

Rec'd  
4/23/04

K 4052

**AGREEMENT**

This Agreement is made and entered into by and between Learjet Inc., herein referred to as the Company and District Lodge Number 70 of the International Association of Machinists and Aerospace Workers, AFL-CIO and its Local Number 639, herein referred to as the Union and applies only to the facility of said Company located at One Learjet Way and its supporting facilities within Sedgwick County.

**ARTICLE 1  
Recognition**

1462  
employees

The Company recognizes the Union as the sole collective bargaining agent for those employees included in the bargaining unit as certified by the National Labor Relations Board in Case No. 17-RC-4441 for the purpose of collective bargaining with respect to rates of pay, hours of work and other conditions of employment.

**ARTICLE 2  
Coverage**

The provisions of this Agreement shall be binding upon the Company and its successors and assigns, and none of the conditions herein shall be affected or changed in any effect by the consolidation, merger, sale, transfer or assignment of the Company of any or all of its properties, or affected or changed in any respect by any change in the regular status, ownership or management of the Company.

**ARTICLE 3  
Discrimination and Coercion**

- A. There shall be no discrimination by supervisors, managers or other agents of the Company against any employee because of the employee's membership in the Union or because the employee is acting as a representative of the Union.
- B. The Union agrees that neither its officers, committee persons, stewards, or other members or persons employed directly or indirectly by the Union will intimidate or coerce employees nor will it solicit members on Company time.
- C. Neither the Company nor the Union shall discriminate in the application of the provisions of this Agreement against any employee because of age, sex, race, religion, national origin, ancestry, or disability, nor shall the Company discriminate in the hiring of new employees because of age, sex, race, color, religion, national origin, ancestry, or disability.
- D. All references in this contract to the male gender shall apply equally to both sexes.

X: 10/4/04

**ARTICLE 4**  
**Responsibilities of the Parties**

- A. The parties recognize that under this Agreement each of them has responsibility for the welfare and security of the employees.
- B. The Company recognizes that it is the responsibility of the Union to represent the employees fairly and efficiently.
- C. The Union recognizes that it is the Company's responsibility and right to manage and direct the work force. This includes, subject only to the limitations stated in this Agreement, the right to hire, assign work, reclassify, discipline, suspend, discharge for just cause, transfer employees, layoff employees, establish the number of shifts, control and regulate the use of all equipment and other property of the Company including the right to decide the number and locations of its plants, the products to be manufactured, the subcontracting of work, the methods and schedule of production, the means and process of manufacturing and by whom its products shall be sold and delivered.
- D. It is agreed that the Company has the right to determine subcontracting needs whereby subcontractors are brought into the plant to perform work. No individual working at the facility in a subcontracting capacity fulfilling a temporary labor need for tasks normally performed by bargaining unit personnel shall be maintained for more than twelve (12) consecutive months unless one or more of the following conditions apply:
  - 1) Production schedules cannot be met utilizing employees currently on the active payroll on a straight time basis.
  - 2) The work being performed requires specialized knowledge, skills, equipment, or training not immediately available within the facility.
  - 3) The Company is actively recruiting for the classification, which normally performs the work.
  - 4) The work being performed is the responsibility of a Company supplier, partner or vendor.

In those classifications where there are employees on layoff, individual subcontractors shall not be brought in until all laid off employees in that classification are recalled. In those cases where the Company intends to utilize a significant number of individual subcontract employees, the Company will notify the Union within a reasonable time frame of the decision to utilize these contract employees and will consider any suggestions the Union may have regarding these contractors performing work done at the Company facilities. It must be recognized that, except as set forth above in 1 through 4, nothing herein shall prevent the Company from engaging independent or outside contractors to do work when necessary.

- E. Prior to layoffs, the Company will meet with the Union to examine subcontracted work to determine whether the specific work covered by any subcontract had been previously performed in the Company's Wichita, Kansas facility. Work performed or to be performed within other Bombardier divisions is not subject to the provisions of this paragraph. Other factors to be considered are: the capabilities of the plant; the terms of the subcontract; the financial aspects; and any other relevant factors that may be involved. Following careful examination, if it is feasible, the previously subcontracted work will be returned.

It is further agreed that employees will not be laid off as a direct result of subcontracting or offloading of existing work performed at the Wichita facility unless, prior to the layoff, the Company considers the employee for open bargaining unit positions for which the Company deems the employee is qualified or may be reasonably trained. Employees due to be laid off will be given first opportunity to fill these open bargaining unit positions.

If an employee is laid off as a direct result of subcontracting or offloading, the Company shall provide four (4) weeks of Income Protection Payments in addition to those listed in Article 19 paragraph F section 3. All of the terms and conditions of Article 19 paragraph F shall apply to this provision.

Only those employees who have been covered by this agreement for one year or more and have been in the continuous employment of the Company at the time of layoff shall be eligible for payments.

## **ARTICLE 5**

### **Company Rules and Regulations**

It is mutually agreed that Company rules and regulations, as set forth by the Company are necessary for the efficient operation of the plant. Infractions of these rules constitute just cause for disciplinary action. The Company agrees that the rules and regulations will be posted prominently on the bulletin boards throughout the plant and that new employees will receive a copy of these Company rules at the time of hire. The Company will notify the Union before announcing additions or changes in the operating rules and regulations. It is agreed that a representative of the Union shall be present at the issuance of all disciplinary actions unless the employee chooses not to have a steward present. If the employee does refuse the presence of a steward, the employee shall sign an appropriate notation to this effect. It is the intention of both the Company and the Union that these rules and regulations be applied uniformly to all employees. The Union recognizes that the Company has the right to drug test and alcohol test employees for cause and in accordance with the Company's past practice. The Company does not have the right to conduct random drug and alcohol testing except as required by law.

## **ARTICLE 6 SENIORITY**

- A. Department and classification seniority will be established seventy-five (75) days after the last date of hire.
- B. The period from date of hire to establishment of seniority shall be known as a probationary period.
- C. Employees terminated by the Company during their probationary period do not have recourse to the grievance procedure and are subject to another probationary period if rehired. The Union has the right to discuss terminations of probationary employees with the Company.
- D. After the employee has completed their seventy-five (75) day probationary period, they shall be considered as a regular employee and their name shall be entered on the seniority list as of the first day of employment. Any disciplinary action issued to a probationary employee will not be used as a step of progressive discipline after becoming a regular employee.
- E. In the case of promotions and transfers to higher rated jobs within the bargaining unit, consideration shall first be given to those employees within the department where the opening exists and to those within the company who have filed a career opportunities request for such position. Employees from outside the department shall not be considered unless he/she has at least twelve (12) months more seniority than the employee in the department who would have otherwise received the promotion.

It is the responsibility of the employee to file a written career opportunities request indicating the desired classifications, corresponding requisition number, and other information requested on the form to be considered for promotion or transfer outside of his/her own department. Career opportunity requests are only accepted for current openings and only be accepted during the seven (7) days the position is posted. Such requests shall remain active until such time that the position is filled. Employees are permitted to file up to six (6) career opportunity requests in a twelve (12) month period. An employee who has been promoted shall not be permitted to file a career opportunity request during the first twelve (12) months following his/her promotion.

In making promotion and transfer decisions length of service will govern if ability is equal. Ability is defined as the employee being capable of performing most of the essential elements of the classification, and be in good standing (e.g. does not have more than one disciplinary action at the first step or one disciplinary action at the second step).

Employees who are reclassified to a new position will be subject to a qualification period of seventy five (75) days. After the seventy-five (75) day period, their company

seniority will be effective in the new classification. In the event the company deems the employee's performance in the new classification to be below expectations, supported by thirty (30) and sixty (60) day performance appraisals, the probationary period may be extended with the concurrence of the Plant Chair for a period not to exceed an additional forty five (45) days.

F. Employees on layoff, or due to be laid off, will be given first opportunity to fill any available open requisition, if qualified. In the event a reduction in force is required, employees will be laid off and recalled by seniority within their classification

G. Seniority will be broken by:

1. Discharge.
2. Resignation.
3. Layoff equal to seniority at time of layoff, not to exceed forty-eight (48) months.
4. Retirement.
5. Failure of an employee to notify the Company within three days after receipt of certified recall notice that they will report for work within at least fifteen (15) calendar days of the postmarked date of the recall notice.
6. Failure to report from leave of absence.
7. Failure to keep the Company informed of correct mailing address while on layoff. Employees' addresses will be provided to the Union upon request.

H. It is the desire of the Company to consider seniority in giving shift preference. A senior employee involuntarily transferred temporarily from their preferred shift, will be returned to that shift within seventy-five (75) days; limited to one time per year, except in cases of specialized skill requirements. However, the Union understands that in certain cases it may be necessary to extend this period until a replacement is trained and/or a special assignment is completed. Employees may request a transfer provided that another employee holds the same grade and classification in the same department.

1. Except in emergencies, employees exercising voluntary shift preference privilege must remain on the shift of their choice a minimum of six (6) months before another shift change request will be honored.
2. Any employee accepting an employee requested department transfer must remain in the position requested a minimum of one (1) year from the transfer date before another transfer request will be considered valid for either shift or departmental transfer.
3. For purposes of shift transfers between classifications and grade, shop load coordinators, expeditors and sealers will be treated as within a common department. The maintenance department, which includes employees in the various aspects of facilities maintenance, construction, remodeling and other related activities, will be treated as one department.

- I. It is agreed that during the term of their office, employees elected to the following positions will head the seniority lists of their respective departments for the purpose of layoff or recall:  
Plant Chair  
Assistant Plant Chair  
Members of the Negotiating Committee
- J. Disabled employees (blind, those who are hearing impaired or have similar disabilities) may be retained or reinstated regardless of the seniority principles stated in this article in accordance with such mutual agreement as hereafter may be entered into between the Company and the Union.
- K. In the event of a temporary reduction in workload within a department, the Company may place on temporary layoff any individual for a period not to exceed one week. If the employee has not returned to work by the end of the one week period, the employee either will be returned to work or regular layoff papers will be processed.
- L. The numbers and classifications of the employees to be placed on layoff will be provided to the Union at least three (3) days prior to the layoff.
- M. Any employee in the bargaining unit who is promoted to a supervisory job with the Company outside the bargaining unit shall retain plant seniority in the last job classification held at the time of promotion.

This provision shall also apply to all employees who were transferred to these positions prior to the effective date of this agreement from jobs within the bargaining unit. If an employee is returned to the bargaining unit, they shall return to the last bargaining unit classification held, provided it is held by an employee with less bargaining unit seniority. If the employee cannot be so placed, the Company will follow the reduction in force procedures.

During the seventy-five (75) days immediately following any such promotions, the employee may return to the bargaining unit with no loss of plant seniority.

The Company may return any such employee to the bargaining unit at any time at its discretion. If such employee returns to the bargaining unit, seniority shall be recalculated and a new seniority date established, giving credit for seniority up to the time they left the bargaining unit and recognizing all plant seniority up to November 4, 1984.

Upon return, their bargaining unit seniority will again accrue.

## ARTICLE 7 HOURS OF WORK

- A. The hours of work shall be as arranged by agreement between the Company and the Union with a view toward producing maximum efficiency of production without creating undue inconvenience to employees.
- B. The normal workweek will be Monday through Friday.
- C. The normal starting and ending times are as follows:

<u>Department</u>	<u>First Shift</u>	<u>Second Shift</u>	<u>Third Shift</u>
Production	7:00 a.m.-3:30 p.m.	3:30 p.m.-12:00 a.m.	12:00 a.m.-7:00 a.m.
Maintenance	6:30 a.m.-3:00 p.m.	3:00 p.m.-11:30 p.m.	11:30 p.m.-6:30 a.m.
R & D	8:00 a.m.-4:30 p.m.	4:30 p.m.- 1:00 a.m.	1:00 a.m.-8:00 a.m.
Aviation Services	6:42 a.m.-3:12 p.m.	3:12 p.m.-11:42 p.m.	11:42 p.m.-6:42 a.m.
Flight Test Center	6:30 a.m.-3:00 p.m.	3:00 p.m.-11:30 p.m.	11:30 p.m.-6:30 a.m.

The Company and the Union agree that there are times when it is mutually beneficial to alter the start and stop times as above. In the event that the Company desires to alter the start and stop times of a shift, the Company agrees to notify the Union in writing at least fourteen (14) days in advance of the effective date of the proposed shift time change. Upon notification, the Union agrees to have the affected employees vote within three (3) days on whether to accept the proposed time change. If two-thirds (2/3) of those voting agree to the proposed changes, the Union agrees to concur with proposal. The Company further agrees to provide the affected employees at least 14 days prior notification of the time change and to consider any unique personal circumstance employees may bring forward.

Changes in shift start times shall be set at the organizational level, limited to Production,/ Production Support, Facilities, Aviation Services, Bombardier Flight Test Center, and Customer Support. After concurrence from the Union, as discussed above, the Vice President responsible for the respective organization and the Vice President of Human Resources may implement the change.

Changes in start times shall be limited to two (2) times in any calendar year and limited to one time in any 60 day period. Changes in start and stop times shall be limited to two (2) hours unless such changes are part of a heat contingency plan during the months of June, July, and August.

- D. There shall be two (2), ten minute rest periods for first and second shift employees. Third shift employees will receive one (1), ten minute rest period. Employees required to work

at least two (2) hours overtime shall receive one (1), ten minute rest period between the overtime and the beginning or end of the normal work shift. In addition, normal rest periods will be given during the overtime period.

- E. A special work week may be established by mutual agreement between the Company and the Union.

## **ARTICLE 8 OVERTIME**

- A. For the purpose of computing overtime pay, the workweek shall commence at 12:00 a.m. Monday for first shift employees, at 12:00 noon Monday for second shift employees, and at 12:00 noon Sunday for third shift employees. The workday shall consist of a twenty four (24) hour period thereafter and shall be the beginning of the seven day period making up the week.

- B. Daily:

1. Overtime may be scheduled on either end of the employee's normal shift times.
2. Eight (8) hours of work must be performed before overtime is paid
3. All hours worked in excess of eight (8) hours in a day shall be paid for at a rate of time and one-half.
4. All hours worked in excess of eleven (11) hours in a day shall be paid for at a double time rate.

- C. Weekly:

1. All hours worked on the sixth day of the individual's normal work week shall be considered overtime and paid for at a rate of time and one-half.
2. All hours worked on the seventh day of the individual's normal work week shall be considered overtime and paid for at a double time rate.

- D. When two or more types of overtime or premium pay are applicable to the same hours of work, only the higher rate of pay shall be paid. In no case shall overtime or premium pay be duplicated or pyramided.

- E. The following procedures shall apply for the distribution of overtime.

1. The Company will maintain and distribute overtime within crew and shift.



2. Overtime shall first be distributed via soliciting volunteers. Volunteers shall be asked to work on a rotating basis with the senior most employee starting the rotation.
3. When employees refuse to work, those with the least seniority will be required to work unless there is an imbalance of 40 hours or more of overtime worked. Then, the employee with the least amount of overtime worked will be required to work.
4. Individuals in the same classification and department may be asked to volunteer in lieu of requiring employees who did not volunteer to work. It is further agreed that those employees within the same classification within a department or cost center shall be cross trained to the extent possible thereby enabling all employees within that department to share in the distribution of overtime.
5. Qualified employees on second and third shift may be asked to volunteer for weekend overtime on any shift. When assigning overtime, preference will be given to those employees normally assigned to the shift.
6. Employees who have unexcused absences will be charged for all overtime worked in their classification and will not be permitted to work, unless specialized skills are required or mandatory overtime is scheduled.
7. Employees who take more than one day of ATO during the workweek will not be permitted to work weekend overtime, unless specialized skills are required or mandatory overtime is scheduled.
8. Employees required to work overtime shall not be laid off during regularly assigned hours to equalize time. However, this shall not apply where it would prevent employees from securing rest or otherwise destroy their capability to do their work.
9. Each supervisor will maintain a record on a standard form of every employee's overtime on a weekly basis. A representative of the Union will review the overtime records weekly. The Union representative will bring any equalization problems to the attention of management for resolution. The parties agree that the target goal for maintaining equalization shall be 24 hours and that when a disparity of 40 hours exists between employees in the same classification in the same work area, management shall take action to resolve the problem, should one exist.
10. For purposes of weekend overtime notification, when there is a holiday surrounding the weekend, the holiday shall be considered part of the weekend. The notification shall be given no later than the regularly scheduled lunch period two days prior to the overtime period.
11. Contract employees shall not be utilized to displace regular employees from overtime they would have otherwise worked.

- F. Second and third shifts will be given overtime opportunities in relative proportion to first shift, operational requirements permitting. These provisions only apply for pre-identified blocks of mandatory, scheduled overtime where all shifts perform the same work. A block is defined as 14 consecutive days or more of mandatory, scheduled overtime.
- G. No employee who has worked two (2) consecutive weekends, shall be scheduled for a third (3<sup>rd</sup>) weekend unless the employee volunteers to work. Weekends are defined as working both the sixth and seventh day of the employee's normal workweek.
- H. When required to work holidays weekends or extended overtime periods, employees shall be notified as soon as possible, but no later than the regularly scheduled lunch period two days prior to the overtime period unless operational requirements arise. At least four (4) hours notice will be given in the case of overtime on a regular work day unless operational requirements arise. The Union understands, however, that emergency situations other than normal production may arise where it will be impossible to give this much notice.
- I. In cases of extended overtime, the Company will make every good faith effort to not exceed 13 consecutive work days for an individual. The Union understands, however, that production demands may require employees with specific skills to work as necessary to maintain an even flow of production. Should overtime work be required on an employee's fourteenth consecutive work day, the individual will be paid two-and-one-half times their regular hourly rate for all hours worked and continue for every 7<sup>th</sup> day thereafter. It is understood that the Company may select any employee to avoid the fourteenth consecutive work day. In cases of 14<sup>th</sup> day premium pay, the following stipulations shall apply:
  - 1. An employee working 14 consecutive days with the 14<sup>th</sup> day being the 7<sup>th</sup> day of the employee's normal workweek.
  - 2. Any cumulative breaks within the 14 consecutive days totaling 4 hours or greater will break the 14 consecutive days.
  - 3. In order for the 14<sup>th</sup> consecutive day to occur, the employee must work a minimum of 4 hours on each Saturday and Sunday (day 6 and 7 of their normal workweek). Any hours of overtime (scheduled or volunteered for) not worked apply towards the cumulative 4 hour total constituting a break in the 14 consecutive days.

## **ARTICLE 9 CALL BACK TIME**

- A. Any employee reporting for work at the beginning of their regular shift without having been previously notified that there will be no work, shall receive four (4) hours work or four (4) hours pay at the applicable hourly rate.

- B. In the event an employee is required to report for work earlier than their regularly scheduled starting time, they shall be permitted to work their regular shift.
- C. In the event an employee is required to report back to work after having left the Company premises at the end of their regular shift, the individual will be guaranteed at least two hours and forty minutes work at the applicable overtime rate or four hours pay, whichever is greater.
- D. In the event that normal work schedules are interrupted or stopped by events beyond the control of the Company, such as acts of God, abnormal weather, utility failure, fire or acts of war, the above provisions shall not apply. Announcements will be released whenever possible to commercial radio and television stations at least one hour before the start of the shift in question. If one hour notice is not provided, then Article 9A will apply.

**ARTICLE 10  
WORK AWAY FROM THE PLANT**

While performing work away from the plant, employees shall be governed by the hours of work and overtime as listed in this Agreement, but shall not engage in overtime work unless at the specific direction of their supervisor. Time in transit shall be considered as time on the job, but in no event to exceed pay beyond the normal eight (8) hours per day. These employees will also be allowed reasonable expense for travel, meals and lodging while away from home, pursuant to Learjet Inc. Policy #58 (Business Travel).

**ARTICLE 11  
RATE RANGES**

- A. Shown below are the maximums of the various labor grades and their effective dates.

**Effective 10/2/2000**

<b>Grade</b>	<b>2000 Min</b>	<b>2000 Max</b>
1	\$13.76	\$22.92
2	\$13.25	\$22.08
3	\$12.74	\$21.23
4	\$12.22	\$20.37
5	\$11.85	\$19.74
6	\$11.43	\$19.05
7	\$11.16	\$18.60
8	\$10.74	\$17.90
9	\$10.51	\$17.51
0	\$10.35	\$17.26
2	\$6.25	\$10.38

**Effective 10/1/2001**

<b>Grade</b>	<b>2001 Min</b>	<b>2001 Max</b>
1	\$14.20	\$23.66
2	\$13.68	\$22.80
3	\$13.15	\$21.92
4	\$12.62	\$21.03
5	\$12.23	\$20.39
6	\$11.80	\$19.67
7	\$11.53	\$19.21
8	\$11.09	\$18.48
9	\$10.85	\$18.08
10	\$10.69	\$17.83
12	\$6.45	\$10.71

**Effective 09/30/2002**

<b>Grade</b>	<b>2002 Min</b>	<b>2002 Max</b>
1	\$14.70	\$24.49
2	\$14.16	\$23.59
3	\$13.61	\$22.68
4	\$13.06	\$21.76
5	\$12.66	\$21.10
6	\$12.22	\$20.36
7	\$11.93	\$19.88
8	\$11.48	\$19.13
9	\$11.23	\$18.72
10	\$11.06	\$18.45
12	\$6.67	\$11.09

**Effective 09/29/2003**

<b>Grade</b>	<b>2003 Min</b>	<b>2003 Max</b>
1	\$15.22	\$25.35
2	\$14.65	\$24.42
3	\$14.09	\$23.48
4	\$13.52	\$22.53
5	\$13.10	\$21.84
6	\$12.65	\$21.07
7	\$12.35	\$20.57
8	\$11.88	\$19.79
9	\$11.62	\$19.37
10	\$11.45	\$19.09
12	\$6.91	\$12.00

- B. Employees reclassified to a lower grade because of work-related medical limitations will be allowed to retain their former pay rate for no longer than sixty (60) days. If the employee is unable to resume the higher graded job, they will receive the same rate of pay or the maximum rate of the new classification, whichever is lower.
- C. Each employee who has completed five (5) years current continuous service shall receive five (5) cents per hour longevity pay. Longevity pay shall be increased to ten cents (10) cents per hour after completion of ten (10) years of current continuous service; fifteen cents (15) cents per hour after completion of fifteen (15) years of current continuous service and to twenty cents (20) cents per hour after twenty (20) years of current continuous service, and twenty-five (25) cents per hour after twenty-five (25) years of current continuous service, thirty (30) cents per hour after thirty- (30) years of current continuous service, and thirty-five (35) cents per hour after thirty-five (35) years of continuous service.

## **ARTICLE 12 WAGE ADJUSTMENTS**

- A. Effective October 2, 2000, the Company will grant a general wage increase of approximately three and three quarter percent (3.75%) to all active employees, rounded to the nearest full cent of their current base rate. In addition, effective October 2, 2000, the Company will grant a \$300 Inflation Protection Payment, payable in lump sum October 27, 2000. The payment will be in the form of cash compensation, less withholdings.
- B. Effective October 1, 2001, the Company will grant a general wage increase of approximately three and one quarter percent (3.25%) to all active employees, rounded to the nearest full cent of their current base rate. In addition, effective October 1, 2001, the Company will grant a \$300 Inflation Protection Payment, payable in lump sum October 26, 2001. The payment will be in the form of cash compensation, less withholdings.
- C. Effective September 30, 2002, the Company will grant a general wage increase of approximately three and one half percent (3.5%) to all active employees, rounded to the nearest full cent of their current base rate. In addition, effective September 30, 2002, the Company will grant a \$300 Inflation Protection Payment, payable in lump sum October 25, 2002. The payment will be in the form of cash compensation, less withholdings.
- D. Effective September 29, 2003, the Company will grant a general wage increase of approximately three and one half percent (3.5%) to all active employees, rounded to the nearest full cent of their current base rate.
- E. In the event the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average (CPI-W) as published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982 – 84=100, increases by four

percent (4%) from the three month average for May, June, and July 2003 when compared to May, June and July 2004, the Company will pay fifty percent (50%) of the average CPI-W increase that is greater than four percent (4%) in the form of a lump sum payment calculated using the employee's applicable hourly rate multiplied by 2080 hours multiplied by 50% of the increase in CPI-W in excess of 4%. The payment shall be made no later than September 24, 2004.

### **ARTICLE 13 PERIODIC REVIEWS**

- A. All employees will be reviewed by the end of the thirtieth and sixtieth days of their employment. At the time of these reviews, the employee's classification or rate may be adjusted to reflect their job assignment and/or performance or they may be terminated.
- B. An employee's performance may be reviewed annually on a formal basis.
- C. All employees will be reviewed at the end of the thirtieth and sixtieth days following reclassification.
- D. Effective October 2, 2000, all employees completing their probationary period will receive an automatic increase of twenty one (21) cents per hour and an automatic increase of twenty one (21) cents per hour each thirteen weeks thereafter until the maximum of their labor grade is attained. Effective October 1, 2001, all employees completing their probationary period will receive an automatic increase of twenty-two (22) cents per hour and an automatic increase of twenty-two (22) cents per hour each thirteen (13) weeks thereafter until the maximum of their labor grade is attained. Effective September 30, 2002, all employees completing their probationary period will receive an automatic increase of twenty-three (23) cents per hour and an automatic increase of twenty-three (23) cents per hour each thirteen (13) weeks thereafter until the maximum of their labor grade is attained. Effective September 29, 2003, all employees completing their probationary period will receive an automatic increase of twenty-four (24) cents per hour and an automatic increase of twenty-four (24) cents per hour each thirteen (13) weeks thereafter until the maximum of their labor grade is attained.
- E. Work time will be broken and the date of such automatic increases extended by all Leaves of Absence and layoffs of over thirty days; the extension to be for the total time absent.
- F. Due to the constantly changing labor market and problems arising therefrom, joint review will be conducted periodically to correct inequities.
- G. It is agreed the Company will provide the Union a copy of the monthly seniority list of all employees in the bargaining unit. The Company shall also supply the Union a list of classification changes on a weekly basis.

## **ARTICLE 14 WORKING LEADS**

- A. The following selection and compensation procedure and duties and responsibilities will apply to all lead positions in the Wichita facility.
- B. Lead duties and responsibilities:
  - 1. Qualifications:
    - a) Should be the best technically skilled in order to provide assistance to employees.
    - b) Provide on-the-job training in all technical aspects of the function.
    - c) Working Leads will be selected on the basis of their ability, qualifications and seniority. If qualifications and ability are relatively equal, seniority shall prevail. Ability is defined as the employee being capable of performing all of the essential elements of the classification requested and be in good standing; e.g., does not have more than one disciplinary action at the first step or one disciplinary action at the second step.
  - 2. Responsibilities:
    - a) Provide training and instruction for new employees in all technical areas of the function and apprise them of technical quality and performance standards.
    - b) Assist employees in demonstrating proficiency in proper shop methods, processes and techniques in the performance of technical tasks.
    - c) Assist supervisor with any technical training requirements.
    - d) Assist employees in reporting any safety infractions or problems to supervisor immediately.
    - e) Report status of work in progress to supervisor.
    - f) Advise crew members to have proper company and personally furnished tools in order to perform assigned work.
    - g) Once selected, must be a working member of his/her crew.
    - h) Provide assistance in the use of and interpretation of documents; i.e. blueprints, schematics, diagrams, drawings, etc.

- i) Does not act as assistant supervisor in terms of dispensing disciplinary action, does not take attendance, dispense overtime, etc.
- j) Assist in work load distribution.

3. Criteria:

In most cases leads will be in the same classification as the crew they are leading. If unique circumstances exist where this would not be the case, agreement must be reached by the parties before lead selection is made.

C. Lead selection procedure:

1. Lead openings will be posted a minimum of three working days on employee information centers and in the work area where the opening exists. The opening will also be a subject for crew meetings within the area. Lead person duties and responsibilities will be listed on the posting.
  2. Applications for the lead position may be obtained from the supervisor and must be returned by the suspense date listed on the posting.
  3. The supervisor and the area shop steward\* will review the records of all lead applicants to insure they:
    - a) are in good standing, i.e., no more than one disciplinary action at the first step or one at the second step
    - b) meet the other qualifications for the position
- \*If the shop steward is a candidate for the position, the Plant Chair will serve in the steward's capacity.
4. The supervisor and the area shop steward will then determine the best qualified candidates to be interviewed.
  5. The supervisor and shop steward will interview and select the best qualified individual for the lead position. They will also notify those who were interviewed and not selected.
  6. The supervisor and shop steward will review the duties and responsibilities of a lead person with the successful candidate to insure there is complete understanding of what is expected.
  7. Working Leads will receive a lead premium of one dollar fifty cents (\$1.50) per hour over their current base rate of pay, effective October 2, 2000.



8. Working Lead's performance will be reviewed thirty and sixty days after appointment as a lead and annually thereafter.
9. In the event a lead returns to their former classification, they will be placed in the same grade and rate of pay their seniority would have allowed them to attain if they would have remained in their own job.

D. Temporary Leads

Temporary leads are intended to fill short-term lead vacancies. The following procedures and restrictions shall govern their use:

1. Temporary leads are selected via the lead selection process (Article 14, Section C).
2. The temporary lead designation may be made in advance to the vacancy occurring and will be reviewed on an annual basis.
3. The temporary lead shall fill in when the full-time lead is away from the facility for a minimum of one (1) day and a maximum of sixty (60) days. If the need extends beyond sixty (60) days, continuance requires mutual agreement with the Plant Chair.
4. All provisions of Article 14 apply to temporary leads.
5. The premium for fulfilling the responsibilities of temporary lead shall be identical to that of the full time lead, and only applies for the time they fill in for the full time lead.
6. The union steward shall co-sign all requests for temporary leads. The request shall include the duration of the temporary designation and request for lead premium.

**ARTICLE 15**  
**SHIFT DIFFERENTIAL**

- A. Employees required to work second shift will receive a forty (40) cent per hour shift differential.
- B. Employees required to work third shift will receive a twelve (12) cent per hour shift differential and in addition will receive eight hours pay for six and one-half hours work.

## **ARTICLE 16**

### **COMPLAINT AND GRIEVANCE PROCEDURE**

- A. Any complaint or grievance under this article should be first discussed between the employee and the appropriate supervisor and if requested, the assigned Union steward. In the event the complaint is not settled orally, or if the grievance is filed by the Union, the following grievance procedure shall apply:

All time limits set forth in the following grievance procedure can be extended only by mutual consent in writing between the parties. If the Company should fail to respond to the grievance within the time period, it shall be automatically referred to the next step in the grievance process.

**B. Step One:**

1. The employee or the assigned Union steward will prepare a written grievance and present it to the appropriate Supervisor and Plant Chair within five working days of gaining knowledge of the alleged violation. The grievance shall state the following:
  - The detailed facts on which the grievance is based.
  - Reference to the article and section of this Agreement which is believed to have been violated.
  - The date of the action upon which the grievance is based.
2. The Plant Chair will provide a copy to the appropriate Human Resources Representative.
3. The Human Resource Representative will schedule a meeting within five (5) working days with the employee, the supervisor and the steward. If more time is required, then a request for extension will be provided to the Plant Chair and five additional days will be granted.
4. If agreement is reached, Human Resources will prepare a summary of the decision and forward it to the Plant Chair, by the close of business the following day. (Grievances cannot be formally closed without the signature of the Plant Chair).

**C. Step Two:**

If agreement is not achieved, the Human Resources Representative and the shop supervisor will answer the grievance in writing. If the Plant Chair is of the opinion that the grievance continues to exist, the grievance will be logged into the second step and Union log-in date recorded. The grievance then becomes the responsibility of the Human Resources Department and the Union. The Human Resources Representative will respond to the grievance within ten working days of the log in date to render the Company's decision.

**D. Step Three:**

In the event the decision reached under Step Two is not acceptable, a pre-arbitration conference will be held with the Vice President of Human Resources or his designee and

the Business Representative for the Union. General wage levels shall not be subject to arbitration. Proper subjects for arbitration are limited to the following:

1. A specific claim of an alleged violation of an expressed provision of this Agreement.
2. A specific claim by an employee who has completed their probationary period who alleges they have been terminated without just cause.
3. A specific claim involving the safety of employees.

## **ARTICLE 17 ARBITRATION**

- A. Within five (5) working days of the decision under Step Three of the grievance procedure, the party seeking arbitration must deliver to the other party, written notice of such intent to proceed to arbitration.
- B. Within ten working days from date of delivery of the written notice, an arbitrator shall be selected by mutual agreement, or the parties shall request the Federal Mediation and Conciliation Service to submit a list of seven (7) persons from which the arbitrator shall be chosen. Within ten working days following receipt of said panel from the Federal Mediation and Conciliation Service, the parties shall select the arbitrator in the following manner. The Union and the Company shall alternately strike one name from subject panel (the right to strike first name having been determined by lot) until only one name remains and that person shall be the arbitrator.
- C. Except by mutual agreement, only one grievance may be submitted or under consideration by a single arbitrator.
- D. Upon receipt of acknowledgment by the arbitrator of his willingness to act, the parties will schedule the arbitration to be heard within the next thirty (30) calendar days.
- E. The fees and expenses of the arbitrator as well as the cost of furnishing the hearing room shall be borne by the loser of that specific case. Each party shall be responsible for all expenses incurred by it in the presentation of its case including the payment of time lost for any employee called as a witness or acting as Union Counsel during the arbitration.
- F. The arbitrator shall not have the power or jurisdiction to arbitrate provisions of a new agreement or to add to or otherwise amend or modify provisions of the agreement. The decision of the arbitrator shall be final and binding upon the parties.

## **ARTICLE 18**

### **UNION REPRESENTATIVES**

- A. The Grand Lodge Representative, Directing Business Representative and Assigned Business Representative shall have access to Company facilities during working hours. In the absence of the Business Representative, the Secondary Business Representative may replace the Business Representative. Upon sign-in, these representatives will be permitted to enter the Company facilities for the purpose of investigating grievances and/or complaints. Such visits shall be subject to such regulations as may be made from time to time by governmental agencies.
- B. The above representatives of the Union shall be provided a designated office for conducting Union business.
- C. Each Union steward is to represent only those employees in his assigned area, and will not be recognized as handling grievances or complaints for individuals outside such assigned area. However, the Plant Chairman may designate another steward to assist in other areas when special circumstances arise. When doing so, the Union agrees to inform Human Resources prior to assigning the Steward out of their area. Stewards will not be loaned or transferred to another shift or department without prior agreement between the Company and Union.
- D. Union stewards and Local Lodge Officers are required to communicate with their own supervisor and to clock out on Union time when engaging in Union business. The steward is to notify the supervisors of other employees who are to be contacted on Union business. If the time spent in servicing the Agreement is less than five minutes in duration, clocking to Union time is not required but is required by both the employee and the steward if the time is expected to extend to five minutes or longer.
- E. Union stewards are to be selected only from among those employees they represent and their number shall be determined by mutual agreement between the Company and Union. The Company will recognize a working Assistant Plant Chairman on any shift where the number of bargaining unit employees exceeds 200 on the shift. If the number of bargaining unit employees exceeds 750 employees on the shift, the Assistant Plant Chairman shall become a full time Assistant Plant Chairman to administer the contract.
- F. The Vice President of Human Resources or representative is to be furnished a list of all stewards, Negotiating Committee members, assigned Business Representatives, Assistant Plant Chairman and Plant Chairman. No others will be recognized as representing employees in the bargaining unit except those as certified in writing. Such list is to be corrected as changes are made.
- G. In the event the Plant Chairman is absent for a period of one day or more, the Union may appoint a member of the Negotiating Committee to act in the Plant Chairman's absence.

In the event the entire Negotiating Committee is absent, a steward may be appointed to act in the Plant Chairman's absence. Notification of such appointment will be provided to the Company.

- H. The Union agrees its members or representatives shall not solicit memberships for the Union, except as provided for in paragraph I, collect dues, campaign for Union office or conduct organizing activities on Company time.
- I. The Company agrees the Union Plant Chair or his designee shall have the right to individual interviews of all new bargaining unit employees prior to reporting to orientation.
- J. The Company agrees to provide the Union with a list of new hire employees on a weekly basis. It is further agreed that the Company will provide Union Stewards reasonable access to new employees in their area for purposes of orientation.

## **ARTICLE 19 VACATION, ATO AND SEVERANCE PAY**

- A. Upon completion of the first six (6) months of service with the Company and during each succeeding six (6) months thereafter, an employee subject to this Agreement shall be entitled to a certain number of hours of credit for the purposes of this Article. Based upon hours worked during the employee's first six (6) months of service and each succeeding six (6) months, such credit is to be earned and used as designated in this Article.
- B. The credit to which an employee shall be entitled upon completion of their first six (6) months of service, and at any time thereafter, shall be computed in accordance with the following rules:
  - 1. At the completion of six (6) months of service an employee will receive one (1) hour of vacation, ATO, or severance credit for each thirty-two (32) hours worked.
  - 2. At the completion of eighteen (18) months of service an employee will receive one (1) hour of vacation, ATO, or severance credit for each twenty hours (20) worked.
  - 3. At the completion of thirty (30) months of service, an employee will receive one (1) hour of vacation, ATO, or severance credit for each thirteen (13) hours worked.
  - 4. At the completion of one hundred and seventy-four (174) months of service and each additional six (6) months thereafter, an employee will receive one (1) hour of vacation, ATO, or severance credit for each ten (10) hours worked.

C. Vacation - ATO:

1. At the completion of six (6) months of service, the first twenty (20) hours earned credit will be for vacation. Credit in excess of twenty (20) hours shall be accrued for ATO.
2. At the completion of eighteen (18) months of service the first forty (40) hours earned credit will be for vacation. Credit in excess of forty (40) hours shall be accrued for ATO.
3. At the completion of thirty (30) months of service, the first sixty (60) hours earned credit will be for vacation. Credit in excess of sixty (60) hours shall be accrued for ATO.
4. At the completion of one hundred and seventy-four (174) months of service and each eligibility date thereafter, the first eighty (80) hours earned credit will be for vacation. Credit in excess of eighty (80) hours shall be accrued for ATO.
5. An employee may accrue no more than two hundred (200) hours of ATO allowance. After two hundred (200) hours of ATO have been accrued, each employee will have the option to be paid for the balance of the hours in excess of two hundred (200) at their current rate of pay, or the balance in excess of two hundred (200) may be rolled over to vacation. ATO will be paid in increments of no less than thirty (30) minutes.
6. The vacation period for each individual will be during the twelve (12) month period following their vacation eligibility date.
7. Supervisors will schedule the vacations of their employees on the basis of seniority in a manner that will result in the least disruption of work and yet permit the majority of people to have time off during the summer months. During the month of April, each employee will be contacted by the supervisor and by May 1 will schedule their vacation during the year following their vacation eligibility date; except that employees may elect to; a) receive cash compensation or deposit into their 401(k), if applicable, up to forty (40) hours of vacation and b) carry over up to forty (40) hours of vacation credit into their next vacation eligibility year. This election must be made no later than thirty (30) days prior to the employee's vacation eligibility date.
  - a. Vacations will be scheduled in increments of no less than one (1) day; except that employees may schedule vacations in half shift increments.
  - b. Vacation not scheduled by May 1 may be granted on a first come, first served basis if work schedules permit.
8. It is recognized that not everyone will be able to take their vacation when they prefer, but it is hoped a suitable time may be arranged.

9. Should the employee schedule their vacation and later desire to reschedule it, they must do so within thirty (30) days (or sooner if their vacation eligibility date is less than thirty (30) days away) and must take the rescheduled vacation.
10. Should the supervisor approve and later cancel the employee's vacation, the employee must decide on a new vacation schedule within thirty (30) days (or sooner if their vacation eligibility date is less than thirty (30) days away). If approved, this rescheduled vacation may not be canceled.
  - a. Should a cancellation of scheduled vacation be necessary due to production requirements, the Company will give the employee as much notice as possible, but in no event less notice than the length of scheduled vacation if the vacation is at least one (1) week in duration.
11. In the event of a layoff, an employee may request not to be paid their earned vacation and ATO hours to which they would be otherwise entitled when placed on a layoff status. In the event an employee makes this election and is not subsequently recalled, they will be paid these hours at the rate in effect at the time of their layoff.
12. Employees may elect during the months of May and November of each calendar year to receive a cash payment of their accrued and allocated ATO hours, provided the employee's ATO balance shall not fall below 24 hours as a result of such election. Payment for ATO hours shall be made at 125% of the employee's applicable hourly rate currently in effect. November elections will be paid during the month of December. May elections will be paid during the month of June.
13. See Article 23 for information on the definition and application of ATO.

D. Bereavement Pay

Bereavement pay will be granted to employees with over one year seniority who take time off from their regular workweek because of a death in their immediate family: spouse, parent (person who raised you), sister, brother, half-brother, half-sister, stepfather, stepmother, daughter, son, stepchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, the employee's grandparents or grandchildren.

Under such circumstances, bereavement leave will be granted for a period not to exceed three (3) working days with pay. Where out of state travel is required, two (2) additional working days will be granted without pay. No more than three (3) periods of bereavement leave will be granted during a calendar year.

Employees with less than one year of seniority will be granted bereavement leave in accordance with the two preceding paragraphs of this section D, except the bereavement leave will be without pay.

E. Severance Pay

Upon termination of an employee's employment for any reason on or after any eligibility date, such employee shall receive pay in lieu of their hours of vacation credit and ATO credit earned and unused, up to and including the last accrual period prior to the effective date of their termination of employment.

F. Income Security Protection Plan

The Company shall provide to employees covered under this agreement, who are involuntarily laid off due to a reduction in force, Income Protection Payments subject to the following terms and conditions:

1. Only those employees who have been covered by this agreement for one year or more and have been in the continuous employment of the Company at the time of layoff shall be eligible for payments.
2. The following shall not be eligible for Income Protection:
  - a) Employees who upon their layoff become employed at another site of the Company or employed with an affiliate of the Company.
  - b) Employees who at the time of lay-off refuse comparable employment with the Company in a different classification than the one currently held.
  - c) Employees who are laid-off because of an act of God, natural disaster, or national emergency.
  - d) Employees who are laid off because of a strike, picketing of the Company's premises, work stoppage or any similar action which would interrupt or interfere with any operation of the Company.
  - e) Employees who terminate employment for any reason other than layoff due to a reduction in force.
3. The maximum number of weekly payments available to any individual employee is based on the total number of full years of continuous service under this agreement and is listed in the following table:

Length of Service	Number of Weekly Payments
0-1 year	0 Weeks
2-3 years	2 Weeks
4-5 years	4 Weeks
6-7 years	6 Weeks
8-9 years	8 Weeks
10+ years	10 Weeks



4. A week of pay shall be computed by multiplying the employee's regular hourly rate but not including any applicable shift differential in effect at the time of layoff, by the number of hours in the employees normal work week, exclusive of any overtime.
5. The period of payments under the Plan does not accrue seniority, longevity, or service for purposes of any Company benefit plan including but not limited to vacation, ATO, the Learjet Pension Plan or the Learjet 401(k) Plan.
6. If an employee is recalled from layoff before they exhaust the maximum payments available under this program, and such employee is subsequently laid off, the employee shall be entitled to the benefits then available to them less any weekly benefits previously provided under this program. If an employee is recalled after exhausting the maximum payments available under this program, the employee is not entitled to any further payments under this program if they are subsequently laid off.
7. If an employee is recalled to work and does not return within 15 working days of the date of the recall notice, the employee shall be deemed to have resigned his position and shall be ineligible for any further payments under the Income Protection Program.
8. These payments are considered a lifetime benefit and the total amount available is payable only once during all periods of employment with the Company.
9. Employees receiving payments under the Income Protection Plan shall not be eligible to participate in any Company benefit program including but not limited to the Learjet Pension Plan or the Learjet 401K Plan.

G. Regulation of Odd-Hour Employees' Benefits

All third shift employees shall receive the same credit as though working an eight (8) hour day for the provisions as provided beforehand.

H. Hours Worked

All hours for which an employee is paid will be counted as hours worked, and hours worked at premium rates shall be counted as straight time hours for the computation of vacation, ATO, and severance credit.

**ARTICLE 20  
HOLIDAYS**

A. During the term of this agreement, paid holidays shall be as follows:

**2000/2001**

1. Thursday	11/23/00	Thanksgiving Holiday
2. Friday	11/24/00	
3. Monday	12/25/00	Christmas Holiday
4. Tuesday	12/26/00	
5. Wednesday	12/27/00	
6. Thursday	12/28/00	
7. Friday	12/29/00	
8. Monday	1/1/01	New Year's Day
9. Monday	5/28/01	Memorial Day
10. Wednesday	7/4/01	Independence Day
11. Monday	9/3/01	Labor Day

**2001/2002**

1. Thursday	11/22/01	Thanksgiving Holiday
2. Friday	11/23/01	
3. Monday	12/24/01	Christmas Holiday
4. Tuesday	12/25/01	
5. Wednesday	12/26/01	
6. Thursday	12/27/01	
7. Friday	12/28/01	
8. Monday	12/31/01	
9. Tuesday	1/1/02	New Year's Day
10. Monday	5/27/02	Memorial Day
11. Thursday	7/4/02	Independence Day
12. Friday	7/5/02	Independence Day
13. Monday	9/2/02	Labor Day

**2002/2003**

1. Thursday	11/28/02	Thanksgiving Holiday
2. Friday	11/29/02	
3. Tuesday	12/24/02	Christmas Holiday
4. Wednesday	12/25/02	
5. Thursday	12/26/02	
6. Friday	12/27/02	

7. Monday	12/30/02	
8. Tuesday	12/31/02	
9. Wednesday	1/1/03	New Year's Day
10. Monday	5/26/03	Memorial Day
11. Friday	7/4/03	Independence Day
12. Monday	9/1/03	Labor Day

**2003/2004**

1. Thursday	11/27/03	Thanksgiving Holiday
2. Friday	11/28/03	
3. Wednesday	12/24/03	Christmas Holiday
4. Thursday	12/25/03	
5. Friday	12/26/03	
6. Monday	12/29/03	
7. Tuesday	12/30/03	
8. Wednesday	12/31/03	
9. Thursday	1/1/04	New Year's Day
10. Friday	1/2/04	
11. Monday	5/31/04	Memorial Day
12. Monday	7/5/04	Independence Day
13. Monday	9/6/04	Labor Day

B. The employee must fulfill the requirements listed below to be eligible for eight hours straight time pay for these holidays.

1. Employee must have been on the payroll for at least thirty days.
2. Employee must report for work on the holiday if scheduled.
3. Employee must be on the active payroll for the last regularly scheduled day before and the first regularly scheduled day after the holiday.
4. Employees must work either the last regularly scheduled day before or the first regularly scheduled day after the holiday. However, if the employee is unable to report for work either the day before or the day after the holiday, they will be paid for the holiday if their absence on either of these days is caused by illness verified by a doctor's written statement or by equivalent verification that the absence was beyond the employee's control.

C. Employees required to work on the holiday will receive doubletime pay for all hours worked plus any holiday pay to which they are entitled.

- D. Employees on Personal Leave of Absence will be ineligible for holiday pay for holidays during their Leave of Absence.
- E. Beginning January 2, 2001, through the term of this agreement, employees on the active payroll will receive one personal holiday per calendar year in addition to those listed in Article 20 Section A of this agreement. Each employee must select the day they intend to take as their holiday by December 31<sup>st</sup> of the previous calendar year. Their selection will be subject to management approval. In the event that an employee's selection must be cancelled due to work requirement, the employees' subsequent selection may not be cancelled. In the event employees select the same dates and work requirements prevent both employees from taking that date, the senior employees' request will be honored first.

The personal holiday may not be used to duplicate or pyramid the holiday pay an employee would otherwise receive for a listed holiday. Eligibility for this personal holiday shall be as indicated in Paragraph B of Article 20.

## **ARTICLE 21**

### **Employee Benefits**

- A. The Company will offer the following group health programs effective February 1, 2001:
  - 1. The Company will offer the following group medical insurance options:
    - a) A Preferred Provider Organization (PPO) medical program that utilizes preferred providers with a prescription drug card and vision care coverage.
    - b) A HMO medical program utilizing managed care including vision and prescription drug provisions.
  - 2. The Company will offer a comprehensive dental insurance program.
    - a) The dental insurance program will include orthodontia coverage for dependents to age 16 at 50% up to a lifetime benefit of \$1,500 per dependent.
  - 3. The Company will assume 95% of the cost of premiums for employee and dependent coverage for the medical, dental , prescription drug and vision care programs. Coverage will be effective at the end of the employee's probationary period. Employee cost for these plans will be on a pre-tax basis.
  - 4. Health insurance for terminated employees will stop on the last day worked. Participants have the option of continuing eligible benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). All premiums and administration fees shall be paid entirely by the participant.

B. The Company will offer employees participation in the Retirement Plan for Employees of Learjet Inc. and Its Affiliates (Learjet Pension Plan). Past and future retirement benefits, per year of credited service, for all active employees will be offered on the following schedule:

- February 1, 2001 - \$36.00
- February 1, 2002 - \$39.00
- February 1, 2003 - \$40.00
- February 1, 2004 - \$41.00

1. The Company agrees to provide group health insurance during the term of this agreement for all retirees retiring from an active status and their spouses/dependents at group insurance rates. Effective January 1, 1994 health care for early retirees hired after January 1, 1994 will be discontinued. Retirees who are age 62 and have completed a minimum of ten (10) years of credited service in the retirement plan and were hired before January 1, 1994 and retire after June 1, 1994 who are not yet eligible for Medicare will pay five (5%) percent of the premium until age sixty-five (65). Retirees with a hire date prior to February 1, 2001 and who are over age 65 will continue to have their premiums paid to a maximum of \$75.00 per month. Employees hired after February 1, 2001 will be ineligible for retiree health care coverage. When group insurance coverage is secondary to other medical coverage, group insurance will pay that portion of the balance of the claim to the amount group insurance would normally cover.

2. Credited service will be granted for all employees who have one (1) year of Company service and have reached a minimum age of 21 years.

3. No actuarial reduction will be applied to any employee who attains age 62 with ten (10) years of credited service.

C. Employees are eligible to participate in the Learjet Inc. Tax-Deferred Savings Plan for Represented Employees (Learjet 401(k) Plan) at the beginning of the month following the completion of their probationary period. Administrative fees, including trustee and recordkeeping fees, will be paid by the Company. Effective February 1, 2001 all employees currently enrolled into 401(k) savings plan will receive a company match in the amount of fifty (50) cents for every dollar the employee contributes to the plan up to six percent (6%) of the employee's gross pay.

D. The Company will offer the Bombardier Stock Purchase Plan to eligible employees. The Plan Prospectus controls the terms and conditions of the offering.

E. The Company will provide fully paid term life insurance for an employee in the amount of \$20,000.00. Accidental Death and Dismemberment insurance will also be provided in the amount of \$20,000.00. Effective February 1, 2001, the covered amount will be

increased to \$30,000 for Life insurance and for Accidental Death and Dismemberment insurance. Dependent Life will be provided according to the following schedule:

Spouse	\$2,000.00
Child Age 14 days to 6 months	\$1,000.00
Child 6 months to 23 years	\$2,000.00

At age 65, the coverage is reduced 35%, rounded to the next higher \$1,000.00. Employees may purchase an additional \$10,000.00 in voluntary supplemental term life insurance.

Employees are eligible to convert their covered life insurance to an individual policy upon termination and/or retirement. All premiums are paid by the employee.

- F. Effective February 1, 2001, the Company will provide a temporary disability program for up to thirteen (13) weeks in the amount of \$350 per week.
- G. The Company agrees to continue participation in the United States Savings Bond program, whereby employees may regularly purchase savings bonds through payroll deductions.
- H. If, during the term of this Agreement, legislation is enacted by the State or Federal Government which significantly affects our Group Insurance or Retirement Plans, the Company and Union agree to meet and take whatever action is necessary to avoid duplication of coverage.
- I. Complete details of the Group Insurance are available in the summary plan descriptions distributed to all employees.

## **ARTICLE 22 LEAVES OF ABSENCE**

### **A. PERSONAL:**

Where a justifiable reason exists and where the requirement of service will permit, an employee will, upon proper request and approval in advance be granted a Personal Leave of Absence in writing for a period not to exceed ninety (90) days.

1. Subject leave may be extended for periods not to exceed thirty (30) days upon application in writing to the Company and obtaining written approval.
2. In the event of emergency, the employee must notify Personnel to obtain after-the-fact approval for the leave.
3. The Company will comply with the provisions of the Family Medical Leave Act.

**B. UNION:**

Employees elected or appointed to fill full-time positions as Union Representatives will upon written request, be granted a Leave of Absence for the duration of their terms.

**C. MEDICAL:**

Employees who are unavoidably absent due to illness or physical disability may be granted a Medical Leave of Absence for a period not to exceed one hundred twenty (120) days. If the disability continues beyond one hundred twenty (120) days, the employee will be placed on an extended Leave of Absence effective their last day worked with the understanding that if they are subsequently granted written approval by their own physician and the Company physician to return, and further provided they have the necessary seniority, they shall be returned to their former classification or one of equal pay. This provision will not extend beyond a period equal to their seniority, not to exceed one (1) year.

1. An employee who engages in gainful employment while on Medical Leave of Absence without prior written approval from the Company shall be subject to termination.

D. Failure to report at the end of a Leave of Absence will be considered voluntary termination.

## **ARTICLE 23 ATTENDANCE**

**Section 1 – Tracking Period** - Effective January 2, 2001 the terms of this article will apply. Upon completion of the probationary period, attendance will be tracked and monitored over a rolling one-hundred-eighty (180) day period. It is expected that employees will not miss work above and beyond their vacation and Authorized Time Off (ATO), excluding approved leaves of absence and jury duty. It is further expected that employees will be in their designated work areas and ready to work prior to the start of their shift.

**Section 2. Call in Requirements** In the event that an employee is not going to attend work, they are expected to call in no later than one hour after the start of shift. Employees are required to call in to their direct supervisor. In the event that the employee cannot reach their supervisor, they need to leave a message on their supervisors voice mail. At that time, an employee can request ATO or utilize emergency vacation. In the event of an emergency, employees are required to contact their direct Supervisor immediately, after the emergency is reasonably mediated and no longer requires their undivided attention. An emergency is defined as an unforeseen situation or crisis requiring immediate attention (i.e. – car accident while in route to work, medical emergency requiring immediate treatment by a physician, property damage as a result of extreme weather, etc.)

**Section 3 – Authorized Time Off -** Upon completion of the first (1<sup>st</sup>) six (6) months of continuous employment, employees will be eligible to use accrued Authorized Time Off (ATO). ATO is accrued and earned per Article Nineteen (19) Vacation, Authorized Time Off and Severance Pay, of this agreement and its use shall be governed by the following principles.

1. In all cases, ATO is need based (i.e. – family or personal illness, vehicle problems, broken water pipes, storm damage, or severe weather and ice, etc).
2. ATO is authorized by the employee’s direct Supervisor or above.
3. Once the employee reports to work, requests for ATO may be denied based on work schedule for the remainder of the shift.
4. ATO may not be taken if a vacation request was denied for the same period.
5. ATO may not be taken to avoid a work assignment or to walk off the job.
6. Employees who contact (voicemail is sufficient) their direct Supervisor no later than one hour after the start of their scheduled shift and request ATO will be granted ATO.
7. ATO will be paid for a minimum of thirty (30) minutes and in six (6) minute increments thereafter.
8. The Company and the Union have the latitude to intervene where abuse is evident.

**Section 4 – Point Assessments -** In the event that an employee is not in the work area at the start of the shift (regular or overtime hours) and misses the call in time or has no ATO available, the following points shall be assessed:

**3 points -Absent (No Call/ No Show) –** A full day unpaid absence with no phone call from the employee to their direct Supervisor no later than one hour after the start of their shift.

**2 points - Absence –** Any unpaid time of four (4) consecutive hours or greater.

**1 point - Tardy –** Any unpaid time of less than four (4) consecutive hours. A tardy is defined by any amount of time the employee:

- arrives late to work
- leaves early for lunch
- returns late from lunch
- leaves prior to the end of shift

No points will be allocated for time covered by an approved leave of absence.

**Section 5 – Progressive Discipline Process -** When the employee accrues points the following progressive discipline process will apply:

**Step 1** Six (6) points assessed in a rolling one-hundred-eighty (180) calendar day period results in a counseling session with the employee, their Supervisor, Human Resources,



and the respective Union Steward. (A notation will be made to the employee's attendance record.)

**Step 2** Nine (9) points assessed in a rolling one-hundred-eighty (180) calendar day period results in a written disciplinary action.

**Step 3** Twelve (12) points assessed in a rolling one-hundred-eighty (180) calendar day period results in disciplinary action of 3 days off without pay.

**Step 4** Thirteen (13) points assessed in a rolling one-hundred-eighty (180) calendar day period results in termination of employment subject to review by the Employment Security Review Board.

Three (3) active disciplinary actions for excessive absenteeism will also result in termination of employment subject to review by the Employment Security Review Board. For disciplinary purposes, absenteeism is all-inclusive and covers absences, tardies and missed overtime. Absent three (3) consecutive days without the employee reporting to their direct Supervisor will result in termination of employment subject to review by the Employment Security Review Board. Supervisors have five (5) working days from the date of the last infraction to conduct the counseling session or with the assistance of Human Resources, issue the disciplinary action. Failure to do so will result in the most recent attendance infraction becoming null and void (i.e. – as if it never happened).

**Section 6 – Expungement** In the event that an employee goes six consecutive months without accruing a disciplinary action for attendance, they may request the most recent disciplinary action be removed from their file. Requests for expungement should be made to the Human Resources Department. Additional requests for expungement can not be made until such time that the employee has gone an additional six consecutive months without accruing a disciplinary action for attendance.

**Section 7 – Administration** The Company and the Union will meet one year after implementation to review the consistency of the application of this Article 23. It is the intention of both the Company and the Union that this Article 23 be applied uniformly to all employees. The Union Representative will bring any problems related to the consistency in the application of this Article 23 to the attention of Management for resolution. The Company agrees to reasonably resolve the situations in a timely manner.

## **ARTICLE 24 TRAINERS**

The company reserves the right to move skilled and experienced workers to alternate shifts on a temporary basis for purposes of training less experienced employees subject to the following principles:

1. Moving to an alternative shift as a "trainer" is voluntary.
2. The company will make it known to all employees in the area the number of trainers needed and the expected duration of the assignment, not to exceed ninety (90) days.
3. The Supervisor and the Shop Steward will discuss and come to an agreement on which of the volunteers are the best qualified for the job.
4. The trainers will be expected to complete the full term of the assignment. However, extenuating circumstances may be dealt with on an individual basis by the Supervisor and the Shop Steward.
5. The company reserves the right to shorten the length of the assignment based on business needs. However, the company agrees to at least 48 hours advance notice before doing so.
6. It is further agreed trainers will receive \$1.00 per hour premium for accepting the additional responsibilities.
7. The pool of acceptable candidates shall consist of retirees, employees with medical limitations and/or out on medical leave of absence, and current employees.

## **ARTICLE 25**

### **JURY DUTY AND MILITARY DIFFERENTIAL PAY**

- A. The Company will grant differential pay to employees required to serve on a Jury.
- B. The Company will grant differential pay to employees who are in the National Guard or the Organized Reserve of the Military Forces and who are called for temporary duty for training purposes. Maximum military differential pay will be ten working days during any calendar year.
- C. Requests must be turned into Payroll within 30 days of the employee's return.

## **ARTICLE 26**

### **MILITARY SERVICE**

- A. If during the term of this Agreement an employee is called into active service or in time of emergency volunteers in the Armed Forces of the United States and is called for active duty, he will be given a Leave of Absence without pay.
- B. The Universal Military Training and Service Act (P.L. 86-632), as amended, and subsequent amendments and regulations of the Selective Service System will govern reinstatement of former employees who have been on Military Leave of Absence.

## **ARTICLE 27 BULLETIN BOARDS**

The Company shall supply on its premises and in prominent places sufficient bulletin boards for the use of the Union. The Union agrees to sign all its notices and present them to the Vice President, Human Resources or his Representative for approval. The Company agrees to post promptly all approved notices on such bulletin boards. Such notices shall be confined to the following:

1. Notices of Union elections.
2. Notices of Union appointments and results of Union elections.
3. Notice of Union meetings and scheduled events.
4. Bombardier Television (BTV).

## **ARTICLE 28 OCCUPATIONAL SAFETY AND HEALTH**

The Company agrees to maintain a joint labor management safety and health committee that shall be composed of three representatives of management and three representatives of the Union. The Union representatives shall be selected by the local Union. The committee shall:

1. Meet at least monthly on definite established dates.
2. Make periodic inspections of the plant at least monthly.
3. Make recommendations for the correction of unsafe or harmful conditions and the elimination of unsafe or harmful work practices.
4. Promote safety and health education among employees. The Company agrees to provide progress reports on recommended changes for safety reasons with commitments of the expected completion of safety and health matters brought to the attention of the Company.

## **ARTICLE 29 SABOTAGE, SECURITY AND DAMAGE TO COMPANY PROPERTY**

- A. The Union agrees to report to the Company any acts of sabotage or damage to the property of the Company, government, customer, other person, or employee.

- B. Nothing contained in this Agreement shall in any way limit the right of the Company to discharge any employee in order to comply with its obligation to the government under any security agreement, under any security provision of its government contracts, or under any law, regulation, or direction of the government. The Company will notify the Union prior to or immediately following such a discharge and, if permitted, will disclose to the Union the reason or basis for its action.

### **ARTICLE 30 GOVERNMENT REGULATIONS**

The Company and the Union mutually agree that if any law or regulation of the State of Kansas or the United States Government conflicts with the terms of this Agreement, the terms of this Agreement shall be amended automatically to conform to said law or regulation.

### **ARTICLE 31 PAYROLL DEDUCTIONS**

- A. For the convenience of the Union and employees who are members of the Union , the Company agrees to deduct the initiation fee and the regular monthly Union dues from the pay of employees who authorize such deductions as provided for herein.
- B. An employee who desires the Union dues to be deducted from his pay shall submit to the Company a fully executed authorization card, as approved by the parties, signed by the employee from whose wages deductions are to be made as provided for herein.
  - 1. The Company will furnish the Plant Chairman a monthly list of those employees who have furnished written notice to the Company, revoking their dues deduction authorization.
  - 2. It is agreed the employees who have current signed wage assignment cards will continue under the withdrawal period specified on their individual card. In the event of withdrawal, a new wage assignment card will be required, and they will be governed by the terms and conditions of that wage assignment card.
- C. Contributions to Guide Dogs of America
  - 1. Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by Guide Dogs of America, the Company will thereafter make such deductions and forward them to Guide Dogs of America, care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

D. Weekly deductions shall be made equal to one fourth of the accrued regular monthly Union dues of each employee in the bargaining unit, for whom the above authorization has been received, beginning with the pay for the first full pay period beginning in each month following the month in which an employee's authorization is received, provided that sufficient earnings remain to cover Union dues after deductions required by law have been made. Deductions shall continue in like manner thereafter, unless cancelled in writing.

1. Deductions shall be remitted to the Union by the fifth of the following month. The Company shall furnish the Union with a list of those for whom deductions were made.

E. Machinist Non-Partisan Political League (MNPL)

1. Upon receipt of a signed authorization card of the employee by the Company at least fifteen (15) full days prior to the beginning of the pay period from which any deduction is to be made, the company shall deduct from the employee's pay the amount the employee authorized in one dollar (\$1.00) increments to be paid to the Treasurer of the Machinist Non-Partisan Political League (MNPL).
2. Deductions shall be made on account of MNPL authorizations from the second paycheck of the employee in each month.
3. Deductions shall be remitted to the Union by the fifth of the following month. The Company shall furnish the Union with a list of those for whom deductions were made.
4. The employee may cancel the above authorization by providing written notification of at least fifteen (15) full days to the Company

F. It is agreed that the Company will delete any reference to an employee's wage assignment on the personnel register distributed to the production areas and that the information will be available only to the Personnel Department and Plant Chairman on the Union Seniority Register.

G. The Union agrees to indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reasons of action taken or not taken by the Company in reliance upon the authorizations and cancellations herein referred to or for the purpose of complying with the provisions of this Article.

## **ARTICLE 32 STRIKES AND LOCKOUTS**

- A. There shall be no slowdowns, picketing, boycotts, cessation of work, strikes, interference with the business of the Company, or other disruptive activities by employees or the Union during the term of this Agreement, and no lockouts by the Company. Any employee violating this provision shall automatically cease to be an employee.
  
- B. In the event that any employee or employees refuse to handle or perform any work, or handle materials or machinery or equipment because of the sources of supply or the Union affiliation or non-affiliation of the labor engaged in such work, the Union agrees that it will through its good offices, promptly notify such employee or employees that this is a violation of this Agreement. Any employee or employees who engage in such action may be disciplined or discharged by the Company.

## **ARTICLE 33 NEW TECHNOLOGY**

It is agreed that it is to the mutual benefit of both the Company and the Union that efficient use of new machines, processes, methods, and/or materials will allow the Company to compete more efficiently in the marketplace, thereby securing jobs for employees.

In order that employees can better prepare themselves for the skill requirements of the future, and in fulfillment of its obligations to inform the Union, the Company will, not less than annually, brief the Union of the Company's plans for the introduction of new technology which may affect the bargaining employees.

During these briefings, the Company will inform the Union of schedules for introduction, areas of skill impact and intended training programs.

The Company and Union shall establish a Training Advisory Committee. This Committee shall be composed of three representatives of the Company and three representatives of the Union. They shall consider the new technology planned and identify areas of skill which will be required in the future, develop basic and specialized skill training outlines and material, and follow-up on training conducted to determine future modifications. The Training Advisory Committee will also have responsibility for:

- A. Reviewing and making recommendations regarding training delivery systems (e.g., technical schools, community colleges, home study programs, etc.) Available to be used by the company.
  
- B. Evaluating the effectiveness of such training programs and courses and the delivery systems utilized.

- C. Developing a program to inform active and laid off employees about the availability and purpose of the new training program, and encouraging employees to participate in and successfully complete the available training and;
- D. Investigating the availability of state and federal funds which could be used to augment the training effort.
- E. Senior bargaining unit employees affected by the new technology will be given preference for any new available training.

The Union and the Company will each be responsible for the respective costs and expenses of their representatives' participation on the Training Advisory Committee and will share equally in the joint costs and expenses incurred by the Committee. The members of the Training Advisory Committee may attend the annual briefings on new technology.

After receiving the recommendations of the Training Advisory Committee, the Company, to the extent feasible, will establish a formal training program. All training costs and materials will be the responsibility of the Company.

#### **ARTICLE 34 DURATION**

- A. This Agreement shall become effective October 2, 2000, and shall remain in force and effect to 12:01 a.m. on October 4, 2004.
- B. The terms and conditions of the Agreement may be amended by mutual consent of the parties. In the event written notice to the contrary is not given by either party to the other party prior to sixty (60) days before October 4, 2004, the Agreement shall automatically continue in full force and effect for one year and will be extended in a like manner for each succeeding year thereafter.

C. This Agreement was accepted by the membership on September 30, 2000, and signed

**International Association of  
Machinists and Aerospace Workers**

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Richard Floyd  
Aerospace Coordinator

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Richard Aldrich  
Directing Business Representative

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Mike Steele  
Business Representative

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Terry Haskins  
Plant Chair

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Sam Fulco  
Union Negotiation Team Member

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Pat Holliday  
Union Negotiation Team Member

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Dave Strum  
Union Negotiation Team Member

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Ken Lewellen  
Union Negotiation Team Member

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Chester Armstrong  
Union Negotiation Team Member

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Terry Kyle  
Union Negotiation Team Member

**Learjet, Inc.**

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Michael J. Willmering  
Vice President Human Resources

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Justin Welner  
Director Human Resources

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Kevin Polian  
General Manager 31/60/45 Operations

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Doug Stuhlsatz  
Associate General Counsel

---

Mark Mason  
Director Human Resources

---

Judy Tector  
Manager Human Resources

---

Candace Pibal  
Manager Human Resources

---

Hope VonBorkenhagen  
Supervisor Human Resources

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Troy Leinen  
Manager Benefits/Payroll/HRIS



## MEMORANDUM OF UNDERSTANDING

The parties agree that it is in the best interest of the parties and employees to have clearly defined roles and responsibilities through the use of job descriptions and job classifications. To achieve this goal, the Company agrees to consider input and guidance from the Union regarding job classifications or job descriptions. This will be accomplished by forming a Job Classification Task Force. This task force shall consist of four (4) members of Company management, including the Vice President of Human Resources, as well as four (4) members of the Union, including the Union Plant Chair.

The Company will submit changes to the existing job descriptions and/or classifications for the Union task force members to consider. The Union task force members will then provide comments to the Company task force members within 30 days of the Company submittal. Nothing in this Memorandum of Understanding prohibits the Union from challenging the rate range of a classification up to and including arbitration. The Company commits to submit to the task force all initial changes to job descriptions and job classifications no later than October 1, 2001. Nothing herein shall limit or restrict the Company's right to manage the workforce pursuant to Article 4 of the collective bargaining agreement, including the ability to create and change job classifications and their descriptions as necessary for the operational effectiveness, continuous improvement and competitiveness of the Company.

### LETTER OF UNDERSTANDING ATTENDANCE

It is agreed by the Company and the Union that in accordance with our labor negotiations, Article 23 - Attendance, will go into effect January 2, 2001. It is the intent of the parties hereto that to ensure successful implementation of Article 23, during the months of October, November and December 2000, management and the union stewards, from the Learjet facility will be trained on proper administration. To ensure a successful transition, the Company agrees to undertake the training of all employees on the provisions of Article 23 during the same period.

All employees will start the year with zero points towards the provisions of Article 23 on January 2, 2001. However, employees possessing active disciplinary actions for absenteeism will remain active until their expiration date six months from the date of issuance. It is further agreed that until January 2, 2001, the current attendance policy and supporting practices and procedures will remain in effect.

## **MEMORANDUM OF UNDERSTANDING**

Dated: September 27, 2000

It is agreed that the Company may implement for a twelve- (12) month trial period beginning July 1, 2001, a voluntary alternative workweek shift in the Bombardier Flight Test Center. The workweek shall consist of four (4) consecutive twelve-hour workdays followed by four (4) consecutive days off. The voluntary alternative workweek shift shall be staffed via volunteers and, if there are insufficient volunteers, new hire employees. No employees will be displaced involuntarily from their assigned shift as a result of back-filling the open positions. Employees volunteering for alternative workweek shift will have the ability to return to their original shift and department, seniority permitting after the first three months. Employees working the voluntary alternative workweek shift shall receive a premium of \$1.35 per hour. All overtime on the voluntary alternative workweek shift shall be on a voluntary basis. Overtime on the voluntary alternative workweek shift shall be paid at double the employee's applicable hourly rate for all hours worked in excess of twelve (12) hours in a day. All hours worked in excess of forty (40) hours in a calendar week will be paid at one and one half times the employee's applicable hourly rate. Those employees who volunteer to work on their first scheduled day off, shall be paid at time and one-half. Employees who volunteer to work the second and subsequent days off shall be paid at double time. If a lay-off occurs in any job classification of the voluntary alternative workweek shift, the shift will automatically be cancelled. No later than June 1, 2002, the union may elect to notify the Company of its intent to discontinue the voluntary alternative workweek shift effective July 1, 2002.

## **MEMORANDUM OF UNDERSTANDING**

It is hereby agreed by both parties that any limitation on the number of consecutive weekends an employee may be required to work, under Article 8, paragraph G. is dependent on the implementation and continuation of the voluntary alternative workweek shift in the Bombardier Flight Test Center. In the event, the voluntary alternative workweek shift is implemented under the Memorandum of Understanding dated September 27, 2000, and the Union elects to discontinue the voluntary alternative workweek shift pursuant to that same Memorandum of Understanding then Article 8 paragraph G shall become null and void.

If the Company does not implement or discontinues the voluntary alternative workweek shift for any reason whatsoever then Article 8, paragraph G shall automatically be changed to read as follows:

No employee, who has worked three (3) consecutive weekends, shall be scheduled for a fourth (4<sup>th</sup>) weekend unless the employee volunteers to work. Weekends are defined as working both the sixth and seventh day of the employee's normal workweek.