

PK# 4208



between

BOEING - CORINTH, CO

and

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

78 pp

DISTRICT LODGE 776



LOCAL LODGE 2317

January 12, 2001 -
January 13, 2005

now part of Labinal, Inc (6/6/03)

11/10/03

**COLLECTIVE BARGAINING
AGREEMENT**

between

BOEING – CORINTH, CO

and

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

**DISTRICT LODGE 776
LOCAL LODGE 2317**

January 12, 2001

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COLLECTIVE BARGAINING AGREEMENT

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BOEING – CORINTH, CO

and

**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**

DISTRICT LODGE 776

LOCAL LODGE 2317

THIS AGREEMENT, dated as of the 12th day of January, 2001, between Boeing-Corinth, Co. (hereinafter referred to as "the Company") and the International Association of Machinists and Aerospace Workers, AFL-CIO, and its District Lodge 776 and Local Lodge 2317 (hereinafter referred to as "the Union").

WHEREAS, the Union is the exclusive bargaining agent of certain employees of the Company, and

WHEREAS, the Union and the Company have negotiated a Collective Bargaining agreement covering wages, hours and other conditions of employment, and

WHEREAS, the parties desire to reduce the agreement to writing,

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1
RECOGNITION

The Company agrees to recognize the Union as the sole and exclusive collective bargaining agency for all production employees who are classified by the Company on a job classification set forth in Appendix "A" of the agreement at the Company's facilities located at 7801 South Stemmons, Corinth, Texas 75065-9119.

ARTICLE 2

RIGHTS OF MANAGEMENT

The management of the Company and the direction of the work force is vested exclusively in the Company subject to the terms of this agreement. All matters not specifically and expressly covered or treated by the language of this agreement may be administered for its duration by the Company in accordance with such policy or procedure as the Company from time to time may determine. The Company does have the right to subcontract work and designate the work to be performed by the Company and the places where it is to be performed, which right shall not be subjected to arbitration; however, the Company agrees with the Union that the Union will be involved in making recommendations regarding the subcontracting of work from the Corinth facility when Corinth management is empowered by the Company to make such recommendations.

ARTICLE 3

UNION AND COMPANY RELATIONS

Section 3.1 Union Activity During Working Time. The Company agrees not to discriminate in any way against any employee for the filing of complaints or grievances or for union activity. The Union agrees that any employee engaged in union activity during working time, except as specifically allowed by the provisions of this agreement, may be subject to disciplinary action.

Section 3.2 Strikes and Lockouts. The Union agrees that during the term of this agreement, and regardless of whether an unfair labor practice is alleged, there will be no strike, slowdown, sit-down or walkout and the Union will not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location. Any employee who violates this clause shall be subject to discipline. The Company agrees that during the term of this agreement there will be no lockout of employees covered by this agreement. Any claim by the Company that the Union has violated this Article or any claim by the Union that the Company has violated this Article shall not be subject to the grievance procedure or arbitration provisions of this agreement, and the Company or the Union shall have the right to submit such claim to the courts.

Section 3.3 Union Payroll Deduction. It is agreed between the Company and the Union that any employee in the bargaining unit defined in Article 1 of this agreement, who is or may hereafter become a member of the Union, may authorize the collection of Union dues by the signing of a payroll deduction form which will be specified by agreement between the Union and the Company. The Company agrees to deduct union dues as authorized from the weekly paycheck. Such dues shall be remitted to the Union on or before the fifteenth (15th) day of the following month. A list of the Union members from whom dues were collected shall be sent to the Union with the remittance. The list of such deductions will be itemized to include each such employee's social security number, name, and amount of deduction and such itemization will be forwarded to the Union.

The Union will indemnify and hold the Company harmless from and against any and all claims, demands, or suits instituted by any employees or individual against the Company which shall be based on or arise out of any action which shall be taken by the Company in accordance with or arising out of the foregoing provisions of this Section 3.3.

Section 3.4 Business Representative - Access to Plant. The Business Representative of the Union shall have access to the Company plant during working hours for the purpose of conducting legitimate Union business pertaining to this agreement including, but not limited to, the investigation and advising in the handling of grievances; and the Company will not impose regulations which will render the intent of this provision ineffective. The Business Representative shall, when possible, notify the human resources manager or his designee prior to any visit to the plant. The necessary company badges and credentials will be given to the Business Representative. Visits shall be made subject to such regulations as may be made from time to time by the Company.

The Union shall keep the Company FTL - Human Resources currently informed in writing of the name of the accredited Business Representative.

Section 3.5 Shop Stewards. The Union may select not to exceed, except by mutual agreement, one (1) employee per one hundred (100) employees (or fraction thereof) per shift as shop stewards. However, the Company agrees to recognize a minimum of three (3) shop stewards on first and two (2) shop stewards on second and third shift as long as the number of employees in the bargaining unit on second or third shift exceeds one hundred and fifty (150) employees. The area of the plant which each shop steward shall represent for the purpose of handling grievances in accordance with the provisions of Article 11 shall be mutually agreed upon between the Company and the Union.

The Union shall keep the Functional Team Leader - Human Resources currently informed in writing of the names of the accredited shop stewards. An employee, while serving as shop steward, shall not be surplusd, transferred or loaned from his job classification, cost center, or the area he has been designated as the represented shop steward on his shift, so long as other employees remain in his job classification, area and on the shift

he is designated shop steward.

Section 3.6 Departure from Work Assignment by Shop Stewards to Investigate Complaints or Claims of Grievance. Each steward shall notify and obtain permission from his Area Team Leader (ATL) before leaving his work assignment for the purpose of investigating complaints or claims of grievance on the part of employees or the Union or contacting the Business Representative in regard to such claim or grievance. Such permission shall be granted except where there is a substantial reason for delaying the contact or the investigation due to safety conditions or the fact that a critical operation is in process. The ATL may be present during any discussion relating to any complaint or grievance. However, upon the request of an employee or steward, the ATL shall authorize a steward to participate in a private discussion with an employee or Business Representative, relating to a complaint or grievance. Discussions of the type described in this Section 3.6 shall be conducted, and the Union agrees that the stewards will manage time wisely in dealing with Union issues during business hours.

Section 3.7 Bulletin Boards. The Company agrees to provide bulletin boards for the use of the Union within areas assigned by the Company. The notices posted thereon are limited to the following:

- A. Notices of Union meetings.
- B. Notices of Union elections and results thereof.
- C. Notices of Union recreational and social affairs.
- D. Such other notices as are mutually agreed upon.

Only notices approved by the Business Representative or his designee and approved by the Company may be placed on the bulletin boards.

Section 3.8 Information Furnished to the Union. The Company shall furnish to the Union, on a regular basis, the data on record of all bargaining unit employees hired, terminated, laid off, recalled, leave of absence (LOA), and employees assigned to other than a standard work week. In addition, the Company will provide the Union with the names of the successful candidates for openings covered by the provisions of Section 13.3 Employee Requests for Transfer (ERT); these names will be provided in a

timely manner. If ERT positions are withdrawn prior to choosing a candidate, the Union will be notified of the withdrawal.

ARTICLE 4

SENIORITY

Section 4.1 Establishment of Seniority. The seniority of each employee within the bargaining unit defined in Article 1 of this agreement shall be established as follows:

4.1(a) The seniority date of each employee who, as of the effective date of this agreement, is on a job classification within the bargaining unit, shall be in conformance with that carried on the Company's seniority records.

4.1(b) New and rehired employees shall be considered as probationary employees for the first ninety (90) calendar days of employment with the Company, and the Company shall have the unrestricted right to layoff or discharge employees during this ninety (90) day period. Upon completion of the ninety day probationary period, the employee shall establish seniority; and his seniority shall date back ninety (90) days from the date on which he completes his probationary period. Employees laid off or granted leave during the probationary period shall, if recalled or returned to active employment within ninety (90) days from the date of layoff or commencement of leave, be given credit for such time previously served and upon completion of ninety (90) days on the active payroll establish seniority; and their seniority shall date back to their date of hire. Exceptions to the above provisions will be an employee who is placed on leave of absence during his probationary period because of an industrial injury. An employee involved in such a situation will, upon return to the active payroll and completion of his ninety (90) day probationary period, establish seniority and his seniority shall date back to his date of hire.

Section 4.2 Accumulation of Seniority. In the following cases, except for probationary employees referenced in 4.1(b) above, seniority shall accumulate to employees:

4.2(a) Employees who are on the active payroll of the Company and in the bargaining unit defined in Article 1 of this agreement.

4.2(b) Employees who are promoted from the bargaining unit to positions supervising bargaining unit employees, shall retain and continue to accumulate seniority while they remain in that supervisory position.

4.2(c) Employees entering military service after termination of employment to enter military service, and who comply with applicable laws.

4.2(d) Employees granted leave of absence for reason of industrial injury, industrial illness or jury duty.

4.2(e) Employees granted leave of absence for reason of non-industrial injury or illness not to exceed one year during any such leave.

4.2(f) Employees granted leave of absence for reason of being on Union business of District Lodge 776, Local Lodge 2317.

4.2(g) Employees granted leave of absence for any other reason not to exceed the first thirty (30) days plus any time described in 4.2(h).

4.2(h) Employees who are laid-off will continue to accumulate seniority during time on layoff, not to exceed in each instance: (a) a period of five (5) years for employees with ten (10) or more years of seniority at the time of layoff, (b) a period of three (3) years for employees with at least five (5) but less than ten (10) years of seniority at the time of layoff and (c) a period of two (2) years for employees with at least one (1) but less than five (5) years at the time of layoff, and (d) a period of one (1) year for employees with less than one (1) year of seniority at the time of layoff. Time on leave of absence as defined in Section 4.2 will be included in the total time limits where such leave immediately precedes layoff.

Section 4.3 Loss of Seniority. An individual shall lose seniority rights for the following reasons:

4.3(a) Resignation.

4.3(b) Discharge for cause.

4.3(c) Failure to respond with an acceptance within five (5) regular workdays after dispatch of a certified letter of recall from layoff unless such period is extended by the Company and such recall is to a job that is not lower in classification than the one from which laid off or estimated to be less than thirty (30) days in duration.

4.3(d) Failure to report for work within five (5) regular workdays after acceptance of recall, or on such later date as may be designated by the Company.

4.3(e) Failure to keep the Company informed of his or her current address, after being laid off and by such reason of such failure the Company is unable to contact him or her for the purpose of offering recall.

4.3(f) Layoff for a period in excess of five (5) years for employees with ten (10) or more years of seniority, three (3) years for employees with at least five (5) but less than ten (10) years of seniority at the time of layoff, two (2) years for employees with one (1) year or more of seniority at the time of layoff and one (1) year for employees with less than one (1) year seniority at the time of layoff.

Section 4.4 Transfers to and from the Bargaining Unit.

4.4(a) The Company may promote employees from the bargaining unit to ATL positions outside the bargaining unit. Employees may, if they elect, accept offers to transfer to support positions outside the bargaining unit. The seniority of an individual transferring to the bargaining unit will be determined by the following provisions:

4.4(a)(1) Employees having no previous seniority accumulation within the bargaining unit shall have as their seniority date the effective date of transfer into the bargaining unit.

4.4(a)(2) Employees transferring to positions other than that described in Section 4.2(b), shall retain their

bargaining unit seniority but shall not accumulate additional seniority while they remain in such salaried position.

4.4(a)(3) The Company may at any time transfer or return to any job classification within the bargaining unit those employees who are accumulating seniority in accordance with Section 4.2(b). Employees so returned will not be placed into any job classification which was not the job classification held immediately prior to the transfer if there are any employees on active layoff status for such classification, unless their bargaining unit seniority permits.

4.4(a)(4) The Company may at any time transfer or return to any job classification within the bargaining unit those employees who have retained seniority in accordance with Section 4.4(a)(2). Employees so returned will not be placed into any job classification which was not the job classification held immediately prior to the transfer if there are any employees on active layoff status for such classification, unless their bargaining unit seniority permits.

Section 4.5 Seniority List. Each month, starting thirty (30) days after the effective date of this agreement, the Union shall be given two (2) copies of the Company's seniority list of employees in this bargaining unit. It is agreed that Union representatives will use diligent care in retaining the information on such lists only for use pertaining to provisions of this agreement.

Section 4.6 Nature of Seniority Rights. Seniority rights are those specified by effective written agreement and shall not be deemed to exist independently of such agreement. The explanation of seniority and its use in promotions, layoff and recall is given in Article 13 to this agreement.

Section 4.7 Employees with Identical Seniority Dates. When two or more employees have the same seniority date as herein provided in Article 4, the employee having the lowest clock number (the last four numbers in one's social security number) shall be considered having the most seniority for tie breaking purposes.

ARTICLE 5

WORKWEEK, HOURS OF WORK, SHIFTS

Section 5.1 Workweek. The normal work schedule shall consist of five (5) consecutive workdays, Monday through Friday, followed by two (2) days of rest (Saturday and Sunday).

Section 5.2 Short Workweek. In the event the Company deems it advisable to work any number of the employees on a short workweek, the Union and the affected employees will be notified at least five (5) working days in advance which days are to be worked, and such days worked shall be consecutive. An employee's options in regard to the use of vacation credit in such situations are set forth in Section 8.9.

Section 5.3 Shifts, Lunch Periods, and Rest Periods. Each employee shall be assigned to a definite shift with designated times of beginning and ending. The first and second shifts each shall be an eight-(8) hour and thirty (30) minute period which shall include a thirty (30) minute unpaid lunch period. The third shift shall be a seven (7) hour period which shall include a thirty (30) minute unpaid lunch period. Each employee shall be given a ten (10) minute rest period in each half of the shift to which he is assigned. The time of starting each such rest period will be designated by the Company.

The designated beginning time for each shift during the scheduled work week shall be: First shift - between 4:00 a.m. and 10:59 a.m.; second shift - between 11:00 a.m. and 8:29 p.m.; third shift - between 8:30 p.m. and 3:59 a.m. the following day.

Full-time employees who are seeking an irregular work schedule to attend school (taking job-related courses) may, at their own request and when deemed appropriate by management, be assigned to an irregular work schedule with days of rest which are not consecutive or with daily work periods of less than eight (8) hours and with less than two (2) days of rest during the work week.

The Company may install rotating shifts and agrees to give the employees involved as much notice as possible before such

assignments are made. Changes in shift assignments normally shall be made on the first day of the new workweek whenever practicable.

Section 5.4 Shift Preference. The Company shall have the exclusive right to assign employees to any shift to meet its work force requirements. Subject to the foregoing, and providing it is deemed by the Company that operating requirements permit, senior employees shall be given preference over other employees and new hires for placement in available jobs in their job classification in their organization. Under no circumstances will the provisions of this Section 5.4 be construed to enable an employee, at his insistence and request, to displace a less senior employee from his job and shift.

If a senior employee is barred from exercising his shift preference by the Company to meet specific work force requirements, such employee will be provided with a date of transfer to his shift of preference.

ARTICLE 6

RATES OF PAY

Section 6.1 Base Rates.

6.1(a) A listing of the job classifications and base rate ranges are set forth in Appendix A.

6.1(b) An employee assigned to the second shift shall receive a shift differential of fifty (50) cents per hour which shall be added to his base rate and made a part thereof.

6.1(c) An employee assigned to the third shift shall receive a shift differential of ten (10) cents per hour which shall be added to his base rate and made a part thereof.

6.1(d) An employee who works a third shift of six and one half (6 ½) hours will receive a bonus equivalent to one and one half (1 ½) hours pay at his base rate. A prorated portion of that bonus will be paid when the employee works less than six and one half (6 ½) hours on a regular third shift.

6.1(e) The base rate in effect at the close of January 10, 2002, for each employee then in the bargaining unit and on the active payroll, will be increased effective January 11, 2002, by four percent (4%), rounded to the nearest cent per hour.

6.1(f) The base rate in effect at the close of January 9, 2003, for each employee then in the bargaining unit and on the active payroll, will be increased effective January 10, 2003, by four percent (4%), rounded to the nearest cent per hour.

6.1(g) The base rate in effect at the close of January 8, 2004, for each employee then in the bargaining unit and on the active payroll, will be increased effective January 9, 2004, by three percent (3%), rounded to the nearest cent per hour.

6.1(h) Employees assigned to the Team Coordinator assignment will receive an additional fifteen percent (15%) above the employee's current wage rate. The employee receives this premium pay at the time he is given the Team Coordinator assignment and such premium shall remain in effect until the assignment ends.

6.1(i) Employees assigned to an On-the-Job Trainer (OJT) assignment will receive an additional fifteen percent (15%) above the employee's current wage rate while so assigned. Employees in a permanent OJT assignment effective on or before December 13, 1997 will maintain their current wage rate, subject to Article 6, while so assigned.

Section 6.2 Jury Duty. An employee absent from work due to required jury duty will be paid for such lost hours at his current straight time base rate, including shift differential where applicable, up to a maximum of eight (8) hours per day, for each regular workday the government body that summoned the employee for jury duty pays the employee. Second and third shift employees summoned to jury duty will be temporarily assigned to first shift on a weekly basis during the time required to serve. Fees received for jury duty will not be deducted from such pay. The employee will furnish to the Company evidence satisfactory to the Company that meets the requirements of this Section 6.2.

Section 6.3 Witness Service. An employee absent from work in order to comply with a subpoena as a witness in a federal or state court of law, will be paid for such lost hours at his current straight time base rate, including shift differential, where applicable, up to a maximum of eight (8) hours per day, for each regular workday for which he is paid a daily witness fee. Witness fees will not be deducted from such pay. An employee is not entitled to such pay under this Section 6.3 in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his own behalf in an action in which he is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his outside employment or outside business activities.

The employee will furnish to the Company evidence satisfactory to the Company that meets the requirements of this Section 6.3.

Section 6.4 Military Leave. An employee who is a member of a reserve component of the Armed Forces, who is required to enter active annual training duty or temporary special services duty, shall be paid his normal straight time earning, including shift differential where applicable, up to a maximum of ten (10) workdays each calendar year. The amount due to the employee under this Section 6.4 shall be reduced by the amount received from the government body identified with such training duty or services for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government.

Section 6.5 Non-Regular Workweek. An employee assigned at a leader's request to work a non-regular workweek (other than Monday through Friday) shall have twenty-five (25) cents per hour added to his base rate and made a part thereof while so assigned. The Company will select from employees who normally perform the work on a normal work week basis, in reverse seniority order.

Section 6.6 Bereavement Leave. Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his immediate family, takes time off from work during his normal work schedule as such term is defined in Section 5.1 of this agreement. Such pay shall be for eight (8) hours at his straight time base rate, including shift differential if applicable, for each such day off; however, such pay will not be applicable if the employee received pay for such days off under any other provision of this agreement. Bereavement leave must be taken within the seven (7) days following the death, funeral or service. For the purpose of this Section 6.6, the "immediate family" is defined as follows: spouse, mother, father, mother-in-law, father-in-law, sister-in-law, brother-in-law, children, brother, sister, son-in-law, daughter-in-law, grandparents, spouse's grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister,

half brother, and half sister. The Company will require proof of death. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death which has been certified by the state.

Section 6.7 Report Time/Call-In Time: A full-time employee who reports for work in accordance with instructions shall receive a minimum of four (4) hours pay at his regular straight time hourly rate for that day. A full-time employee who is called back to the plant for emergency work after having completed the scheduled shift and after leaving the plant property shall receive a minimum of four (4) hours pay at his regular straight time hourly rate. Report Time or Call-In Time will not apply in cases of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his own volition, or because of incapacity or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during the day. An employee who leaves work because of incapacity due to industrial injury will be paid the scheduled number of hours for that day at his base rate. Report Time and Call-In Time pay is not in addition to such pay received for time worked.

Section 6.8 Overtime.

6.8(a) The Company will first attempt to meet its overtime requirements on a voluntary basis among the employees on the shift who normally perform the particular work activity on a straight time basis. In the event there are insufficient volunteers to meet the requirement, the Area Team Leader (ATL) may designate and require the necessary number of employees to work the overtime, by end of shift Thursday preceding the weekend designated overtime whenever possible.

6.8(b) Management may exclude an employee from overtime, even if the employee is in attendance when the overtime is being assigned if:

1. The employee has been absent during the week, except for jury duty, military leave, authorized Union business, or previously scheduled vacation.

2. The employee is asked to work overtime (first day or second day of his two (2) consecutive days of rest) and is subsequently absent due to illness on the workday preceding the overtime day.

3. The employee's performance or work quality is currently documented as being deficient.

6.8(c) In any arbitration under Article 11 regarding any claim that an employee was not given an opportunity to work overtime, the arbiter can make no award, if any, other than the employee shall be provided an opportunity to work such overtime.

6.8(d) Time actually worked by an employee in excess of eight (8) hours, shall be compensated at one and one-half times the employee's base rate.

6.8(e) For all time worked by an employee on the first day of his two (2) consecutive days of rest shall be paid one and one-half (1 ½) times his base rate and such time and one-half shall remain in effect for all hours continuously worked.

6.8(f) For all hours of work by an employee on the second day of his two (2) consecutive days of rest, except in the case of any shift beginning on the preceding day and continuing into the second day of an employee's two (2) consecutive days of rest, shall be paid double his base rate for such shift and such double time shall remain in effect for all hours continuously worked.

6.8(g) For all hours worked by an employee on a holiday specified in Article 7, except in the case of an employee's shift beginning on the preceding day and continuing into the holiday, shall be paid at double the employee's base rate and such double time shall remain in effect for all hours continuously worked.

6.8(h) All compensated hours in an employee's workweek will be considered as time worked.

6.8(i) An employee will not be required to work more than three (3) consecutive weekends. Working a weekend is defined as working a minimum of eight (8) hours on either first or second day of rest.

6.9 Wage Payment Basis. Employees shall be paid for time worked computed to the nearest one-tenth (1/10th) hour.

6.10 Job Assignment. When a permanent reassignment is made, the employee's salary will be based upon demonstrated competency in the skills defined by the Company for the new classification.

6.11 Team Coordinator. The Company shall have the unrestricted right to specify the need for a Team Coordinator. The Team Coordinator selection will be made utilizing the Coordinator Selection process developed and approved by the Team Based Organization Steering Committee. The decision to create a Team Coordinator position shall be at the sole discretion of the Company and such rights shall not be subject to grievance.

ARTICLE 7

HOLIDAYS

Section 7.1 Dates on Which Observed. The following scheduled holidays shall be observed by the Company for the purposes set forth in this Article 7:

2001 Holidays

Memorial Day	Monday	May 28, 2001
Independence Day	Wednesday	July 4, 2001
Labor Day	Monday	September 3, 2001
Thanksgiving Day	Thursday	November 22, 2001
Friday after Thanksgiving	Friday	November 23, 2001
Christmas Holiday	Monday	December 24, 2001
Christmas Day	Tuesday	December 25, 2001
Christmas Holiday	Wednesday	December 26, 2001
Christmas Holiday	Thursday	December 27, 2001
Christmas Holiday	Friday	December 28, 2001
Christmas Holiday	Monday	December 31, 2001

2002 Holidays

New Year's Day	Tuesday	January 1, 2002
Memorial Day	Monday	May 27, 2002
Independence Day	Thursday	July 4, 2002
Labor Day	Monday	September 2, 2002
Thanksgiving Day	Thursday	November 28, 2002
Friday after Thanksgiving	Friday	November 29, 2002
Christmas Holiday	Tuesday	December 24, 2002
Christmas Day	Wednesday	December 25, 2002
Christmas Holiday	Thursday	December 26, 2002
Christmas Holiday	Friday	December 27, 2002
Christmas Holiday	Monday	December 30, 2002
Christmas Holiday	Tuesday	December 31, 2002

2003 Holidays

New Year's Day	Wednesday	January 1, 2003
Memorial Day	Monday	May 26, 2003
Independence Day	Friday	July 4, 2003
Labor Day	Monday	September 1, 2003
Thanksgiving Day	Thursday	November 27, 2003
Friday after Thanksgiving	Friday	November 28, 2003
Christmas Holiday	Wednesday	December 24, 2003
Christmas Day	Thursday	December 25, 2003
Christmas Holiday	Friday	December 26, 2003
Christmas Holiday	Monday	December 29, 2003
Christmas Holiday	Tuesday	December 30, 2003
Christmas Holiday	Wednesday	December 31, 2003

2004 Holidays

New Year's Day	Thursday	January 1, 2004
Memorial Day	Monday	May 31, 2004
Independence Day Holiday	Monday	July 5, 2004
Labor Day	Monday	September 6, 2004
Thanksgiving Day	Thursday	November 25, 2004
Friday after Thanksgiving	Friday	November 26, 2004
Christmas Holiday	Friday	December 24, 2004
Christmas Holiday	Monday	December 27, 2004
Christmas Holiday	Tuesday	December 28, 2004
Christmas Holiday	Wednesday	December 29, 2004
Christmas Holiday	Thursday	December 30, 2004
Christmas Holiday	Friday	December 31, 2004

2005 Holidays

New Year's Day Holiday	Monday	January 3, 2005
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Section 7.2 Unworked Holidays. Eligible employees shall receive eight (8) hours pay for unworked holidays (those holidays designated above), at their base rate in effect at the time the holiday occurs, plus shift differential, if applicable.

Section 7.3 Worked Holidays. Employees who are required to work on the above designated holidays shall receive the pay due them for the holiday, plus double their base rate for all hours worked on such holiday, plus shift differential, if applicable.

Section 7.4 Holidays During Vacation. Should a holiday occur while an employee is on vacation, the employee shall be allowed to take one extra day of vacation in lieu of the holiday as such.

Section 7.5 Holiday Observance When Occurring on a Scheduled Day of Rest. When a holiday falls on an employee's scheduled day of rest, the holiday will be moved in accordance with the following:

7.5(a) If the holiday falls on the first day of rest, the last workday immediately preceding the holiday will be observed as the holiday.

7.5(b) If the holiday falls on the second day of rest, the first work day immediately following the holiday will be observed as the holiday.

ARTICLE 8

VACATION

Section 8.1 Eligibility. All regular full-time employees on the active payroll of the Company who have completed one half or more years of company service shall be entitled to vacation credits in accordance with the following schedule.

Section 8.2 Computation of Credits.

8.2(a) An employee who completes twenty (20) or more years of company service shall receive forty (40) hours of base rate vacation pay the first Friday of each calendar quarter, not to exceed one hundred and sixty (160) hours at base rate per year.

8.2(b) An employee who completes ten (10) but less than twenty (20) years of company service shall receive thirty (30) hours at base rate vacation with pay the first Friday of each calendar quarter, not to exceed one hundred and twenty (120) hours at base rate per year.

8.2(c) An employee who completes eight (8) but less than ten (10) years of company service shall receive twenty-six (26) hours at base rate vacation pay the first Friday of each calendar quarter, not to exceed one hundred and four (104) hours at base rate per year.

8.2(d) An employee who completes seven (7) but less than eight (8) years of company service shall receive twenty-four (24) hours at base rate vacation with pay the first Friday of each calendar quarter, not to exceed ninety six (96) hours at base rate per year.

8.2(e) An employee who completes six (6) but less than seven (7) years of company service shall receive twenty-two (22) hours at base rate vacation with pay the first Friday of each calendar quarter, not to exceed eighty eight (88) hours at base rate per year

8.2(f) An employee who completes one (1) but less than six (6) years of company service shall receive twenty (20) hours

at base rate with pay the first Friday of each calendar quarter, not to exceed eighty (80) hours at base rate per year.

8.2(g) Subject to Company approval based on work requirements, an employee who has completed the first six (6) months of company service following hire-in may use up to forty (40) hours vacation with pay, such usage will be deducted from the eighty (80) hours vacation with pay due the employee the first calendar quarter after completing one (1) year of company service and will reduce the remaining vacation with pay accordingly.

Section 8.3 Pro Rata Pay. Employees with one (1) or more years of company service whose active service is interrupted prior to the next eligibility date of the vacation earning year because of layoff, extended leave of absence, death or induction into military service shall receive pro rata vacation pay for each month of company service completed during the vacation earning year in which company service is interrupted. For any other reason, pro rata vacation will not be paid.

Exceptions to the above pro rata pay provision will be in cases involving a shutdown of operations as provided in Section 8.5 below. In such cases, employees with less than one (1) year of company service shall receive pro rata vacation pay for each month of company service, computed in accordance with the provisions outlined in Section 8.4.

Section 8.4 Computation of Vacation With Pay.

8.4(a) Credit toward vacation with pay and/or pro rata vacation pay will be calculated at the rate of 1/365th of his vacation eligibility for each such day.

8.4(b) Continuous absence of ninety (90) calendar days or more for any reason will be deducted when vacation allowance is calculated.

Section 8.5 Vacation Scheduling. Vacation periods shall be determined and scheduled by the Company. If vacations are staggered, the Company will, wherever practicable, give consideration to the seniority of an employee in the designation of the time for his vacation.

A period of temporary shutdown, normally in June, July, or August, of at least one (1) week may be designated as a vacation period.

Section 8.6 Vacation Pay. Vacation pay shall be computed at the employee's base rate, plus shift differential where applicable, in effect at the time vacation is taken or at the time company service is interrupted.

Section 8.7 Holidays During Vacation Periods. Should a holiday occur while an employee is on vacation, the employee shall be allowed to take one (1) extra day of vacation with pay in lieu of the holiday as such.

Section 8.8 Unused Vacation Credit. It is the intent of the parties that employees shall be required to use vacation credit as vacation. However, where an employee does not use all or part of such vacation credit as vacation with pay during the year between vacation eligibility dates, vacation credits will be carried over into the next year. The foregoing will allow employees to elect carry-over of vacation credits in order to meet extended vacation needs. Employees may elect to be paid in lieu of carrying over vacation credits provided the employee makes such election in writing at least ten (10) working days before the employee's next eligibility date. Vacation credits so carried over must be used during the next eligibility year and pay in lieu of vacation credits carried over will not be allowed until the end of the eligibility year following the eligibility year in which the carry-over election is made. All payments in lieu of vacations shall be made at the employee's rate in effect on the employee's current vacation eligibility date, including shift differential where applicable.

Section 8.9 Use of Credit in Lieu of Working Short Workweek. In the event the Company deems it advisable to work an employee on a short workweek as provided in Article 5, Section 5.2, the employee may:

8.9(a) elect against working the short workweek in which case he may apply for and use his unused credit accumulated in the twelve (12) month period preceding his last eligibility date as time off with pay at the rate in effect on the day(s) such credit is used, including shift differential if applicable, or

8.9(b) elect to work the short workweek and apply for and use such unused credit as time off with pay for the regular workdays that are not worked in the short workweek, or

8.9(c) elect layoff, in which case the provisions of Section 8.3 above shall apply.

ARTICLE 9

LEAVES OF ABSENCE

Section 9.1 Authorized Leaves of Absence. An employee, upon request and for proper cause, may be granted a leave of absence without pay not to exceed thirty (30) days, but which may be extended by the Company.

Section 9.2 Unauthorized Leaves of Absence. An employee shall not be absent without first obtaining permission from his Area Team Leader (ATL) except in cases of emergency, sickness or other causes beyond the control of the employee, in which instances the ATL or the Personnel Team shall be promptly advised.

Section 9.3 Forfeiture of Employment. Any employee shall be considered as having resigned without notice and shall cease to be an employee of the Company if:

9.3(a) while on leave of absence and without consent of the Company the employee engages in other employment, or

9.3(b) the employee fails to report for work at the first regular shift after the termination of such leave, no extension of the leave having been granted, and without an excuse acceptable to the Company, or

9.3(c) absent for three consecutive working days without notifying the Company and without an acceptable excuse to the Company for such absence and/or failure to notify.

Section 9.4 Union Officials and Political Offices.

9.4(a) Any employee appointed to any full time position with the Union shall be granted a leave of absence, if requested from the Company, for the duration of such appointment; and shall return to work at the end of such leave of absence.

9.4(b) Leave of absence will be granted to employees

who are elected to governmental political offices for the necessary time to serve their first full term of office.

Section 9.5 Illness or Disability. Employees who are unavoidably absent because of illness or disability may be granted leave, provided they notify their ATL or the Human Resources Team of such illness or disability by telephone or letter as soon as possible but not later than three (3) consecutive working days from the last date on which the employee worked, and provided further they furnish the Company proof of illness or disability. Alcoholism or drug abuse may be the basis for granting medical leave to individuals while under treatment at a generally recognized and accepted treatment center or hospital if such treatment is requested prior to the employee's having been terminated for unsatisfactory attendance or violation of other Company Codes of Conduct.

If the employee is unable to return to work at the end of six (6) consecutive workdays, the employee must mail to the HR Personnel Team within that time a statement, signed by his physician if possible, describing his condition and including the probable date on which the employee will be able to return to work. If it is impossible to obtain his physician's signature, the name of a physician familiar with the employee's condition may be substituted.

Section 9.6 Termination of Leave. An employee who returns from leave of absence on or before the expiration date of the leave will be reinstated in accordance with the following:

9.6(a) if leave was due to industrial injury, the employee will be returned to the job classification which was last held if the employee is medically able to perform it and it does not conflict with Article 13.

9.6(b) if leave was due to non-industrial injury or other medical disability and the period of leave does not exceed one (1) year, the employee will be returned to the job classification which was last held if the employee is medically able to perform it and the employee's seniority, as defined in Section 4.1, will permit.

9.6(c) if leave was due to non-industrial injury or other medical disability and the period of leave is in excess of one (1) year, the employee will be returned to the job classification last held, provided the employee is medically able to perform it and an opening exists.

9.6(d) any employee who, upon return from leave due to injury or other medical disability, is not offered an opportunity to return to the job classification which was last held will be given the option of accepting layoff.

9.6(e) if leave, irrespective of length, was granted for any reason other than those stated in paragraphs 9.6(a) and 9.6(d) inclusive, the employee will be returned to the job classification which he last held providing there is an opening in such job classification and his placement in such opening is not inconsistent with Article 13; otherwise, he may be placed on layoff.

ARTICLE 10

SAFETY AND PLANT CONDITIONS

Section 10.1 The Union shall cooperate with the Company to keep the plant in a safe, clean and sanitary condition. It is agreed by both parties that high standards of safety are to be maintained. The Company will continue to provide safe and effective equipment (except eyeglass ground and fitted to individual requirements and safety shoes) for fire and accident prevention. No set of safety regulations, however, can comprehensively cover all possible unsafe working practices. Therefore, the Union and the Company undertake to promote in every practicable way the realization of the responsibility of the individual employee with regard to preventing accidents to himself or his fellow employees.

Section 10.2 Joint Health and Safety Team. A Joint Health and Safety Advisory Team shall be appointed from employees of the Company. Not less than three members will be selected by the Union and three selected by the Company.

The team will meet during working hours not less than quarterly. The Committee shall review safety performance and recommend and assist in the implementation of Safety activities and training to provide for a safer work environment through enhanced processes and increased Team Member knowledge.

ARTICLE 11

DETERMINATION OF DISPUTES

Section 11.1 Employee Complaints and Grievances. The parties desire that individual complaints and grievances shall be settled whenever possible with Area Team Leader (ATL) in the organization where the complaint or grievance originates and, therefore, agree that any non-probationary employee covered by this agreement shall have the right to present to his ATL, or have presented by his Union representative, any individual complaint or grievance pertaining to provisions of this agreement. In addition, any non-probationary employee shall have the right to appeal his discharge, layoff or disciplinary suspension by filing a written grievance in Step 2 of the grievance procedure within three (3) working days after the date of termination or suspension. In the event the employee is not available to be presented with his copy of the discharge or suspension notification, a copy will be sent to the employee by certified mail and he shall have the right to appeal such discharge or suspension in accordance with the foregoing grievance procedure, provided his shop steward files a written grievance with the designated representative of the Company, within five (5) work days after the date of the mailing of the notification.

Section 11.2 Limitations Applicable to Handling Complaints and Grievances.

11.(a) Only matters dealing with the interpretation or application of terms of this agreement shall be subject to this grievance procedure.

11.2(b) Unless the time has been extended by mutual agreement between the employee or shop steward and the ATL, all individual grievances must be presented in writing to the employee's ATL within four (4) working days from the date the employee could reasonably have known of the act or omission on which it is based. The written grievance must state the facts upon which the grievance is based, the section or sections of the agreement alleged to have been violated and the remedy sought.

11.2(c) Company liability for claims involving retroactive compensation shall be limited to thirty (30) working days prior to the submission of the complaint or grievance to Company representatives; however, this thirty (30) day limitation may be waived by mutual consent of the parties.

Section 11.3 Method of Handling Complaints and Grievances.

Step 1. ATL and Employee or shop steward. Individual complaints which arise under this agreement may be discussed by the complaining employee with his immediate ATL either with or without his shop steward being present. If the shop steward is present and considers the complaint to be valid, he will attempt to effect a settlement of the complaint with the employee's ATL.

Step 2. If a settlement is not reached, the employee or steward may reduce the complaint to writing, stating the facts upon which the grievance is based, the section or sections of the agreement alleged to have been violated and the remedy sought, and present it to the second level ATL or FTL for coordination with Human Resources.

Within five days of receipt of the complaint the Functional Team Leader-Human Resources will convene a meeting of a Grievance Resolution Team, composed of six members, three appointed by the Union and three appointed by the Company, to attempt to resolve the complaint or grievance. If a settlement is not developed by the team, the complaint or grievance will be moved to Step 3.

Step 3. The Functional Team Leader-Human Resources, Business Representative and Local Lodge President. The Functional Team Leader-Human Resources, or someone designated by him, shall immediately make any investigation considered necessary. The Functional Team Leader-Human Resources, or someone designated by him, the Business Representative of the Union, and/or someone designated by him, and the Local Lodge President shall confer within ten (10) working days after submission of the grievance to this step of the grievance procedure, unless the time is extended by mutual agreement of the parties involved, and

attempt to effect a settlement.

The Business Representative, or his designated representative, shall be given an opportunity to be present when the Functional Team Leader-Human Resources, or his designated representative, gives his decision in cases where neither has been a party to the grievance; and such adjustment shall be in conformity with this agreement.

In addition, any grievance the Union may have against the Company shall be submitted in Step 3 of the grievance procedure. Such grievance must be submitted in writing within seven (7) calendar days after the occurrence of the matter complained of and shall be signed by the Business Representative, or his designated representative(s). The written grievance must state the facts upon which the grievance is based, and the section or sections of the agreement alleged to have been violated, and the remedy sought.

Should the decision rendered by the Company be unacceptable to the Union, the Business Representative may appeal the grievance to arbitration within ten (10) workdays from the date of receipt of the decision. If no appeal is made, the decision rendered by the Company shall be final and conclusive and binding upon all employees, the Company and the Union.

Step 4. Arbitration. Immediately following execution of this agreement, the parties will proceed to compile a list and agree upon a panel of five (5) Arbiters. Assignment of cases to Arbiters on each panel shall be rotated in the alphabetical order of the last names of those available on the panel.

The Arbiter, when selected, shall meet with the Business Representative of the Union and the Functional Team Leader-Human Resources, or their designated representatives, at which time both parties will present their cases. Each party to the proceedings may call such witnesses as may be necessary in the order in which their testimony is to be heard. Each party shall pay any compensation and expenses relating to its own witnesses or representatives. Argument and testimony shall be limited to the matters set forth in the written statement of grievance. Unless a mutual agreement as to extension of time shall be agreed upon by both parties, it shall be mandatory

upon the Arbiter to render his findings and decision within thirty (30) calendar days after conclusion of the hearings; and the decision of said Arbiter shall be final and binding on both parties.

The Arbiter shall not have jurisdiction to arbitrate away, in whole or in part, any provision of this agreement.

The Union or the Company, whichever is ruled against by the Arbiter, shall pay the compensation of the Arbiter, including his necessary expenses.

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

ARTICLE 12

PART-TIME EMPLOYEES

Section 12.1 Who Are Part-Time Employees. Any employee, excluding those employees assigned to a short workweek as defined in Section 5.2, whose daily or weekly work schedule is less than the current regular normal workday or workweek, shall be considered as a part-time employee and shall be subject to all provisions of this agreement except as otherwise provided in the following Sections 12.1(a) to 12.1(c), inclusive:

12.1(a) Shift Premium. If more than half of the part-time employee's work period falls between 6:00 a.m. and 6:00 p.m., he will not be eligible for shift premium pay. If more than half of such period falls between 6:00 p.m. and 6:00 a.m., he will be eligible for second shift premium pay.

12.1(b) Holidays. Part-time employees will not be eligible for holiday pay for holidays which fall on a day on which they are not normally scheduled to work. Holiday pay for part-time employees will be limited to the number of hours (not to exceed ten) which the part-time employee is normally scheduled to work on the day on which a paid holiday falls. Part-time employees who are required to work on a paid holiday will be paid at time and one-half their regular hourly rate for time worked and in addition will receive holiday pay as provided above.

12.1(c) Overtime. Part-time employees will be eligible for overtime pay as provided in Section 6.9 of this agreement except that overtime premium will not be paid for work performed outside of a part-time employee's regular assigned shift unless the time worked exceeds ten (10) hours in any twenty-four (24) hour period, or forty (40) hours in any workweek.

12.1(d) Vacation. Part-time employees on each eligibility date will receive the proportion of annual vacation credit which their actual hours of work during the previous year bears to full time hours.

ARTICLE 13

WORK FORCE ADMINISTRATION

Section 13.1 Purpose and Definition. Both parties hereto agree that continued service over a period of time should, and in most cases does, increase the worth of an employee to his employer, and that length of service should receive recognition in case of promotion, and therefore agree:

That the principle of seniority, where qualifications, productivity and dependability are equal, shall be the determining factor and shall apply upon a Company-wide basis in accordance with the specific application provisions of this agreement.

Section 13.2 Filling Job Openings.

13.2(a) Employees who have previously held the job classification where the opening exists and are on layoff or a lower grade job classification and qualify according to Section 4.2(h). The order of return will be in the reverse order of surplus, i.e., last out, first back.

13.2(b) After employees with recall or return rights are exhausted, employees who have filed a Request for Transfer to the applicable job classification will be given consideration in accordance with Section 13.3 below.

13.2(c) Lacking qualified employees under the procedure outlined in 13.2(b) above, the Company may fill such openings by hiring new employees.

A job opening is defined as a job classification in which the Company determines that additional employees are needed in excess of those that the Company determines to assign to such job classification:

1. by returning employees upon leave of absence,
2. by lateral reclassification,
3. by downgrading or demoting employees on the active payroll,
4. by temporary promotion,

5. by returning employees to the bargaining unit from non-bargaining unit job classifications.

All jobs will be posted except by mutual agreement between the Union and the Company.

Section 13.3 Employee Requests for Transfer. When openings occur, non-probationary employees who have filed a written Request for Transfer on a form furnished by the Company will receive consideration as a candidate for such job openings in accordance with an Employee Requested Transfer system that is mutually designed and agreed to by the Company and the Union.

Consideration as a candidate for job openings under the provisions outlined above shall not be subject to the grievance procedure.

Section 13.4 Reduction in Force.

13.4(a) In effecting a reduction in force within a job classification (Production Associates and Quality Control Associates are considered to be in the same job classification for the purposes of 13.4 and 13.6), the following procedure shall be followed:

1. The first selection would be probationary employees.
2. The second selection would be part-time employees in reverse seniority within each Step: that is First - Step 1, Second - Step 2, Third - Step 3, etc.
3. The third selection would be full-time employees in reverse seniority order.

13.4(b) Affected employees referenced in 13.4(a), subparagraphs 2 and 3, above will be offered, if their seniority permits, a reclassification to any equal or lower grade job classification previously held.

Section 13.5 Retentions. A retention is the retaining, in a job classification in which the surplus has been declared by the Company, of an individual whose seniority position would

have caused him to have been surplused while some other employee or employees with greater seniority are surplused. In each instance the retained employee will be designated, at the time the retention is used, to be retained in the job classification rather than to have him affected by the surplus action.

13.5(a) In determining the number of allowable retentions, calendar six (6) month periods shall be used, the first period in each year shall be from January 1 to June 30, inclusive, and the second period to be from July 1 to December 31, inclusive.

13.5(b) For each period the allowable number of retentions applicable shall be the number resulting from applying five percent (5%) of the total number of employees in the bargaining unit at the beginning of each six (6) month period. The number of allowable retentions shall be computed to the nearest whole number and a fraction of one half (1/2) or more shall be treated as one.

13.5(c) The Company's use of retentions in the number allowed or the surpluses resulting from the application and use of such retentions, shall not be subject to challenge or to grievance procedure.

Section 13.6 Recall. Employees who are on active layoff status from a job classification having job openings will be recalled in reverse order of seniority. Notices of recall will be sent by Certified Mail, to the latest address on the Company records. The laid off employee is responsible for providing the Company with his or her current mailing address.

Section 13.7 Temporary Layoffs. Anything to the contrary in this agreement notwithstanding, when the Company determines it is necessary to reduce the number of employees working within a job classification, any employees in the organizations considered by the Company to have an excess number of employees, who are within such job classification, may be temporarily laid off for not more than fourteen (14) calendar days, with or without application of the procedures stated in this agreement during such period of temporary layoff. The Company agrees that the Union will be notified in advance.

Section 13.8 Temporary Assignment. The Company may temporarily assign employees to perform work assignments described for other job classifications. Such assignments shall not exceed ninety (90) consecutive calendar days or for such longer periods as may be designated by mutual agreement between the Company and the Union.

ARTICLE 14

GENERAL

Section 14.1 Medical Examination. Any employee may be required by the Company to undergo a medical examination by a doctor of the Company's selection. If an employee is found by such doctor to be medically incapable of performing his assigned work functions, the Company will furnish the employee with a copy of the doctor's report and will attempt to place such employee in work which, in the opinion of the Company, he is capable of performing. In the event that reassignment to a lower labor grade or involuntary separation from the payroll results from a finding of medical disqualification on the part of the Company, the Union may take such finding through the regular grievance channels; and such grievance, in order to be processed, (1) must be supported by substantial medical testimony which is contradictory to the Company findings and (2) must be filed by the Business Representative, or someone designated by him, within three (3) working days after the date of such reassignment to a lower labor grade or such involuntary separation from the payroll.

Section 14.2 Inventions.

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

14.2(b) No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement which contravenes the provisions of 14.2(a).

Section 14.3 Sabotage. The Union agrees to report to the Company any acts of sabotage or damage to or the taking of Company, government, customer, or any other person's or employee's property; and the Union further agrees, if any such acts occur, to use its best efforts in assisting to determine and apprehend the guilty person.

Section 14.4 Injury. In case an employee is injured on the job and his injuries are of such nature that he is rendered physically unable to perform the duties required by his regularly assigned job, said employee may be assigned work he is capable of performing if such work is available within the bargaining unit defined in Article 1 of this agreement.

Section 14.5 Nondiscrimination. All terms and conditions of employment included in this agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, sex, or the presence of a handicap except in those instances where age, sex or the absence of a handicap may constitute a bona fide occupational qualification. If administration and application of the contract is not in contravention of federal or state law, such administration or application shall not be considered discrimination under this Section 14.5. Notwithstanding any other provision of Section 14.5 or of this agreement, a grievance alleging a violation of this Section 14.5, shall be subject to the grievance procedure and arbitration of Article 11 only if it is filed on behalf of and pertains to one individual employee. Class grievances based on alleged violation of this Section 14.5 shall not be subject to the grievance procedure and arbitration under Article 11 of this agreement.

Section 14.6 Masculine-Feminine References. In construing and interpreting the language of this agreement, reference to the masculine, such as "he", "him", and "his" shall include reference to the feminine.

Section 14.7 Federal, State and Local Laws. Nothing in this agreement shall in any way limit the Company in the enforcement of its legal rights under city, state, or federal law or shall affect the Company's obligation to comply with the laws, regulations, ordinances or directives of the City, State

or Federal Governments.

In the event that any provision of this agreement shall be held to be invalid under City ordinances or State or Federal Law, the validity of its remaining provisions shall not be impaired.

Section 14.8 Contributions to Machinists' Nonpartisan Political League. 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 the Machinists Nonpartisan Political League, the Company will thereupon make such deductions and forward them to the Machinists' Nonpartisan Political League, care of the Union. Such authorization will remain in effect for the duration of this agreement, unless cancelled in writing by the employee.

ARTICLE 15

SICK LEAVE

It is understood that the purpose of the sick leave provisions of this Article is to provide monetary compensation to employees who are entitled to such payment during periods of personal injury or illness or illness in the immediate family up to a maximum of eighty (80) hours per annum and to encourage regular attendance on the job.

Section 15.1 Eligibility. Upon completion of three (3) months of continuous active service, a full-time employee will be credited with twenty and eight-tenths (20.8) hours of sick leave. An additional six and two-thirds (6 2/3) hours will be credited each month thereafter to a maximum of eighty (80) hours during the first year of continuous service. On the first and each subsequent annual sick leave eligibility date, (anniversary date of the employee's latest hire-in date or recall from layoff) each full-time employee on the active payroll or on approved leave of absence will be awarded six and two-thirds (6 2/3) hours of sick leave credits for that month and each month thereafter to a maximum of eighty (80) hours for each sick leave eligibility year.

Section 15.2 Computation of Sick Leave Credits. Continuous absence of ninety (90) calendar days or more for any reason, including layoff, during the year prior to the employee's eligibility date will be deducted at a daily rate based on the weekly accrual.

Section 15.3 Use of Sick Leave.

15.3(a) An employee becomes eligible to use sick leave credits as soon as credits have been awarded. Payment will be made for the authorized sick leave period to the extent the employee has accumulated sick leave credits, not to exceed eight (8) hours for any one-day of absence.

15.3(b) Use of sick leave is authorized only in the event of unavoidable absence due to:

1. Illness or injury causing incapacity of the employee, including the period of authorized Medical or Pregnancy Leaves of Absence or Medical/Dental appointments for treatment.
2. Illness in the immediate family requiring the presence of the employee.
3. Routine medical or dental examinations when such can only be arranged during working hours.

15.3(c) Use of sick leave is subject to approval by the employee's Area Team Leader.

15.3(d) Sick leave payment shall be computed at the employee's rate of pay in effect on the day(s) of absence. Payment for a partial day's absence will be to the nearest 1/10th hour for the absence.

15.3(e) Unused sick leave credits will be accumulated from year to year.

15.3(f) In the event of a layoff, the employee's accrued sick leave will be retained in an account so it can be used again upon the employee's recall to active service.

ARTICLE 16
GROUP BENEFITS

Section 16.1 Type of Group Benefits Program for Employees on the Active Payroll. The Company will provide group life, accidental death and dismemberment, medical, dental and weekly disability benefits for eligible employees and medical and dental benefits, for covered dependents of eligible employees as summarized in the document entitled Attachment A, effective July 1, 2001, or on such later date as specified, and subject to all of the terms and conditions contained in or referred to in such Attachment A as the Group Benefits Program.

Section 16.2 Cost of the Group Benefits Program for Employees on the Active Payroll.

16.2(a) Employees on the Active Payroll. The Company will pay the full cost of such Group Benefits Program.

16.2(b) Dependents of Employees on the Active Payroll.

16.2(b)(1) The Company will pay the full cost of dental coverage for eligible dependents under the Group Benefits Program.

16.2(b)(2) The Company will pay the full cost of medical coverage for eligible dependent children under the Group Benefits Program.

16.2(b)(3) If the employee's spouse is not eligible for medical coverage under another employer-sponsored plan or if the employee's spouse is enrolled in another employer-sponsored medical plan, the Company will pay the full cost of the medical benefits for such spouse under the Group Benefits Program.

16.2(b)(4) The employee is required to contribute \$100 a month for medical coverage under the Group Benefits Program to enroll a spouse if the spouse is eligible for medical coverage under another employer-sponsored plan and waives such coverage.

No contributions will be required for a spouse who waived coverage under another employer-sponsored plan prior to eligibility for medical coverage under the Group Benefits Program provided the spouse enrolls at the other plan's next enrollment period or, if earlier, at an enrollment date allowed by the other plan.

16.2(c) For those employees and dependents whose coverage is with an approved health maintenance organization under the terms of the Group Benefits Program, the Company will contribute the lesser of the person's net health maintenance organization dues or the monthly amount the Company would otherwise be paying for medical benefits for such person under the Group Benefits Program. In no event will the Company's contribution exceed the person's net approved health maintenance organization monthly dues.

The net Approved Health Maintenance Organization dues shall be the total monthly Approved Health Maintenance Organization dues for the enrolled person who is eligible for Company medical coverage less any amounts paid by or through other employers toward the cost of such person's coverage.

In no event will the Company's contribution exceed the employee's net Approved Health Maintenance Organization monthly dues.

Section 16.3 Details and Method of Coverage. The benefits summarized in the Group Benefits Program shall be procured by the Company under contracts and/or administrative agreements with insurance companies or health care contractors which will be in the form customarily written by such carriers and administrative agents, and the Group Benefits Program shall be subject to the terms and conditions of such contracts and/or administrative agreements, consistent with the summary in Attachment A. Such contracts and/or administrative agreements may require the carriers and/or administrative agents to develop various programs designed to contain costs, based on those portions of the Group Benefits Program which contain the requirement that charges

are covered only on the basis of medical necessity. Such cost containment programs or procedures may be utilized to determine the medical necessity of the treatment itself, the appropriateness of the services provided, the place of treatment or the duration of treatment. These programs may include incentives for employees and dependents to use services of an approved Preferred Provider Organization. The carriers or administrative agents and Company will announce each such program or procedure before it is required or available to the affected employees. Any such cost containment program will not operate to reduce the benefits of such program to any covered person or to shift the costs covered under such program to the covered person.

The failure of an insurance Company or health care contractor to provide for any of the services or benefits for which it has contracted shall result in no liability to the Company, nor shall such failure be considered a breach by the Company of the obligations which it has undertaken by this agreement. However, in the event of any such failure, the Company shall immediately attempt to provide substitute coverage.

Section 16.4 Administration. The Group Benefits Program shall be administered by the insurance companies, health care contractors or administrative agents with whom the Company enters into contractual relationships for the purpose of providing and/or administering the coverage contemplated by the Group Benefits Program and no question or issue arising under the administration of such Group Benefits Program or the contracts and/or administrative agreements identified therewith shall be subject to the grievance procedure or arbitration provisions of Article 11 of this agreement.

Section 16.5 Copies of Policies to be Furnished to Union. Copies of the policies, contracts and administrative agreements executed pursuant to this Article 16 shall be furnished to the Union. The coverages and benefits indicated in the Group Benefits Program, the rights of eligible employees in respect to such coverages, and the settlement of all claims arising out of such coverages shall be in accordance with the provisions, terms and rules set forth in such policies, contracts or administrative agreements.

Section 16.6 Federal or State Program. If during the term of this agreement, there is established by federal or state government a program that affords to employees covered by this agreement similar benefits (such as but not limited to medical and dental benefits) to those that are afforded by this agreement, benefits afforded by this agreement shall be reduced to the extent required to maintain a level of benefits which when combined with the federal or state program will equal the benefits stated hereunder.

ARTICLE 17
RETIREMENT PLAN

Section 17.1 Continuation of Plan. Subject to the approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, and to the provisions of 17.5, a retirement plan (hereinafter called the Plan) in the form now in effect as to the employees within the unit to which this agreement relates shall continue to be effective while this agreement is in effect as to such employees in accordance with and subject to the terms, conditions, and limitations of the Plan.

Section 17.2 Approval of Plan. Approval of the Plan by the Commissioner of Internal Revenue as referred to in 17.1 means a continuing approval sufficient to establish that the Plan and related trust are at all times qualified and exempt from income tax under Section 401(a) and other applicable provisions of the Internal Revenue Code of 1986, and that contributions made by the Company under the Plan are deductible for income tax purposes in accordance with law. The cognizant governmental authorities referred to in 17.1 include, without limitation, the Department of Labor, the Pension Benefit Guaranty Corporation and the Securities and Exchange Commission, and their approval means their confirmation with respect to any matter within their regulatory authority that the Plan does not conflict with applicable law.

Section 17.3 Continuation Beyond Agreement. The Company shall not be precluded from continuing the Plan in effect as to employees within the unit to which this Agreement relates after expiration or termination of this Agreement, subject to the terms, conditions, and limitations of the Plan.

Section 17.4 Grievances as to the Plan. Only questions concerning the amount of Credited Service under the Plan that an employee has accumulated by reason of employment after the effective date of the Plan shall be subject to the grievance procedure of Article 11 of this Agreement.

Section 17.5 Changes to the Current Plan. Subject to action by the Retirement Committee and to the approvals specified in Section 17.2, all provisions of the Plan are to remain unchanged with the exception of the following amendments:

17.5(a) Minimum Benefit. The minimum benefit is as follows: retirements on or after January 1, 2002 will be \$35.00 per year of credited service; retirements on or after January 1, 2004 will be \$40.00 per year of credited service.

17.5(b) Effective Date of Amendment. The amendment set forth above in Section 17.5 shall take effect commencing January 1, 2002, and shall apply only to Employees on the Active Payroll of the Company on or after that date (including those who retire from the employ of the Company on January 1, 2002).

ARTICLE 18

SAVINGS PLAN

Section 18.1 Continuation of Plan. Subject to the continuing approval of the Commissioner of Internal Revenue and of other cognizant governmental authorities, as more particularly hereinafter specified, and to the provisions of 18.4, a Savings Plan (hereinafter called the Plan) in the form now in effect adopting the VIP which became effective on October 16, 2000 as to the employees within the unit to which this Agreement relates shall continue to be effective while this Agreement is in effect as to such employees in accordance with and subject to the terms, conditions, and limitations of the Plan.

Section 18.2 Approval of Plan. Approval of the Plan by the Commissioner of Internal Revenue as referred to in 18.1 means a continuing approval sufficient to establish that the Plan and related trust or trusts are at all times qualified and exempt from income tax under Section 401(a), Section 401(k) and other applicable provisions of the Internal Revenue Code of 1986, and that contributions made by the Company under the Plan are deductible for income tax purposes in accordance with law. The cognizant governmental authorities referred to in 18.1 include, without limitation, the Department of Labor and the Securities and Exchange Commission, and their approval means their confirmation with respect to any matter within their regulatory authority that the Plan does not conflict with applicable law.

Section 18.3 Continuation Beyond Agreement. The Company shall not be precluded from continuing the Plan in effect as to employees within the unit to which this Agreement relates after expiration or termination of this Agreement, subject to the terms, conditions, and limitations of the Plan.

Section 18.4 Changes to the Current Plan. Subject to action by the Voluntary Investment Plan Committee and to the approvals specified in Section 18.2, the following amendments are in effect:

18.4(a) Increase Employer Matching Contribution. The Employer Matching Contribution will be increased to 50 percent (50%) of the first 8 percent (8%) contributed.

18.4(b) Effective Date of Amendments. The amendment set forth in Section 18.4(a) shall take effect on or about March 1, 2001.

Section 18.5 Required Plan Amendments. The Company reserves the right to amend the Plan to satisfy all requirements of Section 401(a), Section 401(k) or any other applicable provisions of the Internal Revenue Code of 1986.

Section 18.6 Participant Elective Contributions Not Applicable for Other Purposes. It is acknowledged that the election of a Member to convert a portion of his base pay under the terms of the Plan will be effective for purposes of this Plan and will reduce the Member's compensation insofar as certain payroll taxes may be applicable. However, for all other employment related purposes, including all of the Member's rights and privileges under this labor agreement, his base pay or compensation will be considered as though no election had been made.

ARTICLE 19

DURATION

Section 19.1. This agreement shall become effective on January 12, 2001, and shall remain in full force and effect until the close of January 13, 2005, and shall be automatically renewed for consecutive periods of one (1) year thereafter unless either party shall notify the other in writing, at least sixty (60) days and not more than ninety (90) days prior to January 12, of any calendar year, beginning with 2005, of its desire either (1) to amend this agreement or (2) to terminate this agreement as of a date stated in such notice to terminate, which date shall be subsequent to such January 13.

Section 19.2. If either a notice to amend or a notice to terminate is timely given pursuant to 19.1, the parties agree to meet within thirty (30) days thereafter for the purpose of negotiating an amendment to this agreement or a new contract. The nature of the amendments desired must be specified in full in the notice.

Section 19.3. If a notice to amend is timely given pursuant to 19.1, either party may at any time thereafter notify the other in writing of its desire to terminate this agreement as of a date stated in such notice to terminate, which date shall be subsequent to January 13th, of the year in which such notice to amend is timely given and at least sixty (60) days subsequent to the giving of such notice to terminate.

Section 19.4. This agreement, and any amendment thereof pursuant to this Article, shall continue in full force and effect until either (1) a new contract superseding it is consummated, (2) it is terminated by a notice to terminate given timely pursuant to 19.1 and 19.2 or 19.3 it expires, whichever shall first occur.

For:
**International Association of
Machinists and Aerospace
Workers, AFL-CIO, District
Lodge 776, Local Lodge 2317**

For:
Boeing – Corinth, Co.

Dick Schneider
Grand Lodge Representative
Boeing Coordinator

Mark Ross
General Manager

Pat L. Lane
President and Directing Business
Representative, District Lodge 776

Scott Drach
FTL, People

Sam Sinor
Business Representative,
District Lodge 776

Dave Cheney
FTL, Produce

Ronnie Green
President – LL 2317

Duane Olmstead
ATL, People

Tammy Howard
Vice President – LL 2317

Lonnie Thomas
FTL, Quality

Tom Jervis
Negotiating Team – LL 2317

Ron Turner
FTL, Production Control

Frank Calhoun
Negotiating Team – LL 2317

Benny McKee
Negotiating Team – LL 2317

Gary Ratliff

APPENDIX A

WAGE SCHEDULES

PRODUCTION, QUALITY CONTROL, and MATERIEL ASSOCIATES				
	01/12/01	01/11/02	01/10/03	01/09/04
Entry	\$9.25	\$9.62	\$10.00	\$10.30
0.5 yrs	\$9.52	\$9.90	\$10.30	\$10.61
1.0 yrs	\$9.78	\$10.17	\$10.58	\$10.90
1.5 yrs	\$10.05	\$10.45	\$10.87	\$11.20
2.0 yrs	\$10.31	\$10.72	\$11.15	\$11.49
2.5 yrs	\$10.58	\$11.00	\$11.44	\$11.79
3.0 yrs	\$10.84	\$11.27	\$11.72	\$12.08
3.5 yrs	\$11.11	\$11.55	\$12.02	\$12.38
4.0 yrs	\$11.38	\$11.84	\$12.31	\$12.68
4.5 yrs	\$11.63	\$12.10	\$12.58	\$12.96
5.0 yrs	\$12.16	\$12.65	\$13.15	\$13.55
5.5 yrs	\$12.70	\$13.21	\$13.74	\$14.15
6.0 yrs	\$13.23	\$13.76	\$14.31	\$14.74
6.5 yrs	\$13.76	\$14.31	\$14.88	\$15.33
7.0 yrs	\$14.29	\$14.86	\$15.46	\$15.92
7.5 yrs	\$15.04	\$15.64	\$16.27	\$16.76
8.0 yrs	\$15.51	\$16.13	\$16.78	\$17.28

FABRICATION AND ELECTRONIC TECHNICIANS				
	01/12/01	01/11/02	01/10/03	01/09/04
Entry	\$10.63	\$11.06	\$11.50	\$11.84
0.5yrs	\$10.89	\$11.33	\$11.78	\$12.13
1.0 yrs	\$11.17	\$11.62	\$12.08	\$12.44
1.5 yrs	\$11.44	\$11.90	\$12.37	\$12.74
2.0 yrs	\$11.70	\$12.17	\$12.65	\$13.03
2.5 yrs	\$11.98	\$12.46	\$12.96	\$13.35
3.0 yrs	\$12.24	\$12.73	\$13.24	\$13.64
3.5 yrs	\$12.51	\$13.01	\$13.53	\$13.94
4.0 yrs	\$12.79	\$13.30	\$13.83	\$14.25
4.5 yrs	\$13.16	\$13.69	\$14.23	\$14.66
5.0 yrs	\$13.94	\$14.50	\$15.08	\$15.53
5.5 yrs	\$14.78	\$15.37	\$15.99	\$16.47
6.0 yrs	\$15.75	\$16.38	\$17.04	\$17.55
6.5 yrs	\$16.78	\$17.45	\$18.15	\$18.69
7.0 yrs	\$17.88	\$18.60	\$19.34	\$19.92
7.5 yrs	\$19.05	\$19.81	\$20.60	\$21.22
8.0 yrs	\$21.08	\$21.92	\$22.80	\$23.48

APPENDIX A**WAGE SCHEDULES (cont.)**

QUALITY ASSURANCE ASSOCIATES				
	01/12/01	01/11/02	01/10/03	01/09/04
Entry	\$9.94	\$10.34	\$10.75	\$11.07
0.5 yrs	\$10.20	\$10.61	\$11.03	\$11.36
1.0 yrs	\$10.47	\$10.89	\$11.32	\$11.66
1.5 yrs	\$10.75	\$11.18	\$11.63	\$11.98
2.0 yrs	\$11.01	\$11.45	\$11.91	\$12.27
2.5 yrs	\$11.28	\$11.73	\$12.20	\$12.57
3.0 yrs	\$11.54	\$12.00	\$12.48	\$12.86
3.5 yrs	\$11.81	\$12.28	\$12.77	\$13.16
4.0 yrs	\$12.09	\$12.57	\$13.08	\$13.47
4.5 yrs	\$12.41	\$12.91	\$13.42	\$13.83
5.0 yrs	\$13.06	\$13.58	\$14.13	\$14.55
5.5 yrs	\$13.75	\$14.30	\$14.87	\$15.32
6.0 yrs	\$14.49	\$15.07	\$15.67	\$16.14
6.5 yrs	\$15.27	\$15.88	\$16.52	\$17.01
7.0 yrs	\$16.09	\$16.73	\$17.40	\$17.93
7.5 yrs	\$17.05	\$17.73	\$18.44	\$18.99
8.0 yrs	\$18.30	\$19.03	\$19.79	\$20.39

LETTER OF UNDERSTANDING #1
RELATING TO SEX CRIMES

Subject: Meaning of Article 11, Section 11.1

The Union and the Company have agreed in Article 11, Section 11.1 of Collective Bargaining agreement that any dismissal or suspension of an employee who has committed a sex crime victimizing a child or children shall be deemed to be for cause and shall not be subject to the grievance and arbitration of (1) the growing awareness and abhorrence in our society of crimes victimizing children and (2) the deleterious effect the presence in the workforce of perpetrators of such crimes would have on the efficiency and morale of employees of the Company and on the reputation of the Company and its products.

The Union and the Company further agree as follows:

1. For purposes of Article 11, Section 11.1 of the Collective Bargaining agreement and this Letter of Understanding, the term "sex crime victimizing a child or children" includes rape, sexual assault, statutory rape, incest, child molestation, child pornography, public indecency, indecent exposure, indecent liberties, communications with a minor for immoral purposes, promoting prostitution, and similar crimes as defined in the jurisdiction in which the offense is committed, where the victim of said crime(s) is under the age of 18 years at the time of the commission of the crime(s). An employee shall be considered to have committed such a crime if the employee is convicted of the crime, or if the employee pleads guilty or nolo contendere to the crime, or if the employee enters a special supervision program pursuant to a deferred prosecution arrangement relating to the crime.

2. The provisions Article 11, Section 11.1 of the Collective Bargaining agreement referred to herein and this Letter of Understanding shall not be deemed to define "cause" or to affect Article 11 in any other respect whatsoever, and shall not be introduced or relied upon in any arbitration or other proceeding involving the parties which does not deal with the

LETTER OF UNDERSTANDING #1
(continued)

suspension of dismissal of an employee who has committed a sex crime victimizing a child or children.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

By:

**Sam Sinor
Business Representative**

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #2

NON STANDARD WORKWEEK SCHEDULES

The purpose of this Letter of Understanding is to set forth the parties' agreement regarding non-standard work schedules. It is agreed that the Company may, with the agreement of the Union, schedule employees to work a non-standard work schedule consisting of shifts of longer duration than those specified in Section 5.3 of the Collective Bargaining agreement during work weeks of less than five (5) full consecutive days, as set forth in Section 5.1 of the agreement, for a total work week of forty (40) hours. By way of illustration, but not in limitation, a non-standard work schedule could be four, ten (10) hour days. In the event the Company institutes a non-standard work schedule, the following shall apply:

1. **Shifts, Lunch Periods and Rest Periods.** Section 5.3 of the agreement will apply except that first and second shifts shall be the number of non-standard work schedule hours plus a reasonable lunch period (e.g., a ten (10) hour and thirty (30) minute period). A minimum of thirty (30) minutes for an unpaid lunch period, a minimum of one (1), ten (10) minute rest period in each half of the shift and shift starting time will be as provided in Section 5.3.
2. **Base Rate.** Section 6.1 of the agreement will apply except that the number of non-standard work schedule hours (e.g., 10) will be substituted for eight (8) hours in Section 6.2 (Jury Duty), Section 6.3 (Witness Service), Section 6.6 (Bereavement Pay).
3. **Overtime.** Section 6.8 of the agreement will apply except that the following will apply:
 - a. Hours worked by an employee for his scheduled shift hours shall be compensated at the straight-time rate.
 - b. Hours worked by an employee in excess of his scheduled shift hours in any one day shall be compensated at one and one-half (1 ½) times the employee's base rate.

LETTER OF UNDERSTANDING #2
(continued)

- c. Hours worked by an employee on days of rest other than his last day of rest in a workweek shall be compensated at one and one-half (1 ½) times the employee's base rate.
 - d. Hours worked by an employee on his last day of rest in a workweek, shall be compensated at double the employee's base rate.
4. **Unworked Holidays.** Section 7.2 of the agreement will apply except that when a holiday as specified in Article 7 occurs on a scheduled work day, an employee working on a non-standard work schedule will receive the number of hours of pay for the holiday equal to the number of regularly scheduled hours on the employee's shift for that day. Also, for purposes of Section 7.2, a "full scheduled shift" shall be defined as having worked a minimum of the number of non-standard work schedule hours less one (e.g., for 10 hour shifts, the minimum would be 9 hours). In the event a holiday falls on a scheduled day off, it will be observed on the closest scheduled work day. An employee working on a non-standard work schedule will receive the equal amount of holiday hours per year as an employee on a standard work schedule.
5. **Vacations.** When a day of vacation is taken, an employee working on a non-standard work schedule will receive the number of hours of pay for the vacation day equal to the number of regularly scheduled hours on the employee's shift for that day.

Except as expressly provided in this Letter of Understanding, all provisions of the agreement will apply in the event the Company elects to institute non-standard work schedules. Any other matters relating to non-standard work schedules will be subject to mutual agreement by the parties.

LETTER OF UNDERSTANDING #2
(continued)

Only those employees who do not have a child care conflict will be considered for non-standard work schedules.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #3
UNION'S USE OF MULTIPURPOSE AREAS

This Letter of Understanding confirms the Company's commitment to allow the Union to share multipurpose areas in the plant so the Union can have privacy from time to time to handle grievances and complaints as well as producing communiques on partnership agreements and decisions reached between the Company and the Union on matters that affect the bargaining unit.

The Union agrees to account for all Company materials used and to reimburse the Company regularly. Further the Union agrees not to use Company equipment for purposes other than to further Company and Union relations at Corinth.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #4
SECTION 5.4, SHIFT PREFERENCE

The Company and the Union mutually agree that the movement of senior employees to their shift of choice under the provisions of Section 5.4 of the agreement is a common goal. It is further agreed that in a circumstance where the senior employees' desires to move cannot be accommodated due to operating requirements, those requirements will be discussed with the Union prior to any intershift movement of employees.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #5
USE OF TEMPORARY EMPLOYEES

The Union and the Company have agreed to the use of temporary employees as part of the selection process for bringing employment candidates into the work force. The Company will get temporary employees from an employment agency for the purpose of training these temporary employees. This pre-employment training period will not exceed eight (8) weeks unless mutually agreed upon by the parties. At the end of this training period the temporary employees will either be hired or sent back to the agency depending on their performance and behavior as well as business needs.

The temporary employees' workweek will be the same as that of the full-time employees on the active payroll. Temporary employees' evaluation period begins the day they are placed on the Company's payroll.

If a reduction in force occurs, temporary employees will be sent back to their agency before our team members are laid off. Employees on layoff will be brought back before any temporaries are brought in to work in the same job classification.

Except as expressly provided in this Letter of Understanding, all other provisions of the agreement will apply in the event the Company elects to add temporary employees.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #6

SHARE VALUE PROGRAM

The Company and the Union agree that all eligible represented employees may continue to participate in the Share Value Trust. The parties agree that the Company's success depends upon the ability to return long-term value to the shareholders. The intent of this broad-based, results-sharing approach is to help inform employees about what makes a business run and produces shareholder value, and to allow employees to share in the results of their efforts to increase shareholder value. The principle features of this program are as follows:

For the Share Value Trust, Boeing established a \$1.7 billion stock investment trust on behalf of current and future employees. The Share Value Trust investment is divided into two separate funds, each with one-half of the trust's total shares. Each fund has its own time period or investment period for measuring the growth of its shares. In keeping with the long-term view of shareholder value, all current and future investment periods will overlap each other for two years at a time. Even though every investment period is four years long, the possibility of a distribution is determined ever two years – when a period ends – in 2002, 2004 and so on.

Share Value Trust investment periods coinciding with any portion of the term of this agreement include Period (or "Fund") 3 which began July 1, 1998, and runs through June 30, 2002; Period (or "Fund") 4 which began July 1, 2000, and runs through June 30, 2004; Period (or "Fund") 5 which begins July 1, 2002, and runs through June 30, 2006; and Period (of "Fund") 6 which begins July 1, 2004, and runs through June 30, 2008.

For a distribution to occur, the value of the fund must be above a minimum level by the last day of the investment period. The minimum level or threshold is the initial investment plus growth that averages 3% per year, compounded annually on the fund starting value, or approximately 12.5% for a four-year period. At the end of the investment period, the value of the investment in excess of the threshold amount will result in a ShareValue Trust distribution to participants.

LETTER OF UNDERSTANDING #6
(continued)

A ShareValue Trust distribution is divided among all eligible participants, based on their months of participation. The value of each participant's distribution is determined by multiplying his or her *number of eligible months of participation* by the value of one month of participation. The value of a participant's distribution is converted into shares of Boeing stock, less applicable taxes.

This letter of understanding describes certain highlights of the ShareValue Trust. All details and governing provisions of the Trust are set forth in the official Trust documents. If there is any conflict between this letter of understanding and the official Trust documents, the official Trust documents will prevail in every case.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #7
UNION/COMPANY COOPERATION

The Company and the Union agree to establish a Team to review issues of mutual interest. Team members representing the Union and the Company will work on such issues in a cooperative spirit to assure mutual goals are obtained.

The issues considered by the Team may address new or ongoing matters such as plant performance, safety, Manufacturing Self-Examination, policy improvements, and strategic initiatives.

The Union/Company Team cannot make decisions on or changes to the Labor Agreement.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #8
RELATING TO DRUG AND ALCOHOL TESTING

The Union recognizes the Company's desire to maintain a drug- and alcohol-free workplace, and to comply with laws and regulations addressing that subject. The Company will implement drug and alcohol testing (a) to the extent necessary to comply with said laws and regulations and (b) the reasonable suspicion, post-accident and Employee Assistance Program or positive test follow-up testing that the Company feels necessary to achieve a drug- and alcohol-free workplace. Any other forms of drug and alcohol testing which may be identified by the Company as necessary to meet its drug- and alcohol-free workplace goals will be discussed with the Union and implementation will require mutual agreement of the parties.

The Company and Union have agreed to use a balanced approach to achieving a drug- and alcohol-free workplace. A central component of that approach is the intent to help employees overcome substance abuse problems through a comprehensive Employee Assistance Program. To that end, the Company agrees to provide employees who have verified positive tests an opportunity for rehabilitation, except where termination for independent reasons is appropriate.

The Union reserves the right to grieve the question of whether the Company's program is consistent with this Letter. The Union further reserves the right to challenge any said law or regulation it warrants unjust, to the extent that it affects represented employees.

Dated: January 12, 2001
International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776

By:

Sam Sinor
Business Representative

By:

Scott Drach
FTL, People

LETTER OF UNDERSTANDING #9

PROMOTIONAL APPEALS

The purpose of this Letter of Understanding is to set forth the parties' agreement regarding the appeal of openings filled by Employee Requests for Transfer as identified in Section 13.2. of this agreement. Appeals shall be limited as specifically described below:

Appeals will apply only when a senior candidate was considered, but not selected for promotion.

Only one appeal per opening will be heard and shall be limited to the most senior candidate that applied for the opening.

Appeals shall be brought to the Functional Team Leader-Human Resources or his designee within ten (10) days of notification of the selection.

If the appeal is upheld, remedy shall be limited to promotion of the employee to the next available opening within the job classification for which the appeal was made.

If no appeal is made, or if the appeal is not upheld, the decision rendered by the Company shall be final and binding upon the employee, the Company, and the Union.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #10
GAINSHARE PROGRAM

The purpose of this letter of understanding is to provide Boeing – Corinth, Co. with a supplemental tool to help sustain its competitive advantage which would be mutually beneficial for both the Company and eligible employees by rewarding performance which directly contribute to the Boeing-Corinth Mission and Philosophy Statements.

The Company will discuss with the Union any such program prior to implementation and reserves the right, with reasonable notice to the Union and all effected employees to revise or discontinue the program at any time.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #11

TEAM BASED ORGANIZATION

The Company and the Union agree that it is in their best interest to stimulate and support initiatives aimed at improving work processes, productivity, quality, and Employee Involvement. This can best be accomplished by active involvement of the Union and the Company in planning, developing, implementing, and evaluating programs to further these aims.

One such program is "Team Based Organization" (TBO). The purpose of the TBO is to: increase performance and quality; utilize the collective brain-power of every employee; develop a high level of competency; ensure team ownership of their processes; create a positive working environment; create an atmosphere of mutual trust, respect & support; and to generate innovative solutions by bringing diverse viewpoints and knowledge to bear.

The Union and Company agree to form a TBO Steering Committee to achieve this end. The purpose of the Committee is to oversee the TBO development, implementation and evaluation. The Committee will consist of (4) representatives from the Company and (4) representatives from the Union. The number of representatives may be changed upon mutual agreement of both parties. The Union representatives of the Committee will be appointed by District 776. However, membership is limited to fulltime employees of the Boeing-Corinth, Co. and fulltime representatives of District 776.

The Company and the Union may each select a focal point to co-lead this process. The role of these individuals is to be partners in championing the TBO process at Corinth.

The Committee can not make decisions on or changes to the Labor Agreement. It is understood the Union is the exclusive representative for employees covered by the Agreement. Nothing in this LOU or TBO design shall be interpreted to interfere with that right of representation.

**LETTER OF UNDERSTANDING #11
(continued)**

Furthermore, this Memorandum shall not be interpreted to supersede, replace, or interfere with any rights or obligations of either party contained in their collective bargaining agreement including, but not limited to, the grievance and arbitration procedures. In the event of a conflict between this Memorandum and the collective bargaining agreement, the terms and conditions of the collective bargaining agreement shall control.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #12
WITH REGARD TO SECTION 6.1(O), OJT
ASSIGNMENTS

During recent contract negotiations, it was agreed that the Company would convert a number of temporary On-the-Job-Trainer (OJT) positions to permanent status. When this conversion was complete, it was the intent of both parties to return to the original application of the OJT assignment, as described in the August 1, 1995 LOU moving employees performing this role into the bargaining unit.

OJT assignments will be made within the following groups: Production, Cut & Code, Test, Inspection, Receiving Inspection, Stores, Dock, Shop Scheduler. These groups will be used in regard to all administrative actions as cited below.

“The Company shall have the unrestricted right to assign any employee as an OJT. The decision to create an OJT position and the appointment of an employee to the OJT position shall be at the sole discretion of the Company and such right shall not be subject to grievance.”

The purpose of this letter of understanding is to clarify the status of the OJT assignment, as defined in Section 6.1(o) of the current bargaining unit agreement. The elements cited below will be implemented effective November 30, 1998.

- 1) OJT ASSIGNMENT Per the contract, the OJT position is considered an assignment. The Company has, at its sole discretion, the ability to assign or remove OJT responsibilities to an employee at any time.

- 2) TEMPORARY OJT ASSIGNMENTS The length of the OJT assignment is at management’s discretion. Therefore, the use of the reference “temporary OJT” will no longer be required. All employees holding a “temporary” designation on the effective date of this LOU will be converted to normal OJT status.

LETTER OF UNDERSTANDING #12
(continued)

- 3) ERT PROCESS OJT positions will not be posted and will not be filled under the guidelines of the Company's ERT process. OJT assignments, therefore, are not eligible to be reviewed under the appeal process (LOU # 11).
- 4) OJT SELECTION Management will consider input from the team and union in considering an individual for an OJT assignment. An employee's seniority may be a consideration in the assignment.
- 5) SENIORITY LISTS Effective with the implementation of this LOU, the current OJT seniority list will be dissolved, transferring the employees to the appropriate seniority list for their permanent position.
- 6) EMPLOYEE MOVEMENT An employee assigned OJT responsibilities will be eligible for other OJT assignments on other shifts provided he has the appropriate skills and experience for the OJT assignment in the other area. In the event of a reduction of OJTs within the group, all non-ERT OJTs will be reduced first. Further reductions will be in order of junior ERT OJTs and so forward. When increasing OJTs within the above listed groups the most senior ERT OJT who was reduced on or after contract ratification will be re-assigned to the OJT position within that group.

ERT OJTs will retain their premium if reduced through the process described above. The employee will retain the premium until such time the employee refuses an OJT assignment or accepts a bargaining unit assignment with a different premium.

**LETTER OF UNDERSTANDING #12
(continued)**

- 7) COMPENSATION There will be no change to the compensation of employees assigned OJT responsibilities due to this LOU. All conditions of Section 6.1(o) of the bargaining agreement will apply. At the time of assignment, the employee will be informed of the approximate duration of his OJT assignment.

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
FTL, People**

LETTER OF UNDERSTANDING #13
WITH REGARD TO SECTION 6.10, JOB
ASSIGNMENT

Effective August 10, 1999, when a permanent reassignment (promotion) is made which involves a change to a higher classification, the team member will be reclassified and his rate of pay determined as follows:

- A. All promotions will be accompanied with a minimum base pay increase of \$0.56 (provided the new wage range allows the increase.)
- B. The team members new wage will be calculated by adding the promotional increase to his/her current base wage and then advancing that wage to the next highest in the new classifications wage schedule.
- C. Under no circumstances will the promotional increase allow the TM to receive a wage that is above the team rate (wage scale maximum rate) for the new classification.
- D. He will begin a new date of next increase cycle if he is still in the progression cycle (i.e., his next wage increase will be 6 months from the date he moved into the new classification.)
- E. This promotional practice does not apply to TMs placed into new assignments (i.e., OJT or Team Coordinator).

**LETTER OF UNDERSTANDING #13
(continued)**

- F. No retro-active payments will be considered as a result of this Letter of Understanding. However, if a TM's base wage in a new classification awarded before the effective date of this understanding is projected to be lower than the base wage determined by the progression cycle in his previous classification, his base wage will be adjusted with the effective date of this agreement (Dated: August 9, 1999).

Dated: January 12, 2001

**International Association of Boeing-Corinth, Co.
Machinists and Aerospace
Workers, AFL-CIO
District Lodge 776**

By:

**Sam Sinor
Business Representative**

By:

**Scott Drach
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