

Honeywell

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AGREEMENT

BETWEEN

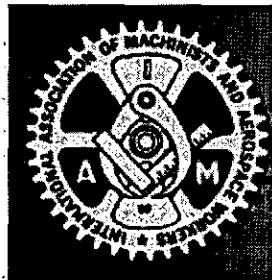
Honeywell, Federal Manufacturing
& Technologies, LLC

57 PP.

AND

Local Lodge No. 778

1/12/09



International
Association of Machinists
and Aerospace Workers

Effective Oct. 14, 2002 through Oct. 9, 2005

TABLE OF CONTENTS

	Page
1. AGREEMENT	2
2. INTENT	2
3. RECOGNITION	2
4. REPRESENTATION	3
5. UNION RESPONSIBILITY.....	5
6. MANAGEMENT	5
7. UNION SECURITY	6
8. NO STRIKE, WORK STOPPAGE, SLOW-DOWN OR LOCKOUT	6
9. CHECK-OFF	7
10. NO DISCRIMINATION	9
11. GRIEVANCE PROCEDURE	9
12. DISCIPLINE	13
13. HOURS OF WORK AND OVERTIME	14
14. HOLIDAY PAY	18
15. SENIORITY	19
16. VACATIONS	31
17. LEAVES OF ABSENCE	32
18. JURY DUTY PAY	35
19. ENVIRONMENTAL, SAFETY, HEALTH AND GOOD HOUSEKEEPING	35
20. APPRENTICESHIP PROGRAM	37
21. ESTABLISHMENT OF WAGE RATES FOR NEW JOB CLASSIFICATIONS	38
22. INSURANCE PROGRAM AND PENSION PLAN	39
23. BULLETIN BOARDS	39
24. SECURITY REQUIREMENTS	39
25. WAGES AND SENIORITY GROUPINGS	39
26. COST-OF-LIVING ALLOWANCE	45
27. BEREAVEMENT PAY	47
28. EDUCATIONAL ASSISTANCE	47
29. SAVINGS PLAN	48
30. CONTRACT VALIDITY	48
31. DURATION	49

ARTICLE 1. AGREEMENT

- A. This Agreement, dated at Kansas City, Missouri, effective the 14th day of October, 2002 between Honeywell, Federal Manufacturing & Technologies, LLC, hereinafter called the Company, and Local Lodge Number 778 of the International Association of Machinists and Aerospace Workers, AFL-CIO, hereinafter called the Union, is entered into by the parties to provide an orderly collective bargaining relationship.
- B. This Agreement supercedes the Agreement entered into the 11th day of October, 1999 and all Supplements thereto, which are hereby terminated, except the Status Quo Agreements of April 1, 1964.

ARTICLE 2. INTENT

It is the intent, in the true sense of the word, of both the Union and the Company to conduct all matters in accordance with the terms of this Agreement and to maintain a harmonious relationship among all persons who have duties and responsibilities in the administration of the Collective Bargaining Agreement. It is the further intent that the provisions of this Agreement be carried out with fairness on the part of both the Union and the Company beginning with the Stewards and Team Managers of the respective departments, and to protect the interest of the Government and the public. The above reference to the Government and public interest shall not be subject to the Grievance Procedure nor the arbitration provision of this Agreement in any respect.

ARTICLE 3. RECOGNITION

- A. The Company, recognizes the Union, as the exclusive representative as certified under the decision of the National Labor Relations Board (Case #17 RC 588), for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment in accordance with the terms of this Agreement and within the scope of the Labor-Management Relations Act of 1947 (as amended) for all production and maintenance associate(s), including interior and outside transportation associate(s), chauffeurs, timekeepers and counters, but excluding all salaried office, engineering, research, plant protection, medical, safety, time study, and supervisory or other non-bargaining unit associate(s) with the authority to hire, promote, discharge, discipline or otherwise effect changes in the status of associate(s) or effectively recommend such action.
- B. For the purpose of this agreement, the term "associate(s)" shall be construed to mean those bargaining unit employees as defined, above.

ARTICLE 4. REPRESENTATION

- A. The Union shall be represented by no more than five (5) grievance Committeepersons and by one (1) Steward for each sixty (60) associates within the bargaining unit. Each January, the number of Stewards will be adjusted to conform to the above ratio. All Committeepersons, Stewards and alternates shall be selected from among the associates in the bargaining unit. A Steward shall be assigned to the shift and department or one of the departments represented. It is agreed that no probationary associate shall be eligible to serve as a Union representative in any capacity.
- B. The Union shall notify the Company as to who occupies the five (5) Committeeperson positions, which shifts they are on, and the makeup of the grievance committee. Such notification shall be January of each year and may be adjusted quarterly for rotating craft positions.
- C. Stewards, or alternates in the absence of the Steward from the plant, will handle complaints, investigations and grievances as outlined in Step 1 of the Grievance Procedure and shall be permitted to attend any subsequent step of the Grievance Procedure.
- D. There will be one (1) regularly scheduled meeting each week between the grievance committee and the Company when necessary to handle grievances which have reached the second or third step of the Grievance Procedure as outlined herein. Should circumstances so warrant, there will be additional meetings by mutual agreement of the parties, with the understanding that the parties will make every effort to hold the number of meetings and the time spent in all meetings to a minimum.
- E. Union Business Time
1. The Company will pay Committeepersons or their alternates for the time spent in the performance of their Union duties during regular working hours, including time spent attending meetings in the second, third, and fourth steps of the Grievance Procedure, up to a maximum of 200 hours per week, non-accumulative. Committeepersons will be paid up to a maximum of forty (40) hours per week, non-accumulative.
 2. Stewards will be paid for time spent in the performance of their Union duties, including attendance at second and third step grievance meetings, during regular working hours, up to a maximum of five (5) hours per week, non-accumulative.
 3. All time shall be paid at the associate's current straight time hourly rate, subject to the overtime provisions of this Agreement. Any Committeeperson attending a grievance meeting who regularly works on a

night shift shall receive night shift premium. Union duties shall be limited to such duties as defined herein.

- F. Grievance Committeepersons, Stewards and their alternates will continue to work at their assigned jobs at all times except when necessary to leave their work to attend grievance meetings or to handle grievances as provided herein.
- G. Stewards and Committeepersons, when required to leave their jobs to handle complaints, investigations and grievances, shall explain to their immediate Team Manager the reason for leaving their jobs. It is understood and agreed that a Steward will be allowed to investigate complaints or grievances only in those departments which the Steward represents, unless the Committeeperson needs the technical assistance of a Steward in investigating a complaint or grievance in a department not represented by the Steward. Upon entering the department in which the complaint or grievance exists, the Stewards or Committeepersons shall notify the Team Manager of that department of their presence and purpose. When union business arises in controlled access areas, the company will take reasonable action to help a union representative gain access to the subject area on a timely basis. The Union agrees to hold to a minimum all time spent on Union business.
- H. The names of all Union officers, grievance Committeepersons, Stewards and their alternates, covered by this Agreement shall be given in writing to Labor Relations prior to the time of their taking office. The Company shall recognize Union officers, grievance Committeepersons, Stewards and their alternates on the workday following receipt, in writing, from the Union Office of notice of the identities of said officials. An acting Committeeperson will be recognized in the absence of the regular Committeeperson based on a written notification from the Union Office or Local Lodge President to Labor Relations.
- I. Grievance Committeepersons, Stewards, or their alternates, shall not be permitted to enter the plant on Union business on other than their regular shifts unless permission is granted by the Company. Grand Lodge Representatives or other representatives of the International Association of Machinists and Aerospace Workers shall be granted access to the plant provided such access is in complete accord with all security or other Company regulations. Permission for such access shall be requested of Labor Relations.
- J. Associates may be absent from work on Union business during their regular shifts without pay when prior arrangements are made with Labor Relations, in writing, by an officer of the Union, with the understanding that the total absent from work under this paragraph will not exceed twenty-two (22) in number at any one time, or a number mutually agreed to by the parties in each instance.
- K. Committeepersons and Stewards shall not be transferred or loaned to another department without their consent. Alternate Stewards shall not be transferred without their consent to a department they do not represent. Committeepersons, Stewards and their alternates shall not be displaced without their consent to

another shift as long as their classification exists on the shift to which they are assigned.

- L. Union officers will not be transferred to another department without their consent so long as their classification is assigned to the department and their seniority will permit their retention.
- M. In the event the President of Local 314 does not hold office for which paid Union business time is provided, such President will be permitted up to a maximum of four (4) hours per week, non-accumulative and non-transferable, to conduct necessary executive Union business which does not involve administration of the Collective Bargaining Agreement. The use of this Union business time is subject to the same established requirements as prescribed for Committeepersons and Stewards.

ARTICLE 5. UNION RESPONSIBILITY

The Union recognizes the responsibility imposed upon it as the exclusive bargaining agent of the associates covered by this Agreement and realizes that, in order to provide maximum opportunities for continuing employment, good working conditions, and fair and equitable wages, the Company must be in a cost position consistent with fair labor standards. The Union, through its bargaining agency, assumes responsibility for cooperating with the management in the attainment of these goals. The Union agrees that it will cooperate with management in encouraging associates to discharge the duties of their respective job classifications in a diligent and efficient manner. The Company recognizes the Union's responsibility and agrees to cooperate with the Union in representing its members or fee-payers at plant sites as provided for in this Agreement.

ARTICLE 6. MANAGEMENT

- A. Except as specifically limited by this Agreement, the management of the Company and the direction of the working forces, including but not limited to the products to be manufactured, the location of plants, the schedules and fair standards of production, the schedules of hours and shifts, the methods, processes and means of manufacturing, the right to hire, promote, demote and transfer associates, to establish rules of conduct, to discharge or discipline for good and sufficient cause, and to maintain discipline and efficiency of associates, are the sole and exclusive rights and responsibilities of the Company.
- B. It is understood that this clause will not be used for purposes of discrimination against any member or fee-payer of the Union and is subject to the terms and conditions of this Agreement.

ARTICLE 7. UNION SECURITY

- A. Upon the effective date of this Agreement, all associates in the bargaining unit as defined by the National Labor Relations Board shall become members in good standing or fee-payers of the Union. Thereafter all associates hired into the bargaining unit shall as a condition of employment become members of the Union in good standing or fee-payers in accordance with the Constitution and By-Laws of the Union, thirty (30) days from the date of their employment. The Union shall not use this provision of the Agreement to discriminate in any way against any associate who was not formerly a member or fee-payer of the International Association of Machinists and Aerospace Workers.
- B. Notwithstanding any other provisions contained herein, if an associate who is a member or fee-payer of the Union shall be transferred or promoted out of the bargaining unit covered by this Agreement, and shall thereafter in any manner be returned to said unit, whether by transfer, demotion, or otherwise, such associate shall be permitted thirty (30) days in which to rejoin the Union. This article shall be so construed as to comply in all respects with the provisions of the Labor Management Relations Act of 1947 (as amended.)

ARTICLE 8. NO STRIKE, WORK STOPPAGE, SLOW-DOWN OR LOCKOUT

- A. The Union will not call or sanction any strike or concerted work stoppage and guarantees fully to support the Company in maintaining operations. Associates shall not cause or participate in any strike, work stoppage, slow-down, picket line, or other interference of any kind with operations, whether brought about by a union or any group or individual; and violations shall be cause for discharge of any one or more of the violators or for other disciplinary action by the Company. The term "participate" in this section shall not be interpreted to cover the action of any associate who fails to report for work where the associate may be subjected to violence. In the event that any associate represented by the Union violates this Article, the Union shall, within forty-eight (48) hours after receipt of written notice from the Company, take the following action:

1. Advise the Company in writing that the prohibited act has not been sanctioned by the Union.
2. Provide copies of the following notice for posting at Company sites:

We have been advised by Honeywell, Federal Manufacturing & Technologies, LLC, that an act prohibited by Article 8, No Strike, Work Stoppage, Slow-Down or Lockout, of the current collective bargaining agreement, has occurred. Inasmuch as such act has not been sanctioned by the Union, if you are engaged in any such act you are hereby instructed to cease participation immediately.

Local Lodge No. 778
International Association of
Machinists and Aerospace Workers

By _____

"THIS NOTICE IS POSTED IN ACCORDANCE WITH THE PROVISIONS OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN HONEYWELL, FEDERAL MANUFACTURING & TECHNOLOGIES, LLC, AND THE UNION."

3. The above notice directed to the bargaining unit personnel shall have been published in substantial size in the major Kansas City, Missouri daily newspaper. Compliance by the Union with the above provisions will preclude the Union and its agents and officers from liability, and the Union members or fee-payers who have not violated this Article from discipline, including discharge, during the life of this Agreement with respect to any damage suffered by the Company arising from or out of any violation of this section.
- B. There shall be no lockout by the Company during the life of this Agreement.
 - C. If it is contended that any associate discharged for a violation of this Article did not in fact commit such violation, a grievance may be processed in accordance with the grievance procedure in this Agreement.
 - D. The no-strike provisions of this Agreement shall not be binding upon the Union in the event the Company fails or refuses to abide by the decision of an arbitrator which has been rendered pursuant to the grievance procedure in this Agreement.

ARTICLE 9. CHECK-OFF

- A. Commencing with the dues or fees deduction for the first calendar month following ratification of this Agreement, the Company agrees to deduct Union membership initiation fees and monthly dues or fees levied by the International Union or Local Union in accordance with the Constitution and By-Laws of the Union, from the pay of each associate who is or who becomes a member or fee-payer of the Union, within the scope of the bargaining unit covered by this Agreement, and who, in writing, in accordance with the Authorization for Check-Off, has voluntarily authorized the Company to do so for the period covered thereby.
- B. The Authorization for Check-Off shall be on a Company approved form provided by the Union.

- C. Deductions shall be made only in accordance with the provisions of said Authorization for Check-Off, and with the provisions of this section of the Agreement.
- D. A properly executed Authorization for Check-Off form for each associate for whom Union membership dues or fees are to be deducted hereunder shall be delivered to the Company before any payroll deductions are made. Deductions shall be made thereafter only under Authorization for Check-Off forms which have been properly executed and are in effect. Any Authorization for Check-Off which is incomplete or in error will be returned to the Union by the Company.
- E. After receipt of the Authorization for Check-Off form, the Union membership dues or fees for any calendar month shall be deducted from the pay check for the first week ending in that month, providing the associate has sufficient net earnings to cover the Union membership dues or fees. In the case of associates rehired, or returning to work after layoff, leave of absence, or being transferred back into the bargaining unit, who previously have executed Authorization for Check-Off form, deductions will be made for membership dues or fees as provided herein.
- F. In cases where a deduction is made which duplicates a payment already made to the Local Union by an associate, or where a deduction is not in conformity with the provisions of the Union Constitution and By-Laws, refunds to the associate will be made by the Local Union.
- G. Deductions for any calendar month shall be remitted to the designated financial officer of the Local Union as soon as possible after the fifteenth (15th) day of that month. The Company shall furnish the designated financial officer of the Local Union, monthly, with a list of those for whom deductions have been made and the amounts of such deductions.
- H. Any associate whose seniority is broken by death, quit, discharge or layoff or who is transferred to a classification not in the bargaining unit, shall cease to be subject to check-off deductions beginning with the month immediately following the month in which the death, quit, discharge, layoff or transfer occurred. The Local Union will be notified by the Company of the names of such associates following the end of each month.
- I. Any dispute which may arise as to whether or not an associate properly executed or properly revoked an Authorization for Check-Off form shall be reviewed with the associate by a representative of the Union and a representative of the Company. Should this review not dispose of the matter, the dispute may be referred to arbitration, which decision shall be final and binding on the associate, the Union and the Company. Until the matter is disposed of, no further deductions shall be made.
- J. The Company shall not be liable to the International Union or its Local by reason of the requirements of this section of the Agreement for the remittance or

payment of any sum other than that constituting actual deductions made from associate wages earned.

- K. The Union shall indemnify and save the Company harmless from any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in reliance upon certified lists furnished to the Company by the Union, or for the purpose of complying with any of the provisions of this article.
- L. In the event any member or fee-payer is absent, due to vacation, leave of absence or on layoff and there was no dues or fees deduction for a particular month, the Company shall, upon written request by the Union, on the next payroll deduction, withhold from the associate's pay the amount as shown on the billing from the Local Lodge for the associate's designated dues or fees, initiation or reinstatement fees, for which the associate was absent, plus the associate's current monthly dues or fees. The Company will notify the Financial Secretary of the Locals involved of any transfers between the respective locals of associates covered by this Agreement.

ARTICLE 10. NO DISCRIMINATION

- A. The Company will not interfere with, restrain, or coerce the associates because of lawful activity in the Union.
- B. There shall be no solicitation for Union membership or dues or fees or other Union activity during working hours, except as provided in this Agreement.
- C. The Company will not discriminate against any associate because of age, sex, race, color, creed, religion, national origin, veteran status, disability, or Union membership. The Union recognizes the obligation of the Company concerning equal employment opportunity.

ARTICLE 11. GRIEVANCE PROCEDURE

- A. A grievance shall be construed to mean any dispute between the Union and the Company or between the Company and any associate or group of associates concerning the effect, interpretation or application of any of the terms of this Agreement, or any alleged breach or violation of this Agreement. All complaints or grievances shall be resolved only as provided for in the Grievance Procedure which follows:
- B. No complaint or grievance will be considered which is not submitted to the immediate Team Manager under Step One within twenty (20) working days after the associate was aware of the occurrence. Retroactive monetary claims shall be

limited to a thirty day period prior to the date the grievance was first submitted in writing to the Company. This thirty day retroactive monetary claim limitation shall not apply in the instance where an associate who has been laid-off out of the plant is recalled and within thirty days following the date of return to work submits a written grievance to the Company alleging that the recall was not in accordance with the terms of this Agreement.

- C. Grievances regarding discharges or disciplinary layoffs must be filed with the Labor Relations Department within five (5) working days from the date the associate is orally notified or written notification of the action is dispatched to the associate's last known address, except in those instances where the Union is unable to locate a discharged associate the time limit will be seven (7) working days. Written notification is defined as notification by both expedited delivery service and telegram service.
- D. It is agreed that no grievance shall be valid unless appealed within the time limits established within each step of the Grievance Procedure and that these time limits may, by mutual agreement of the parties, be extended in any step.
- E. In the interest of expeditious settlement of grievances, a witness, who may or may not be the aggrieved associate, may be called into any step of the Grievance Procedure in order to submit additional facts or oral testimony which were not introduced during the preceding steps of the Grievance Procedure and which are deemed necessary by the parties in order to arrive at a mutually satisfactory settlement of the grievance. Either party may call its witnesses, who may or may not be associates of the Company but whose only interest shall be to submit facts which are pertinent to the grievance. Any associate witness who appears at the associate's request or at the request of the Union, and at a time other than during the associate's regular shift, shall not receive pay for time spent attending the grievance meeting. Union attendees at arbitration hearings shall be limited to grievance Committeepersons, business representative(s), legal counsel, witnesses, the grievant(s), the Steward or Stewards involved on the particular grievance, and no more than eight (8) observers.
- F. The Grievance Procedure shall conform to the provisions of the Labor-Management Relations Act and shall operate as follows:

Step 1 - Any associate having a complaint shall discuss the complaint with the immediate Team Manager and may request and will be granted the attendance of the Steward. If the Steward finds it necessary, the Steward may request and will be granted the presence of a Committeeperson. If the Team Manager deems it necessary, the Team Manager may request the attendance of other appropriate members of Management, not to exceed two (2) in number. If this complaint is not settled within two (2) working days, the associate shall reduce the grievance to writing, in quadruplicate, on the form provided by the Company for this purpose, which grievance shall be signed by the associate. Whereupon within two (2) working days, the immediate Team Manager shall render a decision in writing. If the answer is accepted, the Steward and the associate shall sign the

acceptance. If it is not accepted the Steward shall within an additional two (2) working days sign the grievance and submit it to Step 2.

Step 2 - In the event a satisfactory settlement is not reached in Step 1, the Steward shall receive the Union's copies of the grievance and the Company's copies shall be delivered by the department to Labor Relations for processing in Step 2 by the Grievance Committee and representatives of the Labor Relations Department. It is understood that an appeal within two (2) working days of the decision rendered in Step 1 shall not be invalidated by additional time intervening prior to the next scheduled committee meeting. No matter of a classified or restricted nature may be discussed at any meeting attended by persons who do not have the appropriate security clearances. At the regular second step meeting, the Company shall render a decision in writing which, if not accepted by the Union, may be appealed within ten (10) working days from the date of the decision, to Step 3.

Step 3 - In this step the Union will be represented by its Business Representative(s), the Grievance Committee, and any other duly authorized Union representatives who will meet with the Manager of Labor Relations or other duly authorized Company representatives, within ten (10) working days following the date of the appeal. It is understood that an appeal within the ten (10) working days of the decision rendered in Step 2 shall not be invalidated by additional time intervening prior to the next scheduled meeting between Union and Company representatives. No matter of a classified or restricted nature may be discussed at any meeting attended by persons who do not have the appropriate security clearances. If the Union and the Company representatives are unable to resolve the grievance within ten (10) working days from the date of this meeting, the matter may be appealed by either party to arbitration.

Step 4 (Part 1) - The Union and the Company shall agree upon an arbitrator. Should the parties be unable to agree upon an arbitrator, then the Federal Mediation and Conciliation Service shall be requested to submit a panel of five (5) names, from which each party shall alternately strike a name until only one (1) name remains, and this person shall be the arbitrator. Within seven (7) working days after receiving the list of arbitrators, the Company and the Union will meet to strike the list of arbitrators, and the Federal Mediation and Conciliation Service shall be notified jointly of the name of the arbitrator selected by the parties.

An arbitrator for a particular hearing shall be notified by the parties of the time and place for the hearing, which time and place shall be mutually agreed to. It is understood and agreed that arbitration hearings shall be scheduled as follows:

Grievances appealed in January and February will be heard in April.

Grievances appealed in March and April will be heard in June.

Grievances appealed in May and June will be heard in August.

Grievances appealed in July and August will be heard in October.

Grievances appealed in September and October will be heard in December.

Grievances appealed in November and December will be heard in February.

Discharges which occur more than fifteen (15) days prior to a scheduled hearing and which are appealed to arbitration will be heard at that scheduled hearing. Those occurring within the fifteen (15) days prior to any scheduled hearing will be heard at the next subsequent hearing. This provision shall in no way prevent the parties, by mutual agreement, from agreeing to an ad hoc hearing immediately in any discharge case.

It is understood and agreed that neither party shall present information in an arbitration hearing which has not been made available previously to the other party.

Each party may submit post-hearing briefs to the arbitrator which state the position of the parties and furnish to the arbitrator any arguments in support thereof. If either party submits briefs or other written arguments to the arbitrator following the hearing, the other party will be furnished with copies of such material simultaneously with its being furnished to the arbitrator.

Step 4 (Part 2) - The arbitrator shall have no power to add to, subtract from or modify any of the terms of this Agreement, or any other terms made supplemental hereto, or to arbitrate any matter not specifically provided for by this Agreement or to arbitrate any new provision into this Agreement. The arbitrator's authority is to interpret and apply provisions of the Agreement. The arbitrator shall have no power to establish new or change the existing wage rate structure or establish new or change existing job content or to decide any matter pertaining to production standards. The arbitrator shall render a decision, in writing, to both parties within thirty (30) days after the closing of the hearing. The hearing shall be considered closed when arguments are concluded or when the transcript of the proceedings, if any, is received by the arbitrator or upon submission of the post-hearing briefs of the parties. The parties may by mutual consent agree to request of the arbitrator an "on the spot" decision or written award without an opinion. There shall be no appeal from the arbitrator's decision, which shall be final and binding upon the Company, the Union and the associates.

Costs pertaining to the arbitration proceedings shall be shared equally by the Union and the Company, except that the Company agrees to defray any costs of hearing rooms. It is further understood and agreed that if the arbitrator desires a stenographic record prepared by a court reporter, the parties will share the costs of such record equally; if the arbitrator expresses no preference and either party desires a copy of a transcript by a court reporter, the party desiring such record will pay the entire cost, except that if the opposing party desires a copy of the transcript, the total cost of the stenographic record will be borne equally by the parties. Nothing in this provision shall preclude either party from making a mechanical recording of the hearing.

Step 4 (Part 3) - In disciplinary layoff and discharge cases, the arbitrator shall have the power to adjudge the guilt or innocence of the associate involved and review any

penalties imposed on associates and modify or amend penalties, if in the arbitrator's judgment the penalty is too severe. If the arbitrator shall adjudge the associate innocent of the offense for which the associate was disciplined or discharged and so orders, the Company shall reinstate the associate in full with accumulated seniority, and in case the associate was penalized by loss of working time, will pay back wages less any time during the period the associate was off wherein the plant was not operating on a standard workweek resulting from shorter hours, shutdowns for any reason, including emergency and inventory, and less any money the associate received from any other employment during the period the associate was off, including self-employment, Unemployment Compensation or Worker's Compensation, except that where an associate has had supplemental employment at the time of discharge and continues such employment, that portion of earnings which may be attributed to such supplemental employment normally performed outside the associate's regular Company working hours shall not be deducted by the arbitrator in awarding back pay and the Union may introduce evidence concerning such earnings at the arbitration hearing.

ARTICLE 12. DISCIPLINE

- A. The Company may discipline, suspend or discharge any associate for good and sufficient cause. The Company will notify a Committeeperson on the associate's shift or the Steward of an associate who has been suspended or discharged before the associate leaves the plant. The associate may, upon request, see a Committeeperson or Steward before leaving the plant, in a private place within the plant and for a reasonable period of time. The Company will apprise the associate of this right. Upon request the Company will furnish to the Union the associate's most recent address as shown on the employment record. If the associate desires to make a complaint, the associate shall reduce the complaint to writing, sign it and deliver it to the Union, who shall file it with the Labor Relations Department within five (5) working days after the action complained of, except in those instances where the Union is unable to locate a discharged associate the time limit will be seven (7) working days.
- B. A member of the grievance committee shall introduce the associate's complaint into the second step of the Grievance Procedure. A meeting will be held within two (2) working days unless an extension is mutually agreed to by the parties. The Union may request a postponement, not to exceed fifteen (15) days, with the understanding that the Company shall not be obligated to pay any award beyond the date set for the original meeting unless the case is referred to arbitration. In no case is a delay caused by the Union to cause a loss to the Company by reason of the delay.
- C. The decision of the Company in any step will be final unless notice of appeal to succeeding steps, including arbitration, is filed with the Company within seven (7) working days after the Company has rendered its decision.

- D. A copy of any written discipline shall be given to the associate. All written discipline shall have a twenty (20) month retention and referral period, except that the first written discipline received by an associate shall have an eight (8) month retention and referral period. Any disciplinary layoff or termination with subsequent reinstatement will have a thirty (30) month retention and referral period from the date of issuance. It shall be incumbent upon the associate or the Union to request the discipline record be returned to the associate upon expiration. After a period of twenty-eight (28) months has elapsed from the latest written discipline, then the retention and referral periods set forth above shall begin anew, except for a disciplinary layoff or termination with subsequent reinstatement.

ARTICLE 13. HOURS OF WORK AND OVERTIME

For the purpose of this Agreement, the regular workweek will begin at 11:00 p.m. Sunday and end at 11:00 p.m. the following Sunday

A. Schedule of Shifts

1. On each shift, eight (8) hours of work and an unpaid lunch period will constitute a regular day's work.

B. Straight Time

Regular straight time hourly rates shall be paid for:

1. The first eight (8) hours worked in any continuous twenty-four (24) hour period beginning with the starting time of the associate's shift.
2. The first forty (40) hours worked in the associate's workweek, less all time for which daily, Saturday, Sunday or Holiday overtime has been earned. Paid vacation will be considered as time worked.

C. Time and One-Half

Time and one-half shall be paid for:

1. All hours worked in excess of eight (8) hours per day in any continuous twenty-four (24) hours beginning with the starting time of the associate's shift, except as hereinafter provided.
2. All work in excess of forty (40) hours in the workweek, less all time for which daily, Saturday, Sunday or Holiday overtime has been earned.
3. All hours worked on Saturday.

4. All hours worked in advance of the associate's regular starting time on Monday or on the day following a holiday.
5. This provision is not applicable when associates request and are allowed by their Team Manager to work irregular hours.

D. Double Time

Double time shall be paid for:

1. All hours worked on Sunday.
2. All hours worked on those holidays specified elsewhere in this Agreement.

E. Exception to Overtime Payment

1. Associates working in necessary continuous seven (7) day operations, such as maintenance, involving work on Saturday, Sunday and Holidays, shall be paid time and one-half for all hours worked on the sixth (6th) day of their regular workweek, and double time for all hours worked on the seventh (7th) day of their regular workweek and for the holidays referred to in paragraph D., "Double Time". Associates assigned on standby basis for the purpose of servicing equipment and maintaining continuous operations on Saturday and Sunday as part of their five day workweek shall not be required to work with regular crews or perform tasks on Saturday or Sunday normally performed by other associates in the same classification on regular work days. If on occasion required to do so, the associates involved will be paid at the applicable rate for Saturday and Sunday as such. It is understood and agreed that this clause does not apply to any classification where the nature of the duties is similar seven days a week. Preference for days off of those associates assigned to continuous seven-day operations will be determined by seniority, except that such preference shall not be exercised more often than once in each six (6) months.
2. Associates who are sent off-site for training purposes by the Company will not receive payment for more than eight (8) hours per day or for Saturday or Sunday unless the associates actually work or are in training for more than eight (8) hours in a given day or on Saturday or Sunday. In connection with training outside the Greater Kansas City area, actual travel time between cities by approved public conveyance shall be considered as hours worked, regardless of the shift to which the associate is assigned.

F. Assignment of Overtime Work

1. When overtime is required in a given classification it will be the policy and intent of the Company to offer overtime opportunities to those associates in the classification who desire to work overtime. However, in the event no associate desires to work overtime, it shall be the prerogative of the Company to require associates in the classification to perform overtime work, or the Company may, at its discretion, have the work performed by associates in another classification. The Company will consider other options before requiring compulsory overtime.
2. When overtime work is required the Company will make a reasonable effort to provide for an equitable distribution of overtime work among associates in the same classification within the department and on the shift involved. If an associate is loaned to another department to work overtime, the overtime worked will be charged against the associate for the purpose of overtime distribution in the associate's regular department. In Production Inspection the word "department" shall be construed to be the production department to which the inspector is assigned, irrespective of numerical department designation. When overtime work is required on primary power distribution systems or on secondary power distribution in connection with the primary systems within the sub-stations, in the Electrician classification, the overtime provisions of this article shall not apply. Except for Craft classifications assigned outside the Maintenance organization, overtime in the Maintenance Crafts will be distributed on a plant-wide basis by classification. Equitable distribution implies a need to keep the overtime distribution on as even a basis as possible, normally within sixteen (16) hours, considering the composite needs of the department.
3. A weekly record of overtime hours worked shall be maintained by the department and each week the Steward will be advised as to the identities of the associates scheduled for daily, Saturday, Sunday or Holiday overtime. Insofar as practicable and consistent with production requirements, the Company will make every effort to notify associates scheduled for Saturday overtime and their Stewards by the end of the shift on Thursday; those scheduled for Sunday overtime by the end of the shift on Friday; those scheduled for holiday overtime by the end of the shift two (2) days prior to the holiday; and those scheduled for daily overtime two (2) hours prior to the end of their shift.
4. Overtime distribution shall be made on a calendar year basis beginning the last Monday of each June. Grievances regarding overtime distribution may be filed by associates who believe they have not shared in the overtime as provided in F.2. above.

5. When an associate has not shared in the overtime as provided herein, the associate shall be afforded the next overtime available for which qualified within the same year as provided in F.4. above.
6. Union Committeepersons and Stewards shall have preference for overtime in their respective classifications, departments and shifts when they are available for the overtime and able to perform satisfactorily the work required. It will be the obligation of the alternate Steward or acting Committeeperson to advise the Team Manager in writing of eligibility for overtime when acting as a Committeeperson or Steward.
7. When overtime is required within a department, job classification and shift, no probationary associate, trainee or apprentice shall be scheduled for overtime until all other associates involved are afforded the opportunity to work the overtime. Uncleared associates will not be permitted to work overtime where the performance of such work requires access to classified material or security areas.
8. When an associate has completed the probationary period or has been transferred to a different job classification, department or shift, the associate shall then commence to share equitably in the distribution of future overtime without regard to the previous overtime status of the associate or the other associates involved.
9. Any associate who is offered overtime work and refuses shall be considered to have worked such overtime for the purposes of overtime distribution. This paragraph will not apply to Union officers on regularly scheduled meeting dates.

G. Reporting Time

1. Any associate who is scheduled to work without having been previously notified that there would be no work shall receive in such instances four (4) hours of work or four (4) hours of pay at the associate's current rate in lieu thereof. This provision will not apply where any condition beyond the control of the Company may make it impractical for the Company to provide four (4) hours of work or to notify associates in advance that there would be no work on a regularly established work day.
2. When an associate is recalled to work after having completed the regular shift, the associate shall receive four (4) hours of work or four (4) hours of pay at the applicable rate in lieu thereof. This provision will not apply where the associate is requested to return to work after the associate has clocked out at the end of the regular shift but where the associate is still on the plant premises. In this instance the associate will receive one (1) hour of work or one (1) hour of pay at the applicable rate in lieu thereof.

ARTICLE 14. HOLIDAY PAY

- A. All hourly associates coming under the scope of this Agreement shall be paid for the following holidays for the duration of this Collective Bargaining Agreement provided the associate has at least thirty (30) days of employment as of the date of the holiday.

First Year:

Thanksgiving Day, November 28, 2002

Friday after Thanksgiving, November 29, 2002

Tuesday, December 24, 2002

Wednesday, December 25, 2002

Thursday, December 26, 2002

Friday, December 27, 2002

Monday, December 30, 2002

Tuesday, December 31, 2002

Wednesday, January 1, 2003

} Christmas
Holiday
Period

Good Friday, April 18, 2003

Memorial Day, May 26, 2003

Independence Day, July 4, 2003

Labor Day, September 1, 2003

Second Year:

Thanksgiving Day, November 27, 2003

Friday after Thanksgiving, November 28, 2003

Wednesday, December 24, 2003

Thursday, December 25, 2003

Friday, December 26, 2003

Monday, December 29, 2003

Tuesday, December 30, 2003

Wednesday, December 31, 2003

Thursday, January 1, 2004

} Christmas
Holiday
Period

Good Friday, April 9, 2004

Memorial Day, May 31, 2004

Independence Day, July 5, 2004

Labor Day, September 6, 2004

(Year 3 is on the next page)

Third Year:
Thanksgiving Day, November 25, 2004
Friday after Thanksgiving, November 26, 2004

Friday, December 24, 2004
Monday, December 27, 2004
Tuesday, December 28, 2004
Wednesday, December 29, 2004
Thursday, December 30, 2004
Friday, December 31, 2004

} Christmas
Holiday
Period

Good Friday, March 25, 2005
Memorial Day, May 30, 2005
Independence Day, July 4, 2005
Labor Day, September 5, 2005

- B. An associate eligible under the provisions of this clause shall receive eight (8) hours' pay at the then current base rate including night shift premium for each designated holiday.
- C. An associate who has been scheduled to report for work on a holiday and who fails to report for work shall not receive holiday pay unless the associate can prove to the Company's satisfaction that the associate was physically unable to do so.
- D. An associate who works any of the above holidays shall receive holiday pay and also will be compensated for all work performed in accordance with the Hours of Work and Overtime Clause of this Collective Bargaining Agreement.
- E. An associate shall receive the holiday pay provided some time is worked during the week prior to or during the week in which the holiday falls. An associate who has fulfilled the requirements of this paragraph for the first day of the Christmas Holiday Period will have fulfilled those requirements for all holidays during the Christmas Holiday Period.
- F. When a holiday falls within the approved vacation or two week military leave period of an associate who is eligible to receive holiday pay, and the associate is absent from work during the regularly scheduled workweek because of vacation or two week military leave, the associate shall be paid for the holiday.

ARTICLE 15. SENIORITY

A. Probationary Period

An associate who has been in the employment of the Company for ninety (90) consecutive days, without a break in service, shall be considered a regular associate of the Company and granted seniority. Until receiving seniority, an

associate shall be subject to layoff, discipline, or discharge at the sole discretion of the Company. Upon completion of the probationary period, an associate shall be credited with seniority as of the starting date of employment. Probationary associates who have been terminated and who are rehired within twenty-five (25) working days after being terminated shall be considered to have been continuously employed. The Company shall maintain seniority records on all associates covered by this Agreement, a current copy of which will be furnished to the Union Grievance Committee.

B. Definition and Computation

1. Seniority shall be defined as the length of service of the associate with the Company in the bargaining unit beginning with the starting date of initial employment or the starting date of rehire, whichever is later.
2. When associates have the same starting date, seniority order shall be established by the permanent associate number as recorded in Human Resources.
3. An associate, while on approved leave of absence for other than educational purposes, will continue to accumulate seniority.
4. Any associate who is transferred out of the bargaining unit for any reason shall have no contractual right to return to the bargaining unit and no such associate shall be returned to the bargaining unit in a classification in which associates are on layoff. Upon return to the bargaining unit such associate shall be credited with only that seniority held at the time the associate left the bargaining unit, except that for the first ninety days after return to the unit, such associate shall have no seniority rights. Upon completion of ninety days in the bargaining unit, the associate's seniority shall be credited as stated above in accordance with the definition and computation provisions of this section. It is understood and agreed that an associate will not be returned to the bargaining unit in a classification in which the associate has not previously worked. An associate who has transferred out of the bargaining unit and is subsequently laid-off out of the plant will not be returned to the bargaining unit from layoff with seniority.

C. Loss of Seniority

Seniority shall be lost for the following reasons:

1. Voluntary quitting or accepting Lump Sum Payment in Lieu of Recall Rights as provided elsewhere in this Article.
2. Discharge for good and sufficient cause.

3. Failure to accept reinstatement and make arrangements for pre-employment processing within three (3) working days of receiving a recall offer from the Company. The offer will be by certified letter to the laid-off associate's last known address. A date for returning to work will be established by Human Resources dependent upon successful completion of the pre-employment process and Company work schedules. Where an associate for valid reasons is unable to return to work or to notify the Company within three (3) working days, the associate shall, upon presenting satisfactory proof to the Company of inability to return to work or to so notify the Company, be reinstated to the job, with seniority.
4. Failure to return to work at the expiration of an approved leave of absence or accepting gainful employment during a leave of absence.
5. Associates on layoff out of the plant shall have recall rights only for a period of three (3) years or for a period of time equal to one-half (1/2) the associate's total accumulated seniority at the time of layoff, whichever is greater. *Associates on layoff in classifications within the plant shall have unlimited recall rights, subject to the other provisions of this Agreement.*
6. An associate who remains away from work for any reason is obligated to notify the Team Manager in person or through his or her agent on the first (1st) day of absence unless the associate's Team Manager has previously approved the absence. An associate who fails to notify the Company during three (3) consecutive days of absence shall be deemed to have quit unless the associate can establish that it was physically impossible to so notify the Company. Repeated failure to notify the Company on the first (1st) day of absence will result in appropriate disciplinary action. Notice as referred to herein shall be to associate's Team Manager. The associate, upon providing notice of an absence for personal business, shall specify the period of and reason for the absence. The associate must provide the Company with information where he or she can be contacted in order that notification of approval or disapproval may be provided. If the absence is not approved, the Company will so notify the associate. In the event the absence exceeds three (3) working days, it shall be the responsibility of the associate to request a leave of absence. An associate who reports ill and remains away from work for more than three (3) working days will be responsible for requesting a leave of absence, which leave shall be subject to revocation and the associate subject to discharge upon failure to present satisfactory proof of illness upon return to work or within one (1) week of the day he or she requests an extension, whichever first occurs. In the event the associate is unable to provide satisfactory proof of illness within one (1) week from the date the request for an extension is made, it shall be incumbent upon the associate to request an extension of time from the Company for providing proof of illness.

D. Layoffs and Recalls

1. Reduction in Force and Voluntary Election of Lump Sum Payment in Lieu of Recall Rights.

An associate to be laid off out of the plant will be eligible for a Lump Sum Payment in Lieu of Recall Rights as outlined in this Section. The Company reserves the right to conduct a voluntary reduction in force, where an eligible associate would be permitted to volunteer for permanent layoff and, in return, be eligible for a Lump Sum Payment in Lieu of Recall Rights as outlined below. An associate volunteering to receive a Lump Sum Payment in Lieu of Recall Rights shall forfeit recall rights as provided elsewhere in this Article. However, such election will not preclude the associate from being rehired by the Company.

- a. To be eligible for a Lump Sum Payment in Lieu of Recall Rights, an associate must remain actively at work until the last day of work designated by the Company. However, if the associate is on medical leave on the last day of work designated by the Company, the associate must notify the Company of his/her choice of retaining recall rights or receiving a Lump Sum Payment in Lieu of Recall Rights. This notification must be made within thirty (30) days of when the associate would have otherwise been laid off out of the plant had he/she been actively at work.
- b. An associate shall not be entitled to a Lump Sum Payment in Lieu of Recall Rights unless permanently laid off out of the plant. An associate who accepts a job with the Company, quits, retires, otherwise terminates, or is terminated prior to the date of layoff shall not be entitled to a Lump Sum Payment in Lieu of Recall Rights.
- c. A Lump Sum Payment in Lieu of Recall Rights shall be based on the associate's length of service on the effective date of layoff. The Lump Sum Payment in Lieu of Recall Rights shall equal one week of pay (i.e., 40 hours at the associate's base rate plus Cost-of-Living Adjustment in effect on the date of layoff) for each full year of Company service as of the associate's layoff date. The maximum payment will not exceed twenty-six (26) weeks of pay. Additionally, and regardless of election, all affected associates may continue to be covered under the active group medical plan for which they were enrolled at the time of layoff for six (6) months after the date of layoff with no cost to the associate.
- d. Upon completion of a properly executed copy of a General Release of Claims Form by the company, an associate shall receive a Lump Sum Payment in Lieu of Recall Rights within ten (10) calendar days following the effective date of termination. An associate who fails or

refuses to sign a General Release of Claims Form will not be entitled to a Lump Sum Payment in Lieu of Recall Rights and will be laid off with recall rights.

2. Voluntary Layoff Election Process
 - a. Announce job classifications and number of associates to be impacted.
 - b. Associates in those impacted job classifications may indicate their interest in volunteering by completing a General Release of Claims Form within five (5) working days.
 - c. Volunteers will be selected up to the number announced, based on seniority with the most senior associate selected first.
 - d. If insufficient volunteers are received, the selections for the remaining associates will be based on least senior within the job classifications affected.
 - e. Committeepersons and Stewards shall have top seniority in their respective job classifications in the event of a layoff, except they shall retain their normal classification seniority for eligibility for voluntary layoff election.
 - f. The Company will accept notification of election of Lump Sum Payment in Lieu of Recall Rights from a senior associate in advance of or during an approved leave of absence.
3. In all cases of temporary layoffs for periods not exceeding five (5) working days or any extension mutually agreed to by the Company and the Union, seniority shall govern, except that under no circumstances shall the Company be required in such cases to change the job assignment of any associate involved, which change would entail a break-in or training period, or to change the associate's present department or shift. It is understood and agreed that no associate shall be affected by this temporary layoff clause by being laid-off temporarily for more than five (5) working days during any thirty (30) calendar day period. During periods of physical inventory, seniority shall govern in the scheduling of associates to work within each department and on each shift involved. In the event overtime work is required during and on inventory, this overtime shall not be charged in considering overtime distribution. As it applies in this paragraph, in Production Inspection the word "department" shall be construed to be the production department to which the associate is assigned, irrespective of numerical department designation.
4. Reductions of force shall be initiated with the associate in the classification with the least amount of seniority. This associate shall be

permitted to displace the junior associate in the job classifications of the same maximum rate in the same group, provided the latter associate has less seniority. If there is no associate in a job classification of the same maximum rate in the same group with less seniority, the associate shall be permitted to displace the associate with the least amount of seniority in the next lower job classifications in the same group, providing the latter associate has less seniority than the displacing associate. If there is no associate in the next lower job classifications with less seniority, the associate shall have displacement rights in each of the remaining wage levels within the occupational group as outlined above. When displacement within the occupational group involves displacement into parallel classifications and the associate involved has previously held one of the parallel classifications, the associate may elect to displace into that classification previously held rather than displace the junior associate in the parallel classifications.

5. When an associate, who has previously held seniority in a job classification which is located outside that associate's present occupational group, reaches a point of layoff in his or her present job classification, the associate may elect to exercise displacement rights as outlined in paragraph 4 above, or the associate may elect to return to a job classification where that associate previously held seniority, provided that the maximum rate of pay in that classification is greater than the maximum rate of the classification into which the associate would displace under paragraph 4 above. If the associate elects to leave the current group, the associate shall have no further displacement rights within that group, other than into job classifications where the associate has previously held seniority.
6. If, as a result of a reduction in force, an associate's normal displacement rights would cause that associate to displace another associate in a job classification in which the associate has not previously worked or in which the associate cannot perform the work, the associate shall be permitted to waive that displacement right and to exercise the rights in the next step of the layoff procedure.
7. An associate who does not wish to exercise displacement rights may elect to be laid-off in the associate's present classification with recall rights in that classification and any other classifications where the associate already has recall rights.
8. An associate who displaces another associate or who is absorbed into a classification must be capable of satisfactorily performing the work. The associate will have twenty (20) working days during which to demonstrate the ability to satisfactorily perform the work. Failure on the part of the associate to demonstrate during this period the ability to perform the work required will result in that associate being laid-off with no further

displacement rights. It is understood between the parties that an associate shall be permitted to claim displacement rights into classified work only if that associate has the required security clearance. If a cleared associate requires a higher level of clearance to perform classified work, such clearance will be processed through appropriate Government channels.

9. No associate as the result of a layoff will be permitted to displace into a job classification with a higher maximum rate than the associate's current job classification.
10. When an associate who has exhausted displacement rights and is to be laid-off out of the plant is qualified to perform the work of a related job in an equal or lower rated job classification where a valid employment opening exists Human Resources will give consideration to that associate on the basis of qualification and ability and, where qualification and ability are relatively equal, seniority shall be the determining factor. An associate placed into a job classification under these circumstances will have no seniority in that job classification.
11. When an associate has no displacement rights and is to be laid-off out of the plant as a result of a reduction in force, the associate shall be notified on the ninth (9th) working day previous to the layoff, providing that associate is not absent from the plant. Such an associate shall receive a minimum of seventy-two (72) hours' work or, in the event there is no work available, seventy-two (72) hours' pay at the associate's base rate in lieu thereof, subsequent to the time of notification.
12. Recalls will be governed by the respective seniority rights of the associates involved, irrespective of whether they have exercised displacement rights within the plant or have been laid-off out of the plant. It is understood and agreed that in the steps referred to above, an associate, for displacement and recall rights, will be considered to have stopped momentarily in each step of the layoff procedure and to have recall rights as if the associate had been laid-off in each step of the procedure.
13. Where an associate has exercised displacement rights and has subsequently been placed on a permanent layoff from a lower classification, the associate shall have recall rights to any job classification from which the associate was downgraded or placed on permanent layoff because of a reduction in force.
14. An associate on layoff who accepts an opportunity to work in a job classification of an equal or lower pay rate than the one from which the associate was laid-off shall not thereby prejudice rights to recall to the classifications from which the associate was laid-off. An associate who accepts such an opportunity and qualifies in a higher rated job

classification than that from which the associate is laid-off shall have no further recall rights.

15. The parties recognize that automation and advanced technology will continue to change the way work is accomplished at the Company. The Union will be consulted concerning the development and implementation of automation and technological change and the potential effect upon represented associates. Any reduction in headcount resulting from the implementation of new technology will normally be accommodated through attrition. If an associate is to be laid-off out of the plant as the result of the implementation of new technology, the Company will make available on-the-job training to the displaced associate for another bargaining unit position of equal or lower pay, provided an approved opening exists for which the associate can reasonably be trained. In such cases, the associate will continue to retain the current classification and rate of pay. Upon completion of the referenced training, the associate will be reclassified to the new classification and paid accordingly. It is further understood that an associate who has been laid-off out of the plant as a result of new technology or automation will be considered for any approved opening for which the associate can reasonably be trained. Associates displaced due to such action will retain recall rights in accordance with other provisions of this article.
16. A graduate apprentice will not be eligible for reclassification into the journeyman classification until all laid-off journeymen have been recalled or recall rights have been exhausted.
17. Apprentices will be laid-off in accordance with negotiated apprentice standards and applicable provisions of this article. Apprentice graduates, on layoff, who have never held the journeyman classification will be eligible for recall into the journeyman classification based on seniority. In no case will an apprentice graduate be reclassified until valid openings exist.

E. Shift Preference

1. Subject to the Company's right to make any temporary shift transfers to not exceed ten (10) working days' duration, senior associates shall have preference for shift assignments as provided below. On all temporary shift transfers, supervision shall notify the Union Steward on the associate's regular shift no later than five (5) working days after the date of temporary transfer. At the expiration of the tenth (10th) working day, the associate shall be returned to the original shift unless an extension, not to exceed ten (10) additional working days, has been mutually agreed to by the Company and the associate's Union Steward. Any further extension(s) must be agreed to by the Company and the Grievance Committee.

2. An associate with at least one (1) year of seniority may request of the immediate Team Manager, in writing, a transfer to another shift which shall be limited to the associate's present job classification and department. The associate shall then be permitted, within fifteen (15) working days, to displace the associate having the least amount of seniority on the shift of the associate's preference. An associate having insufficient seniority to displace for shift preference within the associate's department shall be permitted to place on file in the Human Resources Office on the form provided by the Company for that purpose a request for the shift of the associate's preference in the associate's present classification. Human Resources, upon receipt of such application, shall arrange, within twenty (20) working days from the time the application was submitted to the associate's Team Manager, for the associate to displace the junior associate in the classification in the plant, on the shift of the associate's preference, providing the junior associate has less seniority. An associate, who in exercising layoff displacement rights is required to displace an associate on a shift not of the associate's preference, may file a shift preference as outlined above but, due to the exigencies of the situation, if such associate files a shift preference within five (5) working days of arriving on the new shift, the associate will be permitted to exercise shift preference within five (5) working days instead of the twenty (20) days stated above.
3. Shift transfers will be made only on the Monday following the date when the associate would be eligible to exercise shift preference rights unless at the discretion of the Company the transfer is made prior to the stated Monday. It is understood and agreed that if an associate's eligibility date falls on Monday, Tuesday or Wednesday, the shift transfer will be made on the Monday prior to the eligibility date, and if the eligibility date falls on Thursday or Friday, the shift transfer will be made on the Monday following the eligibility date.
4. No displacement, for shift preference, of or by a probationary or uncleared associate or an associate in a trainee classification shall be permitted.
5. An associate, having once exercised shift preference rights, will not be permitted to again exercise shift preference for a period of six (6) months from the date of transfer to the shift of the associate's preference. The request may be submitted fifteen (15) working days prior to the expiration of the six (6) month period. If an associate is transferred to another shift by the Company, that associate's shift preference rights will be reinstated.
6. All Government security requirements must be complied with on all requests for shift transfers and the associate must be able to perform satisfactorily the work required on the shift to which the associate wishes to transfer. If a cleared associate requires a higher level of clearance to

exercise shift preference, such clearance will be processed through appropriate Government channels.

F. Job Preference / Job Announcement System

1. The parties agree that the Company shall have the unrestricted right to determine whether job vacancies shall be filled by hiring from outside the Company or from within the bargaining unit. Job openings will be published in the established Company communications media and telecast on the Information Centers located throughout the plant. Openings will be posted by Human Resources for five (5) regularly scheduled working days -- normally Thursday through the following Wednesday. Job openings to be filled from within will be announced and applications from either bargaining unit associates or non-bargaining unit associates will be accepted. The application form must be completed on the associate's own time.
 - a. The Company agrees that when the job openings to be filled are bargaining unit jobs, then bargaining unit associates will be considered before non-bargaining unit associates. On all bargaining unit job openings, the applications of all bargaining unit associates for the particular classification shall be reviewed by the Human Resources Office and, where qualifications and ability are relatively equal, the senior qualified associate will be given an opportunity to try out. This trial period shall be no less than three (3) nor more than twenty (20) working days, during which period of tryout the associate shall retain the previous classification. Upon establishing qualification for the new classification, the associate shall be reclassified to the new classification, which reclassification shall become effective on the Monday following the date that the associate is determined to be qualified, but in no event later than the Monday following the twentieth (20th) working day of tryout. The Company will furnish to the Union weekly a list of job reclassifications made during the previous week. In the event no bargaining unit associate bids on the job opening or no bargaining unit associate is qualified, then the Company will consider applications submitted by non-bargaining unit associates or hire from the outside.

Upon request, the Company will apprise the Union of the basis upon which selections for job openings were made and the respective qualifications of the selectees. Further, applicants who are not selected may discuss the selection process with the selecting Manager and be advised where improvement may be made.

- b. Applications will be considered without regard to the shift upon which the opening is to be filled. Refusal to accept an offer to try out for a

job opening will disqualify the associate for any reclassification for a period of six (6) months.

- c. In instances where an associate has successfully completed tryout and is reclassified to the new classification, the associate will not be eligible for placement under this provision for a period of ninety (90) days.
 - d. Notwithstanding the foregoing provisions of this section concerning the eligibility of associates to apply for job openings, the Company will accept an application from an associate for a lower rated job when the associate's physical condition prohibits continuing in the associate's present classification or when it is in the best interests of the parties. The application for medical downgrade must be supported by medical proof satisfactory to the Company both as to the physical inability to continue in the associate's present job and the physical ability to perform satisfactorily the duties of the job for which the associate is applying.
 - e. On reclassification to a trainee classification, the associate shall be reclassified to the trainee classification effective on the first work day as a trainee. During the first twenty (20) working days, an associate may request to be removed from the trainee classification and returned to the most recently held classification. Thereafter, an associate may request removal from the trainee classification, subject to approval by the Company. This does not preclude the Company from removing from the trainee classification an associate who does not meet the required standards. Any matter respecting the Company's removal of an associate from the trainee classification will be subject to the grievance procedure.
2. All Government security requirements must be complied with on all requests for reclassification and uncleared associates will not be offered a reclassification which would entail their access to classified information. If a higher level of clearance is required for reclassification, such clearance will be processed through appropriate Government channels.
 3. If no qualified applicant is available to fill a particular vacancy, the Company shall have the right to fill the vacancy.

G. *Loaning of Associates in Same Classification Between Departments*

1. No associates shall be loaned to another department under any circumstances for a period to exceed ten (10) consecutive working days at any one time, unless an extension of time is mutually agreed to by the parties. In the event the period of loan exceeds ten (10) working days, or any mutually agreed to extension, the associate shall be transferred to the

department into which the associate has been loaned. When associates are moved from one department to another, associates will be informed that they are being transferred or loaned to the other department, as the case may be. Supervision will notify the Steward if the loan period is greater than five (5) consecutive working days.

2. Loaning of Associates to Other Classifications

Associates may be loaned to another classification to address business needs and to best utilize resources. Such loans may be made without regard to the existence of associates with recall rights to a particular classification subject to limitations described herein. An associate loaned under this section may be displaced for shift preference within the loaned department but shall not be eligible to exercise shift preference. While on loan, an associate may not apply for another loan assignment. Supervision will notify the union when such loans are made.

a. Loans of Eighty (80) Working Days or Less

The senior associate(s) with internal recall rights to the specific classification will be offered first preference for the loan(s). If there are no associate(s) with internal recall rights, associates will be selected by management. Due consideration will be given to associates who wish to volunteer for such assignments on an availability, seniority and qualifications basis.

b. Loan Extension Process

A mutual agreement between the Company and the Servicing Union Representative will be necessary in the event that a loan exceeds the eighty (80) working day period. Extensions will be in thirty (30) working day increments.

H. Reclassification to Vacancies Where Associates Are On Layoff

It is understood that no associate will be hired for a classification, reclassified or promoted to a vacancy in a classification where an associate is on layoff with recall rights.

I. Applications by Associates on Layoff

Applications filed by associates who are subsequently laid-off out of the plant will be considered for job vacancies. It is further understood and agreed that associates who are on layoff outside of the plant may apply for job openings through the Job Announcement System.

- J. Nothing in Article 10 of this Agreement shall in any way modify or nullify the application of any of the foregoing seniority provisions.

ARTICLE 16. VACATIONS

- A. Effective with this agreement a paid vacation will be granted to associates covered by this Agreement who have at least one (1) year of seniority and who meet the requirements of Paragraph C. below. A paid vacation will be granted on an anniversary date basis provided all other requirements of this Article are met. Vacation pay will be at the associate's straight time rate in effect at the time the vacation begins, exclusive of overtime premiums but to include applicable night shift premium.

<u>Seniority</u>	<u>Vacation Time</u>
1-3 years	5 days
3-10 years	10 days
10-15 years	15 days
15-20 years	17.5 days
20-25 years	20 days
25 and over	25 days

New vacation allowance will be awarded the Monday of the week in which the associate's anniversary date falls. Each associate may carry over a maximum of fifteen (15) days of unused vacation from the preceding vacation year.

- B. Any associate who transfers from outside the Bargaining Unit after the effective date of this Agreement will be credited with total continuous Company service for the purposes of computing vacation eligibility.
- C. To receive a paid vacation for which an associate is eligible in accordance with Paragraph A. above, the associate must have worked or received pay during thirty-one (31) pay periods of the preceding twelve (12) months. An associate who fails to qualify for thirty-one (31) pay periods will be eligible for a pro-rata vacation and pay based on the following schedule:

Number of Pay Periods Worked for Which Pay Was Received	Percent of Vacation Allowed
26	80%
19	60%

- D. Associates who, for any reason, are separated from the payroll will be paid for any unused earned vacation. Laid-off associates who retain seniority will be paid, at the time of layoff, vacation earned during the preceding twelve (12) months. This

payment will be at the rate in effect at the time of layoff and the check will be mailed to the associate's last known address on the records maintained by the Company.

- E. Vacation schedules will require the approval of management. Associates are to indicate their vacation preference by April 1 for the current calendar year. Preference for vacations will be confined to the department, classification and shift and shall be based upon seniority at the time vacations are scheduled. In Production Inspection the word "department" shall be construed to be the Production Department to which the inspector is assigned, irrespective of numerical department designation. The scheduled vacation of an associate who is subsequently transferred to another department, classification or shift shall not be changed due to such transfer. Associates will not be permitted to come forward after April 1 and displace other associates by attempting to schedule or reschedule their vacation. Associates shall be notified at least two weeks prior to the commencement of their vacation of the approval or cancellation of their scheduled vacation.
- F. Vacation may be taken in one hour (1) increments. Daily and partial day vacation must be requested at least one (1) working day in advance and will be approved by supervision on a first-come, first-served basis, taking into account departmental requirements. Partial day vacation during the first half of the shift must be requested and approved by the end of the shift on the workday preceding the vacation; partial day vacation during the last half of the shift must be requested and approved prior to the beginning of the vacation. Exceptions to approval requirements for daily and partial day vacation may be made under extenuating circumstances at the sole discretion of supervision. Payment for such vacation will be included in the associate's regular paycheck. An associate will not receive vacation pay unless the associate takes a physical vacation. While on vacation an associate may terminate their vacation and, if eligible, the associate may apply for an approved leave of absence.
- G. For vacation purposes only, associates who have been laid off and subsequently rehired after recall rights have expired will receive credit for seniority earned prior to layoff.

ARTICLE 17. LEAVES OF ABSENCE

- A. Except as hereinafter provided, leaves of absence without pay for jury duty, court appearances, military service, political office, or extended full time duty with the Local, District, Grand Lodge or the International Union, or AFL-CIO Industrial Department, shall be granted associates who have completed their probationary period, upon the presentation of satisfactory evidence for the necessity for such leaves. Any associate on full time duty with the Union, as defined above, shall

return to work within ninety (90) days following completion of the Union assignment.

- B. Leaves of absence without pay for personal business shall be granted to associates who have completed their probationary period when justification satisfactory to management is presented and when work schedules permit. Approved leaves of absence for personal business shall not exceed thirty (30) days or any approved extension thereof. Where possible, an associate requesting such a leave shall make the request at least five (5) days in advance of the effective date of the leave. It is understood and agreed that an associate will not be required to use vacation to cover urgent personal business.
- C. Leaves of absence without pay for educational purposes not to exceed one (1) year will be granted to associates with at least one (1) year of seniority upon timely application therefor for full time attendance at an educational or training institution which is industry-related. Effective on the date of commencement of such leaves, associates will be treated for all purposes as voluntary quits except as they may fulfill the conditions outlined below for return to employment. An associate granted an educational leave who returns to active employment will not be granted another such leave for at least one (1) year. If within fifteen (15) days after cessation of such educational pursuits, the associate applies for re-employment, the associate will be re-employed in accordance with seniority rights and the other applicable provisions of this Agreement. Upon application for re-employment, the associate will furnish proof from the school attended of full time attendance and the period of such attendance. Notwithstanding the provisions of Article 15. B.3., of this Agreement, if re-employed, the associate will be credited with the total amount of seniority held at the time of commencement of such leave. It is understood and agreed that such leaves shall be granted only where production requirements permit and replacements are available.
- D. Where an associate who has completed the probationary period requests a leave of absence without pay for personal health reasons, in no event to exceed nineteen (19) months or any extension thereof mutually agreed to by the parties, the associate may be permitted such leave of absence to be based upon satisfactory medical proof which shall be supplied by the associate to the Medical Department of the Company. An associate requesting a leave of absence for medical reasons shall be subject to examination by a Plant Physician. When an associate has been granted a leave of absence for a specific period of time it will be the associate's responsibility to request an extension of such leave if additional time off is required. The determination of the justification for such a leave of absence shall be made by the Company. The initial leave of absence for health reasons will be for a period of up to thirty (30) days and when a medical statement is submitted to support an extension, such extension will be granted for a length of time consistent with the diagnosis and recommendation of the associate's personal physician, subject to review and concurrence by the Company Medical Department. A leave of absence which is granted for personal health reasons shall be deemed to be continuous if the associate is subsequently placed on

another leave for the same general condition after working less than twenty-five (25) working days following completion of the previous leave of absence.

- E. When leaves of absence are granted, the associate, upon return to duty, will be returned to a job of like classification if such a job still exists. However, if circumstances have eliminated such comparable jobs, the associate will be reclassified to the most nearly comparable job for which qualified. When an associate fails to return to work at the expiration of the approved leave of absence or accepts gainful employment during the leave of absence, the associate will be terminated.
- F. Associates on leave for personal business may return to work at any time prior to expiration of the leave, providing work is available. Associates on leave for personal health reasons may return to work prior to expiration of such leave upon release by their doctor, subject to the approval of the Company's Medical Department.
- G. The amount of seniority which an associate will be credited upon reinstatement following the completion of the leave of absence is provided for in the Seniority clause of this Agreement.
- H. Any associate who is called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training, as a member of the United States Armed Forces, Reserves or National Guards shall be paid by the Division for each day partially or wholly spent in performing such duties, if the associate otherwise would have been scheduled to work for the Division and does not work, an amount equal to the difference, if any, between (1) the associate's straight time hourly rate (including applicable cost of living allowance and night shift premium) on the last day worked but excluding overtime, and any other premium for the number of hours up to eight (8) that the associate otherwise would have been scheduled to work, and (2) daily military earnings (including all allowances except rations, subsistence and travel). The Division's obligation to pay an associate for performance of military duty under this paragraph is limited in the Federal Government fiscal year to a maximum of ten (10) scheduled working days for annual training purposes plus an additional ten (10) scheduled working days if the associate is activated for an emergency situation (excluding training) by appropriate Government authority. In order to receive payment under this paragraph, an associate must give the Division prior notice of such military duty and upon return to work must furnish the Division with a statement of military pay while on such duty.
- I. The provisions of this Article recognize and shall conform to the requirements of the Family and Medical Leave Act of 1993 (FMLA). Requests for a leave of absence for personal reasons or other family related reasons under the FMLA must be submitted on the prescribed leave form. Such leaves will be processed according to the provisions of the FMLA.

ARTICLE 18. JURY DUTY PAY

- A. Any associate who is called to and reports for jury duty shall be paid by the Division for each day spent in performing jury duty, provided the associate otherwise would have been scheduled to work for the Division and does not work, an amount equal to but no more than eight (8) hours' pay at the associate's regular straight time hourly rate (including applicable cost-of-living allowance and night shift premium). The Division's obligation to pay an associate for performance of jury duty under this paragraph is limited to a maximum of seventy-five (75) days in any calendar year. In order to receive payment under this paragraph, an associate must give the Division prior notice of the summons for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which the associate claims such payment. The provisions of this paragraph are not applicable to an associate who, without being summoned, volunteers for jury duty.
- B. In addition to normal service as a juror, an associate who is required to report during normal working hours for selection or rejection as a juror, will be considered to have performed "jury duty" during the process of being selected or rejected, provided that the associate has reported in response to an official summons and has otherwise fulfilled all of the contractual requirements for eligibility. An associate will not be considered eligible for "jury duty" pay, however, in instances where the official summons provides a time span for reporting and such time span makes it possible for the associate to report on regular days off or outside normal working hours.
- C. Any associate who is required to report during normal working hours in response to an official summons for selection or rejection as a juror will receive four hours' pay for the time required to be away from work. Should the associate elect to work a portion of the shift, either before or after such jury service, the total regular hours for which the associate may be paid in that day will not exceed eight.

ARTICLE 19. ENVIRONMENT, SAFETY, HEALTH AND GOOD HOUSEKEEPING

- A. Environment, Safety and Health (ES&H)

The Company will recognize an ES&H Committee consisting of three (3) Company representatives and three (3) Union representatives from the Grievance Committee. This committee will act as an advisory committee to promote and assist the Company in maintaining a safe and healthy place to work. This committee will bring to the attention of the Company any unsafe or unhealthy conditions or environmental concerns in the plant, and participate in issue resolution and communications. The ES&H Committee will meet on a need basis, but in any event, not less than monthly.

The Company shall continue to make reasonable provisions for the safety and health of its associates during the hours of their employment. An associate or Union Steward shall draw any ES&H concern to the attention of the immediate Team Manager who shall review the concern with the associate and/or Union Steward. In the event the concern remains unsolved, the appropriate ES&H representative will review the concern. In the event the concern still remains, a Union representative of the ES&H Committee will review and attempt to resolve the concern. If the job is considered safe by the Team Manager and the ES&H representative(s), the associate shall be required to perform it. When an ES&H representative is not available on the second and third shifts, the concern will be reviewed by the Manager of Shift Operations and a Union Representative. If a more detailed review is needed, the appropriate ES&H representative(s), the Team Manager and the Union representative involved will fully investigate the concern and the Company will render a decision. Should the decision of the ES&H representative not satisfy the Union and/or associate involved, the Union Business Representative will attempt to resolve the concern with the ES&H Director and shall be subject to the grievance procedure thereafter, beginning at Step 3.

The Company, as it deems necessary, may have the Medical Department make such physical examinations of its associates as considered advisable to determine the physical fitness of associates for their jobs and to determine any health hazards. The Company will continue to provide necessary protective equipment for the use of associates.

B. Good Housekeeping

1. Each associate is personally responsible for maintaining neatness and orderliness in the associate's assigned department.
2. Cleaning of machines is not to include the following:
 - (1) Washing of machine.
 - (2) Cleaning requiring use of ladders or other related equipment.
 - (3) Cleaning out machine chip pits.

Housekeeping in Electronic Areas shall be "responsible for normal good safety and housekeeping practices at assigned work area." This does not preclude the associate from participating in a general plant clean-up when necessary.

3. Associates shall comply with ES&H requirements, including appropriate use, clean-up, handling and storage of personal protective equipment and monitoring equipment, within the scope of associates respective job

classifications. Associates shall also verify that such equipment is in proper working condition before it is used.

4. Associates shall comply with applicable rules relating to the handling, transportation, maintenance and storage of hazardous waste and chemicals and other environmental, safety and health matters, within the scope of associates respective job classifications.

ARTICLE 20. APPRENTICESHIP PROGRAM

- A. The parties have provided for Apprenticeship Programs by supplemental agreements, which supplemental agreements by reference hereto are made a part of this Agreement. In the event management has a need to restore an Apprenticeship Program(s) during this Agreement, the parties will use the present supplemental agreements as a baseline to discuss and agree upon any changes.
- B. No matter respecting the provisions of the Apprenticeship Program shall be subject to the Grievance Procedure established in this Agreement.
- C. Nothing herein shall restrict the Union and the Company in the future from establishing additional apprenticeship programs and any such program shall be made a part of this Agreement.
- D. Apprentices will be covered under the provisions of the Grievance Procedure in matters not provided for in the Apprenticeship Standards.

ARTICLE 21. ESTABLISHMENT OF WAGE RATES FOR NEW JOB CLASSIFICATIONS

- A. When new jobs arise which cannot be properly placed in classifications which have been established previously, the Company will establish new job classifications and place within the wage structure. A copy of the new classification and rate shall be furnished to the Union Committee. Thereafter, within thirty (30) days from the effective date of such new job classification, the Union may request a review of the base rate being paid on the new job classification. When the Company and the Union have mutually agreed on a base rate for the new job, such base rate, if different from the one originally established by the Company, shall be effective as of the date the new job classification was effective, and all hours worked within such new job classification shall be paid for accordingly. The job classification rate will be established by the job comparison method. In the event a dispute should arise regarding the establishment of the base rate, the Union may present data from its own sources, including the methods and procedures of the National Metal Trades Association, for comparison

purposes to support its position. When the new job is in the trainee classification, the Union will be given thirty (30) days' notice prior to its implementation.

- B. When the parties, after a period of thirty (30) days, cannot agree upon the seniority group where a new job is to be inserted, the issue of the proper group slotting of the job may be submitted by either party to arbitration.
- C. Any dispute arising as to the proper classification of an associate or associates as the result of a grievance claiming that new work should be performed by a new job classification, will be subject to the Grievance Procedure, including arbitration.

Conversely, where the Company has decided that a new job exists and the Union claims that the work should be slotted into an existing classification, the dispute may be made the subject of a grievance which may be processed through the Grievance Procedure, including arbitration. This section shall in no way authorize the arbitrator to establish or pass on wage rates.

- D. In the assignment of associates to new classifications, in the event an associate has previously performed the work and is qualified, the associate may, if a junior associate is assigned to the work, process a grievance through the Grievance Procedure, including arbitration.

ARTICLE 22. INSURANCE PROGRAM AND PENSION PLAN

- A. The parties have provided for an Insurance Program and a Pension Plan by supplemental agreements (which supplemental agreements are set forth in separate documents and made parts of this Agreement as if set out in full herein, subject to all the provisions of this Agreement). It is recognized that associates may select either the Insurance Program referenced above or a Health Maintenance Organization, but will not be permitted to change from one to the other except at certain specified times, which will be at least once a year.
- B. No matter respecting the provisions of the Insurance Program or the Pension Plan shall be subject to the Grievance Procedure established in this Agreement. Associates may avail themselves of the claims review process as outlined in the current Group Insurance Program Booklet.
- C. It is understood and agreed that associates on leave for full time duty with the Local, District, or Grand Lodge of the International Association of Machinists and Aerospace Workers shall be covered by the provisions of the Insurance Program and Pension Plan in the same manner as associates actively at work, except that such number to be covered shall not exceed ten (10) at any one time.

ARTICLE 23. BULLETIN BOARDS

- A. The Company will provide space on lock-type bulletin boards for the posting of Union notices pertaining to:

Notice of Union recreational and social affairs

Notice of Union Elections

Notice of Union appointments and results of Union elections

Notice of Union meetings

The Company will make every effort to see that approved Union notices are posted uniformly on all official bulletin boards throughout the plant.

- B. No notice regarding work stoppage, strike or slowdown of production shall at any time be posted on the bulletin boards or Company property.
- C. All notices for posting shall first be submitted to Labor Relations.

ARTICLE 24. SECURITY REQUIREMENTS

The Union agrees that, where Government security regulations are placed upon the Company, such regulations will govern the acceptance or rejection of an associate for work coming under those regulations. The Union agrees that it will not file a grievance where the Company has removed from the payroll any associate who has not received a security clearance or whose security clearance has been revoked. This provision does not affect any rights or remedies available through Government procedures.

An associate whose security clearance has been suspended shall be subject to the requirements of applicable DOE Orders on suspension of access authorization.

ARTICLE 25. WAGES AND SENIORITY GROUPINGS

- A. Effective October 14, 2002, each associate covered under this Collective Bargaining Agreement will be granted an increase in his/her straight time hourly wage rate (exclusive of Cost-of-Living Allowance, shift premium and any other premiums) of 3%.
- B. Effective October 20, 2003, each associate covered under this Collective Bargaining Agreement will be granted an increase in his/her straight time hourly

wage rate (exclusive of Cost-of-Living Allowance, shift premium and any other premiums) of 3%.

- C. Effective October 18, 2004, each associate covered under this Collective Bargaining Agreement will be granted an increase in his/her straight time hourly wage rate (exclusive of Cost-of-Living Allowance, shift premium and any other premiums) of 3%.

Wage Grade	Increase Date & Amount	Increase Date & Amount	Increase Date & Amount
	10/14/2002 3.00%	10/20/2003 3.00%	10/18/2004 3.00%
1	\$ 0.42	\$ 0.43	\$ 0.44
2	\$ 0.59	\$ 0.60	\$ 0.62
3	\$ 0.62	\$ 0.63	\$ 0.66
4	\$ 0.62	\$ 0.64	\$ 0.66
5	\$ 0.62	\$ 0.65	\$ 0.66
6	\$ 0.64	\$ 0.66	\$ 0.68
7	\$ 0.65	\$ 0.67	\$ 0.69
8	\$ 0.66	\$ 0.67	\$ 0.70
9	\$ 0.66	\$ 0.68	\$ 0.70
10	\$ 0.66	\$ 0.69	\$ 0.70
11	\$ 0.67	\$ 0.69	\$ 0.71
12	\$ 0.67	\$ 0.70	\$ 0.71
13	\$ 0.68	\$ 0.70	\$ 0.71
14	\$ 0.69	\$ 0.72	\$ 0.73
15	\$ 0.70	\$ 0.72	\$ 0.74
16	\$ 0.71	\$ 0.73	\$ 0.75
17	\$ 0.71	\$ 0.74	\$ 0.75
18	\$ 0.72	\$ 0.74	\$ 0.77
19	\$ 0.73	\$ 0.75	\$ 0.77
20	\$ 0.74	\$ 0.76	\$ 0.78
21	\$ 0.75	\$ 0.76	\$ 0.80
22	\$ 0.76	\$ 0.79	\$ 0.81

D. Shift Differential

A night shift premium of seventy cents (\$.70) per hour on all hours worked will be paid to all hourly rated associates regularly assigned to the second and third shifts. Shift premium shall be included in payment for Holidays, Vacation, Jury Duty, Short-Term Military and Bereavement Leaves.

- E. The wage grades, schedule of wage rates effective October 14, 2002, October 20, 2003, October 18, 2004, progression times and seniority groupings are set forth below.

WAGE TABLE(s)

Wage Grade	Classifications	Rate Range		
		10/14/2002	10/20/2003	10/18/2004
1	Custodian	14.31	14.74	15.18
2	Laborer	20.03 - 20.13	20.63 - 20.73	21.25 - 21.35
3		21.08 - 21.18	21.71 - 21.81	22.37 - 22.47
4	Electronic Assembler	21.19 - 21.29	21.83 - 21.93	22.49 - 22.59
5		21.34 - 21.44	21.99 - 22.09	22.65 - 22.75
6	Material Supplier	21.82 - 21.97	22.48 - 22.63	23.16 - 23.31
	Production Fabricator			
	Timekeeper			
7	Material Handler	22.14 - 22.29	22.81 - 22.96	23.50 - 23.65
8	Chemical Material Handler	22.36 - 22.51	23.03 - 23.18	23.73 - 23.88
	Inspector Electrical-Mechanical Physical Test			
	X-Ray Operator			
9	Assembler-Adjustor, Special Precision	22.49 - 22.64	23.17 - 23.32	23.87 - 24.02
10		22.64 - 22.79	23.33 - 23.48	24.03 - 24.18
11		22.80 - 22.95	23.49 - 23.64	24.20 - 24.35
12	General Machinist, Manufacturing	22.96 - 23.11	23.66 - 23.81	24.37 - 24.52
	Inspector, Gage Repair and Calibration			
	Plater			
13	Photo Tooling Fabricator	23.12 - 23.27	23.82 - 23.97	24.53 - 24.68
	Transport Fabricator			
14	Welder	23.63 - 23.78	24.35 - 24.50	25.08 - 25.23
15	Inspector & Tester Electronics	23.81 - 23.96	24.53 - 24.68	25.27 - 25.42
	Mobile Industrial Equipment Mechanic			
16	Telemetry Technician	24.09 - 24.29	24.82 - 25.02	25.57 - 25.77
17		24.28 - 24.48	25.02 - 25.22	25.77 - 25.97
18		24.57 - 24.77	25.31 - 25.51	26.08 - 26.28
19		24.78 - 24.98	25.53 - 25.73	26.30 - 26.50
20	Machine Repairperson	25.10 - 25.30	25.86 - 26.06	26.64 - 26.84
	Millwright			
	Operating Engineer			
21	Pipefitter	25.42 - 25.62	26.18 - 26.38	26.98 - 27.18
	Electronic Equipment Technician			
	Inspector, Tool & Precision Gage			
22	Electrician	26.03 - 26.23	26.82 - 27.02	27.63 - 27.83
	Tool Maker			

NEW HIRE WAGE RATES AND PROGRESSION TIMES

The wage rate and progression times for new hires are as follows:

Wage Grades	Rate Below Maximum Incumbent Rate	Progression Time	Rate of Progression
1-15	\$2.00	24 Months	Progresses in increments of \$1.00 at 12 months and to maximum at end of 24 months.
16-22	\$2.00	24 Months	Progresses in increments of \$.10 at 12 months and to maximum at end of 24 months.

Classifications	Rate Range		
	10/14/2002	10/20/2003	10/18/2004
Trainee I	19.77 - 19.87	20.27 - 20.37	20.79 - 20.89
Electronic Assembler (Trainee)			
Inspector, Electrical Mechanical (Trainee)			
Production Fabricator (Trainee)			
Trainee II	20.24 - 20.34	20.84 - 20.94	21.46 - 21.56
Assembler-Adjustor, Special Precision (Trainee)			
General Machinist, Manufacturing (Trainee)			
Inspector, Electronics Performance (Trainee)			
Plater (Trainee)			
Welder (Trainee)			
Trainee III	22.04 - 23.54	22.73 - 24.23	23.43 - 24.93
Machine Repairperson (Trainee)			
Millwright (Trainee)			
Operating Engineer (Trainee)			

Wage Grades	Progression Time	Rate of Progression
Trainee I and II	12 Months	Progresses in increments of \$.50 each 6 months.
Trainee III	24 Months	Progresses in increments of \$.50 each 6 months for first two steps of progression and in increments of \$.25 each 6 months for the last two steps of progression.

INCUMBENT WAGE RATES AND PROGRESSION TIMES

Wage Grades	Progression Time	Rate of Progression
2-5	6 months	Progresses in increments of \$.05 each 3 months to mid-point at end of 3 months and to maximum at end of 6 months.
6-15	9 Months	Progresses in increments of \$.05 each 3 months to maximum at end of 9 months.
16-22	12 Months	Progresses in increments of \$.05 each 3 months to mid-point at end of 6 months and to maximum at end of 12 months.
Trainee I and II	12 Months	Progresses in increments of \$.05 each 6 months.
Trainee III	24 Months	Progresses in increments of \$.50 each 6 months for first two steps of progression and in increments of \$.25 each 6 months for the last two steps of progression.

With respect to progression within the various ranges an associate, after having progressed to the midpoint or beyond of the job classification, may at the discretion of the Company be promoted to the next step in the progression range in a shorter period than the normal progression time.

SENIORITY GROUPINGS
AEROSPACE WORKERS

GROUP A

- (1) General Machinist, Manufacturing
- (2) Production Fabricator

GROUP B

- (1) Timekeeper
Material Supplier

GROUP C

GROUP D

- (1) Chemical-Material Handler
- (2) Material Handler
- (3) Laborer
- (4) Custodian

GROUP E

- (1) Assembler-Adjustor, Special Precision
- (2) Electronic Assembler

GROUP F

- (1) Inspector & Tester Electronics
- (2) Inspector, Electrical-Mechanical Physical Test

GROUP G

- (1) X-Ray Operator

GROUP H

- (1) Inspector, Gage Repair and Calibration

GROUP I

- (1) Electronic Equipment Technician

GROUP J

- (1) Machine Repairperson

GROUP K

- (1) Mobile Industrial Equipment Mechanic

GROUP L

- (1) Telemetry Technician

GROUP M

- (1) Transport Fabricator

SENIORITY GROUPINGS
MAINTENANCE

GROUP A
(1) Pipefitter

GROUP B
(1) Electrician

GROUP C
(1) Millwright

GROUP D
(1) Operating Engineer

SENIORITY GROUPINGS
TOOLING, MODEL SHOP, TOOL INSPECTION
AND PLATING

GROUP A
(1) Tool Maker

GROUP B
(1) Inspector, Tool and Precision Gage

GROUP C
(1) Welder

GROUP D
(1) Plater

GROUP E
(1) Photo Tooling Fabricator

ARTICLE 26. COST-OF-LIVING ALLOWANCE

- A. Each associate covered by this Agreement shall receive a Cost-of-Living Allowance as set forth in this Article.

Effective October 14, 2002, ninety cents (\$.90) shall be deducted from the ninety-five cents (\$.95) of the Cost-of-Living allowance in effect immediately prior to that date. The ninety cents (\$.90) shall be added to the base wage rates (minimum, maximum and all progression steps) for each job classification.

The amount of the Cost-of-Living Allowance beginning October 14, 2002 shall be five cents (\$.05). Thereafter during the period of this Agreement, adjustments in the Cost-of-Living Allowance shall be computed in accordance with B., C. and D. of this section.

- B. Basis for Allowance:

1. The amount of the Cost-of-Living Allowance shall be determined and redetermined in accordance with changes in the official Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) United States City Average, published by the Bureau of Labor Statistics, U.S. Department of Labor (1967=100) based upon the 1982-1984 Consumer Expenditure Survey. The Index used for determining the Cost-of-Living Allowance shall be the revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), United States City Average, published by the Bureau of Labor Statistics, U.S. Department of Labor (1967=100), in which the homeownership component is based on a rental equivalency measure, hereinafter referred to as the Index.
2. Continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for January 1997 unless otherwise agreed upon by the parties.
3. If the Bureau of Labor Statistics changes the form or the basis of calculating the official Consumer Price Index, the parties agree to request the Bureau to make available, for the duration of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index for January 1997.

- C. Determination of Allowance:

1. During the period of this Agreement, adjustments in the Cost-of-Living Allowance shall be made at the following times:

Effective Date of Adjustment	Three (3) Month Average of the BLS Consumer Price Indexes:
January 6, 2003	September, October, November 2002
April 7, 2003	December 2002, January & February 2003
July 7, 2003	March, April, May 2003
October 6, 2003	June, July, August 2003
January 5, 2004	September, October, November 2003
April 5, 2004	December 2003, January & February 2004
July 5, 2004	March, April, May 2004
October 4, 2004	June, July, August 2004
January 3, 2005	September, October, November 2004
April 4, 2005	December 2004, January & February 2005
July 4, 2005	March, April, May 2004

In determining the three-month average of the Index for a specified period, the computed average shall be rounded to the nearest one-tenth (0.1) Index point. The amount of the Cost-of-Living Allowance shall be adjusted on the basis of one cent (\$.01) per hour for each four-tenths (0.4) point change in the three-month average of the Indexes. The amount of Cost-of-Living Allowance shall be in accordance with the following table, subject to the restrictions of paragraph C.3.:

Three-Month Average BLS Consumer Index (1967=100)	Cost-of-Living Allowance
524.8-525.1	0.00
525.2-525.5	0.01
525.6-525.9	0.02
526.0-526.3	0.03
526.4-526.7	0.04
526.8-527.1	0.05
527.2-527.5	0.06

and so forth with one-cent (\$.01) adjustments for each four-tenths (0.4) point change in the average Index for the appropriate three months as indicated in paragraph C.1.

3. The amount of Cost-of-Living Allowance payable under the provisions of this section shall be paid in the regular weekly paychecks.
4. In the event the Bureau of Labor Statistics does not issue the appropriate Indexes on or before the beginning of one of the pay periods referred to in paragraph 1., any adjustment in the Cost-of-Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of such Index.

5. No adjustments, retroactive or otherwise, shall be made in the amount of the Cost-of-Living Allowance due to any revision which later may be made in the published figures for the Index for any month or months specified in paragraph 1.
- D.
1. In no event will a decline in the three-month average BLS Consumer Price Index below 524.8 provide the basis for a reduction in the base wage rate by job classification.
 2. The amount of any Cost-of-Living Allowance in effect at the time will not be added to the base wage rates but will, however, be taken into account in computing overtime, in determining reporting pay, call-back pay, pay or vacations, pay for unworked holidays, bereavement pay, jury duty pay and short-term military duty pay.

ARTICLE 27. BEREAVEMENT PAY

- A. When death occurs in an associate's immediate family (i.e., current spouse, parent, parent of current spouse, child, brother or sister, stepparent, stepparent of current spouse, stepchild, stepbrother, stepsister, natural grandparent, stepgrandparent, natural grandparent of current spouse, stepgrandparent of current spouse, natural grandchild, stepgrandchild, great grandparent, brother-in-law, sister-in-law, son-in-law or daughter-in-law), the associate on request will be excused for any three (3) consecutive regularly scheduled working days to include the day of the funeral and excluding Saturdays and Sundays, following the date of death.
- B. After making written application therefore, the associate shall receive pay for any scheduled hours of work up to eight (8) per day for which the associate is excused, excluding Saturday and Sunday, provided the associate attends the funeral, except under acceptable extenuating circumstances.
- C. Payment shall be made at the associate's regular straight-time rate, including applicable night shift premium, and the last day worked.

ARTICLE 28. EDUCATIONAL ASSISTANCE

- A. Courses must be directly related to the associate's current work assignment or probable future assignment within the Company and taken outside normal working hours at an accredited college, business school, high school, trade or vocational school. Seniority associates actively at work will be reimbursed for 100% tuition and related fees (excluding books and parking). A passing grade must be earned in order to be eligible for reimbursement. The Company agrees

that this provision also applies to the Federal Manufacturing & Technologies' associate on full-time business leave and serving as the Union Business Representative for Federal Manufacturing & Technologies.

- B. The following programs are considered job-related and will be approved when the needs cannot be met within the Company:
1. Courses which will improve the associate's skill on his/her present job. This includes courses designed to update associates in the technology of their trade or occupation and courses directed toward qualifying an associate as an apprentice in the skilled trades.
 2. Courses which relate to the next job in the logical development of an associate's career.
 3. Courses which will prepare an associate for openings are expected to occur in the future and for which a sufficient number of qualified associates are not available.
 4. Courses taken to complete the requirements for a grammar school certificate or high school diploma.
 5. Any required or pertinent elective courses taken in a degree-seeking program in a field related to the associate's job or appropriate to his career with Honeywell Inc.
- C. The grievance procedure set forth in the Collective Bargaining Agreement between the Corporation and the Union shall have no application to, or jurisdiction over, any matter relating to this program.

ARTICLE 29. SAVINGS PLAN

- A. Features of the Honeywell Savings Plan II will be governed by provisions of the Plan document and as it may be amended by the Plan administrator..
- B. No matter respecting the provisions of the Plan shall be subject to the Grievance Procedure established in this Agreement.

ARTICLE 30. CONTRACT VALIDITY

- A. If any provision of this Agreement is declared invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement shall not be affected thereby.

- B. This Agreement is subject to all applicable Federal and State Laws and any rules and regulations issued pursuant thereto.
- C. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all the terms and conditions of this Collective Bargaining Agreement.

ARTICLE 31. DURATION

- A. This Collective Bargaining Agreement is effective October 14, 2002 and shall remain in full force and effect until midnight October 9, 2005, and shall thereafter be continued in full force and effect from year to year and shall be renewed for successive years unless notice of termination or a desire to modify or change this Agreement is given in writing by either party at least sixty (60) days before the expiration date. Upon receipt of such notice a conference shall be arranged for within fifteen (15) days. This provision shall not be interpreted to require a meeting prior to forty-five (45) days before the expiration date of this Agreement.
- B. During the term of this Agreement neither party shall demand any change in this Agreement, nor shall either party be required to bargain with respect to this Agreement, nor shall a change in or addition to this Agreement be an objective of or be stated as reason for any strike or lockout or other exercise of economic force or threat thereof by the Union or the Company.
- C. In the event both parties agree to early negotiations, nothing contained in this Agreement will preclude the parties from doing so.
- D. The parties acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives this 11th day of November, 2002.

LOCAL LODGE # 778,
INTERNATIONAL ASSOCIATION
OF MACHINIST AND AEROSPACE
WORKERS, AFL-CIO

HONEYWELL, FEDERAL
MANUFACTURING &
TECHNOLOGIES, LLC

Mike Roepke

Dave Douglass

Jack Talley

Bob Jensen

Steve Johnson

Reed Childers

John Maddox

Bill Norris

Glenn Moore

Sheila Williams

Tim Wilkerson

Sarah Zilliox

Jon Hildebrand

Penny Allen

Glenn Carpenter

Wallis Spangler

Jim Bears

Brad Hughes

Joe Cooper

Dan Fritts

Sam Allen

Mike Murff

INDEX

	Page
AGREEMENT	2
APPRENTICESHIP PROGRAM	37
BEREAVEMENT PAY	47
BULLETIN BOARDS	39
CHECK-OFF	7
CONTRACT VALIDITY	48
COST-OF-LIVING ALLOWANCE	45
DISCIPLINE	13
DURATION	49
EDUCATIONAL ASSISTANCE	47
ENVIRONMENTAL, SAFETY, HEALTH AND GOOD HOUSEKEEPING	35
ESTABLISHMENT OF WAGE RATES FOR NEW JOB CLASSIFICATIONS	38
GRIEVANCE PROCEDURE	9
HOLIDAY PAY	18
HOURS OF WORK AND OVERTIME	14
INSURANCE PROGRAM AND PENSION PLAN	39
INTENT	2
JURY DUTY PAY	35
LEAVES OF ABSENCE	32
MANAGEMENT	5
NO DISCRIMINATION	9
NO STRIKE, WORK STOPPAGE, SLOW-DOWN OR LOCKOUT	6
RECOGNITION	2
REPRESENTATION	3
SAVINGS PLAN	48
SECURITY REQUIREMENTS	39
SENIORITY	19
UNION RESPONSIBILITY	5
UNION SECURITY	6
VACATIONS	31
WAGES AND SENIORITY GROUPINGS	39