization at the plant or facility  
3 they desire to enter. Upon being admitted, they shall proceed  
4 to the shop or organization they wish to visit, contact the  
5 supervisor then present, inform him of the purpose of their  
6 visit and obtain his permission prior to contacting any  
7 employee in such shop or organization. Such permission will  
8 be granted except where there is a substantial reason for  
9 delaying the contact due to safety conditions or the fact that a  
10 critical operation is in process. Upon leaving the plant or  
11 facility they shall sign out and return any temporary  
12 identification badges which were issued for the purpose of the  
13 specific visit.

14 C. Business Representatives and Grand Lodge Representatives  
15 granted admittance to the Company's facilities under this  
16 Article 3 shall not engage in organizing or campaigning for  
17 Union or political office on Company premises. This Section  
18 3.4(c) will not be interpreted as preventing business  
19 Representatives or Grand Lodge Representatives from  
20 discussing, in non-work areas during non-work periods,  
21 matters of Union membership, fees or dues, with employees  
22 who are within one of the collective bargaining units described  
23 in this Agreement.

24 D. Union representatives who fail to comply with the provisions of  
25 Sections 3.2, 3.3, and 3.5 shall forfeit their admittance rights.  
26

### 27 **Section 3.5. Union Activity During Working Hours**

28 Solicitation of Union membership or collection or checking of dues  
29 will not be conducted during working time. The Company agrees  
30 not to discriminate in any way against any employee for Union  
31 activity, but such activity shall not be carried on during working  
32 time, except as specifically allowed by the provisions of this  
33 Agreement.  
34

### 35 **Section 3.6. Departure from Work Assignment by Stewards to 36 Investigate Complaints or Claims of Grievance**

37 When Stewards are investigating complaints or grievances, the  
38 Company and the Union agree there shall be a cooperative and  
39 equal relationship between the supervisor and the Steward. Each  
40 Steward shall notify and coordinate with his supervisor before



1 leaving his work assignment for the purpose of investigating  
2 complaints or claims of grievance on the part of employees or the  
3 Union or contacting the Business Representative in regard to such  
4 claim or grievance. The Supervisor shall agree to the Steward  
5 leaving his work assignment except where there is a substantial  
6 reason for delaying the contact or the investigation due to safety  
7 conditions or the fact that a critical operation is in process. The  
8 supervisor may be present during any discussion relating to any  
9 complaint or grievance. However, upon the request of an employee  
10 or Steward, the Supervisor shall authorize a Steward to participate  
11 in a private discussion with an employee or Business  
12 Representative, relating to a complaint or grievance. Discussions of  
13 the type described in this Section 3.6 shall be conducted without  
14 requiring the employee or Steward to clock out provided the  
15 discussion does not extend beyond the time that the Supervisor  
16 considers reasonable under the circumstances.

### 17 18 **Section 3.7. Departure from Work for Union Business**

19 Except as provided in Section 3.6 above, each Steward, local lodge  
20 officer or district council delegate shall, with authorization from the  
21 Union, give his Supervisor at least twenty-four (24) hour advance  
22 notice if possible and clock out prior to departure from his work  
23 assignment to conduct Union business. If the work assignment  
24 given the Steward, local lodge officer or district council delegate  
25 seriously interferes with the performance of his duties for the Union,  
26 or if Union business seriously interferes with his work assignment,  
27 the Company and the Union agree to cooperate in making  
28 arrangements to prevent such interference in the future. However,  
29 Stewards, local lodge officers and district council delegates shall not  
30 be penalized for such Union business; provided, that nonpayment  
31 by the Company for time spent on Union business shall not be  
32 considered as a penalty. This Section 3.7 shall apply to cases of  
33 Stewards who are designated to act for Business Representatives in  
34 accordance with Section 7.13 for the temporary period the Steward  
35 is authorized as a designee.

### 36 37 **Section 3.8 Union Interview of New Employees**

38 It is recognized by the Company that the Union has an interest and  
39 responsibility in explaining the function of the Union in a collective  
40 bargaining relationship and the advantages of membership in the

1 Union. The Union is also aware and has agreed that solicitation of  
2 membership cannot be conducted during working time due to the  
3 interference and disruption that could result in working schedules.  
4 To accommodate both viewpoints and assure that an ample  
5 opportunity exists for the Union to explain their role in the  
6 bargaining relationship while preserving minimal interference in the  
7 Company's working schedule the following procedure will be  
8 utilized:

- 9 1. At an appropriate time following the Company interview, all  
10 individuals employed into the IAM bargaining unit will be  
11 directed to an IAM&AW representative who is present in the  
12 Employment Office.
- 13 2. The following message will be used by the Company  
14 representative to introduce the IAM&AW representative:  
15 "The Union representative wishes to explain their designation as  
16 your bargaining agent, your opportunity for membership, and  
17 the payroll deduction of dues for members."
- 18 3. The Union representative will advise the employees that  
19 membership in the IAM&AW is voluntary and not a required  
20 condition of employment.
- 21 4. Both the Company and the Union agree to cooperate in the  
22 implementation and administration of this procedure. Neither  
23 party will interfere, restrain or coerce employees and both  
24 parties agree to use good judgment in all words and actions  
25 during this procedure.
- 26 5. The Union agrees to minimal interference with the new  
27 employee employment processing and the Company agrees to  
28 refrain from any actions or statements which could adversely  
29 reflect upon the Union.
- 30 6. The Union agrees to pay their representative's time allotted by  
31 this procedure and to have sufficient representatives present  
32 during normal working hours.
- 33 7. With the implementation of the procedure for the interview of  
34 new employees it is agreed that any existing or contemplated  
35 arrangements for permitting the Union to explain membership  
36 to applicants or hires is no longer valid and will be cancelled.

### 37 **Section 3.9. Security Clearances**

38 If governmental regulations require special clearance to obtain  
39 access to certain areas where employees are assigned who are  
40

1 within a bargaining unit defined in Article 1, the Company will  
2 cooperate with the Union to obtain necessary clearance for one (1)  
3 representative designated by the Union. If this number is not  
4 adequate in view of the workload, the Company and the Union will  
5 discuss the possibility of attempting to obtain clearance for  
6 additional representatives.

7  
8  
9 **ARTICLE 4**  
10 **RIGHTS OF MANAGEMENT**

11  
12 **Section 4.1. Management of Company**

13 The management of the Company and the direction of the work  
14 force is vested exclusively in the Company subject to the terms of  
15 this Agreement. All matters not specifically and expressly covered  
16 or treated by the language of this Agreement may be administered  
17 for its duration by the Company in accordance with such policy or  
18 procedure as the Company from time to time may determine.

19  
20  
21 **ARTICLE 5**  
22 **JOB CLASSIFICATIONS AND WAGES**

23  
24 **Section 5.1. Job Classifications**

25 It is agreed that it is the right and responsibility of Management to  
26 establish new job classifications or eliminate existing classifications,  
27 and establish the appropriate pay rate for such classifications. Any  
28 such change in classifications will be reviewed and discussed with  
29 the Union at least thirty (30) days in advance of its establishment.  
30 Should a dispute arise concerning the pay rate, it shall be treated as  
31 a grievance and handled in accordance with Article 7 of this  
32 Agreement.

33  
34 **Section 5.2. Definitions**

35 The meanings of certain terms used in this Article 5 and elsewhere  
36 in this Agreement are stated below:

37 A. Base Rate. An employee's hourly rate of pay, excluding all  
38 adjustments, allowances, awards, bonuses and premiums.

39 B. Base Rate Ranges. The minimum and maximum rates of base  
40 rate pay are established in Schedule A.

1 **Section 5.3. Jobs Committee**

2 The purpose of this section is to define the objectives of the Joint  
3 Union/Company Jobs Committee.

- 4 A. The Jobs Committee shall consist of not more than two (2)  
5 representatives appointed in writing by the Union's  
6 President/DBR and not more than two (2) representatives  
7 appointed in writing by the Company's Senior Union Relations  
8 Official. The Union and the Company will each appoint a chair  
9 of its group. Recognizing that recommendations by the  
10 Committee can have a significant impact on the job  
11 classification structure throughout the location, it is expected  
12 that appointed members of the Committee are to participate  
13 fully in Committee activities as defined by the respective chairs.
- 14 B. The Committee shall, as determined jointly by its chairs, study  
15 the job classification system established by Article 5 of the  
16 parties' Collective Bargaining Agreement in order to maintain  
17 the integrity of the system and to develop and implement plans  
18 for change that will provide enhancement, employment security  
19 and productivity improvements. Such activities may include  
20 but are not limited to:
- 21 • Developing innovative job structure proposals.
  - 22 • Deactivating zero or minimally populated jobs.
  - 23 • Combining jobs by placing similar work in similar job  
24 classifications.
  - 25 • Developing new jobs and revisions to existing jobs to  
26 accurately reflect organization of tasks.
- 27 C. The Committee shall report to the Union and the Company on  
28 the job classification system, together with the suggestions of  
29 the Committee members for changes thereto. The results of  
30 the Committee's work will be available to the Union and the  
31 Company to facilitate future negotiations. Any changes to the  
32 job structure or descriptions will be discussed with the  
33 Committee.
- 34 D. The Chairs may, from time to time, jointly recommend the  
35 adoption by the Union and the Company of changes in the job  
36 classification system. Such recommendations, however, shall  
37 be wholly advisory and shall not reopen the Collective  
38 Bargaining Agreement or affect Article 4 thereof.
- 39 E. To create a proper environment for the Committee's work, the  
40 Committee's proceedings shall not be used as the basis for, nor

1 as evidence in, any proceedings under Article 7 of the parties'  
2 Collective Bargaining Agreement.

3 F. The Committee shall function through the life of the Bargaining  
4 Agreement.

5 G. The Union and the Company chairs will establish the  
6 Committee meeting schedules, and procedures. The Union and  
7 the Company shall bear the expenses of their respective  
8 Committee members.

9  
10 **Section 5.4. Wages**

11 A. Wages are set forth by job classification and levels in Schedule  
12 A.

13 B. All hired employees who are active with Boeing immediately  
14 prior to employment with the Company on the effective date of  
15 the contract, whether or not they take Boeing retirement, will  
16 have a starting wage equal to 90% of their current base rate.

17  
18 **Section 5.5. Rate Range and Wage Increases**

19 Employee Base Rate and Rate Range maximums will be adjusted as  
20 follows: one (1.0) percent in 2012, one (1.0) percent in 2014, one  
21 (1.0) percent in 2016, and one (1.0) percent in 2018. All employees  
22 not at or above the Rate Range Maximum will be eligible for all base  
23 rate increases during the term of this contract. Employees at or  
24 above the maximum Rate Range will be paid a lump sum bonus in  
25 lieu of a General Wage Increase of one (1) percent of total straight  
26 time and overtime wages earned in the previous twelve (12) months.  
27 All general wage increases will be effective on the first full pay period  
28 following June 25<sup>th</sup> of the respective year.

29  
30 **Section 5.6. Performance Bonus**

31 A. The Company will establish an IAM Incentive Award Plan.

32 Upon ratification of the contract, the Company will establish an  
33 IAM Incentive Award Plan.

34 1. The target performance goal and the outstanding performance  
35 goal will be the same as the goals set for the Spirit AeroSystems  
36 Holdings Inc. Incentive Award Plan for Salaried Employees  
37 (commonly referred to as the "M&S Incentive Award Plan") in  
38 the corresponding Plan Year, and as determined each year by  
39 the Company. The Company will make a good faith effort to  
40 recommend to the Board reasonable goals with a realistic



1 chance of being met. The Company will brief upper level Union  
2 leadership on the Plan's goals each year.

3 2. The Company will meet quarterly with Union Officials to  
4 discuss the annual targets which have been set and the  
5 quarterly progress with regard to the attainment of the target  
6 levels. It will be made clear to the Union at the beginning of  
7 the Plan Year what Target Score triggers a score of "1" and  
8 what Target Score triggers a score of "2". Target goals may not  
9 be changed for the year once set.

10 3. If a target score of "1" is met, eligible employees will be paid a  
11 bonus equal to 2.0% of straight-time and overtime wages  
12 ("eligible wages") for the Plan Year. If the score is less than "1",  
13 eligible employees will receive an equivalent percentage award.  
14 (Example: If the score is 0.75 rather than the target of 1, then  
15 eligible employees will receive 1.5% of eligible wages for the  
16 Plan Year.) If the outstanding performance goal is met (a score  
17 of "2"), eligible employees will be paid 4.0% of eligible wages for  
18 the Plan Year. If the score is between the target and the  
19 outstanding performance goal, then the eligible employees will  
20 receive an equivalent percentage. (Example: If the score is  
21 "1.2", then eligible employees will receive 2.4% of eligible wages  
22 for the Plan Year.) If there is a distribution under the M&S  
23 Incentive Award Plan, a distribution will be made under the  
24 IAM Incentive Award Plan. If the M&S Incentive Award Plan is  
25 discontinued for the M&S Payroll, and employees on that  
26 Payroll are moved to a different Incentive Plan, the IAM  
27 Bargaining Unit employees covered by this Agreement will be  
28 afforded an opportunity to participate in that new plan in lieu  
29 of continued participation in the IAM Incentive Award Plan.

30 a) For 2010, payment will be pro rata based upon participation  
31 from July 1, 2010 through December 31, 2010. The  
32 performance score will be for the Plan Year, but payment  
33 shall be computed based upon eligible wages for July 1 -  
34 December 31 period.

35 b) The percentage bonus shall be 2% for Target and 4% for  
36 Outstanding Performance in Plan Years 2010 (pro rated as  
37 described above), 2011 and 2012.

38 c) The percentage bonus shall be 2.5% for Target and 5.0% for  
39 Outstanding Performance in Plan Years 2013, 2014, and  
40 2015.

1 d) The percentage bonus shall be 3% for Target and 6% for  
2 Outstanding Performance in Plan Years 2016, 2017, 2018,  
3 2019 and 2020. For 2020, payment will be pro rata based  
4 upon participation from January 1, 2020 through June 30,  
5 2020. For 2020, Plan performance shall be based upon  
6 performance for the Plan Year, but the payment shall be  
7 based upon eligible wages for the period of January 1  
8 through June 30.

9 e) So long as a Target score of no less than 0.5 is achieved, a  
10 payment will be made to all eligible IAM Bargaining Unit  
11 members for that plan year.

12 f) In Plan Years 2012, 2014, 2016 and 2018, a 1%  
13 Performance Bonus is guaranteed.

14 4. An Employee will be eligible to participate in the Plan with  
15 respect to incentive award amounts payable under the Plan (if  
16 any) for a Plan Year if the following condition precedents are  
17 satisfied:

18 a) The employee is employed in the IAM bargaining unit as of  
19 December 31 of any Plan Year.

20 b) Eligibility will be re-determined each Plan Year.

21 5. Payments shall be made within two and one half months of the  
22 end of the Plan Year.

23 a) Nothing will prevent the Company from making payments in  
24 excess of those provided for in this section or improvements  
25 to the plan.

### 26 27 **Section 5.7. Job Progression Increases**

28 On each twelve (12) week anniversary of the date of hire, promotion  
29 level, or date of the last progression increase, employees below the  
30 rate range maximum for their labor level shall, subject to such  
31 maximum, will receive a job progression increase of twenty-five  
32 cents (\$.25) to be added to their Base Rate.

### 33 34 **Section 5.8. Long-Term Rewards**

35 A. All bargaining unit members who are active employees on June  
36 25, 2010 shall be awarded one hundred and fifty (150) shares  
37 of Class A common stock in Spirit AeroSystems Holdings, Inc.,  
38 subject to Board approval.

39 B. In 2011, 2013, 2015, 2017, and 2019 a lump sum payment  
40 will be paid to all employees employed in the bargaining unit

1 on November 30<sup>th</sup> of the respective year. The payment shall be  
2 2% of straight-time and overtime wages in the twelve (12)  
3 months proceeding November 30<sup>th</sup> of that year (i.e. December 1  
4 through November 30). The lump sum payment shall be made  
5 no later than December 15<sup>th</sup> of that year.  
6

## 7 **Section 5.9. Team Leader**

8 A. The following selection and compensation procedure, duties  
9 and responsibilities will apply to all Team Leader positions at  
10 Spirit AeroSystems.

11 B. Team Leader duties and responsibilities:

### 12 1. Qualifications:

- 13 a. In order to provide the best assistance to employees the  
14 individual selected should be both technically skilled  
15 and possess solid interpersonal skills.
- 16 b. Be capable of providing on-the-job training in most  
17 aspects of the job requirements.
- 18 c. Team Leaders will be selected on the basis of their  
19 leadership, ability, qualifications and seniority. Due  
20 consideration shall be given to each of these criteria,  
21 but no particular weighting will apply. If qualifications  
22 and ability are equal, seniority shall prevail. Ability is  
23 defined as the employee being capable of performing  
24 most of the essential elements of the classification  
25 requested and be in good standing; e.g., no active  
26 disciplinary action of any kind.

### 27 2. Responsibilities

- 28 a. The Shop Manager and Union Steward will collaborate  
29 on the job duties of the proposed Team Leader.
- 30 b. Job duties shall include, but are not limited to:
  - 31 a. Provide training and instruction for new employees  
32 and appraise them of quality and performance  
33 standards.
  - 34 b. Assist employees in demonstrating proficiency in  
35 proper shop methods, processes and techniques in  
36 the performance of work tasks.
  - 37 c. Work on resolution of quality and process related  
38 problems.
  - 39 d. Assist Supervisor with any technical training  
40 requirements.



- e. Assist employees in reporting any safety infractions or problems to Supervisor immediately.
- f. Report status of work in progress to Supervisor.
- g. Advise crew members to have proper company and personally furnished tools in order to perform assigned work.
- h. Once selected, may continue performing shop work, but may also have periods when he or she is not scheduled regular shop work because of other tasks being performed.
- i. Provide assistance in the use of and interpretation of any needed documents; (i.e. blueprints, schematics, diagrams, drawings).
- j. Does not act as assistant Supervisor in terms of dispensing or recommending disciplinary action, does not take attendance for other than purposes of making detailed work allocations, does not assign overtime and is not directly responsible for quantity or quality of work produced by other employees.
- k. Assist in workload distribution.

### 3. Criteria

- a. Team Leaders will normally be in the same department as the employees they are leading. If unique circumstances exist where this would not be the case, the interview and selection team (area Senior Manager, Union representative, and Human Resources representative) must reach agreement before the Team Leader selection is made.

### C. Team Leader selection procedure:

1. Team Leader openings will be posted a minimum of five working days in the work area where the opening exists. The opening will also be a subject for crew meetings within the area. Team Leader duties and responsibilities will be listed on the posting.
2. Applications for the Team Leader position may be obtained from the Supervisor and must be returned by the suspense date listed on the posting.
3. The Supervisor and the area shop Steward\* will review the records of all Team Leader applicants to ensure they:

- a. are in good standing, i.e., no active disciplinary action of any kind
- b. meet the other qualifications for the position
- c. have completed their probationary period
- d. are in the same department and/or classification as the Team Leader position being posted.

\*If the shop Steward is a candidate for the position, the In-Plant Representative will serve in the Steward's capacity.

4. The Supervisor and the area shop Steward will then determine the best qualified candidates to be interviewed.
5. The area Senior Manager (PLM), the Union Representative (either the Steward or In-Plant Representative, depending upon whether the Steward is a candidate) and the area Human Resources representative shall interview and select the best qualified individual for the Team Leader position. If a consensus is not reached, the three shall vote on the candidates. They will also notify those who were interviewed and not selected.
  - a. The Parties agree that the interview and selection process must create a balance between the necessary interpersonal and technical skills.
  - b. The interview and selection team shall utilize standard leadership interview questions and jointly developed shop specific questions. Nothing in this provision will prevent either party from asking additional technical or behavioral interview questions.
  - c. All qualified applicants must go through the interview process. If no applicant is qualified, the opening may be re-posted. The applicants not selected will be informed by the Supervisor and Steward as to why they were not selected and where they need improvement.
6. The Supervisor and Shop Steward will review the duties and responsibilities of a Team Leader with the successful candidate to insure there is complete understanding of what is expected.
7. Team Leaders will receive a lead premium of (\$1.75) per hour over their current base rate of pay.

1 8. Team Leaders performance will be reviewed thirty and  
2 sixty days after appointment as a Team Leader and  
3 annually thereafter.

4 **D. Removal of Team Leader Responsibilities**

5 1. There may be times when the work statement changes or  
6 the individual does not have the skills and attributes to  
7 perform the Team Leader role. The Company may at its  
8 discretion remove the Team Leader responsibilities from  
9 any individual Team Leader. At which time, the premium  
10 pay provided by Section 5.9.C.7., shall cease.

11 **E. Temporary Team Leaders**

12 1. Temporary Team Leaders are selected via the Team Leader  
13 selection process (Article 5, Section 5.9).

14 2. The temporary Team Leader designation may be made in  
15 advance of the vacancy occurring and will be reviewed on  
16 an annual basis.

17 3. The temporary Team Leader shall fill in when the full-time  
18 Team Leader is away from his/her assigned area for a  
19 minimum of fourteen (14) days and a maximum of ninety  
20 (90) days. If the need extends beyond ninety (90) days,  
21 continuance requires mutual agreement between the  
22 Supervisor and the In-Plant Representative.

23 4. All provisions of (Article 5, Section 5.9) will also apply to  
24 temporary Team Leaders. The premium for fulfilling the  
25 responsibilities of temporary Team Leader shall be  
26 identical to that of a full time Team Leader.

27 5. The temporary Team Leader's duties shall be identical to  
28 that of the full time Team Leader, and only for the time  
29 they fill in for the full time Team Leader.

30 6. The area Steward and In-Plant Representative will be  
31 notified prior to using a temporary Team Leader. The  
32 notification will also include the estimated duration of the  
33 temporary designation.

34  
35 **Section 5.10. Cost of Living Lump Sum Payment**

36 A. Employees covered by this Agreement shall receive an annual  
37 Cost of Living Lump Sum Payment to the extent such  
38 Payments become effective under and in accordance with all of  
39 the terms, conditions and limitations stated in this Section  
40 5.10.

1 B. Determination of Cost of Living Lump Sum Payment

- 2 1. Determination of the potential Cost of Living Lump Sum  
3 Payment shall be made in reference to the new series "All  
4 City Average of the Consumer Price Index for Urban Wage  
5 Earners and Clerical Workers" published by the Bureau of  
6 Labor Statistics, U.S. Department of Labor, with the  
7 following base period: 1982-84 = 100, such index being  
8 referred to herein as the BLS Index.
- 9 2. During the life of this Agreement, subject to the provision  
10 stated below, an annual Cost of Living Lump Sum Payment  
11 shall be computed by using (1) 213.34 (the three-month  
12 average of the BLS Index for February, March, April, 2010)  
13 as the base and (2) an Annual Adjustment Multiplier using  
14 the formula 1 cent = .075 percent change in the appropriate  
15 average (May through October 2010, November through  
16 October thereafter), and (3) the Annual Adjustment  
17 Multiplier shall be capped at 1.5% of average base rate as of  
18 November 30 in 2010, and 2011, 1.75% of average base rate  
19 as of November 30 in 2012 and 2013, 2.0% of average base  
20 rate as of November 30 in 2014 and 2015, 2.5% of average  
21 base rate as of November 30 in 2016, 3.0% of average base  
22 rate as of November 30 in 2017, 4.0% of average base rate as  
23 of November 30 in 2018, 6.0% of average base rate as of  
24 November 30 in 2019, and (4) the Cost of Living Lump Sum  
25 Payment for each eligible employee shall equal the cents per  
26 hour adjustment (the Annual Adjustment Multiplier)  
27 multiplied by the number of straight-time hours worked in  
28 the applicable year plus 1.5 times the cents per hour  
29 adjustment multiplied by the number of overtime hours  
30 worked in the applicable twelve month period (December 1  
31 through November 30). For 2010, the period will be straight-  
32 time and overtime hours worked between July 1 and  
33 November 30, 2010.
- 34 3. Any Annual Adjustment Multiplier shall be cumulative up to  
35 the level of each year's cap and shall not decrease. A Cost of  
36 Living Lump Sum Payment in any particular year shall be  
37 payable only to those employees who, on a Date of Potential  
38 Adjustment, are on the active payroll or on leave of absence  
39 for less than ninety (90) days. The Date of Potential  
40 Adjustment shall be November 30th of each year. The

1 payment will be made before December 31st of the same  
2 year.

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

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

### 11 **Section 5.11. Garnishments**

12 In cases of dismissal or suspension of an employee because of writs  
13 of garnishment served upon the Company in litigation involving  
14 claims of third parties against such employee, such a dismissal or  
15 suspension will be treated as a dismissal or suspension under  
16 Section 7.3 and will be subject to the grievance procedure and other  
17 provisions of Article 7.  
18

### 19 **Section 5.12. Wage Payment Basis**

20 Employees shall be paid for time worked computed to the nearest  
21 one-tenth hour.  
22

### 23 **Section 5.13. New Assignments**

24 When employees are assigned to work in a higher or lower labor  
25 level the new pay rate shall be effective in the employee's paycheck  
26 not later than the third payday subsequent to the date on which the  
27 new assignment is made.  
28

### 29 **Section 5.14. Base Rates After Reclassifications**

30 Subject to the base rate ranges provided for in Section 5.2(B),  
31 employees who are promoted will have their base rate increased by  
32 fifty-six (56) cents for each I-Code they are promoted or decreased  
33 by fifty-six (56) cents for each I-Code the employee is downgraded.  
34 All base rate changes are subject to wage range maximums.  
35 Employees promoted to an I-code they previously held will receive a  
36 minimum rate increase sufficient to bring the employee's hourly rate  
37 equal to the same hourly rate they previously held or fifty-six (56)  
38 cents per I-Code, whichever is greater. Any employee being  
39 downgraded who is in progression will be automatically considered  
40



1 to be at the mid-point of progression towards their next progression  
2 increase.

3  
4 **Section 5.15. Rate Retention**

5 The base rate of an employee who, under Article 16, accepts  
6 downgrade rather than electing layoff shall be, for the ninety (90)  
7 calendar-day-period after the downgrade, at a rate that is not less  
8 than the rate he held immediately preceding the downgrade.  
9 However, this provision shall not apply to any period of employment  
10 within a bargaining unit covered by this Agreement after  
11 termination, layoff, employee-requested downgrade or transfer to a  
12 unit or group to which this Agreement does not apply within the  
13 ninety (90)-day period with the following exception: if such an  
14 individual is recalled from layoff to a job title classification to which  
15 he had been downgraded, and the recall occurs less than ninety  
16 (90)-calendar-days after such downgrade, he will receive rate  
17 retention prospectively for the portion of the ninety (90)-calendar-  
18 day period that remained at the time of layoff. If an employee  
19 receives a Temporary Promotion to the job classification from which  
20 he was most recently surplused and the employee is receiving rate  
21 retention pay as a result of such downgrade, the 90-calendar-day  
22 period will be extended one (1) day for each day of such Temporary  
23 Promotion.

24  
25 **Section 5.16. Recalls from Layoff**

26 An employee who is recalled from layoff through the exercise of  
27 recall rights, will have the following base rate:

- 28 A. If the employee is recalled to the same labor level from which  
29 he was laid off, he will be paid the base rate and the cost of  
30 living adjustment in effect on the date of his layoff, provided  
31 that, if cost of living adjustment has been added to base rates  
32 and made a part thereof since the employee's layoff, the cost of  
33 living adjustment in effect on the date of the employee's layoff  
34 shall be similarly added to his base rate.
- 35 B. If the employee is recalled to either a higher or lower labor level  
36 than the one from which he was laid off, his base rate will be  
37 determined first by treating him as though he had been  
38 recalled to the same labor level under Section 5.16(A) and then  
39 reclassified under Section 5.14.
- 40

1 **Section 5.17. Returns from Leaves of Absence**

2 An employee on approved leave of absence who returns to the active  
3 payroll will have the following base rate:

4 A. If the leave of absence was granted due to industrial injury or  
5 industrial illness, military service, or to accept a full-time  
6 Union position, the employee's base rate will be equal to the  
7 base rate he would have had if he had not been on a leave of  
8 absence.

9 **B.** If the leave of absence was granted for any other reason,  
10 his base rate will be determined as though he had been  
11 recalled from layoff under Section 5.16.(A)  
12

13 **Section 5.18. Gain Sharing Plan**

14 A. The Company will establish a gain-sharing plan whereby  
15 employees are rewarded for Company productivity  
16 improvements.

17 B. Target performance goals will be set for each year. Each year  
18 the Company will make a good faith effort to establish  
19 reasonable goals with a realistic chance of being achieved.  
20 Once a target is set for the Plan Year, the target goal may not  
21 be changed to be more difficult to achieve. For 2010 and 2011,  
22 the following goals shall apply. In following years, the Company  
23 will review proposed goals with the Union:

24 a. Calendar Year 2010 Performance

25 i. Target – 3% reduction in Scrap & Rework and 2%  
26 reduction in IAM Hours per Unit.

27 ii. Outstanding Performance – 6% reduction in Scrap &  
28 Rework and 4% reduction in IAM Hours per Unit.

29 b. Calendar Year 2011 Performance (Will be reviewed with  
30 Union in January 2011)

31 i. Target – 4% reduction in Scrap & Rework and 3%  
32 reduction in IAM Hours per Unit.

33 ii. Outstanding Performance – 8% reduction in Scrap &  
34 Rework and 6% reduction in IAM Hours per Unit.

35 c. Reductions for 2010 are measured from a baseline of  
36 performance from June 1, 2009 through May 31, 2010.  
37 Subsequent performance shall be measured with the  
38 preceding year as the baseline.

39 d. Scrap & Rework reductions will be computed by comparing  
40 total scrap and rework per fuselage unit delivered during the

1 base line period to total scrap and rework per fuselage unit  
2 delivered during the target period: percent reduction = ((total  
3 scrap and rework during baseline period ÷ fuselage units  
4 delivered during baseline period)) – ((total scrap and rework  
5 during the target period ÷ fuselage units delivered during the  
6 target period) divided by (total scrap and rework during  
7 baseline period ÷ fuselage units delivered during baseline  
8 period)).

9 e. Total IAM Hours per Unit reduction will be computed by  
10 comparing total IAM Hours per fuselage unit delivered  
11 during the base line period to Total IAM Hours per fuselage  
12 unit delivered during the target period: Percent Reduction =  
13 ((total IAM Hours during baseline period ÷ fuselage units  
14 delivered during baseline period) – (total IAM Hours during  
15 the target period ÷ fuselage units delivered during the target  
16 period)) divided by ((total IAM Hours during baseline period ÷  
17 fuselage units delivered during baseline period)).

18 C. The Company will meet quarterly with Union officials to  
19 discuss the targets that have been set and the quarterly  
20 progress with regard to the attainment of the target levels. The  
21 definition of Target and Outstanding Performance goals will be  
22 communicated to the Union as soon as they have been set at  
23 the beginning of the Plan Year. Once set, the Target and  
24 Outstanding Performance goals may not be changed to be more  
25 difficult to achieve during the Plan Year.

26 D. If the Target is met, employees will be paid a gain-sharing  
27 payment equal to one (1.0) percent of the employee's straight-  
28 time and overtime wages (pay for hours worked) during the  
29 calendar year. If the Outstanding goal is met, employees will  
30 be paid a gain-sharing payment equal to two (2.0) percent of  
31 the employee's straight-time and overtime wages (pay for hours  
32 worked) during the calendar year. The two measurements of  
33 Scrap & Rework Reduction and IAM Hours per Unit are equally  
34 weighted thresholds. If one threshold is met, but the other is  
35 not, half of the incentive payment will be made. The following  
36 examples illustrate how this calculation will occur:

37 a. A score of one (1) is met on the Scrap & Rework Reduction  
38 measurement but the score on the IAM Hours per Unit  
39 measurement is less than one (1). A gain-share payment  
40 equal to one half of one percent (0.5%) of the employee's



1 straight-time and overtime wages during the calendar year  
2 will be paid.

3 b. A score of two (2) is met on the Scrap & Rework Reduction  
4 measurement but the score on the IAM Hours per Unit  
5 measurement is less than one (1). A gain-share payment  
6 equal to one (1.0%) percent of the employee's straight-time  
7 and overtime wages during the calendar year will be paid.

8 c. A score of two (2) is met on the Scrap & Rework reduction  
9 measurement and the score on the IAM Hours per Unit  
10 measurement is one (1). A gain-share payment equal to one  
11 and one half percent (1.5%) of the employee's straight-time  
12 and overtime wages during the calendar year will be paid.

13 E. As a condition to be eligible for the gain-share payment, the  
14 employee must be employed by the Company in an IAM  
15 bargaining unit position on December 31<sup>st</sup> of the particular  
16 calendar year for which the gain-share payment is being made.  
17 Payment shall be made by March 15 of the following year.  
18  
19

## 20 **ARTICLE 6** 21 **HOURS OF LABOR**

### 22 23 **Section 6.1. Regular Hours**

24 A. Workweek. The normal work schedule shall consist of five (5)  
25 consecutive workdays, Monday through Friday, followed by two  
26 (2) days of rest (Saturday and Sunday), except for those  
27 employees designated in advance by mutual agreement  
28 between the Company and the Union who regularly work on  
29 Saturday and/or Sunday, whose normal work schedule shall  
30 consist of five (5) consecutive workdays, followed by two (2)  
31 days of rest, which shall be treated as their Saturday and  
32 Sunday, in that order. The Company will attempt to meet its  
33 non-regular workweek assignments on a voluntary basis  
34 among the employees. In the event there are insufficient  
35 volunteers to meet the requirement, the supervisor may  
36 designate and require the necessary number of employees to  
37 work the non-regular workweek. Such designation shall first  
38 affect the junior qualified employees in the classification.  
39 When reducing the number of non-regular workweek  
40 assignments, senior employees within each job will be given

1 their preference to return to regular workweek schedules. The  
2 purpose of non-regular workweek assignments is to provide for  
3 those maintenance and service functions that are required on a  
4 continuing seven (7)-day per week basis. Such assignments  
5 will not be utilized for the purpose of providing maintenance or  
6 service in support of weekend production operations. It is  
7 mutually agreed that Maintenance employees and employees  
8 assigned to specific programs, employees assigned to  
9 specialized machinery and employees in organizations  
10 providing seven-day customer service may be assigned to a  
11 non-regular workweek. Employees assigned to a specific  
12 program will revert back to a regular workweek schedule upon  
13 first production delivery of product to customer.

14 **B. Short Workweek.** The Company in its discretion may schedule  
15 short weeks less than forty (40) hours per week, if deemed  
16 necessary to avoid a layoff. In the event the Company deems it  
17 advisable to work any number of the employees on a short  
18 workweek, the Union and the affected employees will be  
19 notified in advance which days are to be worked, and such  
20 days worked shall be consecutive. The parties agree that stable  
21 long-term employment is beneficial for both the Company and  
22 the Union. When a layoff appears imminent, the parties will  
23 meet to discuss alternatives to layoffs, including, but not  
24 limited to, short workweeks, training, and alternative duty  
25 assignments. When short workweeks are used the following  
26 shall apply:

- 27 1. Volunteers shall be asked first and accepted.
- 28 2. In the event that there are insufficient volunteers, a short  
29 workweek will be staffed in reverse seniority order within the  
30 shop. For the purposes of Section 6.1(B) "shop" shall mean  
31 the crew identified by a distinct five (5) digit alpha/numeric  
32 code that identifies the working group. If exceptions to  
33 seniority are needed due to specific skills or machine  
34 familiarity, Operations Leadership will discuss the need with  
35 the In-Plant Representatives to mutually agree to an  
36 exception.
- 37 3. During short workweeks the Company will continue to make  
38 pension plan contributions based on forty (40) hours per  
39 workweek, provided the Pension Plan will permit this. The  
40 Company will also continue Medical/Dental, AD&D, and Life

1 Insurance as if the employee were working a regular forty-  
2 hour workweek.

3 4. Overtime during a short workweek, shall be based upon  
4 Company need and schedules.

5 5. During periods of short workweek, the Operations  
6 Leadership and the Union will meet regularly to discuss  
7 scheduling and process issues.

8 C. Shifts, Lunch Periods, Rest Periods. Each employee shall be  
9 assigned to a definite shift with designated times of beginning  
10 and ending. The first and second shifts each shall be an eight  
11 (8) hour-and-thirty-minute period which shall include a thirty  
12 (30) minute unpaid lunch period. The third shift shall be a  
13 seven (7) hour period which shall include a thirty (30)-minute  
14 unpaid lunch period. The designated times of beginning each  
15 shift during the scheduled workweek shall be: first shift -  
16 between 5:00 A.M. and 8:30 A.M.; second shift between 1:30  
17 P.M. and 6:00 P.M.; third shift - between 10:00 P.M. and 1:30  
18 A.M. of the following day. Each employee shall be given a ten  
19 (10)-minute rest period in each half of the shift to which he is  
20 assigned, the time of starting each such rest period to be  
21 designated by the Company. Each employee who is required to  
22 report for work two (2) or more hours prior to the start of his  
23 regular shift shall receive a ten (10)-minute rest period prior to  
24 the start of his regular shift. Each employee who is scheduled  
25 to work two (2) or more hours of overtime after his regular shift  
26 shall receive a ten (10)-minute rest period prior to the start of  
27 the overtime. Changes of shift assignments shall be made on  
28 the first day of a new workweek whenever practicable.  
29

### 30 **Section 6.2. Variable/Alternative Work Schedules**

31 A. Variable work schedules may be established to meet  
32 production or support services requirements. Any such change  
33 in work schedules will be by mutual agreement between the  
34 parties.

35 B. Management may allow employees to volunteer for variable  
36 work schedules (four (4) 10-hour days, Monday through  
37 Thursday workweek; three (3) 12-hour days, Friday through  
38 Sunday) as warranted by business need.

39 C. Management may allow employees to volunteer for alternative  
40 work schedules three (3) 12 hour days. Shift start times are as

1 follows: Monday through Wednesday – (1<sup>st</sup> shift 5:00 a.m. /  
2 8:30 a.m.) – (2<sup>nd</sup> shift 5:00 p.m. / 8:30 p.m.) – Thursday  
3 through Saturday - (1<sup>st</sup> shift 5:00 a.m. / 8:30 a.m.) – (2<sup>nd</sup> shift  
4 5:00 p.m. / 8:30 p.m.) as warranted by business need. Shift  
5 start times may be adjusted by the Company within the  
6 aforementioned time frames.  
7

### 8 **Section 6.3. Variable Work Schedule Procedures**

9 A. 4x10 Work Weeks. The Company may transition work areas  
10 from the traditional eight (8) hour five (5) day schedule to a  
11 4x10 schedule subject to the following:

- 12 1. Permanent assignment to any variable work schedule will be  
13 voluntary. Temporary assignment to a variable work  
14 schedule for the purpose of training may at times be  
15 necessary, temporary assignments shall not exceed ninety  
16 (90) work days.
- 17 2. Areas being transitioned to 4x10 workweeks, the Union will  
18 conduct a vote of all eligible Union members to determine  
19 the acceptance of the proposed schedule change.
- 20 3. The 4x10 workweek will be implemented with a vote of  
21 acceptance. The company will accommodate employees, who  
22 choose not to go to the variable work schedule. In the event  
23 that the number of accommodations are such that the  
24 variable work schedule cannot be effective, the Company  
25 may elect not to implement the variable work schedule.
- 26 4. All time worked over ten (10) hours in one day will be paid at  
27 time and one-half.
- 28 5. All time worked on the fifth day will be paid at time and one-  
29 half.
- 30 6. All time worked on the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) days will  
31 be paid at double time.
- 32 7. Hours for holidays not scheduled to be worked by an  
33 employee will be credited to the employee's vacation/holiday  
34 account.
- 35 8. Employees assigned to the Variable Work Schedule whose  
36 workweek includes Saturday or Sunday shall observe the  
37 regular holiday.
- 38 9. Sick Leave, vacations and holidays shall be paid at ten (10)  
39 hours per day off.

1 10. Employees on this schedule will be allowed to take two (2)  
2 weekends off during the Christmas holiday. Employees will  
3 also be given the opportunity to be off Easter Sunday.  
4 Employees may use vacation or Sick Leave to be  
5 compensated for this time off or without pay.

6 11. Assignment to the variable shift will be accomplished by  
7 seniority for establishing employee preference for placement  
8 to the day or night shift.

9 12. There will be two (2) breaks of ten (10) minutes each.

10 13. The Company may transition work areas from a 4x10  
11 schedule to the traditional 3-shift five-day schedule with  
12 thirty (30) calendar days notice.

13 14. Should there not be enough transfer requests from the  
14 current work force to staff this schedule, or should the vote  
15 be "No" the Company may hire from outside rather than  
16 permanently assign employees to this schedule.

17 B. 3x12 Work Weeks. The Company may transition work areas  
18 from the traditional eight (8) hour five-day schedule to a 3x12  
19 schedule subject to the following:

20 1. Permanent assignment to any variable work schedule will be  
21 voluntary. Temporary assignment to a variable work  
22 schedule for the purpose of training may at times be  
23 necessary, temporary assignments shall not exceed ninety  
24 (90) days.

25 2. Areas being transitioned to 3x12 workweeks, the Union will  
26 conduct a vote of all eligible Union members to determine  
27 the acceptance of the proposed schedule change.

28 3. The 3x12 workweek will be implemented with a vote of  
29 acceptance. The Company will accommodate employees who  
30 choose not to go to the permanent variable work schedule.  
31 In the event that the number of accommodations are such  
32 that the variable work schedule cannot be effective, the  
33 Company may elect not to implement the variable work  
34 schedule.

35 4. All time worked over twelve (12) hours in one day or thirty-  
36 six (36) hours in a workweek will be paid at one and one-half  
37 (1½) times.

38 5. All time worked on the fourth and fifth day will be paid at  
39 one and one-half (1½) times.



- 1 6. All time worked on the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) day will be  
2 paid at two (2) times.
- 3 7. Hours for holidays not scheduled to be worked by an  
4 employee will be credited to the employee's vacation/holiday  
5 account.
- 6 8. Sick Leave, vacations and holidays shall be paid at twelve  
7 (12) hours per day off.
- 8 9. Employees assigned to the Variable Work Schedule whose  
9 workweek includes Saturday or Sunday shall observe the  
10 regular holiday.
- 11 10. Employees on this schedule will be allowed to take two (2)  
12 weekends off during the Christmas holiday. Employees will  
13 also be given the opportunity to be off Easter Sunday.  
14 Employees may use vacation or Sick Leave to be  
15 compensated for this time off or without pay.
- 16 11. There will be two (2) breaks of ten (10) minutes each.
- 17 12. Employees assigned to the 3x12 workweek will be paid for  
18 one (1) thirty (30) minute lunch period occurring during that  
19 shift.
- 20 13. Employees assigned to the 3x12 workweek will be paid forty  
21 (40) hours for thirty-six (36) hours worked. To establish an  
22 hourly rate, employees will be paid their individual hourly  
23 base rate times 1.111.
- 24 14. The Company may transition work areas from a 3x12  
25 workweek to the traditional 3-shift five (5)-day schedule with  
26 thirty (30) days notice.
- 27 15. Assignment to the variable shift will be accomplished by  
28 seniority for establishing employee preference for placement  
29 to the day or night shift.
- 30 16. Employees working a variable schedule will be guaranteed  
31 the same number of paid holidays each year as an employee  
32 working a regular work week schedule.
- 33 17. Should there not be enough transfer requests from the  
34 current workforce to staff this schedule, or should the vote  
35 be "no" the Company may hire from outside rather than  
36 permanently assign employees to this schedule.
- 37 C. Alternative 3x12 Work Schedule. The Company may transition  
38 work areas from the traditional eight (8) hour five-day schedule  
39 to an Alternative Work Schedule consisting of four (4) shifts of  
40 3 X 12's and are subject to the following:

- 1 1. The Executive Level will present the business case to the  
2 President/DBR or his designee.
- 3 2. If the Company should decide to no longer utilize the  
4 Alternative Work Schedule, the employee(s) working the  
5 alternative schedule will be returned to their previous shop  
6 and shift.
- 7 3. Permanent assignment to any alternative work schedule will  
8 be voluntary. Temporary assignment to an alternative work  
9 schedule for the purpose of training may at times be  
10 necessary, temporary assignments shall not exceed ninety  
11 (90) days.
- 12 4. Areas being transitioned to 3X12 workweeks, the Union will  
13 conduct a vote of all eligible Union members to determine  
14 the acceptance of the proposed schedule change.
- 15 5. The 3X12 workweek will be implemented with a vote of  
16 acceptance. The Company will accommodate employees who  
17 choose not to go to the permanent alternative work schedule.  
18 In the event that the number of accommodations is such  
19 that the alternative work schedule cannot be effective, the  
20 Company may elect to not implement the alternative work  
21 schedule.
- 22 6. All time worked over twelve (12) hours in one day or thirty-  
23 six (36) hours in a workweek will be paid at one and one-half  
24 (1½) times.
- 25 7. All time worked on the fourth and fifth day will be paid at  
26 one and one-half (1½) times.
- 27 8. All time worked on the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) day will be  
28 paid at two (2) times.
- 29 9. Hours for holidays not scheduled to be worked by an  
30 employee will be credited to the employee's vacation/holiday  
31 account.
- 32 10. Sick Leave, vacation and holidays shall be paid at twelve (12)  
33 hours per day off.
- 34 11. Employees assigned to the Alternative Work Schedule whose  
35 workweek includes Saturday shall observe the regular  
36 holiday.
- 37 12. Employees on this schedule will be allowed to take two (2)  
38 weekends off during Christmas holiday. Employees may use  
39 vacation or sick leave to be compensated for this time off or  
40 without pay.

- 1 13. There will be two (2) breaks of ten (10) minutes each.
- 2 14. Employees assigned to the 3X12 workweek will be paid for
- 3 one (1) thirty (30) minute lunch period occurring during that
- 4 shift.
- 5 15. Employees assigned to the 3X12 workweek will be paid forty
- 6 (40) hours for thirty-six (36) hours worked. To establish an
- 7 hourly rate, employees will be paid their individual hourly
- 8 base rate times 1.111.
- 9 16. The Company may transition work areas from a 3X12
- 10 workweek to the traditional three (3) shift five (5) day
- 11 schedule with thirty (30) days notice.
- 12 17. Employees working an alternative schedule will be
- 13 guaranteed the same number of paid holidays each year as
- 14 an employee working a regular workweek schedule.
- 15 18. Employees working 2<sup>nd</sup> shift (see Section 6.2.C) shall be paid
- 16 a shift premium pursuant to Section 6.4.
- 17 19. Should there not be enough transfer requests from the
- 18 current workforce to staff this schedule, or should the vote
- 19 be 'no', the Company may hire from outside rather than
- 20 permanently assign employees to this schedule.
- 21 20. An employee assigned to Saturday as a regular day of work
- 22 will receive two dollars and fifty cents (\$2.50) per hour in
- 23 addition to their Base Rate of pay for hours worked on
- 24 Saturday.
- 25 21. Assignment of the Alternative Work Schedule will be
- 26 accomplished by seniority for establishing employee
- 27 preference for placement to the days of work and the shift.
- 28

#### 29 **Section 6.4. Shift Premiums**

30 The second shift shall be paid a shift premium of seventy-five cents  
31 (\$.75) and third shift shall be paid a shift premium of ten cents  
32 (\$.10) per hour which shall be added to Base Rate.

#### 34 **Section 6.5. Work Schedule Premiums**

35 A. An employee assigned to either Saturday or Sunday as a  
36 regular day of work will receive two dollars and fifty cents  
37 (\$2.50) per hour in addition to his Base Rate of pay for hours  
38 worked on Saturday and Sunday.

39 B. An employee who works a third shift of six and one-half (6½)  
40 hours will receive a bonus equivalent to one and one-half (1½)



1 hours pay at this base rate. A prorated portion of that bonus  
2 will be paid when the employee works less than six and one-  
3 half (6½) hours on a regular third shift.  
4

## 5 **Section 6.6. Shift Preference**

6 A. In order to ensure operational efficiency, the Company shall  
7 have the right to assign employees to any shift. Subject to the  
8 foregoing, senior employees who have a shift preference on file  
9 shall be given preference over junior employees who are  
10 assigned to the same job classification, level and shift, junior  
11 returning non-bargaining unit employees, new hires, recalls  
12 from layoff, and promotional candidates for placement in  
13 openings in their job classification, level and organization.  
14 Shift preference rights are not applicable over employees being  
15 downgraded, laterally reclassified on their current shift,  
16 laterally transferred to the organization on their current shift or  
17 over senior employees who are in their labor level. Employees  
18 who have requested downgrades will not be given preference  
19 over senior employees in their organization who have shift  
20 preferences on file. Shift preferences must be filed more than  
21 three (3) working days prior to an organization effecting a shift  
22 change or declaring a job opening by submission of a dated  
23 open requisition. If an employee does not file a shift  
24 preference, it shall be assumed that he is on his preferred shift.  
25 Under no circumstances will the provisions of this Section 6.6  
26 be construed to enable an employee, at his instance and  
27 request, to displace a less senior employee from his job and  
28 shift.

29 1. As stated, shift preferences as defined will not apply in  
30 instances where the exercise of such rights would affect the  
31 efficiency of Company operations in any organization on any  
32 shift. When such instances arise, it shall be the  
33 responsibility of organizational management to prepare an  
34 exception request for transmittal to the organization's  
35 designated executive or delegate.

36 a) Exception requests shall be discussed with the Union  
37 Steward(s) on both shifts prior to submittal to the  
38 organization's senior Human Resources executive or  
39 designee for final approval. The Company will follow the

1 process agreed upon by the Company and the Union.  
2 (Ref. MOU #4).

- 3 2. When senior employees are displaced from their shift of  
4 preference during a staffing exercise, the displaced employee  
5 shall be given, in writing, a date of return to the preferred  
6 shift he/she was on.
- 7 3. The Company will de-staff a shift in the following order: first,  
8 by shift preference filings; and second, in reverse seniority  
9 order among remaining employees. In cases where the shift  
10 is to be eliminated, employees will be notified in advance and  
11 given the opportunity to file a timely shift preference.  
12

### 13 **Section 6.7. Overtime Rate**

- 14 A. For time worked outside of his assigned shift, an employee  
15 shall be paid one and one-half (1½) times his base rate for the  
16 first two (2) hours, and double his base rate thereafter.
- 17 B. For the first eight (8) hours of work by an employee on the first  
18 day of his two (2) consecutive days of rest, who is assigned on  
19 that day to work the first or second shift, such employee shall  
20 be paid one and one-half times his base rate for that shift and  
21 double such base rate thereafter.
- 22 C. For the first six and one-half hours of work by an employee on  
23 the first day of his two (2) consecutive days of rest, who is  
24 assigned on that day to work the third shift, such employee  
25 shall be paid one and one-half times his base rate for that shift  
26 and double such base rate thereafter.
- 27 D. Any time worked on the second day of an employee's two (2)  
28 consecutive days of rest shall be paid for at double his base  
29 rate for such shift and such double time shall remain in effect  
30 for all hours continuously worked.
- 31 1. Except if an employee is scheduled and does not work on  
32 first scheduled day of rest, but works on second scheduled  
33 day of rest, employee will be paid one and one-half (1½)  
34 times his Base Rate plus shift premium where applicable for  
35 time worked for first eight (8) hours worked, normal double  
36 time rates shall apply thereafter.
- 37 E. In lieu of the provisions in Sections 6.7 A-D, overtime worked  
38 in any of the following circumstances shall be paid at double  
39 the employee's base rate:

- 1 1. more than one hundred sixty (160) overtime hours in the  
2 calendar quarter; or
- 3 2. on a weekend immediately following three (3) consecutive  
4 weekends worked by the employee.

### 5 6 **Section 6.8. Reporting Pay**

7 If an employee reports for work in accordance with instructions, he  
8 shall receive a minimum of eight (8) hours pay at his Base Rate plus  
9 shift premiums where applicable. This will not apply in case of  
10 emergency shutdowns arising out of any condition beyond the  
11 Company's control. An employee who leaves work of his own  
12 volition, or because of incapacity (other than industrial injury or  
13 illness), or is discharged or suspended after beginning work, will be  
14 paid only for the number of actual hours worked during the day. An  
15 employee who leaves work because of incapacity due to industrial  
16 injury or illness will be paid eight (8) hours pay at his Base Rate  
17 plus shift premiums where applicable.

### 18 19 **Section 6.9. Call Back Pay**

20 A minimum of four (4) hours pay at the applicable overtime rate will  
21 be paid for any call back work performed outside of one's regularly  
22 schedule hours. An employee who leaves work of his own volition,  
23 or because of incapacity (other than industrial injury or illness), or  
24 is discharged or suspended after beginning work, will be paid only  
25 for the number of hours actually worked during that day. An  
26 employee, who leaves work after call back, will be paid only for the  
27 number of hours actually worked unless authorized by  
28 management.

### 29 30 **Section 6.10. Overtime Scheduling**

31 It is the intent of the Company to distribute overtime as equally as  
32 reasonably practicable within the job classification, shop and shift.  
33 Both the Union and the Company recognize that the employees who  
34 are assigned the work must be qualified to perform the specific  
35 work. The Company will strive to meet its overtime requirements on  
36 a voluntary basis. In the event there are insufficient qualified  
37 volunteers to meet the requirement, management may designate  
38 and require the necessary number of employees to work the  
39 overtime.

- 1 A. Management may exclude an employee from overtime, even if  
2 the employee is in attendance when the overtime is being  
3 assigned, if:
- 4 1. The employee has been absent during the week, except for  
5 sick leave, jury duty, witness service, bereavement leave,  
6 military leave, authorized Union business, previously  
7 scheduled vacation or absence due to industrial injury or  
8 illness.
  - 9 2. An employee is asked to work overtime (Saturday and/or  
10 Sunday) and is subsequently absent due to illness or  
11 bereavement leave on the workday preceding the overtime  
12 day.
  - 13 3. The employee has been given a Disciplinary Memo (DM) for  
14 violation of the Company's attendance policies. The  
15 exclusion period shall begin upon the date of issuance of the  
16 DM and shall last for no more than ninety (90) calendar  
17 days. If during the ninety-day exclusion period the Company  
18 assigns the employee to work mandatory overtime or  
19 overtime requested by the Manager, the employee will no  
20 longer be excluded from overtime because of the discipline.
  - 21 4. Two (2) consecutive weekends have been worked by the  
22 employee.
  - 23 5. One hundred twenty-eight (128) overtime hours have been  
24 worked in the calendar quarter.
  - 25 6. Eight (8) overtime hours have been worked on the Saturday  
26 or the Sunday.
  - 27 7. An employee's schedule or work quality is currently  
28 documented as being deficient by a Disciplinary Memo (DM).  
29 The exclusion period shall begin upon the date of issuance of  
30 the DM and shall last for no more than ninety (90) calendar  
31 days. If during the ninety-day exclusion period the Company  
32 assigns the employee to work mandatory overtime or  
33 overtime requested by the Manager, the employee will no  
34 longer be excluded from overtime because of the DM.
- 35 B. If the whole shift of a shop/functional area/crew or position is  
36 scheduled to work a six (6) or seven (7)-day week, all employees  
37 in the shop/functional area/crew or position will be required to  
38 report for weekend work, regardless of whether or not they  
39 were absent during the week, except when an employee has  
40 previously scheduled the use of vacation, bereavement leave or

1 military leave on Friday preceding the weekend, or unless  
2 Sections (A)(4,5,6) of this Section 6.10(A) apply.

3 C. It is understood that the authority of the Company to require  
4 overtime work, established by Section 6.10 of the Collective  
5 Bargaining Agreement, is necessary for business planning and  
6 meeting operational objectives. The parties recognize, however,  
7 that the exercise of this authority may affect employee  
8 productivity.

9 D. Accordingly, the Company and the Union agree, subject to the  
10 exceptions noted below, that the authority conferred by Section  
11 6.10 of the Agreement shall hereinafter be limited as follows.  
12 No employee shall be required, and need not be permitted, to  
13 work overtime in excess of the following limits:

14 1. Quarterly Limit

- 15 • The limit shall be one hundred twenty eight (128) overtime  
16 hours in any calendar quarter;

17 2. Weekend Limit

- 18 • The limit shall be two (2) consecutive weekends;
- 19 • Employees who have worked two (2) consecutive weekends  
20 may volunteer to work overtime on the following weekend;
- 21 • Overtime work on either a Saturday and a Sunday, or on a  
22 Saturday or a Sunday, shall constitute a weekend worked;
- 23 • The limit for overtime on a Saturday or a Sunday shall be  
24 eight (8) hours.

25 3. Holidays

26 All overtime on a holiday as set forth in Section 10.1 of the  
27 parties' Collective Bargaining Agreement or on the weekend  
28 which immediately precedes a Monday holiday or  
29 immediately follows a Friday holiday shall be voluntary.

30 4. No employee will be scheduled for weekend overtime in  
31 conjunction with his or her vacation provided the vacation is  
32 scheduled three (3) or more days prior to the start of the  
33 vacation.

34 E. All overtime in excess of the above limits shall be strictly on a  
35 voluntary basis and no employee shall suffer retribution for his  
36 refusal or failure to volunteer. An employee may be required to  
37 perform overtime work beyond the above limits where  
38 necessary for delivery of an airplane which is on the field, for  
39 customer-requested emergency repair of delivered products, or  
40 for Government DX or Government DO rated orders. In

1 addition, an employee may be required to perform overtime on  
2 a holiday or on the weekend which immediately precedes a  
3 Monday holiday or immediately follows a Friday holiday where  
4 necessary for facilities maintenance.

5 F. The Company will brief the Union semi-annually of its  
6 anticipated program scheduling and its forecasted overtime  
7 requirements.

8 G. Overtime Notice: When required to work overtime, employees  
9 shall be notified in advance where possible. Four (4) hours  
10 notice shall be given for daily overtime and six (6) hours notice  
11 shall be given when employees are required to work any days of  
12 rest of their normal work week, where possible.

13 H. This Section shall apply to continuous work periods  
14 (continuous except for lunch and rest periods) that begin at or  
15 after 6:01 P.M. Friday (or the day prior to the day treated as the  
16 employee's Saturday under Section 6.1) and prior to 10:00 P.M.  
17 Sunday (or the day treated as the employee's Sunday under  
18 Section 6.1).

19 I. In any continuous period of work (continuous except for lunch  
20 periods and rest periods) the work will be deemed to have been  
21 performed on the shift and day shown below:  
22

If work Period Starts	Shift	Day
6:01 P.M. Friday Through 1:30 A.M. Saturday	3 <sup>rd</sup>	Saturday
1:31 A.M. Saturday through 10:00 A.M. Saturday	1 <sup>st</sup>	Saturday
10:01 A.M. Saturday Through 6:00 P.M. Saturday	2 <sup>nd</sup>	Saturday
6:01 P.M. Saturday through 1:30 A.M. Sunday	3 <sup>rd</sup>	Saturday



1:31 A.M. Sunday  
through 1<sup>st</sup> Sunday  
10:00 A.M. Sunday

10:01 A.M. Sunday  
through 2<sup>nd</sup> Sunday  
9:59 P.M. Sunday

1  
2 **Section 6.11. Paydays**

3 Employees will be paid Thursday of every second week, unless that  
4 day is a holiday. If that day is a holiday the Company will endeavor  
5 to make deposits on the prior business day.  
6  
7

8 **ARTICLE 7**  
9 **GRIEVANCE PROCEDURE AND ARBITRATION**  
10

11 **Section 7.1. Establishment of Grievance and Arbitration**  
12 **Procedure**

13 Grievances or complaints arising between the Company and its  
14 employees subject to this Agreement, or the Company and the  
15 Union, with respect to the interpretation or application of any of the  
16 terms of this Agreement, shall be settled according to the following  
17 procedure. Subject to the terms of this Article 7 relating to cases of  
18 dismissal or suspension for cause or of involuntary resignation, only  
19 matters dealing with the interpretation or application of terms of  
20 this Agreement shall be subject to this grievance machinery.  
21

22 **Section 7.2. Employee Grievances**

23 It is agreed that the Business Representative of the Union and the  
24 Company Labor Relations Representative may assist in any step of  
25 the grievance:  
26

27 **STEP 1. Oral Discussion.** The employee first shall notify his  
28 supervisor of his grievance and then, if he so desires, shall  
29 discuss his grievance with the Steward or the Union In-Plant  
30 Representative, and if the Steward or the In-Plant Representative  
31 considers the grievance to be valid, then the employee and the  
32 Steward or In-Plant Representative will contact the employee's  
33 supervisor and will attempt to effect a settlement of the

1 complaint. This procedure, however, will not prevent an  
2 employee from contacting his supervisor if he so chooses. If the  
3 purpose of the employee's contacting his supervisor is to adjust  
4 the grievance, the Steward or the In-Plant Representative shall be  
5 given an opportunity to be present and such adjustment shall be  
6 in conformity with this Agreement.

7  
8 **STEP 2. Grievance Reduced to Writing - Handling at**  
9 **Supervisory Level.** If no settlement is reached in Step 1, the In-  
10 Plant Representative, if he considers the grievance to be valid,  
11 may at any time reduce to writing a statement of the grievance or  
12 complaint which shall contain the following:

- 13 a) The facts upon which the grievance is based.
- 14 b) Reference to the section or sections of the Agreement alleged  
15 to have been violated (this will not be applicable in cases of  
16 dismissal or suspension for cause or of involuntary  
17 resignation).
- 18 c) The remedy sought.

19  
20 The In-Plant Representative shall submit the written statement of  
21 grievance to the Supervisor or the next level of Management for  
22 reconsideration, with a copy to the designated representative of  
23 the Company. After such submission the Supervisor and the In-  
24 Plant Representative may, within the next five (5) workdays  
25 (unless mutually extended), settle the written grievance and, over  
26 their signatures, indicate the disposition made thereof.  
27 Otherwise, promptly after the expiration of such five (5)-day  
28 period (or agreed extension thereof) the Supervisor and the In-  
29 Plant Representative shall sign the grievance, with the Supervisor  
30 indicating the basis for denying the grievance, and their  
31 signatures will indicate that the grievance has been discussed  
32 and reconsidered by them and that no settlement has been  
33 reached.

34  
35 **STEP 3. Written Grievance; Handling at Business**  
36 **Representative-Company Representative Level.** If no  
37 settlement is reached in Step 2, within the specified or agreed  
38 time limits, the Business Representative may at any time  
39 thereafter submit the grievance to the designated representative  
40 of the Company. After such submission the designated

1 representative of the Company and the Business Representative  
2 may, within the next ten (10) workdays (unless mutually  
3 extended), settle the grievance and, over their signatures, indicate  
4 the disposition made thereof. Otherwise, promptly after the  
5 expiration of such ten (10)-day period (or agreed extension  
6 thereof) the designated representative of the Company and the  
7 Business Representative shall sign the grievance, with the  
8 designated representative indicating the basis for denying the  
9 grievance, and their signatures will indicate that the grievance  
10 has been discussed and reconsidered by them and that no  
11 settlement has been reached.

12  
13 **STEP 4. Arbitration.** If no settlement is reached in Step 3 within  
14 the specified or agreed time limits, then either party may in  
15 writing, within ten (10) workdays thereafter, request that the  
16 matter be submitted to an arbiter for a prompt hearing as  
17 hereinafter provided in Sections 7.6 to 7.9, inclusive.

18  
19 **Section 7.3. Dismissals, Suspensions, Layoffs, Etc.**

20 In cases of layoff, or of dismissal or suspension for cause, or of  
21 involuntary resignation, the employee shall be given a copy of the  
22 layoff, suspension or termination of service slip, as the case may be,  
23 if he is available to be presented with such copy. If he is not  
24 available, copies of the slip will be sent to the employee and to the  
25 Union office. The employee shall have the right to appeal the action  
26 shown on the slip providing the In-Plant Representative files a  
27 written grievance at Step 2 with the designated representative of the  
28 Company within seven (7) workdays after the date of layoff,  
29 dismissal, suspension for cause or involuntary resignation, or  
30 within seven (7) workdays after the date of the mailing of the copy of  
31 the slip, provided, however, that any dismissal or suspension of an  
32 employee who has committed a sex crime victimizing a child or  
33 children shall be deemed to be for cause and shall not be subject to  
34 the grievance and arbitration procedure of this Article 7. The  
35 written grievance then may be processed through subsequent steps.

36  
37 **Section 7.4. Union Versus Company and Company Versus**  
38 **Union Grievances**

39 In the case of any grievance which the Union may have against the  
40 Company or the Company may have against the Union, the

1 processing of such grievance shall begin with Step 3 and shall be  
2 limited to matters dealing with the interpretation or application of  
3 terms of this Agreement. Such grievance shall be submitted in  
4 writing to the designated representative of the Company or the  
5 designated representative of the Union, and shall contain the  
6 following:

- 7 A. Statement of the grievance setting forth the facts upon which  
8 the grievance is based.
- 9 B. Reference to the section or sections of the Agreement alleged to  
10 have been violated.
- 11 C. The correction sought. The grievance shall be signed by the  
12 designated representative of the Union or the designated  
13 representative of the Company. If no settlement is reached  
14 within ten (10) workdays (unless mutually extended) from the  
15 submission of the grievance to the designated representative of  
16 the Company or the designated representative of the Union, as  
17 the case may be, both shall sign the grievance and indicate  
18 that it has been discussed and reconsidered by them and that  
19 no settlement has been reached. Within ten (10) workdays  
20 thereafter either party may in writing request that the matter  
21 be submitted to an arbiter for a prompt hearing as hereinafter  
22 provided in Sections 7.6 to 7.9, inclusive.

### 23 **Section 7.5. Retroactive Compensation**

24 Grievance claims involving retroactive compensation shall be limited  
25 to thirty (30) calendar days prior to the written submission of the  
26 grievance to Company representatives, provided, however, that this  
27 thirty (30)-day limitation may be waived by mutual consent of the  
28 parties.  
29

### 30 **Section 7.6. Selection of Arbiter - By Agreement**

31 In regard to each case reaching Step 4, the parties will attempt to  
32 agree on an arbiter to hear and decide the particular case. If the  
33 parties are unable to agree to an arbiter within ten (10) workdays  
34 after submission of the written request for arbitration, the  
35 provisions of Section 7.7 Selection of Arbiter - From Arbitration  
36 Panel shall apply to the selection of an arbiter.  
37

1 **Section 7.7. Selection of Arbiter - From Arbitration Panel**

2 Immediately following execution of this Agreement the parties will  
3 proceed to compile a list and agree upon one (1) permanent panel of  
4 arbiters, for life of the agreement. Each panel shall be comprised of  
5 five (5) arbiters and, insofar as practicable, the arbiters on each  
6 panel shall be located in the general vicinity of the location  
7 identified with the title of their panel. If a case reaches Step 4, and  
8 the parties are unable to agree to an arbiter within the time limit  
9 specified in Section 7.6, the case shall be heard and settled by an  
10 arbiter on the panel geographically identified with the grievance, if  
11 available. An available arbiter is one who is available to conduct a  
12 hearing within sixty (60) days (unless mutually extended) after  
13 expiration of the time limit specified in Section 7.6. Assignment of  
14 cases to arbiters on each panel shall be rotated in the alphabetical  
15 order of the last names of those available on the panel.

16  
17 **Section 7.8. Procedure Where Permanent Panel Arbiter Not**  
18 **Available**

19 In the event, as to any case, that there is no available arbiter on the  
20 applicable Permanent Panel, the parties shall jointly request the  
21 American Arbitration Association to submit a panel of seven (7)  
22 arbiters. Such request shall state the general nature of the case  
23 and ask that the nominees be qualified to handle the type of cases  
24 involved. When notification of the names of the panel of seven (7)  
25 arbiters is received, the parties in turn shall have the right to strike  
26 a name from the panel until only one (1) name remains. The  
27 remaining person shall be the arbiter. The right to strike the first  
28 name from the panel shall be determined by lot.

29  
30 **Section 7.9. Arbitration - Rules of Procedure**

31 Arbitration pursuant to Step 4 shall be conducted in accordance  
32 with the following:

- 33 A. The arbiter shall hear and accept pertinent evidence submitted  
34 by both parties and shall be empowered to request such data  
35 as he deems pertinent to the grievance and shall render a  
36 decision in writing to both parties within fifteen (15) days  
37 (unless mutually extended) of the completion of the hearing.
- 38 B. The arbiter shall be authorized to rule and issue a decision in  
39 writing on the issue presented for arbitration, which decision  
40 shall be final and binding on both parties.

1 C. The arbiter shall rule only on the basis of information  
2 presented in the hearing before him and shall refuse to receive  
3 any information after the hearing except when there is mutual  
4 agreement, in the presence of both parties.

5 D. Each party to the proceedings may call such witnesses as may  
6 be necessary in the order in which their testimony is to be  
7 heard. Such testimony shall be limited to the matters set forth  
8 in the written statement of grievance. The arguments of the  
9 parties may be supported by oral comment and rebuttal.  
10 Either or both parties may submit written briefs within a time  
11 period mutually agreed upon. Such arguments of the parties,  
12 whether oral or written, shall be confined to and directed at the  
13 matters set forth in the grievance.

14 E. Each party shall pay any compensation and expenses relating  
15 to its own witnesses or representatives.

16 F. The Company and the Union shall, by mutual consent, fix the  
17 amount of compensation to be paid for the services of the  
18 arbiter. The Union or the Company, whichever is ruled against  
19 by the arbiter, shall pay the compensation of the arbiter  
20 including his necessary expenses.

21 G. The total cost of the stenographic record (if requested) will be  
22 paid by the party requesting it. If the other party also requests  
23 a copy, that party will pay one-half of the stenographic costs.  
24

### 25 **Section 7.10. Extension of Time Limits by Agreement**

26 Time limits designated in this Article 7 for processing grievances  
27 and for bringing a matter to arbitration may only be extended by  
28 mutual written consent.  
29

### 30 **Section 7.11. Agreement Not to be Altered**

31 In arriving at any settlement or decision under the provisions of this  
32 Article 7, neither the parties nor the arbiter shall have the authority  
33 to alter this Agreement in whole or in part.  
34

### 35 **Section 7.12. Conferences During Working Hours**

36 All conferences resulting from the application of provisions  
37 contained in this Article 7 shall be held during working hours.  
38  
39



1 **Section 7.13. Business Representative, When Not Available, May**  
2 **Authorize Designee**

3 For any period that the Business Representative is unavailable to  
4 serve in that capacity under this Article 7, he may designate an  
5 accredited Steward or another accredited Business Representative  
6 to act for him, as his designee. As to each such period of  
7 unavailability, authorization of the designee will be accomplished by  
8 the Business Representative informing the appropriate Company  
9 Representative of the expected period of the Business  
10 Representative's unavailability and naming the designee. When the  
11 Business Representative again is available to perform his duties  
12 under this Article 7, he shall promptly notify the Company  
13 representative of the fact and such notice will terminate the period  
14 during which the designee is authorized to act.

15  
16 **Section 7.14. Signing Grievance Does Not Concede Arbitrable**  
17 **Issue**

18 The signing of any grievance by any employee or representative  
19 either of the Company or of the Union shall not be construed by  
20 either party as a concession or agreement that the grievance  
21 constitutes an arbitrable issue, that other claims or defenses may  
22 not be raised, or that the grievance is properly subject to the  
23 grievance machinery under the terms of this Article 7.

24  
25 **Section 7.15. Union Jurisdictional Claims**

26 Union jurisdictional claims arising under the provisions of Section  
27 1.1 of this Agreement, shall be handled pursuant to the provisions  
28 of Section 7.4 and Sections 7.6 through 7.14, inclusive, except that  
29 the following requirements shall apply:

- 30 A. The written statement of grievance shall identify the job  
31 involved, state the Union's contention or contentions in detail,  
32 and shall contain a detailed statement of the reasons for the  
33 position taken by the Union.
- 34 B. If the Company and the Union are unable to agree upon the  
35 contents and scope of the record to be presented to the arbiter,  
36 either party may present to the arbiter whatever evidence,  
37 testimony and written argument it deems relevant to the  
38 question to be submitted to the arbiter. A written summary of  
39 such evidence, testimony and written argument will be

1 submitted to the other side at least ten (10) days in advance of  
2 the hearing.

3 C. If the parties are unable to agree upon the question that is to  
4 be submitted to the arbiter for decision, the question to be  
5 submitted to, and answered by, the arbiter shall be: "On the  
6 basis of the evidence, information, and arguments submitted  
7 by the parties in reference to the Union's contention in this  
8 case, is the Company violating Article 1, Section 1.1.?"

9 D. The arbiter shall answer the question submitted to him under  
10 Section 7.15(c) or the agreed statement of the issue presented  
11 by both parties. The arbiter's answer shall either be in the  
12 affirmative or the negative. The arbiter shall confine the  
13 proceedings before him to the questions presented to him in  
14 accordance with this Section 7.15 and he shall not have  
15 authority to specify any change in a job or any change in the  
16 work assignments under a job or the creation of a new job or  
17 any other remedy or type of award.

18 E. If the arbiter's answer sustains the Union's contention, the  
19 Company shall, within thirty (30) days (or any longer period to  
20 which the parties may mutually agree) after receiving the  
21 arbiter's decision, take whatever corrective action is necessary  
22 to eliminate the basis for the Union's jurisdictional claim in the  
23 particular case.

24 Any resolution of any claim or controversy under Section 1.1,  
25 whether by mutual agreement or by arbitration, that requires  
26 corrective action on the part of the Company shall be  
27 prospective in effect from the date of the corrective action taken  
28 by the Company.

### 29 **Section 7.16. Steward-Manager Training**

30 Within the first six (6) months of the contract, joint Union-Company  
31 training will be provided to Stewards and 1<sup>st</sup> level Managers on  
32 grievance investigation and resolution, and should continue for all  
33 future Stewards and new Managers.  
34  
35  
36  
37  
38

1 **ARTICLE 8**  
2 **LEAVES OF ABSENCE, BEREAVEMENT, JURY/WITNESS**  
3 **DUTY**  
4

5 **Section 8.1. Authorized Leaves of Absence**

6 Leaves of Absence will be granted in accordance with the Family and  
7 Medical Leave Act (FMLA) and the Spirit AeroSystems, Inc. local  
8 policy. Employees are required to use available vacation/sick leave  
9 concurrently with their FMLA absence. In such cases, all employees  
10 shall be entitled to retain up to eighty (80) hours of vacation.  
11 Falsification or misrepresentation of facts in connection with a  
12 FMLA request shall be cause for discharge. Where practical, a  
13 request for a leave of absence should be made in writing to the  
14 company five (5) working days prior to the beginning of the leave.  
15

16 **Section 8.2. Leave of Absence Condition**

17 An employee accepting other employment or engaged in business for  
18 himself while on leave of absence shall be deemed to have  
19 voluntarily resigned from the company.  
20

21 **Section 8.3. Military Leave of Absence**

22 An employee who is a member of a reserve component of the United  
23 States Armed Forces or a State's National Guard, who is absent due  
24 to required active annual training duty or temporary special services  
25 duty, shall be paid Base Rate plus shift premiums and cost of living  
26 adjustment where applicable, up to a maximum of ten (10)  
27 workdays each calendar year. An employee who, because of  
28 schedule adjustments by the reserve component, receives orders to  
29 report for two (2) training periods in one (1) calendar year may  
30 receive time off with pay in excess of the ten (10)-day annual  
31 maximum provided that the total time off with pay does not exceed  
32 twenty (20) workdays in a two (2) consecutive year period (either  
33 current and previous calendar years or current and following  
34 calendar years) and the employee was a member of the reserve  
35 component during both of the applicable consecutive years.  
36 Employees with military orders to serve additional days of duty will  
37 be placed on unpaid authorized leave of absence. The amount due  
38 the employee under this Section shall be reduced by the amount  
39 received from the government body identified with such training  
40 duty or services, for the period of such duty (up to the maximum

1 period mentioned above). Such items as subsistence, uniform and  
2 travel allowance shall not be included in determining pay received  
3 from state or federal government.  
4

#### 5 **Section 8.4. Bereavement Leave**

6 Up to three (3) days bereavement leave with pay will be granted to  
7 an employee on the active payroll who, because of death in his  
8 immediate family, takes time off from work during his normal work  
9 schedule as such term is defined in Section 6.1 of this Agreement.  
10 Such pay shall be at the employee's straight time base rate,  
11 including shift differential and cost of living adjustment where  
12 applicable for each such day off; however, such pay will not be  
13 applicable if the employee receives pay for such days off under any  
14 other provision of this Agreement. Bereavement leave must be  
15 taken on consecutive workdays as selected by the employee within  
16 twenty (20) calendar days following the death (or evidence of belated  
17 notification of death). For the purposes of this Section 8.4 the  
18 "immediate family" is defined as follows: spouse, mother, father,  
19 mother-in-law, father-in-law, children, brother, sister, son-in-law,  
20 daughter-in-law, great-grandparents, grandparents, grandchildren,  
21 stepmother, stepfather, stepchildren, stepbrother, stepsister, half  
22 brother, half sister, spouse's grandparents, same gender domestic  
23 partner, step-grandparents and spouse's step-grandparents. In  
24 addition, an employee will be granted bereavement leave for a  
25 stillborn child if the employee provides a certificate of fetal death,  
26 which has been certified by the attending physician.  
27

#### 28 **Section 8.5. Jury/Witness Duty**

29 An employee absent from work due to (1) required jury duty  
30 (including grand jury duty), (2) to testify as a witness for the  
31 Company, (3) to respond to a subpoena to appear as a witness in  
32 any legal proceeding, (4) to appear at an arbitration resulting from  
33 the referral, by a court, for a lawsuit that has been filed with the  
34 court (excluding arbitration pursuant to a Collective Bargaining  
35 Agreement or other contractual provisions) or (5) to respond to a  
36 subpoena to appear for a deposition will be paid for such lost hours  
37 at his current straight time rate, including any applicable cost of  
38 living adjustment, up to a maximum of eight (8) hours per day, for  
39 each regular work day of required jury or witness duty. Employees  
40 will be excused from their scheduled shift for each day they serve.

1 Second and third shift employees or employees assigned to variable  
2 work schedules summoned to jury or witness duty will be  
3 temporarily assigned to first shift on a regular work week schedule  
4 on a weekly basis during the time required to serve. Fees received  
5 for jury or witness duty will not be deducted from such pay. To be  
6 eligible for time off with pay, the employee must furnish a copy of  
7 this summons or subpoena to management, before the appearance,  
8 to indicate that the absence from work is necessary to appear for a  
9 jury duty or to serve as a witness. In addition, management may  
10 require verification of such appearance. An employee is not entitled  
11 to pay under this Section 8.5 in circumstances where the employee  
12 (1) is called as a witness against the Company or its interests; or (2)  
13 is called as a witness on his own behalf in an action in which he is a  
14 party; or (3) voluntarily seeks to testify as a witness; or (4) is a  
15 witness in a case arising from or related to his outside employment  
16 or outside business activities; or (5) is subpoenaed as a witness  
17 while on leave of absence except when serving as a Company  
18 witness.

19

## 20 **Section 8.6. Return from Leave of Absence**

21 A. Where an employee returns from leave of absence that was  
22 granted due to industrial injury or illness and he is medically  
23 able to perform the job which he last held, he will be returned  
24 to it provided it does not conflict with seniority.

25 B. If leave was granted due to non-industrial injury or illness and  
26 the period of leave is less than one year, the employee will be  
27 returned to their last job held providing it does not conflict with  
28 seniority.

29 C. If leave was granted due to non-industrial injury or illness and  
30 the period of leave is in excess of one (1) year but less than  
31 three (3) years, the employee may be returned to the job title  
32 which the employee last held provided there is an opening in  
33 such job title and the employee's placement is not inconsistent  
34 with Article 9; otherwise, the employee may be placed on layoff.

35 D. If leave was granted to accept a full-time position with the  
36 Union, the employee will be returned to the job which he last  
37 held if such job is then populated; if such job is not then  
38 populated he will be returned to one of equal level.

39

40



1 **Section 8.7. Reinstatement Following a Medical Termination**

2 A.If an employee has been terminated because of medical  
3 limitations, resulting from an industrial illness or injury, that  
4 cannot be reasonably accommodated, the Company will  
5 reinstate the employee provided the following conditions are  
6 met:

- 7 1. Within sixty (60) months of the employee’s termination, the  
8 employee’s medical limitations change to a degree that the  
9 employee can perform the essential functions of the job,  
10 with or without a reasonable accommodation, from which  
11 the employee was terminated; and  
12 2. The employee’s seniority will hold.

13 B.If reinstated, under Section 8.7.A. the employee’s seniority will  
14 be restored.

15 C.If within twelve (12) months of the employee being reinstated,  
16 the employee’s work restrictions, that relate to the previous  
17 industrial injury or illness, again prevent the employee from  
18 performing the essential functions of the employee’s job, with  
19 or without a reasonable accommodation, and the employee is  
20 once more terminated, the employee will lose all seniority and  
21 will not be eligible for reinstatement pursuant to this section.  
22 The employee would still be eligible for rehire consideration.  
23  
24

25 **ARTICLE 9**  
26 **SENIORITY**  
27

28 **Section 9.1. Accumulation of Seniority**

29 The seniority of an individual at any time (subject to the other  
30 Sections of this Article 9) shall be:

31 A. The amount of seniority the individual had immediately prior to  
32 the effective date of the Agreement, calculated in accordance  
33 with the collective bargaining agreement between the parties  
34 dated June 25, 2005; plus

35 B. The time after such effective date that the individual is on the  
36 active payroll of the Company within any bargaining unit to  
37 which this Agreement relates; plus

- 38 1. employees temporarily promoted to management payroll or  
39 promoted to individual contributors payroll for purposes of  
40 staffing a joint program (such employees to continue to



- 1 accrue seniority in accordance with Section 9.1(B) above);
- 2 plus
- 3 2. time lost by reason of industrial injury, industrial illness, or
- 4 jury duty; plus
- 5 3. time on leave of absence granted for the purpose of serving
- 6 in the Armed Forces of the United States; plus
- 7 4. time spent on authorized leave of absence for Union
- 8 business; plus
- 9 5. time spent on leave of absence granted by the Company for
- 10 the purpose of permitting an employee to engage in activities
- 11 requested by the Company; plus
- 12 6. time spent on authorized leave of absence granted because of
- 13 pregnancy or to cover periods of non-industrial injury or
- 14 illness, not to exceed one (1) year during any such period;
- 15 plus
- 16 7. the first ninety (90) days of any other authorized leave of
- 17 absence; plus
- 18 8. time on disability retirement from any such unit provided the
- 19 employee qualifies to return to the active payroll; plus
- 20 9. time on layoff from any such unit not to exceed, in each
- 21 instance:
  - 22 1. a period of six (6) years for employees with five (5) or more
  - 23 years of seniority at time of layoff (less time on leave under
  - 24 Subparagraphs 9.1(B)(6.) and 9.1(B)(7.) where such leave
  - 25 immediately precedes such layoff);
  - 26 2. a period of five (5) years for employees with three (3) or
  - 27 more but less than five (5) years seniority at time of layoff
  - 28 (less time on leave under Subparagraphs 9.1(B)(6.) and
  - 29 9.1(B)(7.) where such leave immediately precedes such
  - 30 layoff);
  - 31 3. a period of three (3) years for employees with one (1) or
  - 32 more years but less than three (3) years seniority at time
  - 33 of layoff (less time on leave under Subparagraphs
  - 34 9.1(B)(6.) and 9.1(B)(7.) where such leave immediately
  - 35 precedes such layoff);
  - 36 4. a period of one (1) year for employees with less than one
  - 37 (1) year seniority at time of layoff (less time on leave under
  - 38 Subparagraphs 9.1(B)(6.) and 9.1(B)(7.) where such leave
  - 39 immediately precedes such layoff).
- 40

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40

**Section 9.2. Loss of Seniority**

An individual shall lose seniority rights for the following reasons:

- A. Voluntary Resignation.
- B. Resignation. An individual who, while on leave of absence, engages in other employment or fails to report for work or to obtain renewal of his leave on or before its expiration, will be considered as having resigned.
- C. Discharge for cause.
- D. Failure to respond with his acceptance within seven (7) regular workdays after dispatch by certified mail, return receipt requested, of a recall from layoff unless such period is extended by the Company if such recall is to a job that he must accept under the applicable provisions of Article 9 or lose seniority. However, if such an employee, who otherwise would retain his seniority except for the provisions of this Section 9.2(D.), contacts the Company in writing within thirty (30) calendar days of his seniority loss, his seniority will be reinstated and he will be placed on the roster in seniority order for prospective purposes.
- E. Failure to report for work within five (5) workdays after acceptance or on such later date as may be designated by the Company.
- F. Retirement (excludes those employees on disability retirement who may qualify to return to the active payroll).
- G. Any employee of the Company outside of a collective bargaining unit covered by this Agreement who is discharged or quits shall be considered a new hire without seniority if subsequently employed within the bargaining unit.

**Section 9.3. Reinstatement of Seniority Lost by Reason of Duration of Layoff**

An employee laid off by Boeing on or after October 4, 1980 but before the effective date, upon re-employment by the Company, have that seniority reinstated if the employee returns to the active payroll and his period of separation from the active payroll does not exceed the amount of seniority he had at the date of his layoff, plus the amount of seniority he accumulated under the applicable provisions of all Collective Bargaining Agreements between the parties and

1 between the IAM and Boeing beginning October 4, 1980 and  
2 thereafter.

3  
4 **Section 9.4. Nature of Seniority Rights**

5 Seniority rights are those specified by effective written agreement  
6 and shall not be deemed to exist independently of such agreement.

7  
8 **Section 9.5. Transfer to Management**

9 The Company may transfer or promote employees from the collective  
10 bargaining unit covered by this Agreement to the management  
11 (supervisory) payroll. An employee, who has been or will be  
12 transferred from a job classification covered by this Agreement to a  
13 position within Management, will retain and accumulate his  
14 previous seniority for five (5) years and will resume accumulating  
15 such seniority in case he returns to the bargaining unit. An  
16 employee returning from the active management (supervisory)  
17 payroll of the Company, and who is accumulating seniority or who  
18 has accumulated seniority in accordance with Section 9.1 will be  
19 returned to the job last held (if populated) or another job of the  
20 same labor level. In exceptional cases, he may be returned to a  
21 higher labor level in the same job classification as the job he last  
22 held, but such exception shall require concurrence by the Union.

23  
24 **Section 9.6. Elected/Appointed to Union Office**

25 An employee covered by this Agreement who is elected or appointed  
26 to one of the following Union Offices: President, Business  
27 Representative, In-Plant Representative, or other full time staff  
28 member, or becomes a Representative of the Grand Lodge shall be  
29 granted a leave of absence to serve in such office full time and will  
30 retain previous seniority and accumulate seniority while serving in  
31 these positions, for the purpose of reemployment and benefit  
32 eligibility and accrual levels, provided he notifies the Company of his  
33 intent to return to the bargaining unit at least ten (10) calendar  
34 days in advance of such intended return. Upon return from leave of  
35 absence, the employee will be eligible to utilize any unused sick  
36 leave and vacation accruals accumulated by the employee at the  
37 time of his appointment to the Union position. Not more than  
38 fifteen (15) such leaves of absence may be in effect at one time.

1 **Section 9.7. Employees on Overseas Assignment**

2 Employees on overseas assignment who perform production work  
3 will continue to accumulate seniority during such period of  
4 assignment without regard to their payroll classification while on  
5 such assignment. If such an employee, at the time of such  
6 assignment, had on file with the Company an effective authorization  
7 for Union dues deduction, the Company will continue to make such  
8 Union dues deductions during such period, and the Union agrees to  
9 save the Company harmless from any claim for damages on the part  
10 of any employee so affected.

11  
12 **Section 9.8. Probationary Period**

13 Employees hired after the effective date that do not have Boeing job  
14 rights (defined as having Category A rights as of June 17, 2005),  
15 may be terminated within the first sixty (60) days for any reason  
16 deemed appropriate by management. The Company will attempt to  
17 assign a common set of tasks to the employee during this  
18 probationary period to enable the employee to familiarize him or  
19 herself with the job requirements.

20  
21 **ARTICLE 10**  
22 **HOLIDAYS**

23 **Section 10.1. Dates Observed**

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

<b>2010 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Friday	January 1, 2010
Memorial Day	Monday	May 31, 2010
Independence Day	Monday	July 5, 2010
Labor Day	Monday	September 6, 2010
Thanksgiving Day	Thursday	November 25, 2010
Day following Thanksgiving	Friday	November 26, 2010

Christmas Break	Friday	December 24, 2010
Christmas Break	Monday	December 27, 2010
Christmas Break	Tuesday	December 28, 2010
Christmas Break	Wednesday	December 29, 2010
Christmas Break	Thursday	December 30, 2010
Christmas Break	Friday	December 31, 2010

<b>2011 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Monday	January 3, 2011
Memorial Day	Monday	May 30, 2011
Independence Day	Monday	July 4, 2011
Labor Day	Monday	September 5, 2011
Thanksgiving Day	Thursday	November 24, 2011
Day following Thanksgiving	Friday	November 25, 2011
Christmas Break	Friday	December 23, 2011
Christmas Break	Monday	December 26, 2011
Christmas Break	Tuesday	December 27, 2011
Christmas Break	Wednesday	December 28, 2011
Christmas Break	Thursday	December 29, 2011
Christmas Break	Friday	December 30, 2011

<b>2012 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Monday	January 2, 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 4, 2012
Labor Day	Monday	September 3, 2012
Thanksgiving Day	Thursday	November 22, 2012
Day following Thanksgiving	Friday	November 23, 2012

Christmas Break	Monday	December 24, 2012
Christmas Day	Tuesday	December 25, 2012
Christmas Break	Wednesday	December 26, 2012
Christmas Break	Thursday	December 27, 2012
Christmas Break	Friday	December 28, 2012
Christmas Break	Monday	December 31, 2012

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

<b>2014 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Wednesday	January 1, 2014
Memorial Day	Monday	May 26, 2014
Independence Day	Friday	July 4, 2014
Labor Day	Monday	September 1, 2014
Thanksgiving Day	Thursday	November 27, 2014
Day following Thanksgiving	Friday	November 28, 2014
Christmas Break	Wednesday	December 24, 2014



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

<b>2016 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Friday	January 1, 2016
Memorial Day	Monday	May 30, 2016
Independence Day	Monday	July 4, 2016
Labor Day	Monday	September 5, 2016
Thanksgiving Day	Thursday	November 24, 2016
Day following Thanksgiving	Friday	November 25, 2016
Christmas Break	Friday	December 23, 2016

Christmas Break	Monday	December 26, 2016
Christmas Break	Tuesday	December 27, 2016
Christmas Break	Wednesday	December 28, 2016
Christmas Break	Thursday	December 29, 2016
Christmas Break	Friday	December 30, 2016

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

<b>2018 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Monday	January 1, 2018
Memorial Day	Monday	May 28, 2018
Independence Day	Wednesday	July 4, 2018
Labor Day	Monday	September 3, 2018
Thanksgiving Day	Thursday	November 22, 2018
Day following Thanksgiving	Friday	November 23, 2018
Christmas Break	Monday	December 24, 2018

Christmas Day	Tuesday	December 25, 2018
Christmas Break	Wednesday	December 26, 2018
Christmas Break	Thursday	December 27, 2018
Christmas Break	Friday	December 28, 2018
Christmas Break	Monday	December 31, 2018

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

<b>2020 Holidays</b>	<b>Day of Week</b>	<b>Date of Observance</b>
New Year's Day	Wednesday	January 1, 2020
Memorial Day	Monday	May 25, 2020
*Independence Day	Friday	July 3, 2020
*Labor Day	Monday	September 7, 2020
*Thanksgiving Day	Thursday	November 26, 2020
*Day following Thanksgiving	Friday	November 27, 2020
*Christmas Break	Thursday	December 24, 2020

*Christmas Day	Friday	December 25, 2020
*Christmas Break	Monday	December 28, 2020
*Christmas Break	Tuesday	December 29, 2020
*Christmas Break	Wednesday	December 30, 2020
*Christmas Break	Thursday	December 31, 2020

\*Tentative

1 **Section 10.2. Unworked Holidays**

2 Employees shall receive eight (8) hours pay for unworked holidays  
3 (those holidays designated above), at their base rate in effect at the  
4 time the holiday occurs, plus applicable shift differential and Cost of  
5 Living Adjustment, if, on the holiday, they are on the active payroll,  
6 including those on approved leave of absence for not longer than  
7 ninety (90) calendar days. Employees not on leave of absence who  
8 take leave without pay (LWOP) at the time the holiday occurs shall  
9 be eligible for holiday pay.

10  
11 **Section 10.3. Worked Holidays**

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

17  
18 **Section 10.4. Holidays During Vacation**

19 Should a holiday occur while an employee is on vacation, the  
20 employee shall be allowed to take one (1) extra day of vacation with  
21 pay in lieu of the holiday as such.

22  
23 **Section 10.5. Employees on Non-Regular Workweek**

24 For those employees who regularly work on Saturday and/or  
25 Sunday, receiving two (2) consecutive days off during the week, the  
26 two (2) days off shall be treated as "Saturday" and "Sunday," in that  
27 order, for the purposes of this Article 10. Should any of the holidays  
28 observed by the Company occur on such a "Sunday," the following  
29 day shall be considered as a holiday for such employees. Should

1 any of the holidays observed by the Company occur on such a  
2 "Saturday," the preceding day shall be considered as a holiday for  
3 such employees.

4  
5 **Section 10.6. Employees on Third Shift**

6 Those employees who are assigned to work on third shift shall  
7 observe holidays in accordance with Sections 10.1 through 10.6  
8 except when Independence Day falls on a Tuesday, Wednesday or a  
9 Thursday. When this occurs, they shall observe the Independence  
10 Day holiday on the fifth of July.

11  
12  
13 **ARTICLE 11**  
14 **VACATION AND SICK LEAVE**

15  
16 **Section 11.1. General Description of Credit**

17 Upon reaching his first eligibility date with the Company and during  
18 each succeeding year, an employee subject to this Agreement shall  
19 be credited with a certain number of hours of credit for the  
20 purposes of this Article 11, based upon hours worked during his  
21 first year of service and each succeeding year, such credit to be  
22 earned and used as designated in this Article 11.

23  
24 **Section 11.2. Computation of Credit**

25 The credit to which an employee shall be entitled on his first  
26 eligibility date, and at any time thereafter, shall be computed in  
27 accordance with the following rules:

- 28 A. An employee with less than five (5) years of seniority will earn  
29 one (1) hour credit for each seventeen (17) hours worked.
- 30 B. An employee with five (5) or more but less than ten (10) years of  
31 seniority will earn one (1) hour credit for each sixteen (16)  
32 hours worked.
- 33 C. An employee with ten (10) or more but less than fifteen (15)  
34 years of seniority will earn one (1) hour credit for each thirteen  
35 (13) hours worked.
- 36 D. An employee with fifteen (15) or more but less than twenty (20)  
37 years of seniority will earn one (1) hour credit for each twelve  
38 (12) hours worked.

- 1 E. An employee with twenty (20) or more but less than twenty-five  
2 (25) years of seniority will earn one (1) hour credit for each  
3 eleven (11) hours worked.
- 4 F. An employee with twenty-five (25) or more years of seniority will  
5 earn one (1) hour credit for each ten (10) hours worked.
- 6 G. Seniority shall be the seniority as defined in Article 9.
- 7 H. Each hour worked on third shift shall be increased, at the ratio  
8 of eight (8) to six and one-half (6-1/2) for the purpose of  
9 computing credit.
- 10 I. Total credit for any period of service will be computed to the  
11 nearest tenth of an hour.
- 12 J. All hours for which an employee is paid will be counted as  
13 hours worked in the computation of credit and hours worked at  
14 premium rates shall be counted as straight time hours in such  
15 computation.

16  
17 **Section 11.3. Eligibility to Use Credit**

18 **Eligibility for use of credit shall be determined as follows:**

- 19 A. An employee becomes eligible to use his credit as provided in  
20 Section 11.4 after reaching his first eligibility date, except as  
21 provided in Subparagraph 11.4(C)(2).
- 22 B. The eligibility date of an employee newly hired or hired after  
23 termination of employment shall occur on the anniversary date  
24 of such hire.
- 25 C. An employee who had established an eligibility date prior to the  
26 effective date of this Agreement will retain such eligibility date  
27 so long as he remains in the continuous service of the  
28 Company.
- 29 D. Time on layoff and time on authorized leave of absence will be  
30 considered as continuous service for the purpose of  
31 establishing and retaining eligibility dates.

32  
33 **Section 11.4. Use of Credit**

34 **Credit earned by any employee is to be used as follows:**

- 35 A. Allocation of Portion of Credit to Sick Leave Credit and to  
36 Vacation Credit. The first forty (40) hours credited on an  
37 employee's first eligibility date and thereafter as earned during  
38 each succeeding year of service shall be allocated to the  
39 employee's Sick Leave Credit. The number of such hours that



1 at any time are earned and unused shall be referred to as the  
2 employee's Sick Leave Credit.

3 All hours credited on an employee's first eligibility date and as  
4 earned during each succeeding year of service, in excess of the  
5 number of hours to be allocated to the employee's Sick Leave  
6 Credit as aforesaid, shall be referred to as the employee's  
7 Vacation Credit.

8 B. Use of Vacation Credit as Vacation With Pay or Sick Leave.

9 Between eligibility dates, an employee shall use his unused  
10 Vacation Credit accumulated in the twelve (12)-month period  
11 preceding his last eligibility date as vacation with pay at the  
12 rate in effect for each day of the vacation period, including shift  
13 differential, if applicable, subject to the following conditions:

- 14 1. He shall request vacation dates on forms provided by the  
15 Company and the Company will endeavor to schedule his  
16 vacation as requested. Generally, Vacation Credit will be  
17 used in units of eight (8) hours; however, Credit may be used  
18 in one tenth (.10) increments to cover partial days of  
19 absence, subject to advance approval by the employee's  
20 supervisor.
- 21 2. In instances where Company management believes the  
22 awarding of vacations as requested would interfere seriously  
23 with production requirements, the scheduling of vacations  
24 shall be as near to the dates requested as possible.
- 25 3. In scheduling vacations, the Company will attempt to meet  
26 its production requirements by use of employees on a  
27 voluntary basis and, failing in this, the seniors will be given  
28 their preference of available vacation dates when request is  
29 made thirty (30) or more days prior to the vacation dates  
30 requested to the extent established vacation schedules will  
31 permit.
- 32 4. In the event an employee is temporarily laid off as provided  
33 in Section 16.4 or is on approved leave of absence, he may  
34 elect to take his vacation with pay, to the extent of his  
35 eligibility, during such layoff or leave.
- 36 5. If an employee's Sick Leave Credit is exhausted,  
37 management may approve on a case-by-case basis an  
38 employee's request to use Vacation Credit as sick leave for  
39 legitimate reasons for absence under the same conditions as  
40 set forth in Subparagraph 11.4(C)(1). Such approval will not

1 be unreasonably denied; however, requests will not normally  
2 be approved if the employee is then under a Disciplinary  
3 Memo for attendance.

4 C. Use of Sick Leave Credit as Sick Leave. Sick Leave Credit may  
5 be used as follows:

6 1. General.

7 Between eligibility dates, an employee, including an  
8 employee on a leave of absence, may, at his option, use any  
9 part or all of his Sick Leave Credit as sick leave providing: (A)  
10 the employee is partially or wholly incapacitated by actual  
11 illness or injury on the days taken as sick leave, (B) an  
12 illness in the employee's immediate family requires the  
13 employee's presence or (C) the employee has a medical or  
14 dental appointment which can be scheduled only during  
15 working hours. The employee shall be paid for absence  
16 charged to sick leave and shall not be penalized for such  
17 absence providing the nature of the absence and anticipated  
18 length of absence is reported to his organization on the first  
19 day of such absence, or as soon thereafter as reasonably  
20 possible. As to possible rights after exhaustion of Sick Leave  
21 Credit, see Section 11.4(B.5).

22 2. Prior to First Eligibility Date.

23 Prior to his first eligibility date an employee may use in  
24 accordance with Subparagraph 11.4.A., accumulated Sick  
25 Leave Credits anticipated to be allocated on his first  
26 eligibility date. Use of such credits will be considered to be  
27 an advance from the employees' Sick Leave Credits due on  
28 his first eligibility date and will reduce such allocation  
29 accordingly. Should the employee terminate for any reason  
30 other than layoff prior to completion of his first year of  
31 service, sick leave payment made to the employee may be  
32 deducted from the employee's final paycheck and any  
33 remaining amounts will be due the Company.

34 D. Unused Vacation Credit.

35 It is the intent of the parties that employees shall be required  
36 to use Vacation Credit as vacation. However, where an  
37 employee does not use all or part of such Vacation Credit as  
38 vacation with pay during the year between vacation eligibility  
39 dates, the unused balance of vacation will be rolled over on the  
40 employee's next eligibility date, unless ten (10) or more working

1 days before the employee's eligibility date, the employee  
2 requests in writing to be paid for any unused Vacation Credit.  
3 Vacation credits so carried over must be used during the next  
4 eligibility year. If not used within the following eligibility year,  
5 the employee will be paid for the unused Vacation Credit at his  
6 next eligibility date. All payments in lieu of vacations shall be  
7 made at the employee's rate in effect on the employee's current  
8 vacation eligibility date, including shift differential where  
9 applicable.

10 E. Unused Sick Leave Credit.

11 An employee who, on any eligibility date, has more than forty  
12 (40) unused hours in his Sick Leave Credit, less the number of  
13 leave without pay hours taken during the eligibility year, will  
14 receive pay-in-lieu of those hours over forty (40) in accordance  
15 with the following table:  
16

Hours of Unused Sick Leave Credit in Excess of 40 (Less Leave Without Pay Hours)	<b>Percentage Payment</b>
40 hours	160%
36 to 40 hours	150%
32 to 36 hours	140%
28 to 32 hours	130%
24 to 28 hours	120%
20 to 24 hours	110%
less than 20	100%

17  
18 Such payments shall be made at the employee's rate in effect  
19 on that eligibility date, including shift differential where  
20 applicable. Notwithstanding the above, there will be no  
21 deduction for leave without pay hours taken for the following  
22 reasons: departure from work for Union business pursuant to  
23 Section 3.7; temporary layoff pursuant to Section 16.4; or  
24 emergency plant closure.

25 F. Effect of Termination.

26 Upon termination of an employee's employment for any reason  
27 on or after any eligibility date, such employee shall receive pay  
28 in lieu of his hours of Vacation Credit and Sick Leave Credit  
29 earned and unused up to and including the effective date of his  
30 termination of employment. For the purposes of this Section  
31 11.4(F) only, an employee shall be deemed to have terminated

1 on or after his first eligibility date if he worked on his last  
2 scheduled workday prior to that eligibility date.

3 G. Effect of Military Service on Credit.

4 Any employee who leaves to enter military service shall receive  
5 pay in lieu of his hours of Vacation Credit and Sick Leave  
6 Credit earned and unused up to the effective date of  
7 termination irrespective of whether he has been employed until  
8 his eligibility date. Such payment will be made when the  
9 employee furnishes proof, satisfactory to the Company, of his  
10 entry into military service within sixty (60) days after  
11 termination and without intervening employment elsewhere.

12 H. Effect of Layoff on Credit.

13 Any employee who is laid off (on other than a temporary layoff  
14 of twenty-one (21) calendar days or less) shall receive pay in  
15 lieu of all of his hours of Vacation Credit and Sick Leave Credit  
16 earned and unused up to the effective date of layoff irrespective  
17 of whether he has been employed until his eligibility date.  
18 Employees temporarily laid off shall not receive pay in lieu of  
19 unused Credit.

20 I. Use of Credit in Lieu of Working Short Workweek.

21 In the event the Company deems it advisable to work an  
22 employee on a short workweek as provided in Article 6, Section  
23 6.1(B) the employee may:

- 24 1. elect against working the short workweek in which case he  
25 may apply for and use his unused Credit accumulated in the  
26 twelve (12)-month period preceding his last eligibility date (to  
27 the extent that it is not allocated or required to be allocated  
28 to his Sick Leave Credit) as time off with pay at the rate in  
29 effect on the day(s) such credit is used, including shift  
30 differential if applicable, or
  - 31 2. elect to work the short workweek and apply for and use such  
32 unused Credit as time off with pay for the regular workdays  
33 that are not worked in the short workweek, or
  - 34 3. elect layoff, in which case the provisions of Section 11.4(H)  
35 above shall apply.
- 36  
37  
38  
39  
40  
41

**ARTICLE 12**  
**GROUP INSURANCE AND RETIREMENT PLANS**  
**Synopsis of New Benefit Plans for**  
**IAM Represented Employees**

**The following is a summary of coverage for plans offered. Benefits will be effective August 1, 2010.**

**Two Medical Plan Options Available through PHS**

Vision coverage will be provided as part of your medical plan choice and is similar to the coverage you have today (check the upcoming enrollment materials for further details.)

**Coordinated Care (Core) Plan (CCP)**

You must choose a primary care physician (PCP) who will coordinate your care and refer you to specialist when necessary. Benefits are higher when you obtain care from a CCP network provider. Generally network coverage is provided at 100% after a copay and 60% after the deductible when you do not use a network provider. You will pay a lower office visit copay when you use high performing providers.

Coverage Level	Network Deductible	Out-of-Network Deductible	Network Out-of-Pocket Maximum (excluding deductible)	Out-of-Network Out-of-Pocket Maximum (excluding deductible)
Employee	None	\$600	None	\$1,500
Employee + Spouse	None	\$1,200	None	\$2,250
Employee + Child (ren)	None	\$1,200	None	\$2,250
Family	None	\$1,800	None	\$3,000

**CCP Prescription Coverage**

Prescription coverage will be available when purchased at a network retail pharmacy or through the mail service program. Your copay amounts for network coverage are shown below:

Network Retail Prescriptions	\$8 copay generic
(30-day supply)	\$15 copay formulary
	\$30 copay non-formulary
Network Mail Service Prescriptions	\$16 copay generic
(90-day supply)	\$30 copay formulary
	\$60 copay non-formulary

1

2 **Consumer Directed (Enhanced) Health Plan (CDHP)**

3 Under this plan, you will manage your care and how your health  
4 care dollars are spent. You may use any provider to receive care but  
5 will receive higher benefits (90%) when you use a network provider  
6 than when you use an out-of-network provider (60%). The  
7 Company will make a contribution to a Personal Care Account (PCA)  
8 ranging from \$500 to \$1,500 depending on your coverage level.  
9 Unused funds will be carried over to the next year. This plan has a  
10 network deductible and an out-of-pocket maximum, whereas the  
11 other plan does not. See below:

Coverage Level	Network Deductible	Out-of-Network Deductible	Network Out-of-Pocket Maximum (excluding deductible)	Out-of-Network Out-of-Pocket Maximum (excluding deductible)
Employee	\$1,000	\$2,000	\$1,000	\$2,000
Employee + Spouse	\$1,750	\$3,500	\$1,500	\$3,000
Employee + Child (ren)	\$1,750	\$3,500	\$1,500	\$3,000
Family	\$2,500	\$5,000	\$2,000	\$4,000

12

13 **CDHP Prescription Coverage**

14 Prescription coverage will be available when purchased at a network  
15 retail pharmacy or through the mail service program. Your copay  
16 amounts for network coverage are shown below:

17

Network Retail Prescriptions	\$10 copay generic
(30-day supply)	\$20 copay formulary



\$35 copay non-formulary

Network Mail Service  
Prescriptions  
(90-day supply)

\$25 copay generic  
\$50 copay formulary  
\$85 copay non-formulary

1 **Medical Plan Monthly Contributions 8/1/2010 through**  
2 **6/30/2011**

Coverage Level	CCP	CDHP
Employee	\$42.80	\$23.20
Employee + Spouse	\$85.60	\$46.20
Employee + Child(ren)	\$85.60	\$46.20
Family	\$128.40	\$69.20

- 3 • To waive coverage, you will be required to show proof of
- 4 coverage elsewhere.
- 5 • Future medical contributions:
- 6 ○ CCP (Core) Plan – 10% of the overall medical premium cost
- 7 for the 1<sup>st</sup> 3 years, 15% of the overall medical premium cost
- 8 for the 2<sup>nd</sup> 3 years, and 20% of the overall medical premium
- 9 cost for the remainder of the contract.
- 10 ○ CHDP (Enhanced) Plan – 5% of overall medical premium
- 11 cost.
- 12 ○ Additional Plan in Year 4 – 0% of medical premium cost.

13  
14 **Two Dental Plan Options Available**

15 Offered through Delta Dental, two options will be available: a dental  
16 PPO style and a dental HMO style plan.

17  
18 **Dental Plan Monthly Contributions 8/1/2010 through**  
19 **6/30/2011**

Coverage Level	Dental PPO Preferred	Dental Premier
Employee	\$ 10.60	\$ 4.10
Employee + Spouse	\$ 21.20	\$ 8.20
Employee + Child(ren)	\$ 21.20	\$ 8.20
Family	\$ 31.80	\$ 12.40

1 **Health Care and Dependent Care Spending Accounts**

2 Both a health care and dependent care spending account will be  
3 offered. You may contribute from \$250 to \$3000 annually to a  
4 health care spending account and \$250 to \$5,000 for a dependent  
5 care account. Use the money to pay for eligible health care or  
6 dependent care expenses. Your contributions are made before taxes  
7 are taken out of your paycheck. This means you pay no Social  
8 Security, federal and in most cases state taxes on this money.

9  
10 **Welfare Coverage**

11 Comprehensive welfare coverage will be offered to provide financial  
12 protection for you and your family if you become sick, injured or die.

13

<b>Welfare Coverage</b>	<b>Paid By</b>	<b>Provided Through</b>	<b>Benefit</b>
Weekly Disability	Company	Aetna	\$330 per week (\$165 for disabilities covered by worker's compensation); 26 week maximum
Basic Life	Company	Aetna	\$50,000
Supplemental Life	You	Aetna	1 to 5 times annual base wage; spouse coverage available at 50% or 100% of your basic life coverage; \$10,000 for each child; evidence of insurability may apply
Basic AD&D	Company	Chartis	\$40,000; actual payment depends on loss suffered
Supplemental AD&D	You	Chartis	1 to 5 times annual base wage; spouse coverage available at 50% of your election; 10% of your election for children's coverage
BTA	Company	Chartis	2 times annual base wage; actual payment depends on the loss suffered.

1 **Retirement and Savings**

2 The Company will provide contributions for your participation in the  
3 IAM National Pension Fund. You will automatically participate in  
4 the IAM National Pension Fund beginning on July 29, 2005. You  
5 will accrue a benefit for each year of future service and will be  
6 eligible for normal, early, and disability retirement, along with  
7 survivor benefits. Benefit accruals are as follows:  
8

- 9 2010 (effective July 1) - \$66.08
- 10 2011 (effective July 1) - \$68.08
- 11 2012 (effective July 1) - \$70.09
- 12 2013 (effective July 1) - \$72.90
- 13 2014 (effective July 1) - \$74.10
- 14 2015 (effective July 1) - \$76.10
- 15 2016 (effective July 1) - \$77.98
- 16 2017 (effective July 1) - \$79.89
- 17 2018 (effective July 1) - \$81.73
- 18 2019 (effective July 1) - \$83.59

19  
20 In addition you have an opportunity to defer on a pre-tax or after-  
21 tax\_basis into the IAM's 401(k) plan.  
22

23 Information also available at [www.iamnpf.org](http://www.iamnpf.org)  
24

25 Pension earned under BCERP for service through Closing Date  
26 (June 16, 2005), were transfered to a Spirit AeroSystems pension  
27 plan. All BCERP vesting and early retirement features will apply  
28 when that benefit becomes payable.  
29

30 **Retiree Medical**

31 For individuals who were employed on June 17, 2005, the Company  
32 will offer subsidized retiree medical coverage upon retirement at age  
33 62 as long as you have 10 years of vesting service. You will pay the  
34 same premiums until you reach age 65 or become medicare eligible  
35 due to a disability, that you would have paid as an active employee.  
36 In addition, "access-only" retiree medical coverage is available to all  
37 current and future employees upon retirement at age 55 with 10  
38 years of vesting service. Costs for access-only coverage will be fully  
39 paid by the retiree, based on the cost of coverage for the retired  
40 employee population.  
41

<b>International Association of Machinists and Aerospace Workers Represented Employees (Active) Hired on June 17, 2005 (excluding Boeing employees who retired on or before June 17, 2005)</b>	
<b>Savings/401(k) Plan</b>	
Employee Contributions	IAM employees eligible to participate in IAM 401(k) plan.
Company Matching Contributions	Not applicable
Additional Company Contributions (applicable for former Boeing employees actively employed as	Not applicable
Vesting Matching Contributions Additional Company Contributions	Not applicable
Pay Definition	Per terms of IAM 401(k) plan
Payout Options	Per terms of IAM 401(k) plan
<b>Retirement Plan</b>	
Normal Retirement Benefit	IAM employees participate in IAM National Pension Fund for future service following Closing Date. Spirit AeroSystems, Inc. negotiated contribution rate is as follows: 2010 (effective July 1) - \$1.50 per hour for \$66.08 2011 (effective July 1) - \$1.55 per hour for \$68.08 2012 (effective July 1) - \$1.60 per hour for \$70.09 2013 (effective July 1) - \$1.65 per hour for \$72.90 2014 (effective July 1) - \$1.70 per hour for \$74.10 2015 (effective July 1) - \$1.75 per hour for \$76.10 2016 (effective July 1) - \$1.80 per hour for \$77.98 2017 (effective July 1) - \$1.85 per hour for \$79.89 2018 (effective July 1) - \$1.90 per hour for \$81.73 2019 (effective July 1) - \$1.95 per hour for \$83.59
Early Retirement	Per terms of IAM National Pension Fund for future service, and per terms of BCERP as in effect on Closing Date, applicable to frozen accrued benefit. Early retirement eligibility determined based on Spirit AeroSystems, Inc. service plus service earned for retirement eligibility under BCERP through June 16, 2005. 2010 Early Retirement Offering—when requested by the company: -\$25,000 Graduated Cash Incentive (\$5,000 per month for five months) -Mini-Med Subsidy — 30% of Medical Premium up to age 65 or Medicare eligibility; if Mini-Med not elected subsidy (\$5,000) paid out in cash lump sum 6 months after retirement -HRA available <b>Early Retirement Offering — when requested by the employee:</b>
Payout Options	Per terms of IAM National Pension Fund for future service benefit accruals. For frozen accrued benefit as of Closing Date under BCERP, per terms of Sub-Plan #1 of the Spirit AeroSystems Holdings, Inc. Pension Value Plan (same options as available to BCERP participants as of June 16, 2005).
<b>Medical</b>	
Plan Design	First Three Years: 2 options (Traditional plan: Coordinated care (Core) (CCP/POS); 1 Consumer Driven Healthcare Plan (CDHP)) - refer to Plan Summaries; Subsequent Years: Additional Plan offering in Year 4 <b>Employees may waive Spirit AeroSystems, Inc. coverage if they provide proof</b>
Employee Cost	<b>All Years:</b> <b>Low Cost Traditional</b> - 10% of medical premium cost first three years, 15% of medical premium cost second three years, and 20% of medical premium cost remainder of contract <b>CDHP</b> - 5% of medical premium cost <b>Additional Plan in Year 4</b> — 0% of medical premium cost  Premium contribution moving up by 1% on each plan year anniversary if
Contribution to HCRA (FSA) and DCRA	Employees contribute at own discretion up to plan maximums
<b>Dental</b>	
Plan Design	Premier Plan and Preferred Plan— refer to Plan Summary
Employee Cost	Premier Plan — 10% of dental premium cost; Preferred Plan —20% of dental premium
<b>Vision</b>	
Plan Design	Included in medical plan
Employee Cost	Included in medical plan
<b>Retiree Medical (coverage ends at age</b>	
Retire at Age 62 & 10 Years	Same medical benefit options and employee cost as provided to active employees

<b>International Association of Machinists and Aerospace Workers Represented Employees (Active) Hired on June 17, 2005 (excluding Boeing employees who retired on or before June 17, 2005)</b>	
Retire at Age 55 & 10 Years	Same medical benefit options as active employee, retiree pays full cost of benefits (based on retired population costs)
<b>Ancillary Benefit (2080 hrs/yr)</b>	
Company Paid Life Insurance	\$50,000
Optional Life Insurance — Employee Paid	Employee 1-5 times annual base wages. Spousal 100% or 50% of company paid (Basic) amount. Child \$10,000 per child
Company Paid Short Term Disability	\$330 per week (50% for disabilities covered by workers compensation). 26 week maximum
Optional Long Term Disability	Employees may purchase coverage at their expense through IAM Sponsored Plan (EBS)
Company Paid AD&D	25% - 100% of Principal sum up to \$40,000
Optional AD&D — Employee Paid	Employee 1-5 times annual base wages. Spousal 50% of employees' election. Child 10% of employees election (25% - 100% of principal sum depending on type of claims —
Company Paid BTA	2 times annual base wages

<b>International Association of Machinists and Aerospace Workers Represented Employees (Active) Active Employees who Retire from Boeing and are hired by Spirit AeroSystems, Inc.</b>	
<b>Savings/401(k) Plan</b>	
Employee Contributions	IAM employees eligible to participate in IAM 401(k) plan.
Company Matching Contributions	Not applicable
Additional Company Contributions (applicable for former Boeing employees actively employed as of Closing Date)	Not applicable
Vesting Matching Contributions Additional Company Contributions	Not applicable Not applicable
Pay Definition	Per terms of IAM 401(k) plan
Payout Options	Per terms of IAM 401(k) plan
<b>Retirement Plan</b>	
Normal Retirement Benefit	IAM employees participate in IAM National Pension Fund for future service following June 16, 2005: 2010 (effective July 1) - \$1.50 per hour for \$66.08 2011 (effective July 1) - \$1.55 per hour for \$68.08 2012 (effective July 1) - \$1.60 per hour for \$70.09 2013 (effective July 1) - \$1.65 per hour for \$72.90 2014 (effective July 1) - \$1.70 per hour for \$74.10 2015 (effective July 1) - \$1.75 per hour for \$76.10 2016 (effective July 1) - \$1.80 per hour for \$77.98 2017 (effective July 1) - \$1.85 per hour for \$79.89 2018 (effective July 1) - \$1.90 per hour for \$81.73 2019 (effective July 1) - \$1.95 per hour for \$83.59
Early Retirement	Per terms of IAM National Pension Fund for future service. 2010 Early Retirement Offering – when requested by the company; -\$25,000 Graduated Cash Incentive (\$5,000 per month for five months) -Mini-Med Subsidy — 30% of Medical Premium up to age 65 or Medicare eligibility; if Mini-Med not elected subsidy (\$5,000) paid out in cash lump sum 6 months after retirement -HRA available Early Retirement Offering — when requested by the employee: -Mini-Med (no subsidy) will be offered in addition to Retiree Medical Access Only and Subsidized
Payout Options	Per terms of IAM National Pension Fund for future service benefit accruals.
<b>Medical</b>	
Plan Design	First Three Years: 2 options (Traditional plan: Coordinated care (Core) (CCP/POS); 1 Consumer Driven Healthcare Plan (CDHP)) - refer to Plan Summaries; Subsequent Years: Additional Plan offering in Year 4 Employees may waive Spirit AeroSystems, Inc. coverage if they provide proof of alternative insurance

Employee Cost	<p><b>All Years:</b>  <b>Low Cost Traditional</b> - 10% of medical premium cost first three years, 15% of medical premium cost second three years, and 20% of medical premium cost remainder of contract  <b>CDHP</b> - 5% of medical premium cost  <b>Additional Plan in Year 4</b> — 0% of medical premium cost</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 HCRA (FSA) and DCRA	Employees contribute at own discretion up to plan maximums
<b>Dental</b>	
Plan Design	Premier Plan and Preferred Plan— refer to Plan Summary
Employee Cost	Premier Plan — 10% of dental premium cost; Preferred Plan —20% of dental premium cost
<b>Vision</b>	
Plan Design	Included in medical plan
Employee Cost	Included in medical plan
<b>Retiree Medical (coverage ends at age 65)</b>	
Retire at Age 62 & 10 Years	Same medical benefit options and employee cost as provided to active employees
Retire at Age 55 & 10 Years	Same medical benefit options as active employee, retiree pays full cost of benefits (based on retired population costs)
<b>Ancillary Benefit (2080 hrs/yr)</b>	
Company Paid Life Insurance	\$50,000
Optional Life Insurance — Employee Paid	Employee 1-5 times annual base wages. Spousal 100% or 50% of company paid (Basic) amount. Child \$10,000 per child
Company Paid Short Term Disability	\$330 per week (50% for disabilities covered by workers compensation). 26 week maximum benefit
Optional Long Term Disability	Employees may purchase coverage at their expense through IAM Sponsored Plan (EBS)
Company Paid AD&D	25% - 100% of Principal sum up to \$40,000
Optional AD&D — Employee Paid	Employee 1-5 times annual base wages. Spousal 50% of employees' election. Child 10% of employees election (25% - 100% of principal sum depending on type of claims —dismemberment vs. death)
Company Paid BTA	2 times annual base wages
<b>International Association of Machinists  and Aerospace Workers  Represented Employees (Active)  Employees hired on or after June 17, 2005 who were not active Boeing employees on  June 16, 2005</b>	
<b>Savings/401(k) Plan</b>	
Employee Contributions	IAM employees eligible to participate in IAM 401(k) plan.
Company Matching Contributions	Not applicable
Additional Company Contributions (applicable for former Boeing employees actively employed as of Closing Date)	Not applicable
Vesting Matching Contributions Additional Company Contributions	Not applicable Not applicable
Pay Definition	Per terms of IAM 401(k) plan
Pay out Options	Per terms of IAM 401(k) plan
<b>Retirement Plan</b>	
Normal Retirement Benefit	<p>IAM employees participate in JAM National Pension Fund for future service following June 16, 2005. Spirit AeroSystem, Inc. negotiated contribution rate is as follows:</p> <p>2010 (effective July 1) - \$1.50 per hour for \$66.08  2011 (effective July 1) - \$1.55 per hour for \$68.08  2012 (effective July 1) - \$1.60 per hour for \$70.09  2013 (effective July 1) - \$1.65 per hour for \$72.90  2014 (effective July 1) - \$1.70 per hour for \$74.10  2015 (effective July 1) - \$1.75 per hour for \$76.10  2016 (effective July 1) - \$1.80 per hour for \$77.98  2017 (effective July 1) - \$1.85 per hour for \$79.89  2018 (effective July 1) - \$1.90 per hour for \$81.73  2019 (effective July 1) - \$1.95 per hour for \$83.59</p>



	<b>International Association of Machinists and Aerospace Workers Represented Employees (Active) Employees hired on or after June 17, 2005 who were not active Boeing employees on June 16, 2005</b>
Early Retirement	Per terms of IAM National Pension Fund for future service.  2010 Early Retirement Offering — when requested by the company: - \$25,000 Graduated Cash Incentive (\$5,000 per month for five months) - Mini-Med Subsidy — 30% of Medical Premium up to age 65 or medicare eligibility; if Mini-Med not elected subsidy (\$5,000) paid out in cash lump sum 6 months after retirement - HRA available Early Retirement Offering — when requested by the employee: - Mini-Med (no subsidy) will be offered in addition to Retiree Medical Access Only and Subsidized
Payout Options	Per terms of IAM National Pension Fund for future service benefit accruals.
Medical	
Plan Design	First Three Years: 2 options (Traditional plan: Coordinated care (Core) {CCP/POS}; 1 Consumer Driven Healthcare Plan (CDHP)) - refer to Plan Summaries; Subsequent Years: Additional Plan offering in Year 4 Employees may waive Spirit AeroSystems, Inc. coverage if they provide proof of alternative insurance
Employee Cost	<b>All Years:</b> <b>Low Cost Traditional</b> - 10% of medical premium cost first three years, 15% of medical premium cost second three years, and 20% of medical premium cost remainder of contract CDHP - 5% of medical premium cost <b>Additional Plan in Year 4</b> — 0% of medical premium cost 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.
Contribution to HCRA (FSA) and DCRA	Employees contribute at own discretion up to plan maximums
Dental	
Plan Design	Premier Plan and Preferred Plan — refer to Plan Summary
Employee Cost	Premier Plan — 10% of dental premium cost; Preferred Plan — 20% of dental premium cost
Vision	
Plan Design	Included in medical plan
Employee Cost	Included in medical plan
Retiree Medical (coverage ends at age 65)	
Retire at Age 62 & 10 Years	Same medical benefit as options as active employees; retiree pays full cost of benefits (based on retired population costs),
Retire at Age 55 & 10 Years	
Ancillary Benefits (2080 hrs/yr)	
Company Paid Life Insurance	\$50,000
Optional Life Insurance — Employee Paid	Employee 1-5 times annual base wages. Spousal 100% or 50% of company paid (Basic) amount. Child \$10,000 per child
Company Paid Short Term Disability	\$330 per week (50% for disabilities covered by workers compensation). 26 week maximum benefit
Optional Long Term Disability	Employees may purchase coverage at their expense through IAM Sponsored Plan (EBS)
Company Paid AD&D	25% - 100% of Principal sum up to \$40,000
Optional AD&D — Employee Paid	Employee 1-5 times annual base wages. Spousal 50% of employees' election. Child 10% of employees election (25% - 100% of principal sum depending on type of claims — dismemberment vs. death)
Company Paid BTA	2 times annual base wages

## Your Coordinated Care (Core) Plan Benefits at a Glance

<b>Coordinated Care (Core) Plan Features</b>	<b>PCP Coordinated</b>	<b>Self-Referral</b>
Choice of providers  You're required to select an in-network Primary Care Physician (PCP) who will coordinate your care with other in-network providers	You receive a higher level of benefits when your PCP provides care or refers you for care  In-network providers agree to accept the contracted charges they've negotiated with the plan for the services they provide	You may see any licensed provider you choose and receive a lower level of benefits  The plan pays benefits based on the allowed amounts negotiated with in-network providers—providers charge only up to the allowed amount they've negotiated with the plan; when you use out-of-network providers, you'll pay the difference if you're charged more than the allowed amount (in addition to your coinsurance or copay)
Annual deductible	None	Before the plan pays benefits for self-referred care, you must meet a: \$600 individual deductible; \$1,200 employee and spouse/same gender domestic partner or employee and child(ren) deductible; or \$1,800 family deductible
Benefit-year out-of-pocket maximum (doesn't include annual deductibles, copays)	None	\$1,500 per individual \$2,250 per employee and spouse/same-gender domestic partner or employee and child(ren); \$3,000 per family
Lifetime maximum benefit	\$2.5 million per covered person. This lifetime maximum will include medical benefits you have accumulated under another PPK health plan offered by the same employer prior to this coverage.	
<b>Eligible Expenses</b>	<b>What the Coordinated Care (Core) Plan Generally Pays for PCP- Coordinated Care</b>	<b>What the Coordinated Care (Core) Plan Generally Pays for Self- Referred Care (Based on Allowed Amounts)</b>
Ambulance (ground and air services)	100%, with no deductible, after you pay a \$20 copay, for emergency services only	100%, with no deductible, after you pay a \$20 copay, for emergency services only
<b>Chemical dependency treatment—inpatient</b>		
Chemical dependency treatment*	Subject to inpatient benefits	Subject to inpatient benefits
<b>Chemical dependency treatment—outpatient</b>		
Chemical dependency treatment* (includes partial day hospitalization)		
Specialist office visit	100% after you pay a \$20 copay per visit	60% after you pay deductible
PCP office visit	100%, with no deductible, after you pay a \$0 or \$20 copay per visit (lower office visit copay applies when using "high performing" providers, when available; specialist visits always require the higher copay)	Not applicable
Diabetic equipment*	80%, with no deductible; must be purchased from contracting providers and authorized by your PCP	80% after you pay deductible
Diabetic supplies*	100%, with no deductible; must be purchased from contracting providers and authorized by your PCP	60% after you pay deductible
Diagnostic lab work, X-rays and radiology	100%, with no deductible; a \$20 copay	60% after you pay deductible

	applies if part of a non-high-performing specialist visit	
Doctor office visits	100%, with no deductible, after you pay a \$0 or \$20 copay per visit (lower office visit copay applies when using "high-performing" providers, when available; specialist visits always require the higher copay)	60% after you pay deductible
Durable medical equipment* (prior authorization required for eligible expenses over \$400)	80%, with no deductible, up to \$2,500 per benefit year (combined PCP-coordinated/ self-referral; oxygen, tube feedings, wound vacuum system, IV infusion pumps and associated supplies are not subject to the dollar limit)	80% after you pay deductible, up to \$2,500 per benefit year (combined PCP-coordinated/ self-referral; oxygen, tube feedings, wound vacuum system, IV infusion pumps and associated supplies are not subject to the dollar limit)
Emergency room (prior notification is required if your emergency results in an inpatient stay. You must contact the claims administrator within 24 hours of admission (or as soon as reasonably possible), or benefits may be reduced by \$500)	100%, with no deductible, after you pay a \$50 copay per visit (copay waived if you're admitted)  If you have the ability to determine where and when to seek emergency room services and choose a non-contracting facility, you'll be responsible for the self-referred deductible and coinsurance, and you'll pay the difference between the billed charges and the allowed amount  Benefits aren't paid for non-emergency use of the emergency room, unless your PCP directed you to go there  An observation stay of 24 hours or more will be treated as an inpatient admission	
Hearing aids	100%, up to \$1,000 per ear every 3 years (including in-network & out of network combined)	
Home health care*	100%, with no deductible, after you pay a \$20 copay per visit, up to \$10,000 per benefit year (combined PCP coordinated/self-referred)	60% after you pay deductible, up to \$10,000 per benefit year (combined PCP-coordinated/ self-referred)
Hospice care*--outpatient (for patients who are expected to live fewer than six months)	100%, with no deductible	60% after you pay deductible
<b>Hospital services--inpatient*</b>		
Hospital stay* (semi-private room and all covered services and supplies received during that hospitalization, including lab, radiology and rehabilitation)	100%, with no deductible, after you pay a \$100 copay per admission	60% after you pay deductible
Professional fees for surgical and medical services*	100%, with no deductible	60% after you pay deductible
Inpatient rehabilitation* (speech, physical and occupational therapy)	100%, with no deductible	60% after you pay deductible
<b>Hospital services--outpatient</b>		
Surgery	100%, with no deductible, after you pay a \$25 copay	60% after you pay deductible
Diagnostic testing (including lab and X-ray)	100%, with no deductible	60% after you pay deductible
<b>Immunizations</b>		
For children up to 72 months of age	100%, with no deductible	100%, with no deductible
For employees and dependents age 72 months or older	100%, with no deductible	Not covered
Intravenous (IV) and injectable medications (prior authorization required if given in the home)*	100%, with no deductible	60% after you pay deductible

<b>Maternity care</b>		
Prenatal and postnatal care	100% after you pay one \$20 -copay for all prenatal and postnatal visits	60% after you pay deductible
Inpatient hospital services*	100%, with no deductible, after you pay a \$100 copay per admission	60% after you pay deductible
<b>Mental health treatment—inpatient</b>		
Mental health*	Subject to inpatient benefits	Subject to inpatient benefits
<b>Mental health treatment—outpatient</b>		
Mental health* (includes partial day hospitalization)		
Specialist office visit	100% after you pay a \$20 copay per visit	60% after you pay deductible
PCP office visit	100%, with no deductible, after you pay a \$0 or \$20 copay per visit (lower office visit copay applies when using "high performing" providers, when available; specialist visits always require the higher copay)	Not applicable
Neuro-developmental therapy (for children through age six)	100%, with no deductible, after you pay a \$20 copay per visit, up to \$1,000 of allowed amounts each for speech, physical and occupational therapy per person per benefit year, combined PCP coordinated/self-referred	60% after you pay deductible, up to \$1,000 of allowed amounts each for speech, physical and occupational therapy per person per benefit year, combined PCP-coordinated/self-referred
Oral surgery and related services (services for accidental injury—not from biting or chewing—to sound, natural teeth will be covered at the in-network deductible and coinsurance level for initial repair)	100%, with no deductible, after you pay a \$25 copay	60% after you pay deductible
Orthotics and prosthetics*	80%, with no deductible	80% after you pay deductible
Outpatient rehabilitation (occupational/physical therapy, speech therapy, chiropractic care)	100%, with no deductible, after you pay a \$20 copay per visit, up to 20 visits per episode per benefit year (combined in-network/out of-network)	60% after you pay deductible, up to 20 visits per episode per benefit year (combined in-network/out-of-network)
<b>Prescription drug benefits—retail (up to a 30-day supply or 100 units, whichever is less; you may receive up to a 90-day supply for oral contraceptives but a copay is required for each month's supply)</b>		
Generic (mandatory)		100% of allowed amount after you pay an \$8 copay
Preferred Direct pharmacy	100% after you pay a \$5 copay	
All other pharmacies	100% after you pay an \$8 copay	
Brand-name formulary drug**	100% after you pay a \$15 copay	100% of allowed amount after you pay a \$15 copay
Brand-name non-formulary drug**	100% after you pay a \$30 copay	100% of allowed amount after you pay a \$30 copay
Tobacco cessation (Chantix or Bupropion)	100% up to 6 monthly refills (prescription required)	N/A

<b>Prescription drug benefits-mail order (up to a 90-day supply for maintenance drugs filled through the mail-order program or any retail or mail-order pharmacy that agrees in writing to the same terms)</b>		
Generic (mandatory)		N/A
Preferred Direct pharmacy	100% after you pay a \$10 copay	
Mail order	100% after you pay a \$16 copay	
Brand-name formulary drug**	100% after you pay a \$30 copay	N/A
Brand-name non-formulary drug**	100% after you pay a \$60 copay	N/A
<b>Preventive care (includes preventive care, well-woman exam and well-man exam)</b>		
Preventive care (includes periodic check-ups; well-baby and well-child care; preventive medical care such as bone density screening, dietician visits, routine hearing exams and routine physical exam)	100%, with no deductible or copay, up to \$400 per person per benefit year (all preventive care combined); then	Not covered
Well-woman exam (includes medical/gynecological history; pelvic exam including pap smear; vaginal culture/smear; breast exam including mammogram (age appropriate); rectal exam including occult blood test; consultation for birth control; and urinalysis)	treated as any other benefit	60% after you pay deductible
Well-man exam (includes routine physical exam and Prostate Screening Antigen (PSA) tests)		60% after you pay deductible
Skilled nursing facility/inpatient physical rehabilitation*	100%, with no deductible, after you pay a \$100 copay per admission	60% after you pay deductible
TM]	60%, with no deductible, up to \$3,500 lifetime maximum per person (combined PCP-coordinated/self-referred)	
Transplant services* (cornea, heart, heart-lung, kidney, pancreas, kidney-pancreas, liver, lung (single or double), intestine and bone marrow (autologous or allogenic)	100%, with no deductible, after you pay any applicable copays	60% after you pay deductible
	1	
<b>Vision benefits</b>		
Exam - (once every benefit year)	100%, with no deductible, after you pay a \$20 copay per exam	Not covered
Frames - (once every benefit year)	\$70 August , 2010 - \$82	
Glasses - lenses - (one pair every benefit year)	Single Lens \$50 Bifocals \$80 Trifocal/Progressive \$95 Lenticular\$155	August 1, 2010 Single Lens \$78 Bifocals \$160 Trifocal/Progressive \$ 190 Lenticular \$155
Contact lenses (instead of frames and lenses) (one pair every benefit year)	\$105	August 1, 2010 - \$210

\*You must contact the claims administrator for prior authorization before receiving services, or benefits are reduced by \$500. (See "Prior Notification for Other Services or Supplies" for more detail.)

\*\* If a covered brand-name drug is purchased when a generic is available, the copay will be the generic copay plus the cost difference between the two drugs, even if your doctor writes a "dispense as written" prescription for the brand-name drug.

Consumer Directed (Enhanced) Plan Features	In Network	Out of Network
Choice of providers	When you seek care from in-network providers, you'll receive a higher level of benefits once you meet the deductible  In-network providers agree to accept the contracted charges they've negotiated with the plan for the services they provide	You may see any licensed provider you choose, but you'll receive a lower level of benefits once you meet the deductible  The plan pays benefits based on the allowed amounts negotiated with in-network providers—you'll pay the difference if you're charged more than the allowed amount (in addition to your coinsurance or copay)
Personal Care Account (PCA)	The dollars Spirit contributes to your PCA are automatically accessed to help you meet your deductible and coinsurance when you visit the doctor or have a procedure done. Any unused balances remaining in your PCA at the end of the benefit year can be rolled over (tax-free) to the next year, as long as you remain covered under the plan. The Company contributes the following amount to your PCA each benefit year: \$500 per individual; \$1,000 per employee and spouse/same-gender domestic partner or employee and child(ren); or \$1,500 per family	
Annual deductible (in- and out-of-network deductibles accumulate separately)	Before the plan pays benefits for in-network care, you must meet a:	Before the plan pays benefits for out-of-network care,
	\$1,000 Individual deductible*;  \$1,750 employee and spouse/same-gender domestic partner or employee and child(ren) deductible*; or \$2,500 family deductible*	you must meet a separate: \$2,000 individual deductible*; \$3,500 employee and spouse/same-gender domestic partner or employee and child(ren) deductible*; or \$5,000 family deductible*
Benefit-year out-of-pocket maximum (doesn't include annual deductibles, copays; in- and out-of-network out-of-pocket maximums are separate)	\$1,000 per individual**  \$1,500 per employee and spouse/same-gender domestic partner or employee and children**  \$2,000 per family**	\$2,000 per individual** \$3,000 per employee and spouse/same gender domestic partner or employee and child(ren)** \$4,000 per family**
Lifetime maximum benefit	\$2.5 million per covered person (Consumer Directed (Enhanced) Plan and Open Access (Premier) Plan combined; in other words, if you switch from the Open Access (Premier) Plan to the Consumer Directed (Enhanced) Plan, your lifetime maximum doesn't start over)	



## Your Consumer Directed (Enhanced) Plan Benefits at a Glance

\* These amounts are reduced by the dollars in your PCA.

Eligible Expenses	What the Consumer Directed (Enhanced) Plan Generally Pays for In-Network Care	What the Consumer Directed (Enhanced) Plan Generally Pays for Out-of-Network Care (Based on Allowed Amount)
Ambulance (ground and air services)	90% after you pay deductible, for emergency services only	90% after you pay deductible, for emergency services only
<b>Chemical dependency treatment—inpatient</b>		
Chemical dependency treatment*	Subject to inpatient benefits	Subject to inpatient benefits
<b>Chemical dependency treatment—outpatient</b>		
Chemical dependency treatment* (includes partial day hospitalization)	90% after you pay deductible	60% after you pay deductible
Diabetic equipment and supplies*	90% after you pay deductible	60% after you pay deductible
Diagnostic lab work, X-rays and radiology	90% after you pay deductible	60% after you pay deductible
Doctor office visits	90% after you pay deductible	60% after you pay deductible

\*\* These amounts may be reduced by the dollars in your PCA.

Durable medical equipment* (prior authorization required for eligible expenses over \$400)	90% after you pay deductible	60% after you pay deductible
Emergency room (prior notification is required if your emergency results in an inpatient stay. You must contact the claims administrator within 24 hours of admission (or as soon as reasonably possible), or <b>benefits may be reduced by 50% of the allowed amount, up to \$1,000</b> )	90% after you pay deductible  Benefits aren't paid for non-emergency use of the emergency room  An observation stay of 24 hours or more will be treated as an inpatient admission	90% after you pay deductible  Benefits aren't paid for non-emergency use of the emergency room  An observation stay of 24 hours or more will be treated as an inpatient admission
Hearing aids	100%, up to \$1,000 per ear every 3 years (including in-network & out of network combined)	
Home health care*	90% after you pay deductible, up to \$10,000 per benefit year (combined in-network/out-of-network)	60% after you pay deductible, up to \$10,000 per benefit year (combined in-network/out-of-network)
Hospice care* (for patients who are expected to live fewer than six months)	90% after you pay deductible	60% after you pay deductible
<b>Hospital services—inpatient*</b>		
Hospital stay* (semi-private room and all covered services and supplies received during that hospitalization, including lab, radiology and rehabilitation)	90% after you pay deductible	60% after you pay deductible
Professional fees for surgical and medical services*	90% after you pay deductible	60% after you pay deductible
Inpatient rehabilitation* (speech, physical and occupational therapy)	90% after you pay deductible	60% after you pay deductible
<b>Hospital services—outpatient (if you seek treatment at an in-network facility, benefits for a</b>		

<b>radiologist, pathologist or anesthesiologist will be covered at the in-network coinsurance level)</b>		
Surgery and diagnostic testing (including lab and X-ray)	90% after you pay deductible	60% after you pay deductible
<b>Immunizations</b>		
For children up to 72 months of age	100%, with no deductible	100%, with no deductible
For employees <b>and</b> dependents age 72 months or older (excludes immunizations required for travel)	100% after you pay deductible	Not covered
Intravenous (IV) and injectable medications (prior authorization required if given in the home)*	90% after you pay deductible	60% after you pay deductible
<b>Maternity care</b>		
Prenatal and postnatal care	90% after you pay deductible	60% after you pay deductible
Inpatient hospital services*	90D/0 after you pay deductible	60% after you pay deductible
<b>Mental health treatment—inpatient</b>		
Mental health*	Subject to inpatient benefits	Subject to inpatient benefits
<b>Mental health treatment—outpatient</b>		
Mental health* (includes partial day hospitalization)	90% after you pay deductible	60% after you pay deductible
Neuro-developmental therapy (for children through age six)	90% after you pay deductible, up to \$1,000 of allowed amounts each for speech, physical and occupational therapy per person per benefit year, combined in-network/out of-network	60% after you pay deductible, up to \$1,000 of allowed amounts each for speech, physical and occupational therapy per person per benefit year, combined in-network/out-of-network
Oral surgery and related services (services for accidental injury—not from biting or chewing—to sound, natural teeth will be covered at the in-network deductible and coinsurance level for initial repair)	90% after you pay deductible	60% after you pay deductible
Orthotics and prosthetics*	90% after you pay deductible	60% after you pay deductible
Outpatient rehabilitation (occupational/physical therapy, speech therapy, chiropractic care)	90% after you pay deductible; up to 20 visits per episode per benefit year (combined in-network/out of-network)	60% after you pay deductible; up to 20 visits per episode per benefit year (combined in-network/out-of-network)
<b>Prescription drug benefits—retail (up to a 30-day supply or 100 units, whichever is less; you may receive up to a 90-day supply for oral contraceptives but a copay is required for each month's supply)</b>		
Generic (mandatory)		100% of allowed amount after you pay deductible and a \$10 copay
Preferred Direct pharmacy	100% after you pay a \$7 copay	
<b>All</b> other pharmacies	100% after you pay a \$10 copay	
Brand-name formulary drug**	100% after you pay a \$20 copay	100% of allowed amount after you pay deductible and a \$20 copay
Brand-name non-formulary drug**	100% after you pay a \$35 copay	100% of allowed amount after you pay deductible and a \$35 copay
Tobacco cessation (Chantix or Bupropion)	100% up to 6 monthly refills (prescription)	N/A

	required)	
<b>Prescription drug benefits—mail order (up to a 90-day supply for maintenance drugs filled through the mail-order program or any retail or mail-order pharmacy that agrees in writing to the same terms)</b>		
Generic (mandatory)		N/A
Preferred Direct pharmacy	100% after you pay a \$17 copay	N/A
Mail order	100% after you pay a \$25 copay	
Brand-name formulary drug**	100% after you pay a \$50 copay	N/A
Brand-name non-formulary drug**	100% after you pay an \$85 copay	N/A
<b>Preventive care (includes preventive care, well-woman exam and well-man exam)</b>		
Preventive care (includes periodic check-ups; well-baby and well-child care; preventive medical care such as bone density screening, dietician visits, routine hearing exams and routine physical exam)	100%, with no deductible, up to \$400 per person per benefit year (all preventive care combined); then treated as any other benefit	Not covered
Well-woman exam (includes medical/gynecological history; pelvic exam including pap smear; vaginal culture/smear; breast exam including mammogram (age appropriate); rectal exam including occult blood test; consultation for birth control; and urinalysis)		60% after you pay deductible
Well-man exam (includes routine physical exam and Prostate Screening Antigen (PSA) tests)		60% after you pay deductible
Skilled nursing facility/inpatient physical rehabilitation*	90% after you pay deductible	60% after you pay deductible
TMJ and MPDS	50%, with no deductible, up to \$3,500 lifetime maximum per person (combined in-network/out-of-network)	
Transplant services* (cornea, heart, heart-lung, kidney, pancreas, kidney- pancreas, liver, lung (single or double), intestine and bone marrow (autologous or allogenic)	90% after you pay deductible	60% after you pay deductible
<b>Vision benefits</b>		
Exam (once every benefit year)	100%, with no deductible, after you pay a \$20 copay per exam	Not covered
Frames (once every benefit year)	\$70 \$70	August 1, 2010 - \$82
Glasses lenses (one pair every benefit year)		August 1, 2010 Single: \$50 \$78 Bifocal: \$80 \$160 Trifocal or progressive: \$95 \$190 Lenticular: \$155 \$215
Contact lenses (instead of frames and lenses) (one pair every benefit year)	\$105 \$105	August 1, 2010 - \$210

\* You must contact the claims administrator for prior authorization before receiving services, or benefits are reduced by 50% of the allowed amount, up to \$1,000. (See ["Prior Notification for Other Services or Supplies"](#) for more detail.)

\*\* If a covered brand-name drug is purchased when a generic is available, the copay will be the generic copay plus the cost difference between the two drugs, even if your doctor writes a "dispense as written" prescription for the brand-name drug.

## Your Dental HMO (Premier) Plan Benefits at a Glance

Plan Feature		
Choice of providers	You can choose any dentist you want, but the amount you pay for eligible expenses varies depending on whether you choose an in-network dentist or an out-of-network dentist	
Annual deductible (doesn't apply to diagnostic and preventive services)	In-network: \$25 per person; \$75 per family  Out-of-network: \$100 per person; \$300 per family (in- and out-of-network deductibles accumulate separately)	
Annual dollar maximum	\$1,500 per person  (combined in-network and out-of-network; for all services other than orthodontia)	
Orthodontia lifetime maximum	\$1,750 per person  (combined in-network and out-of-network; for orthodontia services only)	
Eligible Expenses	What the Plan Generally Pays When You Use an In-Network Dentist	What the Plan Generally Pays When You Use an Out-of Network Dentist
Diagnostic and preventive benefits	100%, with no deductible*	80%, with no deductible**
Basic benefits—for example, extractions and periodontics	80% after you pay the deductible*	70% after you pay the deductible* *
Restorative benefits—for example, amalgam, synthetic porcelain and plastic fillings	80% after you pay the deductible*	70% after you pay the deductible**
Denture repairs	50% after you pay the deductible*	50% after you pay the deductible* *
Crowns, jackets and cast restorations	50% after you pay the deductible*	50% after you pay the deductible**
Prosthetic benefits	50% after you pay the deductible*	50% after you pay the deductible**
Orthodontia benefits	50%, with no deductible, up to the orthodontia lifetime maximum*	50%, with no deductible, up to the orthodontia lifetime maximum**

\* When you receive services from a Delta Dental Premier network dentist, the plan pays a percentage of the cost of services, up to the network fee schedule amount.

\*\* When you receive services from an out-of-network dentist, the plan pays a percentage of the cost of services, up to the maximum plan allowance (MPA). The MPA is the in-network dentist's pre-filed fee, his/her submitted fee or the Delta Dental participating dentist's maximum fee, whichever is lowest.

**Your Dental PPO (Preferred) Benefits at a Glance**

Plan Feature		
Choice of providers	To receive benefits, you must use PPO dentists	
Annual deductible	None	
Annual dollar maximum	Unlimited	
Orthodontia lifetime maximum	\$1,750 per person (for orthodontia services only)	
Eligible Expenses	What the Plan Generally Pays When You Use a PPO Dentist	What the Plan Generally Pays When You Use an Out of-Network Dentist
Diagnostic and preventive benefits	100%*	Not covered
Basic benefits—for example, extractions and periodontics	100%*	Not covered
Restorative benefits—for example, amalgam, synthetic porcelain and plastic fillings	100%*	Not covered
Denture Repairs	100%*	Not Covered
Crowns, jackets and cast restorations	100%*	Not Covered
Prosthodontic	100%*	Not Covered
Orthodontia Benefits	50%, up to the orthodontia lifetime maximum*	Not Covered

When you receive services from a PPO dentist, the plan pays a percentage of the cost of services, up to the PPO fee schedule amount. If you go to an out-of-network dentist you'll pay the entire cost of the services you received.

**ARTICLE 13  
HEALTH AND SAFETY**

**Section 13.1. 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. It is our intent that no employee shall be required to perform work that involves an imminent danger to health or physical safety. Imminent danger is defined as loss of life or limb. Both parties will continue to establish proactive, customer-driven programs and systems to support this mutual objective.

**Section 13.2. Health and Safety in the Workplace**

A. The Company is committed to a tobacco-free work environment based on the evidence that tobacco smoke and second-hand smoke is detrimental to employee health. Accordingly the

1 interior spaces of all Company facilities are tobacco-free. The  
2 Company shall designate exterior spaces for smoking and use of  
3 other tobacco products. There shall be no use of tobacco  
4 products except in designated areas.

5 B. The Union and the Company are committed to working together  
6 to maintain a healthy, safe, and environmentally friendly  
7 workplace. Both parties agree that all employees should be  
8 actively involved in creating a safe workplace and complying with  
9 all applicable safety and health policies and procedures. The  
10 Union and the Company will each designate two (2) health and  
11 safety focals. Along with their other regularly assigned  
12 responsibilities, these representatives shall meet regularly to  
13 discuss how safety programs might be improved. The Union  
14 focals will be the point of contact with the Union for all  
15 occupational health and safety issues at the site. In addition, the  
16 Union focals will represent the Union at health and safety  
17 regulatory agency site reviews requiring Union participation,  
18 including walk-around inspections and complaint investigations.

19 C. Both parties recognize that good physical health and being  
20 prepared to do physical work may reduce injuries. Together, the  
21 parties will explore methods to promote health programs.

### 22 **Section 13.3. Joint Programs**

23 The Company and the Union agree to establish a Joint Programs  
24 Steering Committee during the first six (6) months following the  
25 contract effective date.

26 A. The Joint Programs Steering Committee will explore collaboration  
27 opportunities in community events, joint communications, health  
28 and safety, and training.

#### 29 **1. Health and Safety in the Workplace**

30 The Union and the Company commit to work together to create  
31 an environment which promotes a positive approach to  
32 processes, attitudes and activities that bring about the  
33 changes necessary to achieve a workplace free of incidents,  
34 accidents and injuries, and that protects the environment.  
35 Both parties agree to work together to secure a safe workplace  
36 environment for all employees. The Company and the Union  
37 shall be responsible for the establishment of a Steering  
38



1 Committee comprised of four (4) representatives from each of  
2 the parties. This committee shall meet at least monthly to  
3 review worker concerns, accidents, injuries and near misses  
4 with appropriate management for resolution and necessary  
5 follow-up. The duties of the members of this Steering  
6 Committee shall be in addition to their regular work  
7 assignments. Further, the Company will encourage employees  
8 to communicate concerns to their management and the  
9 Steering Committee so that these concerns may be fully  
10 addressed.

11 B. The Company and the Union will review the accredited  
12 apprentice program to assess its effectiveness. This review will  
13 include the evaluation of establishing additional training  
14 programs, e.g., NDI. Union and Management will work together  
15 to secure appropriate state and federal funding in support of this  
16 effort.

17 C. The Company will continue to utilize IAM Crest to facilitate  
18 employees returning to work from medical leave.

### 20 **Section 13.4. Drug and Alcohol-Free Workplace**

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

### 34 **Section 13.5. First Aid /Personal Protective Equipment**

35 A. The Company shall maintain first aid kits within a reasonable  
36 distance of all work areas.  
37

1 B.The Company will furnish personal protective equipment as  
2 deemed necessary.  
3

#### 4 **Section 13.6. Joint Committee on Health Care Costs & Quality**

5 The Company and the Union are committed to ensuring that  
6 employees have access to cost effective, quality health care coverage.  
7 Because of their ongoing concern about the quality of health care and  
8 costs, the parties agree to a Joint Committee on Health Care Costs  
9 and Quality. The Committee will have an equal number of  
10 representatives, including a co-chair, from each party. When  
11 appropriate, health care experts and representatives from the  
12 Company's health plans will be invited to attend Committee meetings.  
13 Each party may have their benefits consultants and advisors attend  
14 Committee meetings. The Committee will meet at least twice each year  
15 to discuss issues related to the health care program. The Committee  
16 also will meet with health care providers to express the parties'  
17 interest in obtaining quality health care at affordable prices. Among  
18 the topics that the parties will consider and discuss are:

- 19 • Costs under the Company's medical plans.
- 20 • Overall plan design.
- 21 • Efficient use of health care resources by consumers.
- 22 • Cost management programs to address specific cost areas,  
23 including:
  - 24 • Disease management of selected high-cost chronic diseases.
  - 25 • Targeted health risk assessment.
  - 26 • Catastrophic case management.
  - 27 • Pharmaceutical management.
  - 28 • Measurement tools for evaluating health plans' and providers'  
29 efficiency, including but not limited to programs of the  
30 National Academy of Sciences and National Quality Forum as  
31 well as accreditation from nationally recognized groups such  
32 as the National Committee for Quality Assurance (NCQA) or  
33 the Foundation for Accountability (FACCT).
- 34 • Benchmark data from other employers.
- 35 • Opportunities to work with other employers, unions or other  
36 parties interested in obtaining quality health care at affordable  
37 prices.  
38

1 The Company and the Union also will undertake initiatives to  
2 expand health care plan accountability for quality. Among these  
3 initiatives will be:

- 4 • Provider performance reporting on quality and efficiency to  
5 encourage use of the highest quality providers, including those  
6 who meet the highest patient safety standards.
- 7 • Provider programs focused on specific high-yield quality  
8 innovations shown to substantially improve patient safety.
- 9 • Computerized physician order entry. Physicians will be  
10 required to enter prescriptions into a hospital database to  
11 screen for inappropriate medications and dosages and avoid  
12 potential adverse drug reactions/interactions.
- 13 • Evidence-based hospital referral. Physicians will be required,  
14 where practical, to guide patients to facilities with superior  
15 outcomes (linked to significantly lower patient mortality).
- 16 • ICU physician staffing. Where available, physicians who are  
17 critical care specialists will provide ICU care.

18  
19 To encourage plan participants to use the highest quality health  
20 care available, it is the intent that the Company will provide  
21 education to employees regarding the effectiveness of physicians,  
22 hospitals and other health care providers as it becomes available.  
23 In recognition that reliable provider performance data is currently  
24 not collected and available, the Company will update the  
25 Committee from time to time on its progress in obtaining and  
26 sharing such data.

27 The Company and the Union are committed through these and  
28 other initiatives to improve quality and maintain reasonable costs,  
29 and they will recognize and endorse contracting decisions with  
30 physicians, hospitals and health plans based on compliance with  
31 these joint initiatives.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**ARTICLE 14**  
**MISCELLANEOUS**

22  
23  
24  
25  
26  
27  
28  
29

**Section 14.1. Inventions**

Employees shall be permitted to retain ownership of an invention conceived or developed by them if the invention:

A. was developed entirely on the employee's own time and the invention is one for which no equipment, supplies, facilities, or trade secret information of the Company was used; and

B. does not

1. relate directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or

2. result from any work performed by the employees for the Company. All other inventions shall be the property of the Company, and employees shall assist the Company in the protection of such inventions as directed by the Company. No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement, which contravenes these provisions.

30  
31  
32  
33  
34  
35  
36  
37  
38

**Section 14.2. Sabotage**

The Union agrees to report to the Company when it has knowledge of any acts of sabotage or damage to or the unauthorized or unlawful taking of company, government, customer, or any other person's or employee's property. The Union further agrees, if any such acts occur, to use its best efforts in assisting to identify and apprehend the guilty person or persons.

**Section 14.3. Investigatory Interviews**

Each employee has the right, during an investigatory interview, which the employee reasonably believes may result in discipline, to request the presence of his Shop Steward, if the Shop Steward is available. If his Shop Steward is not available, such employee may request the presence of another immediately available Shop Steward. If the Shop Steward is a possible witness in the underlying investigation, the Company will notify the In-Plant Representative in order that a different Union Representative may participate. If a Union

1 Representative, pursuant to the employee's request, is present during  
2 such an interview, the Union Representative, in addition to acting as  
3 an observer, may, after the Company has completed its questioning of  
4 the employee, ask additional questions of the employee in an effort to  
5 provide information which is as complete and accurate as possible.  
6 The Union Representative shall not obstruct or interfere with the  
7 interview.

8  
9  
10 **Section 14.4. Bulletin Boards**

11 A. The Company shall provide bulletin boards for the Union's use in  
12 areas conveniently accessible to bargaining unit employees. New  
13 and replacement boards will be at least three (3) feet by four (4)  
14 feet in size and shall be enclosed with a locking glass front. The  
15 Union may maintain the boards for the purpose of notifying  
16 employees of matters pertaining to Union business. All notices  
17 shall be signed by a Union In-Plant Representative.

18 B. The Company will explore the possibility of making alternative  
19 media available to the Union for the purpose of communicating  
20 matters pertaining to Union business. To the extent alternative  
21 media channels are made available to the Union, the Company  
22 has the sole right to approve or disapprove any specific  
23 communication, and such decision shall be final and not subject  
24 to the grievance procedure.

25  
26 **Section 14.5. No Discrimination**

27 All terms and conditions of employment included in this Agreement  
28 shall be administered and applied without regard to race, color,  
29 religion, national origin, status as a disabled or Vietnam era veteran,  
30 age, gender, or the presence of a disability, except in those instances  
31 where age, gender, or the absence of a disability may constitute a  
32 bona fide occupational qualification. If administration and application  
33 of the contract is not in contravention of federal or state law such  
34 administration or application shall not be considered discrimination  
35 under this Section 14.5. Notwithstanding any other provision of this  
36 Section 14.5 or of this Agreement, a grievance alleging a violation of  
37 this Section 14.5, shall be subject to the grievance procedure and  
38 arbitration of Article 7 only if it is filed on behalf of and pertains to a

1 single employee. Class grievances based on alleged violation of this  
2 Section 14.5 shall not be subject to the grievance procedure and  
3 arbitration under Article 7 of this Agreement.  
4

#### 5 **Section 14.6. Subcontracting**

6 Anything in this Section 14.6 to the contrary notwithstanding, it is  
7 agreed that under and included within the meaning of Article 4 of this  
8 Agreement that the Company has the right to subcontract and offload  
9 work, to make and carry out decisions, and to designate the work to  
10 be performed by the Company and the places where it is to be  
11 performed.

12 A. The Company and Union agree that an increasingly productive  
13 workforce is critical to the continued success of the enterprise  
14 and that domestic and international sales represent  
15 opportunities for employment growth and stability. The parties  
16 also recognize that a variety of business factors, including the  
17 Company's ability to secure sales, may require offsets as part of  
18 such transactions. Given these conditions, and in  
19 acknowledgement of Company and Union concerns regarding  
20 employment stability, the parties agree to meet periodically to  
21 discuss offsets and the impact of subcontracting on bargaining  
22 unit jobs. Recognizing the value of open communications to the  
23 partnering relationship between the Company and the Union, the  
24 Senior Operations Management will meet as needed but no less  
25 frequently than quarterly with the Union In-Plant  
26 Representatives to discuss any sourcing decisions that could  
27 impact bargaining unit jobs.

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



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

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

7 D. Following notice of specific plans to subcontract work currently  
8 performed by the bargaining unit that would displace twenty-five  
9 (25) or more bargaining unit employees, the parties shall, upon  
10 the request of the Union, meet and discuss the impact on the  
11 bargaining unit. The Company agrees to consider any proposal  
12 the Union might make which would result in a less costly way to  
13 retain such work in the bargaining unit. The Union must  
14 present any such proposals within thirty (30) calendar days of  
15 receipt of the Company's plans. The parties will meet periodically  
16 to review the implementation of any such union proposals  
17 accepted by the Company. Should the Union's projected savings  
18 not be realized within any ninety (90) day review period during  
19 implementation, the Company will have the right to subcontract  
20 the work.

### 21 **Section 14.7. Masculine - Feminine References**

22 In construing and interpreting the language of this Agreement,  
23 reference to the masculine, such as "he", "him", and "his", shall  
24 include reference to the feminine.  
25

### 26 **Section 14.8. Technology**

27 As part of the Company's normal communication process it will  
28 endeavor to keep the union and employees informed of new  
29 technologies being considered for future application.  
30

### 31 **Section 14.9. High Performance Work Organization**

32 A. Spirit AeroSystems, Inc. and the IAM, are committed to jointly  
33 develop a partnership that will accomplish goals of mutual  
34 benefit to all employees, customers, shareholders, suppliers, and  
35 the communities in which we function by developing a High  
36 Performance Work Organization (HPWO). This partnership is  
37 dedicated to improve quality, productivity, participation.  
38

1 B. The IAM and Spirit AeroSystems, Inc. recognize their collective  
2 responsibility to gain commitment from all employees, to  
3 contribute to the success of Spirit AeroSystems, Inc. and the  
4 establishment of a positive work environment. This agreement  
5 will enable employees in all parts of the organization to  
6 participate in workplace change. They will share information,  
7 solve problems, and make decisions to a far greater extent than  
8 in the past.

9 C. Through this partnership and its commitment to positive  
10 workplace change, we intend to increase market share, expand  
11 workforces, better educate and train employees, increase  
12 profitability and return for shareholders, continue to provide  
13 competitive wages and benefits, and secure employment for all  
14 who participate.

15 Using the principles established by the IAM as general guidelines  
16 the Company and the Union agree to support efforts by Company  
17 Organizations and the employees within them to implement High  
18 Performance Work Organizations.

19 D. The Union and the Company leadership are specifically  
20 committed to initially taking the three following actions to begin  
21 joint development of a High Performance Work Organization: On-  
22 Site Familiarization with the IAM HPWO department staff;  
23 Partnership Planning Sessions; and, developing a Joint  
24 Communications Strategy. Where implemented, the Company-  
25 Union HPWO partnership shall exist at the 2<sup>nd</sup> Level Manager  
26 and below in that organization.

## 27 28 **Section 14.10. Career Development**

29 Those who wish to further their career will be given the opportunity to  
30 have an annual development discussion with their Supervisor to  
31 discuss such things as growth potential.  
32  
33  
34  
35  
36  
37

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

**ARTICLE 15**  
**STRIKES AND LOCKOUTS**

21  
22  
23  
24

**Section 15.1. Strikes and Lockouts**

25 The Union agrees that during the term of this Agreement, and  
26 regardless of whether an unfair labor practice is alleged:

27 A. there will be no strike, sit-down or walk-out and

28 B. the Union will not directly or indirectly authorize, encourage or  
29 approve any refusal on the part of employees to proceed to the  
30 location of normal work assignment where no rare or unusual  
31 physical hazard is involved in proceeding to such location. Any  
32 employee who violates this clause shall be subject to discipline.  
33 The Company agrees that during the term of this Agreement  
34 there will be no lock-out of employees covered by this Agreement.  
35 Any claim by either party that the other party has violated this  
36 Article 15 shall not be subject to the grievance procedure or  
37 arbitration provisions of this Agreement, and either party shall  
38 have the right to submit such claim to the court.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**ARTICLE 16**  
**WORKFORCE**

24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

**Section 16.1. Lateral Transfers And Change In Classifications**

A. The Company may make lateral reclassifications from one job  
classification to another, or may make downgrades from one job  
classification to another, except where individuals who have been  
laid off or downgraded and have previously held the job  
classification with seniority rights unless the job is of short term  
duration. Notwithstanding the above, at management discretion,  
senior active employees can be moved into the position.

B. Any employee who is laterally reclassified by the Company and is  
within the following ninety (90) days found by the Company to be  
unqualified (for reasons other than not being "physically  
qualified"), to perform his new assignment shall be:

1. assigned to other work in the same labor level

2. given the opportunity of returning to his former job  
classification, providing that he worked in the former job

1 classification and level for thirty (30) days or more within the  
2 year preceding the reclassification to the new job and his  
3 seniority will support his return to the former job  
4 classification.

5 C. An employee who has been reclassified to the job classification  
6 since June 17, 2005 shall, in the event of surplus action affecting  
7 him/her, be afforded the right to return to one of the other job  
8 classifications in which he/she has held, providing he/she held  
9 that job classification for ninety (90) or more consecutive  
10 calendar days, and has greater seniority than another employee  
11 (not a Steward) in that job classification. Reclassifications  
12 involving employees and the rights of such employees in  
13 connection with surplus procedures will be subject to the  
14 recall rights of others to the extent provided in Section 16.5. An  
15 employee who rejects such an offer shall have the right, upon  
16 their request, to be reclassified to a job classification to which the  
17 employee has established downgrade surplus rights described in  
18 Section 16.9. Such employee shall be considered an employee  
19 accepting a downgrade and shall be eligible for the provisions of  
20 Article 5, Section 5.15 Rate Retention and this Article 16. Such  
21 employee will not be eligible to file an effective application for  
22 downgrade rights for the rejected job.

23  
24 NOTE: The foregoing paragraphs Section 16.1 A, B & C will not apply  
25 in instances where, following appropriate review, an employee was  
26 removed from his previous job classification due to medical limitations  
27 or lack of qualifications.

28  
29 **Section 16.2. Promotion**

30 The Company shall promote within job classification by seniority  
31 provided the employee has met the criteria as described in the job  
32 description or can demonstrate the ability to perform the job.  
33 Employees will be considered for promotion in the following order:

- 34 1. Employees who have previously held the job.
- 35 2. Employees in the next lower job level within the classification.  
36 (Ref. MOU #5).

1 **Section 16.3. Layoff**

2 A. When the Company determines it is necessary to reduce the  
3 number of positions in any job classification and level, it shall be  
4 by reverse seniority order in such position. Surplus employees  
5 will be laid off in the following order:

6 1. Volunteers considered and then approved by management in  
7 job classification.

8 2. In reverse seniority order:

9 B. Employees surplusd in this manner will have the following  
10 rights in this order:

11 1. Fill other positions previously held at the same pay level

12 2. Displace a less senior employee in the same job classification  
13 at the next lower level

14 3. Displace a less senior employee (not a Steward) in the highest  
15 job classification and level held for ninety (90) or more  
16 consecutive calendar days within six (6) years of the surplus.

17  
18 **Section 16.4. Temporary Layoffs**

19 Anything to the contrary in this Agreement notwithstanding, when the  
20 Company determines it is necessary to reduce the number of  
21 employees working within a job classification and level at a particular  
22 location, any employees in the organizations considered by the  
23 Company to have an excess number of employees, who are within  
24 such job classification and level, may be temporarily laid off for not  
25 more than twenty one (21) calendar days, with or without application  
26 of the procedures stated in this Agreement during such period of  
27 temporary layoff. The Company agrees that the Union will be notified  
28 whenever possible in advance. The Company will maintain Health  
29 Insurance during a temporary layoff and will make pension  
30 contributions based on forty (40) hours per week (if the IAM Pension  
31 Plan will permit such contributions).

32  
33 **Section 16.5. Recall**

34 A. At the time of layoff, the Company automatically will place in the  
35 file for priority return to active employment the names of all laid-  
36 off employees. In order to maintain such recall status, employees  
37 will fill out the proper form at the out briefing. Individuals on  
38 layoff who wish to be considered for recall to positions other than

1 the job classification and level previously held must advise the  
2 Company of such interest.

3 B. The Company's sole obligation to provide notice of recall shall be  
4 to send a certified written notice to the last mailing address  
5 provided by the employee. In the event that the employee moves  
6 from the last mailing address provided, the employee must  
7 update his/her mailing address with the Company via certified  
8 written notice.

9 C. Before hiring new employees, laid off employees will be recalled in  
10 the following order:

11 1. Employees laid off from the job classification and level in the  
12 reverse order of layoff.

13 2. Employees who have expressed interest in filling other  
14 positions shall be given preferential consideration, if qualified,  
15 when openings occur.

16 D. An individual on layoff who is offered recall to the job  
17 classification and level from which he was most recently laid off  
18 will lose his seniority if he declines such offer unless the job  
19 opening is deemed to be less than 90 days.

20 E. An individual on layoff who declines a job offer other than the  
21 one from which he was most recently laid off will not lose his  
22 seniority and will continue to be given consideration when  
23 openings occur.

## 24 **Section 16.6. Recalls from Layoff**

25 An employee who is recalled from layoff through the exercise of recall  
26 rights, will have the following base rate:

27 A. If the employee is recalled to the same labor level from which  
28 he was laid off, he will be paid the base rate and the cost of  
29 living adjustment in effect on the date of his layoff, provided  
30 that, if cost of living adjustment has been added to base rates  
31 and made a part thereof since the employee's layoff, the cost of  
32 living adjustment in effect on the date of the employee's layoff  
33 shall be similarly added to his base rate.

34 B. If the employee is recalled to either a higher or lower labor level  
35 than the one from which he was laid off, his base rate will be  
36 determined first by treating him as though he had been  
37



1 recalled to the same labor level under Section 16.6(A) and then  
2 reclassified under 5.14.  
3

#### 4 **Section 16.7. Layoff Notice**

5 The Company will attempt to give at least two (2) weeks notice prior to  
6 layoff to the employees affected, except when the layoff is caused by  
7 unexpected events (WARN Act definition) termination of a Government  
8 or other production contract, temporary layoff or when the affected  
9 employees are absent.  
10

#### 11 **Section 16.8. Accelerated Layoff**

12 A. The Company and the Union agree that, employees who have  
13 been identified for and notified (either directly or to the Union) of  
14 potential layoff may request acceleration of the anticipated layoff  
15 date provided that management shall grant such a request when  
16 such employees have provided satisfactory proof that they have  
17 accepted a job offer from another employer. Employees whose  
18 requests are granted shall be given a release date of not more  
19 than two (2) weeks (fourteen (14) calendar days) following the  
20 date the request was granted.  
21

22 B. Employees granted an accelerated layoff date shall be regarded  
23 as having Recall Rights as set forth in Article 16 of the parties'  
24 Collective Bargaining Agreement only upon receipt, following  
25 their layoff, of an effective application as described in Section  
26 16.5. Employees granted an accelerated layoff date will be  
27 required to sign a form waiving any rights under the Worker  
28 Adjustment and Retraining Notification Act to a full sixty (60) day  
29 period of employment prior to the layoff.  
30

#### 31 **Section 16.9. Downgrade**

32 Refers to the reclassification of an employee to a lower labor level.

33 A. Employee Requested Downgrade- refers to a downgrade initiated  
34 by the employee. (An employee who expresses a desire for an  
35 employee-requested downgrade may have his/her Steward or  
36 Business Representative present during any formal discussion of  
37 the proposed action).  
38

1 **Section 16.10. Emergency Classification**

2 Refers to the temporary reclassification of an employee when the  
3 Company finds it necessary to assign a higher-level employee to  
4 perform lower-level work outside of the employee's assigned  
5 classification. In the event of a surplus activity, an employee's right to  
6 downgrade to a position held as an emergency classification shall be  
7 governed by Section 16.3 (B) (3). In each instance the employee will  
8 be notified at time of assignment and the Union notified and the  
9 employee reclassified when the assignment exceeds ninety (90)  
10 calendar days. The Company shall provide the Union with an  
11 updated list of employees who are emergency classified on a monthly  
12 basis. (Ref. MOU #2)

13  
14 **Section 16.11. Temporary Promotion**

15 Refers to a promotion remaining in effect for a period of not more than  
16 thirty (30) consecutive calendar days, or for ninety (90) consecutive  
17 calendar days if the promotion is a direct replacement for an employee  
18 on medical leave of absence, travel assignment, or temporary  
19 supervisory assignment, or for such longer period as may be  
20 designated by mutual agreement between the Company and the  
21 Union.

22  
23 The Union In-Plant Representative shall be provided with notification  
24 of temporary promotions that are estimated to be in effect for thirty  
25 (30) calendar days prior to or coincident with the effective date of such  
26 promotions. The foregoing time period limitation will not apply in  
27 instances where an employee is on travel assignment. Repetitive  
28 temporary promotions shall not be used to fill a permanent job  
29 opening.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37

**ARTICLE 17**  
**JOB SECURITY, JOINT PARTNERSHIP AND SPECIFIC SUBJECT**  
**MATTER COMMITTEES,**  
**WORKPLACE STEWARD-MANAGER PARTNERSHIP,**  
**SUCCESSORSHIP**

**Section 17.1. Job Security**

The Union and the Company understand and agree that they have a strong and mutual interest in the long-term financial success and growth of the Company’s Wichita operations. An essential component of that success and growth is the maintenance of a strong, highly skilled, and sustainable workforce in Wichita consistent with the Company’s need to remain viable and cost competitive over the long term in the global aerospace industry. To this end, the Union and the Company commit as follows:

1. The Company agrees that the Union is entitled to strategic briefing on an ongoing basis in order to ensure that the Union has sufficient advance information on all subjects necessary to fulfilling its role in maintaining and, to the extent possible, advancing workforce levels in Wichita. To this end, promptly after each quarterly meeting of the Company’s Board of Directors and the quarterly analyst call, members of the Company’s Senior Executive Team shall meet with the Union’s International and District Lodge team to discuss the Company’s current condition, projections, and plans. These meetings will be strategic in nature and will cover, but not be limited to: the Company’s evolving plans for Wichita, competitive pressures and opportunities, long-term strategic sourcing, new programs and resulting work statements, hiring plans, and expected or possible contingency plans or other mitigating actions to manage variations in production and customer requirements. The Union may request other meetings as necessary.
2. The Company agrees to maintain Major Manufacturing Operations in Wichita for the life of this Agreement and therefore maintain jobs in Wichita. Major programs being produced in the Wichita Plant by IAM bargaining unit

1 members will continue to be performed by IAM bargaining unit  
2 members unless as provided herein:

3 a. The Union and the Company understand that the scale of  
4 the Company's operations may require a program or portion  
5 of a program to be shifted out of Wichita in order to make  
6 room for a new or expanded program.

7 b. In making program decisions, the Company's intent over the  
8 long term will be to maintain and, if possible, expand the  
9 workforce in Wichita. If, during the term of this Agreement,  
10 the Company begins to consider options for selling or  
11 outsourcing a major work statement being produced at that  
12 time in the Wichita plant by IAM bargaining unit members,  
13 or to establish a next generation program line outside of the  
14 bargaining unit for any program line produced at that time  
15 in the Wichita plant by IAM bargaining unit members, the  
16 Company agrees to inform the Union. In such a  
17 circumstance, the Company will work cooperatively with the  
18 Union to consider options for maintaining workforce levels  
19 in Wichita. If the Company comes to the conclusion that  
20 outsourcing is necessary, the Union will have the  
21 opportunity to present an alternative business case, to  
22 which the Company agrees to give full consideration in good  
23 faith. In evaluating the Union's alternative, it is agreed  
24 between the Company and the Union that the Company will  
25 consider the maintenance of a strong, highly skilled  
26 workforce in Wichita, consistent with the intent of this  
27 Article 17, to be an important factor and an important  
28 Company priority.

29 c. Throughout the processes described in the paragraph, the  
30 Company and the Union recognize that the Joint  
31 Partnership Committee may play a valuable role.

32 3. In order to ensure that the IAM bargaining unit in Wichita has  
33 the maximum potential for growth, the Company agrees to  
34 offer such training as may be necessary or appropriate in order  
35 for bargaining unit members to have the skills and skill sets  
36 that will enable them to keep pace with the Company's  
37 program requirements and plans.

1 4. During the term of this Agreement, if it appears that the  
2 Company will be faced with fluctuations in customer demand  
3 that could impact the amount of work available to the  
4 bargaining unit, the Company agrees that it will notify the  
5 Union promptly and engage in good faith in a process of  
6 considering all fiscally reasonable alternatives to layoffs. Such  
7 alternatives may include, but not be limited to, temporary  
8 furloughs, alternative work schedules, additional training, in-  
9 sourcing, and short workweeks. The Company and the Union  
10 recognize that the Joint Partnership Committee may play a  
11 valuable role in this process.  
12

### 13 **Section 17.2. Joint Partnership and Specific Subject Matter** 14 **Committees**

15 To help ensure future success the Company and the Union agree to  
16 establish a Joint Partnership Committee (JPC) and Specific Subject  
17 Matter Committees to support the intention of this contract and  
18 jointly address mutually agreed upon topics to further the health of  
19 the Company and keep the team for the future intact.  
20

21 The parties intend the JPC to form the basis for honest and  
22 meaningful dialogue between the parties, and to promote a positive  
23 relationship that will ensure the parties' mutual desire to establish  
24 and maintain effective working relationships and a work environment  
25 that will facilitate improved productivity and competitiveness.

- 26 1. The Company and the Union shall each select a maximum of  
27 three (3) suitably qualified individuals to participate in the JPC.  
28 The Company and Union may need support from other  
29 specialized subject matter experts and in such case, both parties  
30 will agree to the attendance of and disclosure of information to  
31 subject matter experts prior to the meeting. The JPC shall meet  
32 at least quarterly, but more frequently as required, at a mutually  
33 convenient location to discuss and resolve the full range of issues  
34 relating to the successful implementation and administration of  
35 our Long Term Agreement (LTA).
- 36 2. The JPC will establish, appoint representatives and monitor  
37 various joint committees. Joint committees (Specific Subject  
38 Matter Committees) may include, but not be limited to the

- 1 following: health and safety, health care, technical training, labor  
2 management cooperation, supervisor and union steward training.
- 3 3. The JPC will make recommendations on targets and other  
4 matters relating to the Gain Sharing Program and will discuss  
5 the targets and goals established by the Board of Directors for  
6 the annual Short-Term Incentive Plan (STIP).
- 7 4. The JPC will meet monthly, or as required, to monitor and  
8 discuss outstanding grievances with a view to speedy resolution.  
9 The JPC will overview and monitor Steward and Manager training  
10 on complaint and grievance resolution.
- 11 5. Where feasible, the Company's intention is to use temporary IAM  
12 employees as a buffer to protect against short-term hiring  
13 challenges and to give some protection during economically  
14 challenging times. The Company will discuss sourcing temporary  
15 employees and their terms and conditions with the IAM through  
16 the JPC with a view to using the IAM as a referral or job house  
17 and will agree with the IAM through the JPC, the duration of the  
18 said temporary assignment. If the Company hires any of said  
19 temporary employees, temporary assignment time will count  
20 towards probationary period. It is not the Company's intention to  
21 use temporary employees to replace or erode the work performed  
22 by IAM bargaining unit employees. The use of temporary  
23 employees will be restricted to meeting short-term hiring and  
24 economic challenges. Temporary assignments will last no longer  
25 than 90 days, unless expressly agreed by the JPC.
- 26 6. During times of economic uncertainty, the Company intends to  
27 explore, and will discuss with the JPC, as needs arise, all fiscally  
28 reasonable alternatives to layoffs, including temporary furloughs,  
29 alternative work schedules, release of temporary employees,  
30 additional training, in-sourcing and short workweeks.  
31 Additionally, the Company will evaluate any other  
32 recommendations from the JPC.
- 33

### 34 **Section 17.3. Workplace Steward-Manager Partnership**

- 35 1. The Company and the Union agree to work to establish an  
36 ongoing robust communication process throughout all levels of  
37 management that provides timely and informative information to  
38 members of the bargaining unit. The parties will strive to



1 improve relationships at all levels of Spirit management and the  
2 IAM represented workforce. This includes the Company, and the  
3 Union, separately and together, instituting training focused on a  
4 culture of open communication. Training will be geared to 1<sup>st</sup>  
5 level shop management, Union Stewards and Team Leaders.

6 2. 1<sup>st</sup> Level Shop Management, the shop Union Steward, and the  
7 Team Leader, if one is assigned to the shop, will meet regularly  
8 (but no less often than monthly) to discuss methods of improving  
9 shop performance, safety, employee development, schedules,  
10 employee morale, reduction of overtime, scrap reduction and  
11 other mutually agreed topics that could improve the overall  
12 performance of the shop.

13 3. 1<sup>st</sup> Level Shop Management and the Shop Steward shall conduct  
14 a crew meeting at least monthly to discuss items set out above.

15 4. 1<sup>st</sup> Level Shop Management will regularly communicate with  
16 employees regarding their performance. As appropriate, the 1<sup>st</sup>  
17 Level Shop Manager will discuss employee performance issues  
18 with the Shop Steward and seek input on how performance  
19 might be best improved. Any discipline of an employee shall be  
20 at the discretion of the Company, subject to the other provisions  
21 of this Agreement.

22 5. The Company and the Union will establish a joint committee  
23 which shall meet at least twice per year to explore how the  
24 Steward-Manager Teams are functioning and whether other  
25 changes could be implemented to further improve the process.  
26

#### 27 **Section 17.4. Successorship**

28 It is the express intent of the Company and the Union that this  
29 Agreement shall remain in effect for its full term. To that end, the  
30 Company and the Union agree that this Agreement shall bind their  
31 successors, administrators, executors, and assigns in the event the  
32 Company sells, leases, or otherwise transfers all of its Wichita  
33 operations.  
34  
35  
36  
37  
38

**ARTICLE 18**  
**PENSIONS**

A. The Employer shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour or portion thereof for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement, subject to a maximum of eighty (80) hours per bi-weekly pay period for each employee as follows:

1. \$ 1.50 per hour - \$66.08, effective July 1, 2010
2. \$ 1.55 per hour - \$68.08, effective July 1, 2011
3. \$ 1.60 per hour - \$70.09, effective July 1, 2012
4. \$ 1.65 per hour - \$72.90, effective July 1, 2013
5. \$ 1.70 per hour - \$74.10, effective July 1, 2014
6. \$ 1.75 per hour - \$76.10, effective July 1, 2015
7. \$ 1.80 per hour - \$77.98, effective July 1, 2016
8. \$ 1.85 per hour - \$79.89, effective July 1, 2017
9. \$ 1.90 per hour - \$81.73, effective July 1, 2018
10. \$ 1.95 per hour - \$83.59, effective July 1, 2019

B. The Employer shall continue contributions based on a forty (40) hour workweek while an employee is off work due to paid vacations or paid holidays. Contributions shall not be made for sickness and injury time. The Employer shall also make contributions whenever an employee receives severance pay, vacation pay at termination, or vacation pay in lieu of time off.

C. Contributions for a new, temporary, probationary, part-time and full-time employee are payable from the first day of employment.

D. The I.A.M. Lodge and Employer adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

E. The parties acknowledge that the Trustees of the IAM National Pension Fund may terminate the participation of the employees

1 and the Employer in the Plan if the successor collective  
2 bargaining agreement fails to renew the provisions of this  
3 pension Article or reduces the Contribution Rate. The parties  
4 may increase the Contribution Rate and/or add job  
5 classifications or categories of hours for which contributions are  
6 payable.

7 F. This Article and the Agreement signed on April 2 and 4, 2005  
8 between the Company and the IAM National Pension Fund  
9 contain the entire agreement between the parties regarding  
10 pensions and retirement under this Plan and any contrary  
11 provisions in this Agreement shall be void. No oral or written  
12 modification of this Agreement shall be binding upon the  
13 Trustees of the IAM National Pension Fund. No grievance  
14 procedure, settlement or arbitration decision with respect to the  
15 obligation to contribute shall be binding upon the Trustees of the  
16 said Pension Fund.

17  
18  
19 **ARTICLE 19**  
20 **401(K) PLAN**  
21

22 A. The undersigned Employer wishes to become a Contributing  
23 Employer to the I.A.M. National 401(k) Plan for all its employees  
24 who are working under an I.A.M. Collective Bargaining  
25 Agreement effective from the effective date of this Agreement.

26 B. The Employer will make authorized weekly/biweekly pre-tax  
27 deductions of a percentage of the employee's current earnings for  
28 each pay period for any employee covered by this Agreement who  
29 has requested that such a payroll deduction be made.

30 C. All such deductions shall be remitted to the Fund two business  
31 days after the end of each pay period for which the deductions  
32 are made but in no event later than the tenth (10th) day of the  
33 month following the pay period for which the deductions are  
34 made.

35 D. Such deductions are required to be remitted to the Plan by the  
36 Employer and must be sent to:

37 I.A.M. National Pension Fund,  
38 I.A.M. National 401(k) Plan

1 P.O. Box 64341  
2 Baltimore, MD 21264-4341

3 or such other address as the Trustees may require.

4 E. The Employer agrees to make further deductions from the  
5 employee's wages of any monthly amount required by the Plan to  
6 pay back a loan taken from the Plan by the employee if  
7 applicable. Such amounts will be deducted and remitted to the  
8 Plan in accordance with paragraphs (A), (B) and (C).

9 F. The Employer agrees to maintain and abide by any deferral  
10 election form provided by the employee to the Employer and to  
11 provide the Trustees of the Fund with all compensation and other  
12 data needed for the Trustees to administer the Plan in  
13 accordance with the terms of the I.A.M. National 401(k) Plan and  
14 applicable law.

15 G. The Employer agrees to be bound by, and hereby assents to, the  
16 Amended and Restated Trust Agreement for the I.A.M. National  
17 Pension Fund and by the terms of the I.A.M. National 401(k) Plan  
18 currently in effect and as the Trust and Plan may be amended  
19 from time to time.

20 H. This Agreement contains the entire agreement between the  
21 Employer and the I.A.M. National Pension Fund, I.A.M. National  
22 401(k) Plan for the participation of this group of employees. No  
23 oral or written modification of this agreement shall be binding  
24 unless agreed to in writing by the Trustees of the I.A.M. National  
25 Pension Fund. No grievance procedure, settlement, or arbitration  
26 shall be binding on the Trustees of the I.A.M. National Pension  
27 Fund.

28 I. This Agreement shall become effective upon its acceptance by the  
29 Trustees of the I.A.M. National Pension Fund. No employee  
30 deductions shall be remitted until notification of acceptance by  
31 the Trustees of the I.A.M. National Pension Fund.

32 J. The Employer understands that the participation in the Plan of  
33 its employees is conditioned on their participation in a defined  
34 benefit pension plan and the Employer's compliance with  
35 Sections 401(a)(4), 410(b) and 401(k) of the Internal Revenue  
36 Code. Participation in the I.A.M. National 401(k) Plan is further  
37 conditioned upon the Plan not being a top-heavy Plan under

1 Section 416 of the Internal Revenue Code with respect to the  
2 Employer's non-bargaining unit employees.

3 K. The Employer agrees to provide the information and certifications  
4 required by the Trustees to monitor compliance with the Plan  
5 and the Internal Revenue Code, including compensation and  
6 other information regarding all Bargaining Unit employees of the  
7 Employer. If the Employer fails to comply with Sections 401(a)(4),  
8 410(b) or 401(k) of the Internal Revenue Code, or if the Plan is  
9 top heavy with respect to the Employer's employees, or if the  
10 Employer fails to provide information, certifications or additional  
11 sums required by the Trustees, the participation of the  
12 Employer's employees shall terminate. In addition, the Trustees  
13 may in their discretion terminate this agreement at any time by  
14 60 days' written notice.

15 L. Pursuant to this Agreement, various lump sum payments shall  
16 be made to eligible employees. If the I.A.M. National 401(k) Plan  
17 will permit, employees may contribute monies from these lump  
18 sum payments to the I.A.M. National 401(k) Plan.

## 21 **ARTICLE 20**

### 22 **DURATION**

#### 23 **Section 20.1. Duration/Notification**

24 This Agreement shall be effective for a ten (10) year period and shall  
25 become effective on June 26, 2010, and shall remain in force through  
26 midnight, June 27, 2020. This Agreement shall remain in force from  
27 year to year thereafter, unless either party shall notify the other, in  
28 writing by registered mail, not more than ninety (90) calendar days  
29 nor less than sixty (60) calendar days prior to the anniversary of the  
30 Effective Date in the year in which contract termination is desired.  
31

32  
33  
34 Notice under Section 20.1 duration, notification shall be served on the  
35 senior Human Resources Manager for the Company and the  
36 designated representative for the Union.

37  
38 Duration dates are: June 26, 2010 through midnight June 27, 2020.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

**ARTICLE 21**  
**SCOPE OF AGREEMENT**

**Section 21.1. Complete Agreement**

This Agreement contains the entire agreement between the parties and any contrary provisions in any other document shall be void. No oral modification of this agreement shall be effective or binding on any party.

**Section 21.2. 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.



On behalf of the collective bargaining unit for which, respectively, the undersigned is the certified collective bargaining agent, each of the undersigned as of the date stated above and as a party to the foregoing Agreement hereby accepts and agrees to the terms and conditions thereof.

INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND  
AEROSPACE WORKERS, AFL-CIO

SPIRIT AEROSYSTEMS INC

\_\_\_\_\_  
Ron Eldridge, Aerospace Coordinator

\_\_\_\_\_  
Sam Marnick, VP Labor Relations

\_\_\_\_\_  
Don Barker, Grand Lodge Representative

AEROSPACE INDUSTRIAL  
DISTRICT LODGE NO. 70,  
IAM&AW, AFL-CIO

\_\_\_\_\_  
Steve Rooney, President and DBR

\_\_\_\_\_  
Forrest Urban

\_\_\_\_\_  
Mark Love

\_\_\_\_\_  
Vic McMullen

\_\_\_\_\_  
Mike Burleigh

\_\_\_\_\_  
Adam Pogue

\_\_\_\_\_  
Becky Ledbetter

\_\_\_\_\_  
Steve Sharp

\_\_\_\_\_  
David Eagle

\_\_\_\_\_  
Terry George

\_\_\_\_\_  
Howard Johnson

\_\_\_\_\_  
Kathy Petersen

\_\_\_\_\_  
Dennis Williams

## SCHEDULE A

JOB TITLE	JOB	LEVEL	I-Code	MIN HRLY	MAX HRLY
Assembly Mechanic-Fuselage	M01	A	I3	\$15.75	\$29.98
Assembly Mechanic-Fuselage	M01	A	I4	\$14.90	\$28.51
Assembly Mechanic-Fuselage	M01	B	I5	\$14.05	\$27.08
Assembly Mechanic-Fuselage	M01	C	I6	\$13.20	\$25.65
Assembly Mechanic-Fuselage	M01	D	I7	\$12.20	\$23.20
Assembly Mechanic-Underwing	M02	A	I3	\$15.75	\$29.98
Assembly Mechanic-Underwing	M02	A	I4	\$14.90	\$28.51
Assembly Mechanic-Underwing	M02	B	I5	\$14.05	\$27.08
Assembly Mechanic-Underwing	M02	C	I6	\$13.20	\$25.65
Assembly Mechanic-Underwing	M02	D	I7	\$12.20	\$23.20
Building Maintenance Technician	M03	A	I3	\$15.75	\$29.98
Building Maintenance Technician	M03	B	I4	\$14.90	\$28.51
Building Maintenance Technician	M03	C	I5	\$14.05	\$27.08
Composite Mechanic	M04	A	I3	\$15.75	\$29.98
Composite Mechanic	M04	B	I4	\$14.90	\$28.51
Composite Mechanic	M04	C	I5	\$14.05	\$27.08
Equipment Maintenance Mechanic	M05	A	I1	\$17.45	\$32.82
Equipment Maintenance Mechanic	M05	B	I2	\$16.60	\$31.40
Equipment Maintenance Mechanic	M05	C	I3	\$15.75	\$29.98
Equipment Maintenance Mechanic	M05	D	I4	\$14.90	\$28.51
Machine Apprentice	M06	A	I3	\$15.75	\$29.98
Machine Apprentice	M06	B	I5	\$14.05	\$27.08
Machine Mechanic A	M07	A	I2	\$16.60	\$31.40
Machine Mechanic B	M07	B	I3	\$15.75	\$29.98
Machine Mechanic C	M07	C	I4	\$14.90	\$28.51
Material Support Technician	M08	A	I4	\$14.90	\$28.51
Material Support Technician	M08	B	I5	\$14.05	\$27.08
Material Support Technician	M08	C	I6	\$13.20	\$25.65
Metals Mechanic	M09	A	I3	\$15.75	\$29.98
Metals Mechanic	M09	B	I4	\$14.90	\$28.51
Metals Mechanic	M09	C	I5	\$14.05	\$27.08
Process Mechanic	M10	A	I3	\$15.75	\$29.98

Process Mechanic	M10	B	I4	\$14.90	\$28.51
Process Mechanic	M10	C	I5	\$14.05	\$27.08
Process Mechanic	M10	D	I6	\$13.20	\$25.65
Process Mechanic	M10	E	I7	\$12.20	\$23.20
Systems/Payload Structures Mechanic	M11	A	I3	\$15.75	\$29.98
Systems/Payload Structures Mechanic	M11	B	I4	\$14.90	\$28.51
Tooling Technician Welder	M12		I1	\$17.45	\$32.82
Tooling Technician Welder	M12		I2	\$16.60	\$31.40
Tooling Technician Machinist	M12		I1	\$17.45	\$32.82
Tooling Technician Machinist	M12		I2	\$16.60	\$31.40
Tooling Technician Bench	M12		I1	\$17.45	\$32.82
Tooling Technician Bench	M12		I2	\$16.60	\$31.40
Inspector – Assembly	M13	A	14	\$14.90	\$28.51
Inspector – Assembly	M13	B	15	\$14.05	\$27.08
Inspector – Fabrication & Process	M14	A	13	\$15.75	\$29.98
Inspector – Fabrication & Process	M14	B	14	\$14.90	\$28.51
Inspector – Machined Parts and Tools	M15	A	11	\$17.45	\$32.82
Inspector – Machined Parts and Tools	M15	B	12	\$16.60	\$31.40
Auditor – Mechanic Verification Process	M16	A	11	\$17.45	\$32.82

**MEMORANDUM OF UNDERSTANDING # 1**

**HARD RIGHTS LIST**

The employees identified on the Hard Rights List dated 6-26-2010 were hired on June 17, 2005, by Spirit AeroSystems. These employees held Boeing jobs that were mapped to a different Spirit job and have expressed interest in being considered for an opening in their former job. (Ref. Section 16.5.B) The Company agrees that if openings occur in the job identified for each employee on the Hard Rights List, the Company will give preferential treatment to these employees, if qualified, in filling such openings. If an employee on the Hard Rights List is placed in the job for which they had former Boeing rights, or declines a position, the employee shall be removed from the Hard Rights List. The Company and the Union will monitor the list.

INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND  
AEROSPACE WORKERS, AFL-CIO

By \_\_\_\_\_  
Steve Rooney  
SPIRIT AEROSYSTEMS INC

By \_\_\_\_\_  
**Sam Marnick**

**MEMORANDUM OF UNDERSTANDING # 2**  
**EMERGENCY CLASSIFICATION, SECTION 16.10**  
**(Employees Loaned out of Job Classification)**

Following the Effective Date, the Company shall develop a process for tracking future emergency reclassifications. The Company and the Union will meet and agree within thirty (30) days of the Agreement's Effective Date to identify employees who worked in jobs for more than ninety (90) consecutive calendar days during the previous five (5) years without being reclassified.

INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND  
AEROSPACE WORKERS, AFL-CIO

By \_\_\_\_\_  
Steve Rooney  
SPIRIT AEROSYSTEMS INC

By \_\_\_\_\_  
Sam Marnick

**MEMORANDUM OF UNDERSTANDING # 3**

**EARLY RETIREMENT INCENTIVE**

The Company will offer an Early Retirement Incentive Window before the end of 2010 that provides an opportunity for employees age 55 or older. Employees who accept this voluntary retirement program will be paid an early retirement incentive of \$25,000, payable in five (5) equal, monthly installments beginning one (1) month following the retirement date. The total number of employees who will be permitted to retire shall be at least five hundred (500) employees. If more eligible employees seek to participate in the early retirement incentive program, the number may be increased at management's discretion. Otherwise, participation shall be based upon seniority of the applicants. For participants in the Early Retirement Incentive, the Company will provide a "Mini-Med" health insurance program through an IAM Sponsored Plan ("EBS") until age 65 if the employee elects coverage. The Company will pay 30% of the premium. The employee will be responsible for the remaining premium. If the employee does not elect the "Mini-Med" health insurance program, the early retirement incentive shall be increased by one monthly installment of \$5,000.

Note: The Company offered the Early Retirement Incentive on July 6, 2010. The application period was July 12, 2010 thru July 23, 2010.

INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND  
AEROSPACE WORKERS, AFL-CIO

By \_\_\_\_\_  
Steve Rooney  
SPIRIT AEROSYSTEMS INC

By \_\_\_\_\_  
**Sam Marnick**



**MEMORANDUM OF UNDERSTANDING # 4**  
**EXCEPTION REQUEST TO SHIFT PREFERENCE, SECTION 6.6**  
**Temporary Shift Deviation**  
**Implemented October 6, 2008**

- We have language in our collective bargaining agreement to allow for deviations to shift preference in order to meet business needs Section 6.6 Shift Preference.
- As stated, shift preferences as defined will not apply in instances where the exercise of such rights would affect the efficiency of Company operations in any organization on any shift. When such instances arise, it shall be the responsibility of the organization's designated executive or delegate. Exception requests shall be discussed with the Union (Stewards) on both shifts prior to submittal to the organization's senior Human Resources executive or designee for final approval. When senior employees are displaced from their shift or preference during a staffing exercise, the displaced employee shall be given, in writing, a date of return to the preferred shift he was on.
- It is in all parties' best interests to follow a common process, including timely notifications and documentation to the Union and Labor Relations.

Definition

- An Exception Request of Shift Preference is a request made by the Company to deviate from the normal shift preference process for a temporary basis to avoid affecting efficiency of daily operations.
  - Example: Training, Schedule Recovery, Customer Requirements
- An Exception Request form is filed to track this process
  - Management must provide, in writing, a specific reason for the temporary assignment, including skills required and why employee chosen meets those requirements.
- When a senior employee is displaced, they must be given, in writing, a date of return

Guidelines for Managers

- Temporary shift exception requests should not be utilized when the requirement can be met by the normal shift preference process or by use of reverse seniority
- A plan should be in place to avoid having to repeat this process multiple times in the same area
- If the temporary situation will become permanent or repetitive, every effort should be made to utilize the normal shift preference process
- REMEMBER THIS PROCESS IS IN PLACE FOR EXCEPTIONS ON A TEMPORARY BASIS

Process

- Manager discusses situation of proposed exception with Steward to explain the business need/reason
- Manager retrieves Exception Request electronic form from website
- Manager completes the form (obtains Steward acknowledgment) and sends form electronically to Labor Relations for approval/denial
- Completed forms should be received in Labor Relations at least five (5) working days in advance of shift movement
- As a general rule, forms will not be accepted "after-the-fact"
- Once received Labor will forward copy to authorized Union Representative
- If approved, Labor Relations notifies Management so they can change employee schedule, notifies receiving manager, etc., and forwards appropriate information to HRSC
- If denied, Labor Relations will contact Management for discussion

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

By \_\_\_\_\_

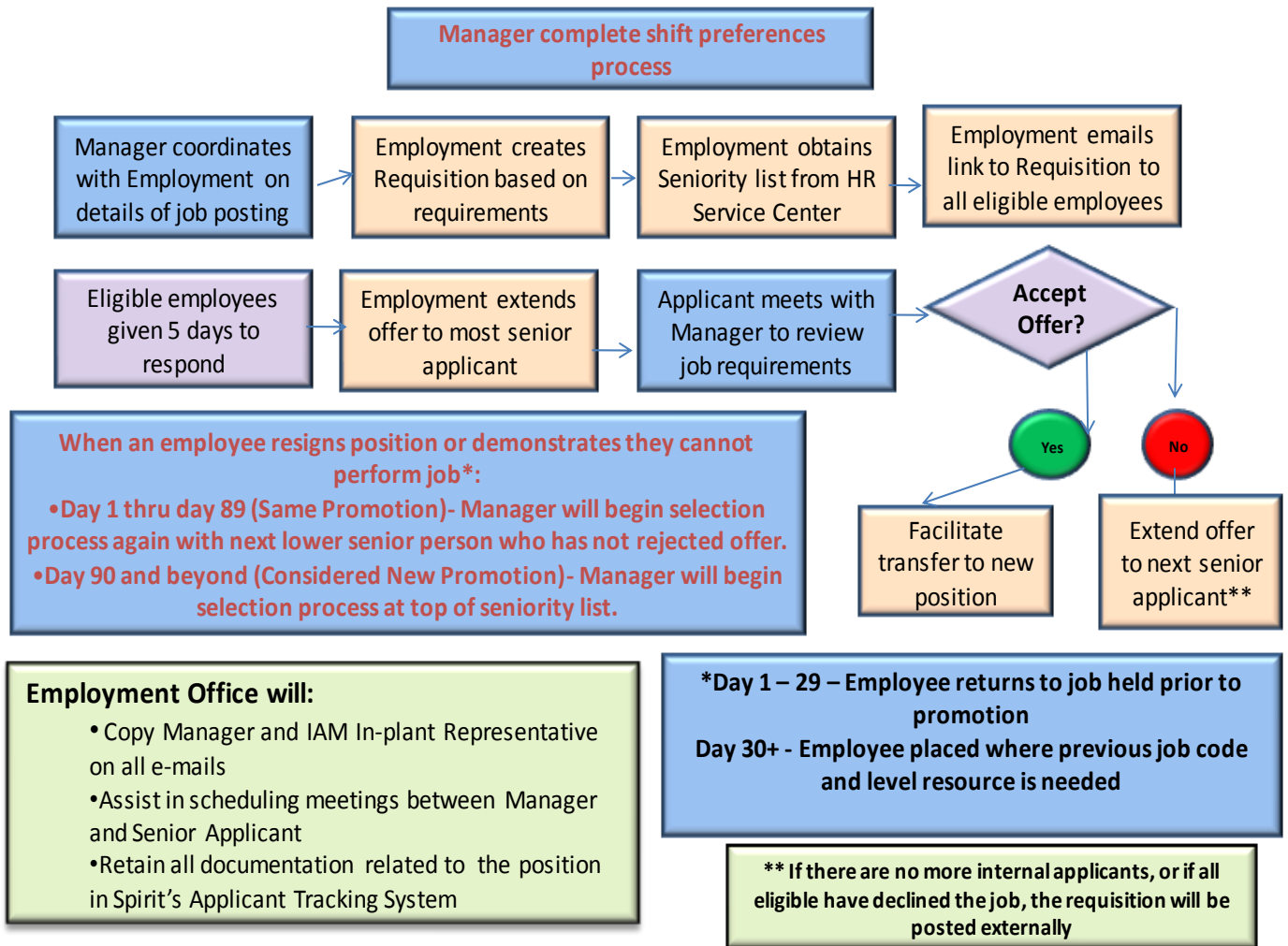
Steve Rooney

SPIRIT AEROSYSTEMS INC

By \_\_\_\_\_

Sam Marnick

# Inline Promotion Process - MOU # 5



INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

By \_\_\_\_\_  
Steve Rooney

SPIRIT AEROSYSTEMS INC

By \_\_\_\_\_  
Sam Marnick

## INDEX

Subject	Article	Page
Arbitration-Rules of Procedure .....	7.9	51
Assigned Away from Primary Location .....	1.2	11
Bereavement Leave .....	8.4	56
Bulletin Boards .....	14.4	99
Call Back Pay .....	6.9	43
Career Development .....	14.10	102
Company and Union Cooperation .....	Preface	10
Complete Agreement-Scope .....	21.1	118
Conferences During Working Hours .....	7.12	53
Contract Agreement Not to be Altered .....	7.11	52
Contributions to Guide Dogs of America .....	2.3	13
Contributions to Machinists; Nonpartisan Political League .....	2.2	12
Cooperative and Collaborative Relationship .....	Preamble	9
Cost of Living Lump Sum Payment .....	5.10	27
Data Reports .....	1.3	11
Departure from Work Assignment by Steward to Investigate Complaint/Grievance Claims .....	3.6	16
Departure from Work for Union Business .....	3.7	17
Dismissals, Suspensions, Layoffs, Etc. ....	7.3	49
Downgrade .....	16.9	107
Drug and Alcohol-Free Workplace .....	13.4	95
Duration of Contract .....	20.1	117
Elected/Appointed to Union Office .....	9.6	61
Emergency Classification .....	16.10	108
Employee Benefits Systems Agreement (EBS) .....	2.4	13
First Aid .....	13.5	52
Gain Sharing Plan .....	5.18	31
Garnishments .....	5.11	29
Grievance and Arbitration Procedure .....	7.1	47
Grievances-Employee .....	7.2	47
Health and Safety in the Workplace .....	13.2	93
Health and Safety Joint Committee .....	13.6	96
Health and Safety Joint Programs .....	13.3	94
Health and Safety Mutual Objective .....	13.1	93
High Performance Work Organization .....	14.9	101

## INDEX

Subject	Article	Page
Holiday Dates Observed .....	10.1	62
Holidays During Vacation .....	10.4	68
Holidays-Un-worked .....	10.2	68
Holidays-Worked .....	10.3	68
Indemnity .....	2.5	13
Inventions .....	14.1	98
Investigatory Interviews .....	14.3	98
Job Classifications .....	5.1	19
Job Classifications-Definitions .....	5.2	19
Job Progression Increases .....	5.7	23
Job Security .....	17.1	109
Jobs Committee .....	5.3	20
Joint Partnership and Subject Matter Committees ....	17.2	111
Jury/Witness Duty .....	8.5	56
Lateral Transfers and Change in Classifications .....	16.1	103
Layoff .....	16.3	105
Layoff Notice .....	16.7	107
Layoff-Accelerated .....	16.8	107
Layoff-Temporary .....	16.4	105
Leave of Absence Condition .....	8.2	55
Leave of Absence-Authorized .....	8.1	55
Long-Term Rewards .....	5.8	23
Loss of Seniority .....	9.2	60
Management of Company .....	4.1	19
Masculine-Feminine References .....	14.7	101
Medical and Dental Plan Options .....	12	74
MOU-Early Retirement Incentive .....	MOU#3	124
MOU-Emergency Classification .....	MOU#2	123
MOU-Exception Request to Shift Preference .....	MOU#4	125
MOU-Hard Rights List .....	MOU#1	122
MOU-In-Line Promotion Process .....	MOU#5	127
Military Leave of Absence .....	8.3	55
Seniority Rights .....	9.4	61
New Assignments .....	5.13	29
No Discrimination .....	14.5	99
Non-Regular Work Week .....	10.5	68

## INDEX

Subject	Article	Page
Overseas Assignment .....	9.7	62
Overtime Rate .....	6.7	42
Overtime Scheduling .....	6.10	43
Paydays .....	6.11	47
Payroll Deductions for Union Dues .....	2.1	12
Pensions .....	18	114
Performance Bonus .....	5.6	21
Personal Protective Equipment (PPE) .....	13.5	95
Probationary Period .....	9.8	62
Promotion .....	16.2	104
Pay Rate Range and Wage Increases .....	5.5	21
Pay Rate Retention .....	5.15	30
Recall .....	16.5	105
Recall from Layoff-Pay Rate .....	5.16	30
Recalls from Layoff .....	16.6	105
Reclassifications-Base Pay Rate After .....	5.14	29
Regular Hours .....	6.1	33
Regular Meetings .....	Preamble	9
Reinstatement Following Medical Termination .....	8.7	58
Reinstatement of Seniority Lost by Layoff .....	9.3	60
Reporting Pay .....	6.8	43
Retroactive Compensation .....	7.5	50
Return from Leave of Absence .....	8.6	57
Return from Leave of Absence-Job Class & Wages ....	5.17	31
Sabotage .....	14.2	98
Savings Plan-401(K) .....	19	115
Security Clearances .....	3.9	18
Seniority Accumulation .....	9.1	58
Severability .....	21.2	118
Shift Preference .....	6.6	41
Shift Premiums .....	6.4	40
Steward/Status .....	3.1.(c)	15
Steward-Manager Training .....	7.16	54
Stewards .....	3.1.(a)	14
Stewards/Layoff .....	3.1.(b)	14
Stewards-List .....	3.1	13



## INDEX

Subject	Article	Page
Strikes and Lockouts .....	15.1	103
Subcontracting .....	14.6	100
Successorship .....	17.4	113
Team Leader .....	5.9	24
Technology .....	14.8	101
Temporary Promotion .....	16.11	108
Third Shift .....	10.6	68
Transfer to Management .....	9.5	61
Union Activity During Working Hours .....	3.5	16
Union Interview of New Employees .....	3.8	17
Union Jurisdictional Claims .....	7.15	53
Union Recognition .....	1.1	11
Vacation-Computation of Credit .....	11.2	69
Vacation-Eligibility to Use Credit .....	11.3	70
Vacation-General Description of Credit .....	11.1	69
Vacation-Use of Credit .....	11.4	70
Variable Work Schedule Procedures .....	6.3	36
Variable/Alternative Work Schedules .....	6.2	35
Wage Payment Basis .....	5.12	29
Wages .....	5.4	21
Work Schedule Premiums .....	6.5	41
Workplace Steward-Manager Partnership .....	17.3	112