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workers

AGREEMENT

Between

Solar Turbines Incorporated and
IAM & AW, Local Lodge No. 389

August 14, 2000 – May 29, 2005

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PREAMBLE

This Agreement is made and entered into this 14th * day of August, 2000 *, between the International Association of Machinists and Aerospace Workers, Local Lodge 389 and District Lodge No. 94 hereinafter referred to as the Union, and Solar Turbines Incorporated, a wholly owned subsidiary of Caterpillar Inc., hereinafter referred to as the Company.

The essence of this Agreement reflects the belief of Solar Turbines and the International Association of Machinists and Aerospace Workers that the interests of both parties are best served by a successful business. Fundamental to this premise is an understanding that customer and employee satisfaction are keys to this success and that these can only be achieved by a focus on safety, uncompromising quality, a commitment to continuous quality improvement, and a highly productive, cost effective, work environment based on shared values, mutual respect and which provides for the opportunity for meaningful, widespread employee involvement, teamwork and personal satisfaction.

NOTE:

* Indicates deleted language from previous agreement.

Double Underlined language is new to this agreement.

presently established bargaining unit work to non-bargaining employees of the Company.

2.03 Notwithstanding the foregoing, non-bargaining unit employees may perform bargaining unit work on an occasional basis for purposes of facilitating production provided that such action by non-bargaining employees does not cause the elimination of any bargaining unit classification or result in the layoff of bargaining unit employees.

2.04 The Company agrees to apply this Agreement to Solar plants in the County of San Diego. The Company agrees that its Sky Park location is considered as part of the Kearny Mesa plant and the Chula Vista facility will be considered part of the Harbor Drive plant.

2.05 The Company and Union have agreed that there are mutual advantages in permitting the assignment of employees covered by this Agreement to certain functions which they traditionally have not performed or have not exclusively performed. Examples of these functions are:

- a. The process of entering data using a computer terminal to add, retrieve and/or change stored information;
- b. Programming and maintenance of computers and robots;
- c. Identifying training needs, developing training materials and conducting training;
- d. Leading or participating in teams where activities may cover a wide range of functional areas;
- e. Special assignments given to employees to accommodate temporary medical restrictions.
- f. Materials and logistics activities such as scheduling, planning, purchasing, etc.
- g. Engineering activities.
- h. Team-related activities such as input into employee selection, and performance appraisal records.

However, these functions are not exclusively, and will not exclusively be, the work of employees covered by this Agreement or within the scope of the unit.

- (3) Recall drop list (1 copy as required).
- (4) Union dues report (2 copies monthly).
- (5) Classification Change Request list (1 copy quarterly).
- (6) Facility Safety Report (1 copy monthly).
- (7) One address and phone number listing each year, provided that such information will be used only for purposes of collective bargaining and that employee privacy will be maintained.

In addition, the Company will supply to the Union one (1) copy of HPCN's reflecting change in status of bargaining unit employees and copies of classification change requests and replies as submitted.

ARTICLE 4 - UNION REPRESENTATION

4.01 The Union will be represented by Business Representatives, two (2) Chief Shop Stewards, *Safety Representatives and Stewards, who shall be selected by the Union and recognized by the Company. The Chief Shop Stewards, * Safety Representatives and Stewards shall be employees of the Company.

4.02 The assigned Business Representative of the Union, for the purpose of investigating grievances, complaints, or matters arising out of the applications of this Agreement, will have access to all Company facilities in San Diego County covered by this Agreement during working hours upon two (2) hours notification to the appropriate plant Director/Manager of Human Resources or his/her designated representative. The Company will not impose regulations which will exclude the assigned Business Representative from Company facilities covered by this Agreement nor render ineffective the intent of this provision.

The Business Representative, when a member of the IAM Local 389 and an employee on a Leave of Absence as provided in Section 14.02 of this Agreement, will continue to receive *: seniority accrual as long as he/she is on the full-time staff of Local Lodge 389 and/or District 94 and/or the Grand Lodge of the IAM&AW *.

4.03 Chief Shop Steward: The Union will be represented by two Chief Shop Stewards; one each for the Harbor Drive and Kearny Mesa facilities.

one-half (2 1/2) * hours has been authorized by the Human Resources department. In no case shall the Chief Shop Steward be eligible for more than eight (8) hours pay in any regularly scheduled workday unless approved by the Human Resources department.

(D) The Chief Shop Steward will be compensated by the Company * at the maximum rate of his/her assigned classification as long as he/she holds the position. At such time as he/she is no longer serving as Chief Shop Steward, he/she shall return to the relative pay rate of his/her classification existing immediately prior to the Chief Shop Steward assignment.

(E) If the Chief Shop Steward enters an area during working hours to see an employee on Union business, he/she must contact the applicable department supervision prior to discussion with the employee. If the production efficiency would be hindered at that time, the supervisor and the Chief Shop Steward will mutually agree on another time for the required meeting, but in no event later than the end of shift of the day the initial request was made.

The Chief Shop Steward will, at the time of initial contact with the department supervisor, explain the nature of the problem he/she will be discussing and identify the aggrieved employees. It is not the intent of this paragraph to restrict the Chief Shop Steward from carrying out his/her prescribed function in the grievance procedure and in the proper representation of employees.

(F) Additional duties of the Chief Shop Steward will be to pick up grievances from Stewards and refer them to the second step and to conduct second step grievance discussions and/or investigations with a Human Resources Representative on his/her respective shift and plant location as defined in Article VII in preparation for his/her attendance at third step grievance meetings. The Chief Shop Steward may discuss with the grievant or other involved persons, the grievance being investigated. Such time spent in this activity will be included in the hours provided in Section 4.03 (c).

If the production efficiency would be hindered at that time, the supervisor and the Stewards will mutually agree on another time for the required meeting, but in no event later than four (4) regular working hours after the initial request was made.

Such time spent in this activity will not be unreasonable.

- (C) Stewards will continue to perform their normal work assignments when not conducting Union business under this Section.
- (D) Stewards may make decisions which are not in violation of the intent of this Agreement.
- (E) When Stewards are absent for any reason, the Union will appoint an alternate within the same unit or agreed upon area and inform the applicable supervisor(s) of such appointment. The alternate must have one year of seniority with the Company, unless otherwise mutually agreed upon.

4.0*5 Pay for Union Representatives: Chief Shop Stewards, * and Stewards shall be afforded time off from their jobs without loss of pay during their regularly scheduled working hours as may be reasonably necessary in carrying out the Union functions within the plant as set forth in Sections **4.03** * and **4.04** * above, provided such Union Representatives have properly followed the procedures set forth in those sections and the amount of paid time so spent does not exceed **thirty (30)** * hours per week at each facility, non-accumulative. There shall be no responsibility by the Company to reimburse any employee[s] after the **thirty (30)** * hours are exhausted. All union business time thereafter will be conducted off-the-clock. Except where specifically authorized by the Human Resources Manager/Director, any union business time in-plant for reasons other than specified in Sections 4.03(c), 4.04(a) and 4.05(a) and (b) will be considered a Misuse of Company Time. The Business Representative for Local Lodge 389 will be notified immediately of any instances of unreasonable use of time prior to any denial of pay or disciplinary action regarding the provisions of this Section. In any case in which a Union Representative is denied pay and the Union challenges such denial, the matter may be processed through the grievance procedure commencing with Step Three.

4.0*6 Decisions affecting more than one (1) Steward's area and not in violation of the intent or provisions of this Agreement or which establish a precedent for

5.04 The Labor/Management Committee shall consist of the assigned Business Representative, the Chief Shop Stewards, the Director of PSO, the Director of TMO, Director of Facilities and the Human Resources Managers. The function of this committee is to enhance communication between the union and the company, and to discuss issues not handled by the grievance procedure. This committee will meet at least once per quarter and may be scheduled by either party.

5.05 The Union shall be represented in matters of safety by a Safety Representative at each facility and by each department or area Steward. For purposes of this Section, Harbor Drive and Kearny Mesa shall be considered facilities entitled to a Safety Representative.

ARTICLE 6 - SAFETY

6.01 The Company agrees to maintain safe, sanitary and healthful working conditions in all of its plants.

- (A) The responsibility of day-to-day safety is assigned to the supervisor/unit leader of each department. Employees are expected to work in a safe manner and conform to all safety rules and instructions. All unsafe practices are to be corrected immediately. If an unsafe condition exists and the supervisor/unit leader cannot correct it, he/she shall immediately contact the Company Safety Representative who in turn will immediately investigate such unsafe conditions.

- (B) An employee who believes his/her job is not safe or might unduly endanger his/her health, shall contact his/her immediate supervisor/unit leader to report the condition. If after discussion with the immediate supervisor/unit leader, the employee's complaint has not been satisfactorily adjusted, the department Steward will be notified. The supervisor/unit leader will immediately contact the Company Safety Representative. The Company's Safety Representative, along with the Union's Safety Representative, will investigate the problem. While the question is being investigated, the employee will be assigned to other work that the employee is qualified to perform. The final determination of whether or not the job is safe will be made by the Company's Safety Representative and provided to the Union

in the bargaining unit concerning the interpretation, application, claim of breach or violation of this Agreement.

7.02 Grievances pertaining to matters general in character which cannot be settled by the immediate supervisor or the next level manager shall be valid when signed by the Chief Shop Steward for the facility or assigned Business Representative of the Union and referred to the Human Resources Department for the affected facility in Step Two of the Grievance procedure.

7.04 Grievances concerning other conditions of employment not specifically covered by the terms and conditions of this Agreement, except for suspensions and/or disciplinary actions where there is economic harm, shall be subject to the Grievance Procedure up to but not including Step Four. The decision given in Step Three by the party whom the grievance has been filed against shall be final and binding on both parties of this Agreement.

7.05 The Chief Shop Steward * shall be notified in advance and be present when an employee is discharged. In those instances where an employee is suspended for just cause, the Chief Shop Steward or area * steward of the shift involved shall be present. It is understood and agreed that in cases involving acts of violence, threats of violence, or dangerous conduct, the presence of Union officials may not be possible or practical and shall have no consideration in the disposition of the issue involved. In such cases, the Chief Shop Steward * will be notified as soon as possible thereafter. The Department Steward will be notified by the Supervisor upon receipt of an employee's resignation. The Union will be notified in advance when an employee is discharged while the employee is absent from the plant. At the time an employee is discharged, the Company shall provide the Union with the reason(s) for such discharge in writing. The employee shall have ten (10) working days to grieve his/her suspension or discharge, in Step Two of the grievance procedure, after he/she could have had knowledge of the event. Unless the written grievance signed by the employee has been delivered to the Human Resources office within the time limits specified above, the grievance shall be waived without precedent or prejudice.

7.06 No matter shall be considered as a grievance unless it is initiated within ten (10) working days after the cause of the complaint or the date on which the employee could have had knowledge of events on which he/she bases his/her grievance. Failure on the part of the grieving party to file or process grievances

By the end of the second working day following the supervisor's oral answer:

- a) The above referenced grievance shall be presented to the supervisor who at that time, shall initial and date the grievance form, remove and retain the fourth (4th) copy and return the remaining three (3) copies to the Steward.
 - b) The Steward shall refer the remaining three (3) copies to the Chief Shop Steward who shall register the grievance with Human Resources. Human Resources will retain the original copy of the grievance and return the remaining two (2) copies to the Chief Shop Steward.
- (B) Step Two: Within a reasonable time, but no later than ten (10) working days after receipt of the grievance by Human Resources, * a Human Resources Representative and the Chief Shop Steward will meet in an effort to resolve the grievance.

Additional meetings necessary to discuss and/or investigate such grievance will be scheduled by mutual agreement.

An additional meeting with the grievant to supplement information provided during the Step One discussion may be arranged by mutual agreement.

Scheduling of time for witnesses will be by Human Resources Representative by prior arrangement with the witness' supervisor. Issues concerning the scheduling of witnesses will be discussed between the Manager of Human Resources and the Union Business Representative.

When the Step Two discussion and/or investigation is completed, the Human Resources Representative will give the Company answer to the Chief Shop Steward no later than five (5) working days after the discussion and/or investigation is completed.

If the Company's answer is deemed unsatisfactory by the Chief Shop Steward, he/she will refer the grievance to Step Three no later than five (5) working days from the date the Company's answer is received.

information will be disclosed to the other party as soon as possible. In any event, the information will be disclosed no later than five (5) working days prior to the date the case is to be heard in arbitration.

Upon receipt of a panel of arbitrators, the moving party must contact the other party and arrange a time and place to pick the arbitrator within five (5) working days after receipt of such panel. If the panel of arbitrators is unacceptable to either the Company or the Union, the party rejecting the panel shall notify the other party in writing of such rejection within five (5) working days from the date the initial panel is received. It shall be the responsibility of the party rejecting the panel to request a new panel in the manner previously described except that the parties may select an arbitrator from another source by mutual agreement. No more than one panel of arbitrators may be rejected in any single case. The representatives of the Company and the Union shall each have the choice of alternately striking the names of four (4) of the names on the panel until one remains and he/she shall be the arbitrator. Failure of either party to exercise its right in this paragraph within the required time shall constitute agreement with the other party's position in the grievance. When the Union appeals a grievance to arbitration within the time limits mentioned above and such grievance involves accumulating liability to the Company, the Company shall have the right to request the scheduling of such grievance for arbitration as soon as practical under the circumstances.

Expenses of arbitration shall be borne by and divided equally between the Company and the Union. The fee of the arbitrator and the necessary expenses, exclusive of any payments to witnesses, or any arbitration proceedings shall be borne equally by the Company and the Union. However, each party shall pay the fees of its own counsel or representative. If an employee or other witness is called by the Union, the Union will reimburse him/her for lost time.

- (E) Subsequent to Step 3, the parties may mutually agree to submit an arbitrable grievance to a grievance mediation process. If so, the issue to be mediated shall be jointly submitted by the parties before mediation can proceed.

Selection of the mediator shall be by mutual agreement. Other terms and conditions of a mediation shall be mutually agreed upon by the parties prior to the mediation.

forty (40) hour requirement has been met and thereafter at time and one-half until the eight (8) hour sixth (6th) day requirement has also been met. Employees not requested for the sixth workday, but who are requested and work on the seventh workday, shall be paid at double the working rate after having met the forty (40) hour straight-time requirement. Overtime pay for employees on the Third Shift shall be paid as stated above except "6-1/2 hours" and "8-1/2 hours" will be substituted for "eight (8) hours" and "ten (10) hours" respectively. Early overtime hours worked in connection with the first day of the third shift workweek shall be considered part of the first day for pay purposes.

"Working rate" for employees on the Third Shift for purpose of this subsection shall be computed as follows:

$$\frac{8 \times (\text{base rate} + \text{bonuses})}{6 \frac{1}{2}} = \text{Working Rate}$$

In addition to paid work time, for purposes of premium rate eligibility on the sixth (6th) and seventh (7th) workday described in this Section 12.07, paid hours shall include paid vacation, sick leave, bereavement, jury duty and holidays.

12.08 Overtime Distribution: When overtime is necessary, the Company will distribute overtime among the full-time employees in the same overtime group by department, cost center, classification and shift. Employees with an active written notice of disciplinary action pertaining to attendance, quality, productivity, insubordination, safety or misuse of company time and/or whose most recent performance appraisal is below average, shall be removed from the overtime list. For purposes of overtime distribution, a cost center is defined as a group of employees having similar job skills or requirements. Cost centers may be established on the basis of types of equipment used, product type, specialized processes and/or skills, etc., at the sole discretion of the Company. The following rules will apply in equalizing overtime:

- (A) All overtime hours worked shall be voluntary on the part of the employees. However, in the event a sufficient number of employees are not obtained due to refusal of offered overtime, the low overtime employee qualified to perform the work will be assigned to perform the work except that no employee will

- (2) Should an out-of-spread condition exist at the end of a quarter, the Supervisor, Steward, and Human Resources Representative will meet to discuss a resolution to the condition.
- (3) If any employee on the overtime list is more than thirty-six (36) hours below the top for two (2) consecutive quarters, he/she shall be paid an amount equal to his/her working rate for each hour more than thirty-six (36) that he/she is below, and provided that the review and discussions in (1) above have taken place. This payment is not required if at any time during the second consecutive quarter the employee's overtime hours are brought within the thirty-six (36) hour spread.
- (G) Employees who change shifts and remain in the same classification and department Cost center or employees who transfer to another department cost center and/or classification shall assume the average overtime hours of the classification in the department cost center and shift to which transferred. (Excludes those hours worked by leadpersons.)
- (H) The Company will not change a department's cost centers more than twice in any twelve (12) month period. Employees who are more than thirty-six (36) hours below the top of their overtime group will not be transferred to a different cost center except on a voluntary basis.
- (I) When a department is scheduled to work overtime, employees farmed out to that department shall not be asked to work until all the other assigned employees of the department/cost center or mutually agreed upon areas, within classifications and shift affected, have been asked.
- (J) Employees who are medically restricted from working overtime, and/or who cannot perform the required overtime work due to the medical restriction, will not work, and will be removed from the overtime list. When the medical restrictions are removed, employees will be placed back on the overtime list and will be given the average hours of the overtime list.
- (K) Employees who are not available to work overtime in their own overtime group because they are farmed out and are working overtime in another

12.05 Shift Hours: The present established shift hours are as follows:

(A) Day Shift:

5:30 a.m.	--	2:00 p.m.
6:00 a.m.	--	2:30 p.m.
6:30 a.m.	--	3:00 p.m.
7:00 a.m.	--	3:30 p.m.
7:30 a.m.	--	4:00 p.m.

(B) Night Shift:

2:00 p.m.	--	10:30 p.m.
2:30 p.m.	--	11:00 p.m.
3:00 p.m.	--	11:30 p.m.
3:30 p.m.	--	12:00 Midnight
4:00 p.m.	--	12:30 a.m.

(C) Dawn Shift:

11:30 p.m.	--	6:30 a.m.
12:00 Midnight	--	7:00 a.m.
12:30 a.m.	--	7:30 a.m.
1:00 a.m.	--	8:00 a.m.

Employees who have personal needs for different shift hours are encouraged to request of their supervisor a different shift start time. Special shift start times which result from approval of such requests will not be considered established shift hours for purposes of Article 12.05 and 12.06.

Sections 12.01 through 12.05 shall apply except where other understandings prevail.

12.06 The Company may change the shift hours by up to one half (1/2) hour at its discretion. The shift hours for one or more days may be changed beyond one half (1/2) hour for individual employees provided the Company and the employees whose hours are changed agree in writing in advance of the change.

12.04 Regular Week of Work: Five (5) consecutive days of eight (8) hours each (40 hours), Monday through Friday, shall constitute a regular week's work for the First (Day) and Second (Night) Shifts.

Five (5) consecutive days of six and one-half (6-1/2) hours each (32.5 hours) Monday through Friday, shall constitute a regular week's work for the Third (Dawn) Shift.

A) Non-Traditional Workweek

In order to maintain production efficiency, it may be necessary for the Company to establish non-traditional workweek schedules composed of four 10 hour days. It is understood and agreed that The Company shall have sole discretion to establish a non-traditional workweek. In so doing, the Company will follow the California Industrial Work Orders applicable to manufacturing companies.

It is understood that pay dates and formulas for overtime, holidays, vacation and sick leave pay for employees working a non-traditional workweek will be adjusted in accordance with the spirit and intent of the applicable provisions of the agreement. Prior to assigning employees to a non-traditional workweek, the Company and the Union will meet to discuss the administration of the above-referenced provisions.

B) Special Workweek

The Company may assign employees in any department * to a special workweek. The special workweek shall consist of five (5) consecutive work days starting on a day other than Monday, followed by two (2) days off.

The Company will make special workweek assignments by first asking for volunteers. If a sufficient number of volunteers are not obtained, employees will be assigned to the special workweek for their shift in inverse seniority order *. Employees who are assigned to a special workweek will be notified no later than five (5) working days prior to the first day of such assignment.

Once an employee has exercised his/her request to volunteer for special workweek, that employee will not be permitted to request a change in shift/schedule for a period of nine (9) months from the date of his/her transfer

ten (10) working days in any calendar year. Employees are expected to request the court to excuse them from jury duty if they have served as a juror within the past three (3) years.

(A) Jury Service or Jury Examination

- (1) Jury service or jury examination on a regularly scheduled workday for a first shift employee shall be considered an excused absence and such employee shall receive jury duty allowances as follows:

If excused from jury service prior to the first half of their work shift, he/she will be required to report for work within one and one-half (1-1/2) hours from the time he/she is excused from jury service. If he/she returns to work and completes the shift on the day of jury service, he/she will receive eight (8) hours pay at his/ her regular rate. If he/she does not return to work when excused prior to the first half of his/her work shift, he/she will be paid only for those hours served on the jury. Employees serving past the first half of their work shift on the jury on such day of jury service will not be required to report for eight (8) hours at his/her regular rate for wages lost due to such absence on a regular eight (8) hour shift.

- (2) Jury service on a regularly scheduled workday for a second shift employee shall be considered an excused absence and such employee shall receive jury duty allowances as follows:

A second shift employee excused from jury service after serving three (3) hours or less will report for a full shift of work on the day he/she serves on the jury. If he/she serves on the jury more than three (3) hours, he/she will not be required to report for work on that day and will be paid eight (8) hours at regular rate.

- (3) **A third shift employee will be excused with pay the first day of jury service.** A third shift employee excused from jury service after serving three (3) hours or less will report for a full shift of work on the next following regularly scheduled shift.

	December 27	Friday
	December 30	Monday
	December 31	Tuesday

2003

New Years Day	January 1	Wednesday
Memorial Day	May 26	Monday
Independence Day	July 4	Friday
Labor Day	September 1	Monday
Thanksgiving Day	November 27	Thursday
Day after Thanksgiving Day	November 28	Friday
Holiday Shutdown	December 24	Wednesday
	December 25	Thursday
	December 26	Friday
	December 29	Monday
	December 30	Tuesday
	December 31	Wednesday

2004

New Years Day	January 1	Thursday
	January 2	Friday
Memorial Day	May 31	Monday
Independence Day	July 5	Monday
Labor Day	September 6	Monday
Thanksgiving Day	November 25	Thursday
Day after Thanksgiving Day	November 26	Friday
Holiday Shutdown	December 24	Friday
	December 27	Monday
	December 28	Tuesday
	December 29	Wednesday
	December 30	Thursday
	December 31	Friday

2005

President's Day	February 21	Monday
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- B. If expedited arbitration is mutually agreed upon the parties will meet within five (5) days of the date of that mutual agreement to schedule the expedited arbitration. The arbitrator will be selected from the agreed upon panel. Whenever possible, the expedited arbitration will be scheduled within thirty (30) days after this meeting, subject to the availability of the arbitrator.
- C. Extensions of time limits above will be by mutual agreement only. Additional provisions will be adopted by mutual consent.
- D. Normal expedited arbitration hearing procedures are as follows:
1. Conditional extensions/ continuances may be granted by the Arbitrator.
 2. Regular rules of evidence will apply.
 3. The hearing on any single case will normally take no more than one day.
 4. The Arbitrator will have sole authority to rule on all motions and decide the case.
 5. No briefs shall be filed.
 6. All fees and expenses of the Arbitrator will be borne equally by the parties to the dispute. If both parties want a transcript the cost will be shared equally by the parties. In the event only one party wants a transcript, that party will pay the cost of the court reporter. If the Arbitrator wants a transcript, both parties will share the cost equally.
 7. The Arbitrator may issue a bench decision at the hearing or may render a written decision within three (3) working days following the conclusion of the hearing. Such decision shall be based on the record before the Arbitrator and may include a brief explanation of the basis of such conclusion.

ARTICLE 10 - SENIORITY

10.01 Definition: The purpose of this Article is to provide a declared policy of work security for employees measured by length of service. Seniority, as used herein, is defined as length of unbroken service with the Company in the bargaining unit. The Company will recognize seniority in all matters of promotions, upgrading, shift and workweek preferences, transfers, layoffs, recalls, and vacations, except as otherwise provided for in this Agreement.

10.02 For the purpose of seniority, employees hired on the same calendar day shall be in alphabetical order of surname, and if surnames are identical, in alphabetical order of initials. In the event employees change their surname after their hire date, their surname at the time of hire will be used for the purpose of this section.

10.03 Employees promoted or transferred from assignments under the jurisdiction of previous Agreements between the Company and the Union prior to July 1969 will retain, but not accumulate, seniority.

Employees promoted or transferred from assignments under the jurisdiction of the Union from July 1969 to date of transfer or promotion up to the effective date of the 1972 Agreement will retain, but not accumulate, seniority up to the date of transfer or promotion.

Following the effective date of the 1972 Agreement, employees transferred or promoted from assignments under the jurisdiction of the Union will immediately forfeit all seniority rights within the bargaining unit.

Employees promoted or transferred from assignments under the jurisdiction of the Union from July 17, 1978 will retain but not accumulate seniority up to the date of transfer or promotion.

Employees returning to the bargaining unit from assignment outside the bargaining unit shall continue to accrue benefits as in the past.

Due to the nature of the Company's business, it is occasionally necessary to assign employees into salaried positions for temporary periods of time. It is therefore agreed that when such temporary assignment does not exceed twelve (12)

An employee at his/her discretion may elect to receive pay in lieu of sick leave from eight (8) full hours to forty (40) full hours of his/her earned sick leave hours. The pay in lieu part of his/her sick leave shall be issued during the pay period subsequent to a request from the employee after he/she has earned the sick leave hours in question.

11.07 Pro-Rata Pay: An employee terminated or laid off after one (1) month of continuous service shall be paid pro-rata vacation and pro-rata sick leave at the rate of *one-twelfth (1/12) of eighty (80) hours for each month worked toward the next vacation and one-twelfth (1/12) of forty (40) hours for each month worked toward the next sick leave.* Any fraction of a month will be paid rounded up to the nearest two (2) hours.

- (A) An employee, upon notification and proof that he/she has been accepted for duty in the Armed Services of the Government, shall be granted a leave of absence and shall be paid by the Company an amount equal to his/ her pro-rated vacation accrued at that time provided he/she has completed one (1) month of service.
- (B) Pay as described above means the employee's working rate of pay. *

It is understood between the parties that the Company may make farm-out assignments subject to the following limitations:

1. **Lateral or Lower Classifications:** Farm-out assignments to lateral or lower classifications may not exceed thirty (30) * consecutive working days in classifications having an employee on layoff with more seniority than employees farmed out to such classifications.
2. **Higher Classifications:** Assignments to higher classifications may not exceed thirty (30) * consecutive working days. Employees farmed out to a higher classification, to which they have recall rights, for more than ten (10) consecutive days will receive their current rate of pay or the midpoint * of the higher classification, whichever is greater.

Experience gained on a farm-out assignment to a higher classification may be cited by an employee seeking promotion to such classification provided that the work performed was of the higher skill level.

3. **Other Shifts and/or Plants:** An employee may not be farmed out to another shift and/or plant for more than sixty (60) working days in a calendar year unless otherwise mutually agreed between the farmed employee and the Company.
4. **Union Notification:** The department supervisor will notify the department Steward in writing when an employee in his/her department is farmed out for more than thirty (30) * consecutive working days. The department supervisor will notify the department Steward in writing whenever an employee in his/her department is farmed out to a higher classification.

10.06 Redeployment

It is recognized that the nature of Solar's business creates shifts in the types of work performed at the Company. It is further recognized that layoffs can be minimized or avoided by redeploying individuals or groups of employees to other classifications, facilities, and/or shifts for periods of time which are beyond the scope of a farm-out.

- (E) In the event an employee is found not qualified for the job he/she has requested under the classification change request system, the employee will be given the reasons in writing by the Human Resources department. If the employee feels the reasons are not justified, he/she may seek recourse through the grievance procedure.
- (F) It is understood between the parties that employees will not be progressed or recalled to classifications as trainees and/ or learners as long as there are qualified employees on the CCR and/or recall lists for those classifications.

10.08

- (A) When an employee has been found qualified through a classification change request, his/her name will immediately be placed on the list for the classification requested. Employees will take their relative positions as they become eligible. This shall include employees off the payroll on layoff who at the time of layoff have approved classification change requests on file. Affected employees on the payroll shall have two (2) work days to accept or reject the proposed classification. Affected employees off the payroll on layoff shall have three (3) working days to accept the proposed classification and five (5) working days to report to work after notification has been sent to the employee's latest address on file with the Company. If more than one employee becomes eligible to go on the CCR list on the same date, seniority will determine the employee's position on the list. When an employee accepts reclassification under this Section and it requires a transfer to another shift, the employee may defer the transfer for up to two (2) weeks if required to arrange for child care or alternative transportation.

In the event an employee on the active payroll declines a change in classification or a promotion, he/she must wait a minimum of six (6) months before he/she can become eligible again for that classification and/or occupation. Employees off the payroll on layoff who do not accept the proposed classification within the time limits specified above, shall have their Classification Change Request to that classification removed from consideration for a period of six (6) months. At the end of such six (6) month period, the Classification Change Request shall go on the CCR list as if it was received at that time.

to be taken by the Company is twenty-four (24) * months from the date the falsifications or omissions occurred.

ARTICLE 11 - VACATIONS, HOLIDAYS AND LEAVES

11.01 Vacations: An employee shall be eligible for a vacation with pay upon completion of each year of unbroken service with the Company. The extent and duration of such vacation which shall apply shall be based upon the employee's total years of unbroken service, subject to the Leave of Absence section of this Agreement. Vacations shall be as follows:

<u>After Years of Unbroken Service</u>	<u>Vacation</u>
1 year	80 hours
5 years	104 hours
10 years	120 hours
12 years	128 hours
15 years	136 hours
20 years	160 hours

A. * All employees shall have a vacation eligibility date of January 1 of each year. Employees recalled from layoff shall also be eligible for vacation in January 1 of the year following the year in which they were recalled. Vacation eligibility for recalled employees shall be on a pro-rated basis. A conversion chart is included as Appendix D to determine the hours of vacation eligibility for recalled employees. Fractional days of eligibility are rounded up to the nearest two (2) hours to insure no loss of eligibility.

Years of service will be adjusted by all periods of layoff, and by non-occupational medical and/or personal leaves of absence of two (2) months or more.

B. After the completion of six (6) continuous months of service from initial date of hire, an employee may use up to forty (40) hours of vacation. Any days used after six (6) months and before the completion of one (1) year of service shall be deducted from the eighty (80) hours vacation eligibility earned at the

forfeit their recall rights. When the laid off employee accepts temporary recall, he/she shall report to the Human Resources office within twenty-four (24) hours after receipt of notice (telegram) from the Company. He/she will be informed at that time as to the day, shift and department he/she is to be assigned.

(B) Employees on the payroll and eligible for recall will be advised when the work for which they are being recalled is scheduled for three (3) * months or less and shall have the right to refuse such temporary recall without losing their recall rights to that classification, subject to the following:

1. If more than one (1) employee (on the payroll) is on recall to the classification needed, the most senior employee on the recall list will be offered the job first. If that employee refuses, then the next most senior employee will be offered the job and so on down the list until someone accepts. If none of the employees (on the payroll) accept, then the least senior employee will be assigned the job.

2. If only one (1) employee (on the payroll) is on the recall list for the classification needed, then that employee will be assigned to the classification for which the temporary recall is made.

(C) Temporary recall will be made in order of seniority on the recall list for the applicable classifications.

(D) Employees on temporary recall status shall not be granted preferential seniority under Article X, Section 10.16 unless duly elected to a Union position while on temporary recall status.

10.16 Preferential Seniority: It is agreed that * the facility Safety Representatives and the Chief Shop Stewards * will all have preferred plant-wide seniority for the purpose of layoffs and shift preference. Preferential seniority for shift assignment shall be in accordance with the provisions of 10.09(A) except as otherwise provided in this Agreement.

10.17 The Steward shall be placed at the top of his/her classification on the seniority list of his/her department and will be the last to be transferred, farmed out, downgraded, or laid off while acting as such. In no event will a Steward have seniority over Union Representatives as defined in Section 10.16.

Company. The expense of such examination and report shall be paid one-half by the Company and one-half by the employee.

If, because of sickness or injury, a laid off employee fails to report by telephone or in person for an interview for work within the time limits as specified in Section 10.19(D), the employee shall be required to:

1. Furnish evidence of sickness or injury to the satisfaction of the Medical department of the Company.
 2. The employees shall remain on the recall list for a period not to exceed forty-eight (48) months from the date of the first recall notice, provided he/she reports for work as soon as possible upon release for work by his/her physician.
 3. Is cleared to return to work by the Company Medical department.
 4. Once an employee has been cleared by the Company Medical department to return to work, he/she will displace the less senior employee on the payroll in the returning employee's classification, providing there are no open requisitions for that classification. This Subsection also applies to employees on the payroll and on an approved medical leave of absence.
- (F) Upon responding to a Company notice to return to work within the time limit for such response provided for in Paragraph 10.19(D), a laid off employee shall not lose his/her place on the seniority list by reason of his/her refusal to accept recall in a classification or classifications held on downgrade or in a lower rated classification than that in which such employee was working immediately prior to his/her layoff. A laid off employee shall lose his/her seniority for failure to accept recall to the classification held prior to his/her initial displacement due to a reduction in force.
- (G) An employee on the payroll who is offered recall to a lateral or higher classification must either accept or reject the recall within two (2) working days.
- (H) An employee eligible for recall may, by written notice to the Human Resources department of the Company submitted at least seven (7) days in advance of any notice of recall, request suspension of his/her right to recall to the

- (F) When an employee exercises (C) (2) above and cannot successfully complete his/her trial period, he/she will revert to his/her former classification and be laid off and removed from the Company's payroll.
- (G) It is agreed that at any time active employees will be allowed to update their preemployment applications concerning classifications held at other companies. Such additional information will be used in consideration of displacement rights as provided in Section 10.10(C)(3) of the Agreement.

It shall be the employee's responsibility to provide documentation to the Company prior to the employee's notice of layoff to confirm the type of work performed at the other company. Examples of such documentation are: job descriptions, or a letter from a company representative indicating the type of work performed. If after review of such documentation there is a question concerning which duties the employee actually performed, the employee requesting a classification under Section 10.10(C) will be interviewed and evaluated by appropriate qualified management personnel to determine if the employee is qualified for the classification.

10.11 Notice of Layoff: In reducing the work force, an employee shall be given five (5) days' notice. After receiving such notice of layoff, he/she shall continue to conform to all Company rules and regulations. Notice given prior to the midpoint of the shift will be considered the first day of the five (5) day notice. Employees will be compensated in lieu of such notice up to a maximum of five (5) working days except when the employee is not available to be notified.

10.12 Employees on layoff status shall continue to accumulate seniority up to forty-eight (48) months provided they register with the Company each July (either by letter or in person).

10.13 Recall:

(A) Employees on the recall list shall be recalled in order of seniority applied by classification. The recall list consists of:

- (1) Employees on layoff from the classification and off the payroll.

(F) Any transfer resulting from application of (C), (D), and (E) above will take place within ten (10) working days, except in the case of probationary employees and employees on a trial period.

(G) Transfer:

Existing Department

In the event the Company deems it necessary to transfer employees to existing departments, senior employees working within the affected department and job classification shall be first given the opportunity to transfer on a voluntary basis. Should this action result in obtaining a lesser number of employees than is required, the least senior employees working in the affected classification and department will be transferred.

New Department

The Company reserves the right to staff newly created departments. Employees who are selected for the new department shall have the right of refusal by seniority. Should this action result in obtaining a lesser number of employees than is required, the least senior employees working in the affected classification and department will be transferred.

The above procedures will be followed consistent with efficient production.

10.10 Layoff:

Layoff - Temporary: When reducing the work force, due to an emergency which is of a temporary nature not exceeding three (3) work days, those employees directly involved will be sent home according to their seniority in their classification and shift, excluding Senior Stewards and Stewards. Layoff - Other: When it becomes necessary for the Company to reduce its work force in an occupation by reason of work needs, employees in the classifications affected shall be laid off in the inverse order of their plant-wide seniority in accordance with the following rules:

(A) Officers and Stewards will be handled as outlined in the Preferential Seniority sections of this Article.

their vacation in accordance with Section 11.04. Employees may take a leave of absence in lieu of vacation for vacation shutdown.

11.04 The Company will attempt to grant vacations when requested in accordance with the following policy.

- (A) Employees desiring to exercise their seniority rights for vacation must submit their request for the date of vacation to the Company between January 1 and February 1. All requests received after February 1 will be scheduled by date received.
- (B) Employees who transfer to another classification, shift, and/or department will carry their vacation requests with them. In the event of a conflict, plant-wide seniority will be the determining factor.
- (C) Once an employee has submitted his/her request for vacation and received approval thereof, such dates may not be cancelled or changed within fourteen (14) days of the scheduled start date of the vacation except as provided in (B) above or by mutual agreement between the employee and his/her supervisor/unit leader.

11.05 Sick Leave: As an employee becomes eligible each year for vacation under this Article he/she shall at the same time become eligible for forty (40) hours of sick leave with pay.

A. On completion of one (1) year of continuous service, newly hired employees shall be eligible for forty (40) hours of sick leave. On January 1 of the year following the year in which the employee completes one (1) continuous year of service, the employee shall have sick leave eligibility as provided in the conversion chart in Appendix D. Fractional days of eligibility are rounded up to the nearest two (2) hours to insure no loss of eligibility.

B. Employees recalled from layoff shall be eligible for sick leave on January 1 of the year following the year in which they were recalled. Sick leave eligibility for recalled employees shall be on a pro-rated basis. A conversion chart is included as Appendix D to determine the hours of sick leave eligibility

- (O) Employees who accept weekend overtime and then are absent on the fifth (5th) workday, will be charged for the day(s) in question and will not be allowed to work the weekend overtime unless supervisory approval is obtained prior to the end of his/her shift on the fifth (5th) workday.
- (P) In the event that it is necessary to work overtime in excess of the employee's regularly scheduled shift, either on a holiday and/or sixth or seventh workdays for the continuation of work assignments, the Company may work the employee into the next shift consistent with operational requirements, not to exceed two (2) hours.
- (Q) All classified employees within an overtime group will be offered overtime work before trainees are offered overtime within the group.

Apprentices who have completed at least one-fourth (1/4) of their Apprenticeship Program will be placed on a separate overtime list. An apprentice shall be allowed to work overtime as long as his/her overtime charges do not exceed the average overtime charges of the regularly classified employees in their department cost center, classification and shift as computed at the end of each month. An apprentice whose overtime charges exceed the average of the regular overtime group will not be asked for overtime until such time as his/her overtime is less than the regular overtime group's average. This is not to be construed as a guarantee that apprentices will be entitled to work or be requested to work overtime. In any case, where all regularly classified employees in the overtime group have been asked to work overtime, any apprentice may be requested to work.

- (R) Effective January 1, 2001 *, and each January 1 thereafter, all overtime lists shall revert to zero hours. However, if the spread on an overtime list is greater than thirty-six (36) hours on December 31, that list will not revert to zero.

12.09 When daily overtime of two (2) hours or more is scheduled after a regular shift, a rest period of ten (10) minutes will be granted ten (10) minutes prior to the expiration of the regular shift.

When daily overtime of two (2) hours or more is scheduled prior to a regular shift, a rest period of ten (10) minutes will be granted ten (10) minutes prior to the beginning of the regular shift.

12.13 **Emergency:** When an emergency occurs and there are no qualified bargaining unit employees immediately available within the plant to perform such emergency work, the Company may assign any qualified employee who is immediately available within the plant to perform such emergency work. "Emergency" is defined as an imminently destructive or hazardous condition.

ARTICLE 13 - WAGE RATES, CLASSIFICATIONS AND LABOR GRADES

13.01 Definitions:

- (A) **Base Rate** is defined as the Hourly Wage Rate of an employee excluding any adjustment, bonus, differentials, overtime, or premium payment.
- (B) **Working Rate:** The working rate is an employee's Hourly Base Rate of pay plus Lead Worker, Shift Differential, Cost-of-Living, if any, and excluding overtime.
- (C) **Classification:** Classifications are identified by Code Numbers in Appendix "A".
- (D) **Prevailing Rate:** Prevailing Rate is the working rate of pay for the day worked.

13.02 **Statement of Policy for Utilization of Job Descriptions:** The following basic principles governed the preparation of the job descriptions; these same principles are to govern their use.

1. The title selected for a classification is that which most clearly identifies the type of work performed.
2. The Occupational Summary is a brief description of the classification as a whole, the purpose of which is to distinguish it from other classifications.
3. The job description sets forth typical distinguishing and related requirements. The distinguishing requirements illustrate a level of difficulty of work and are not intended to list or describe all work operations or tasks done within the classification. These requirements may not fit all specific

8. It is understood by the parties that a normal part of an employee's job requires maintaining his/her personally assigned work area in a clean and orderly condition.

13.03 Work operations which are not adequately nor specifically described shall be appraised and classified by the Business Representative of the Union and a Representative of Human Resources as belonging under the most appropriate job description by considering the level of difficulty or complexity of said work operations, primarily in comparison with comparable work operations described in the Work Performed section of the job description.

13.04 It is recognized that changing conditions and circumstances may require the establishment of new classifications under the jurisdiction of the Union (because of changes in job content growing out of the introduction of new products, changes in equipment or tooling or in method of processing or in materials processed, etc., or the necessity to combine classifications for more efficient operations, etc.). Under such circumstances, the Company shall prepare and submit for discussion to the assigned Business Representative of the Union, prior to implementation, the descriptions, evaluations and appropriate labor grade assignments for such job classifications as will have been determined to be within the collective bargaining unit. No later than ten working days after presentation to the Business Representative of the job description for discussion, the Company, at its discretion, will place the job description and labor grade into effect subject to the Union's right to refer to arbitration the appropriateness of the labor grade assigned within the time limits specified in the grievance procedure. Staffing of these new classifications will be made by the Company, from those employees who have an approved Classification Change Request on file.

Adequate time will be given for employees to submit a Classification Change Request before new employees are hired to staff such new classification, except that employees who are reclassified into the new classification as a result of its introduction into their manufacturing unit, shall have rights to the introduced classification over persons submitting a CCR.

Employees then in the department where the new job description will be utilized will be so advised by the supervisor.

period and provided he/she has sufficient seniority to do so, the employee will be returned to the department, shift and classification held at the time of the change in classification.

- (1) If the employee wishes to return to his/her previously held classification during the trial period, they may do so and the supervisor/unit leader will notify the Steward of the decision.
- (2) All employees disqualified while serving their trial period will be permitted to submit change of classification request in accordance with the provisions of Section 10.07, after the expiration of six (6) months, provided the employee can demonstrate that the prior disqualifying factor(s) has (have) been corrected.

10.09 Transfer of Employees Within a Job Classification. Consistent with efficient production, the following procedure will be followed:

- (A) An employee may request of his/ her immediate supervisor/unit leader a transfer to another shift which shall be limited to his/her present job classification within the department . He/she will be permitted upon expiration of thirty (30) days from the date of his/her written request, if there are no new employees within the department that would expedite the move, to displace the employee having the least seniority within the corresponding supervisor's/unit leader's work jurisdiction on the shift of his/ her preference, provided his/her seniority is greater than that of the employee he/she is displacing. In the event that the employee cannot satisfactorily perform the work of the employee being displaced within five (5) working days from the date of entry to the new shift, both affected employees shall be returned to the previous shift assignment. An employee who displaces another employee within his/her cost center, will not be subject to the five (5) day requirement. In the event the employee being displaced is attending an accredited school pursuing his/her formal education and carrying a minimum of two (2) courses, he/she shall be permitted to complete the semester or a period of four (4) months, whichever occurs first, before being bumped under this Section. If there is another employee more senior than the employee attending school but less senior than the employee seeking to transfer, that least senior employee not attending school shall be transferred. No displacement for shift preference of or by a probationary employee or employee in his/her trial period will be permitted. An

determining appropriate requirements and actions to maintain standards of quality, safety and efficiency; coordinating procedures, production plans, schedules, etc., with supervisory, engineering and quality assurance personnel; locating, routing and assuring movement of parts and assemblies to and from the department. However, a leadperson may not take disciplinary action against an employee, maintain timecards or overtime records, distribute paychecks or assign work outside his/her designated group.

- (C) A Team Leader is an employee that, in addition to performing the duties of a Leadperson as described in (A) and (B) above, may also be assigned responsibility for other functions of team leadership not expected of Leadperson.

The selection and removal of Team Leaders is the sole discretion of management. Such discretion may be delegated to the team by the Unit Leader. The primary focus on the selection of a Team Leader will be demonstrated leadership skills and ability. Both represented and non-represented employees may serve as Team Leaders. Represented employees who are Team Leaders, shall have no authority to hire, terminate or discipline any employee.

13.07 Lead Pay: Leadpersons will not be considered as supervisors but as working leaders. Leadpersons shall receive * seventy-five cents * (\$.75) per hour over the maximum rate of the highest classification regularly led or * seventy-five cents * (\$.75) per hour above the maximum rate of his/her own classification, whichever is greater. Leadpersons leading non-bargaining unit employees shall receive one dollar (\$1.00) above the highest bargaining unit rate led or their own classification, whichever is greater.

Temporary leadpersons shall receive * seventy-five cents * (\$.75) per hour above their own working rate of pay for the duration of their temporary assignment.

Workgroup Team Leaders will receive at least one dollar (\$1.00) per hour above their maximum rate of their classification.

For purposes of this Section 13.07, "maximum rate" shall mean the maximum rates provided in Article III, Section 13.13, effective July 10, 1995. In the event the

classification will continue to receive such higher rate of pay when assigned to such classification.

13.14 Cost-of-Living Adjustments

- (A) Cost-of-living adjustments shall be paid in addition to, but not as a part of, the base rates of all employees in accordance with the provisions of this Article. In no event shall there be a reduction of base rates as a result of these provisions, nor shall there be a pyramiding of cost-of-living adjustments as a result of the periodic computations.
- (B) On and/or after November 6 *, 2000 cost-of-living adjustments shall be made as provided in the following paragraphs of this Section 13.14.
- (C) Cost-of-Living adjustments will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 equals 100), published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the BLS Index.
- (D) Cost-of-living calculations shall be made quarterly on the first day of the first full pay period on or after each August 1, November 1, February 1, and May 1, starting with November 6, * 2000. Each quarterly adjustment will be calculated using the following calendar cycle:

<u>Comparison Date</u>	<u>Base Price Index Based on Avg 3-Month BLS Index For:</u>	<u>Average 3-Month BLS Index For:</u>
August 1	Apr, May, Jun (cur. yr)	Jan, Feb, Mar (cur.yr)
November 1	Jul, Aug, Sept (cur. yr)	Jan, Feb, Mar (cur. yr)
February 1	Oct, Nov, Dec (prior yr)	Jan, Feb, Mar (prior yr)
May 1	Jan, Feb, Mar (cur. yr)	Jan, Feb, Mar (prior yr)

Comparison date will be the first day of the first full pay period on or after this date.

made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.

- (K) In the event the Bureau of Labor Statistics (BLS), United States Department of Labor, discontinues publication of the current BLS Index, or changes the form and/or method of calculation of the BLS Index, the Company and the Union shall enter into immediate negotiations to determine the appropriate index to be used. The purpose of these negotiations shall be to insure that the adjustment received under this Section will be as intended by the parties and shall be no less than that which would have occurred had the Price Index been continued in its present form. In the event the parties are unable to agree within sixty (60) days of the discontinuance or change in form and/or method of calculation, this dispute shall be submitted to final and binding arbitration as provided for in this Agreement. The cost-of-living adjustment, if any, shall be retroactive to the appropriate effective date of adjustment.

13.15 Pay Day: * **All employees will be paid on a weekly basis.** All employees are encouraged to use the Direct Deposit Surepay system.

The Company will distribute both paychecks and non-negotiable pay stubs through the mail.

Employees may arrange to pick up negotiable paychecks from the cashier or another designated location, by making a written request to the company.

ARTICLE 14 - LEAVES OF ABSENCE WITHOUT PAY

14.01 Leave Without Pay: An employee may be granted a leave of absence without pay for the reasons and subject to the conditions stipulated below:

- (A) Informal Leave of Absence -- Personal: Informal leaves of absence for personal reasons are those for a period of seven (7) calendar days or less, and shall be granted for good and sufficient reason, if production

medical leave in this Section shall be the first date of full absence or early departure from work. Example: an employee is absent on Tuesday but reports to work on Wednesday and leaves after two (2) hours worked. For purpose of requesting the leave and the actual start date of the leave of absence, the Wednesday would be the first date of the consecutive days of absence period.

2. A statement from the employee's physician or health care provider explaining the nature of the illness or injury and the requested length of absence must be received by Human Resources prior to the expiration of the sixth (6th) calendar day of his/her absence or on the day that the employee is scheduled to be cleared by the Company Medical Department, whichever occurs first, or the employee will be considered a voluntary quit and removed from the payroll. IT IS THE RESPONSIBILITY OF THE EMPLOYEE TO SEE THAT THE PHYSICIAN'S STATEMENT IS RECEIVED BY THE COMPANY WITHIN THE TIME LIMITS STATED ABOVE.
3. EXTENSIONS TO LEAVES MUST BE REQUESTED BY THE EMPLOYEE OF HIS/HER IMMEDIATE SUPERVISOR AND/OR THE COMPANY MEDICAL DEPARTMENT PRIOR TO THE EXPIRATION OF THE THEN CURRENT LEAVE OR EXTENSION, AND A STATEMENT FROM THE EMPLOYEE'S PHYSICIAN MUST BE RECEIVED BY THE MEDICAL DEPARTMENT STATING THE LENGTH OF REQUESTED EXTENSION, WITHIN TWO (2) WORKING DAYS AFTER THE EXPIRATION OF THE THEN CURRENT LEAVE OR EXTENSION. FAILURE ON THE PART OF THE EMPLOYEE TO MEET THESE CONDITIONS WILL RESULT IN HIS/HER BEING REMOVED FROM THE PAYROLL AS A VOLUNTARY QUIT.
4. The Company reserves the right to deny a medical leave request and/or shorten or lengthen the requested medical leave if the Company's Medical Director determines that the requested time off is medically unnecessary or inadequate. In addition, the Company Medical Director may place an employee on a medical leave if he/she determines that such medical leave is necessary for the health and/or safety of the employee or fellow employees.

considered a voluntary quit and will be reinstated when satisfactory written proof is presented to the Company.

8. As a convenience to employees requesting a Medical Leave of Absence and to guarantee that requests will be recorded and properly processed, the Company has established a Medical Leave Request telephone line which employees may use as an alternative to contacting their supervisor. This phone system may also be used for requesting extensions to Medical Leaves of Absence, even if the original request was made directly to the supervisor.

The Company will provide employees with a wallet-sized card which will contain the Medical Leave Request Line phone number and instructions on how to make a Medical Leave Request using this system. When calling to request a medical leave, an employee must provide the following information:

- a. Name (as indicated on pay records).
- b. Employee I.D. Number.
- c. Department and Shift.
- d. Supervisor's Name.
- e. First date of absence during the period for which the leave is being requested. (If the request is for an extension to an existing leave, the expiration date of the existing leave must be stated also.)
- f. The estimated length of time required for the medical leave or extension.

Although this Medical Leave Request Line is designed to make it more convenient for employees to request a medical leave, it is understood that it does not negate the employee's responsibility to comply with the provisions of Article 14, Section 14.01(c), of this Labor Agreement. It is further agreed that in the event this Medical Leave Request Line becomes impractical, or if the Company redesigns or modifies any portion of this request procedure, the Company will notify the Union and employees no later than five (5) working days prior to modifying or canceling the procedure.

case-by-case basis. Consideration will also be given for approved time off in connection with periodic medical treatment for family members that cannot be arranged outside of working hours.

14.02 Leave -- Union Activities: Upon certification by the Union to the Company that an active employee (or employees) with at least one (1) year of unbroken service with the Company has been elected or appointed as a full-time Union Representative for the purpose of conducting Union business directly connected with this bargaining agreement, the Company will grant a leave of absence without pay for a maximum of one (1) year. This leave will be extended for one (1) year periods upon request by the Union.

Upon certification by the International Union that an active employee with at least one (1) year of unbroken service with the Company has accepted a full-time position as a Union representative of the International Association of Machinists and Aerospace Workers, the Company will grant such employee a leave of absence for the term of such position without loss of seniority. Leaves of Absence as mentioned in this Section shall not extend beyond the term of such full-time position. No more than one (1) such leave shall be in effect at any one time, except by mutual agreement between the Company and the Union.

14.03 Family Related Leaves:

Family related leaves shall be granted in accordance with existing state and federal laws governing such leaves.

14.04 Peace Corps Leave: An employee selected by the U.S. Government to serve in the Peace Corps shall be granted a leave of absence for this purpose, provided he/she has completed his/her probationary period.

14.05 Public Service Leave: An employee who runs for or is elected to public office, or who is appointed to serve unexpired terms of such elective position, or is appointed to full-time State or Federal non-civil service government office where such appointment requires legislative approval, will be granted a leave of absence for a period of his/her initial term in office. An extension of this leave will be granted by the Company upon written application by the employee, provided he/she still

ARTICLE 16 - SUBCONTRACTING

16.01 The Company will pursue the following policy when contracting outside labor into bargaining unit jobs at its San Diego facilities:

- (1) Recall all qualified employees on active layoff status.
- (2) Upgrade all qualified employees with approved upgrade requests on file.
- (3) All bargaining unit employees in affected classifications and manufacturing unit must be working or offered at least a forty-eight (48) hour week.
- (4) Make every reasonable effort to recruit the desired skills through advertising media, etc.
- (5) Notify the Business Representative of LL389 or his/her authorized alternate and solicit his/her ideas for locating qualified applicants.

16.02 If these efforts fail to produce sufficient manpower to perform the necessary work, the Management agrees to notify in writing the Chief Shop Steward at the appropriate facility of District 94 of the Company's plan for staffing with contract labor, including approximate number of employees and approximate duration of assignment.

16.03 Qualified employees in the bargaining unit will be given priority on overtime work over contracted labor.

16.04 Notwithstanding the provisions of Article II, the Company may use non-bargaining unit employees in place of contract labor, consistent with the provisions of Sections 16.01 through 16.03.

16.05 Maintenance Subcontracting:

- (A) The Union agrees that the Company may subcontract maintenance work.

- (B) The parties also recognize that * it will be necessary for (1) suppliers to perform work operations on Company premises in order to complete their product; and (2) for subcontractors to perform work operations on Company premises involving specialized equipment or skills not readily available within the Company. The Company agrees to notify the Union whenever such work is performed on Company premises.
- (C) By mutual agreement of the parties project teams involving bargaining unit employees affected by resourcing may be formed to address options that will address the job security of those employees and the efficiency of the operations. **A union representative may be part of the team.**

16.07 Janitorial/Groundskeeping Subcontracting: The Union agrees that the Company may subcontract janitorial/groundskeeping work. The Company agrees that such subcontracting will not cause the displacement of employees who are on the payroll classified as a General Utility Worker, as of July 10, 1995 *.

The subcontracting of janitorial/groundskeeping work will not entitle any employee to guaranteed overtime or overtime pay.

16.08 Temporary Employees: The Company may supplement the regular workforce with temporary and/or part-time employees under the following conditions:

- A. They will not be placed in any classification to which there are employees on the recall list, provided the assignment will be for more than thirty (30) days. Employees with approved Classification Change Requests shall have priority placement over temporary employees for positions exceeding one hundred twenty (120) working days and provided the CCR was approved at the time the temporary position was open.
- B. They may work up to six (6) months or one thousand (1,000) hours in any **rolling twelve (12) month period** * except where mutually agreed between the Company and the Union.
- C. They shall not gain seniority rights as provided in Article X. As such, it is understood that the employment may be terminated at any time for any

The right to establish plant rules and regulations is vested solely in the Company. Employees who are disciplined as a result of alleged violations of plant rules and regulations may, if they feel the discipline is unjust, have recourse to the grievance procedure.

17.02 Either party desiring to amend any of the terms of this Agreement, or to negotiate new provisions, shall notify the other party in writing of its desire, and shall specify the nature of the amendment or amendments sought.

17.03 Such notices shall be limited to one (1) in each three (3) month period.

17.04 Within one (1) month of the notice of such desire to amend, the parties shall arrange to have their representatives meet to discuss such amendments. In no event shall the Agreement be considered as reopened by such negotiations.

ARTICLE 18 - SECURITY CLAUSE

18.01 Nothing in this Agreement shall require the Company to employ or to continue in its employment, or to give access to any Company facility, any person or persons whom either the Secretary of Defense or the Secretary of the Army, or the Navy, or the Air Force, or any of their duly authorized representatives, in the interest of security against espionage, sabotage, or subversive activity, may designate in writing.

ARTICLE 19 - SAVING CLAUSE

19.01 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or executive order, such invalidation of any part or portion of this Agreement shall not invalidate the remaining portion hereof, and the remaining portions shall continue in full force and effect. Upon termination of such legislation, the Company and the Union agree to comply with the original terms of this Agreement.

22.03 Lost Time: The Company will make deductions in pay for time off whether due to tardiness or other causes and deductions shall be made in increments of tenths of an hour.

22.04 It is understood between the parties that any and all items listed in the Appendices are made a part of this Agreement, subject to the terms and conditions of this Agreement.

22.05 Benefit Plan: It is understood and agreed by the Company and Union that the parties have negotiated separate Health Security Program, Non-contributory Retirement Plan * and the terms and provisions of said Agreements shall prevail, and such Agreements shall not be subject to the grievance procedure, including arbitration, of this Labor Agreement. Upon notification to the Union, the Company, at its sole discretion, shall have the right to provide additional retirement benefits.

22.06 Substance Abuse: The Company and Union agree that drug/alcohol abuse poses unacceptable risks for safe, healthful and efficient operations, not only for the user, but to all those who work with the drug/alcohol user. Employees are expected to report for work in a condition to perform their duties.

As part of its efforts to achieve a drug-free work environment, the Company maintains an employee assistance program which provides help to employees who seek assistance for alcohol and/or drug-related problems.

In addition, the Company has established a Substance Abuse Policy which applies to all employees. Employees who refuse to consent to substance abuse testing or who fail a substance abuse test will lose their seniority in accordance with Article X, Section 10.19(B), of the Agreement.

The Company agrees not to implement random substance abuse testing except where required by State and Federal regulations.

ARTICLE 23 - APPRENTICES

23.01 The Company shall maintain a separate Apprenticeship Agreement which shall be jointly negotiated and administered by the Company and the Union.

- (1) In labor grades special through 6, new hire Trainees will receive twenty cents (\$.20) each three (3) month period, for satisfactory progress until the minimum of the rate range is reached.
- (2) In labor grades 7 through 12, new hire Trainees will receive fifteen cents (\$.15) each two (2) month period, for satisfactory progress, until the minimum of the rate range is reached.

(D) Trainees must complete a training period as follows:

<u>Labor Grade</u>	<u>Training Period</u>
Special-1	24 months
2-3	18 months
4-5-6	10 months
7-8-9	6 months

The Company, at its sole discretion, may promote an outstanding employee to the objective classification prior to completion of the established schedule.

- (E) In the event the Trainee does not progress satisfactorily within the training period, he/she shall revert to his/her previous classification if applicable, subject to the provisions of Article X.
- (F) * During the first half of the training period, employees affected are ineligible to submit a Classification Change Request for another classification.
- (G) Selection and retention of Trainees will be at the sole discretion of the Company except that selection of employees for Special Training Programs will be provided in LOU #24 . * Selection and retention of trainees is not subject to the grievance procedure.

24.02 When employees complete their Trainee periods, they will not be required to serve a trial period.

fails to return such form to the Company, as above provided, will be deemed to have waived all rights and/or benefits provided for in this Article XXV.

(A) Termination Pay and Group Insurance Coverage

- (1) An eligible employee will receive termination pay equal to one (1) week's pay at his/her working rate for each full year of seniority as defined in Section 10.01, he/she possessed on the date of such layoff. One week's pay will be computed by multiplying such employee's working rate on the date the employee was laid off by forty (40).
- (2) Payment to an eligible employee will be made in a lump sum, less required deductions, within 2 weeks after layoff or the establishment of the employee's eligibility for termination pay, whichever is later.
- (3) Employees who receive termination pay as above provided * shall have their seniority cancelled as of the date of the layoff.
- (4) The Medical and Prescription Drug Benefits (excluding Dental and Vision Care benefits) * (including coverage provided by a Health Maintenance Organization) and Basic Life Insurance, and Accidental Death and Dismemberment * as in effect for active employees on the date of such announcement is made will continue to be applicable to an employee covered by this Section 25.02 for a period one month for up to five years of service and one month for each additional five years of service * following the first day such employee's services are no longer requested by the Company.

(B) Outplacement Services

Each "eligible employee" may at his/her option, as provided above, elect to receive any or all of the Outplacement Services described below:

Employees shall cease to be eligible for Outplacement Services in the event and at the time of: retirement, discharge for cause, resignation to accept other employment, or the expiration of a period for two years from the date of permanent layoff.

25.03 Definitions.

- (A) A "decision to resource work or to discontinue a complete product line that will affect adversely the stability of the work force" means a single noncumulative determination by the Company that will result in a "Complete Plant Closing" or a "Partial Plant Closing" during the term of this Agreement as hereinafter defined.
- (B) A "Complete Plant Closing" means a Company decision to resource or discontinue all productive operations within the plant(s) and/or facility(ies) in San Diego County where employees comprise the bargaining unit set forth in Article II with the result that no employees in such bargaining unit (except those who may be retained for a period of time to maintain the buildings and equipment) are working in that bargaining unit and the Company has no expectations of productive operations being resumed in such bargaining unit.
- (C) A "Partial Plant Closing" means a Company decision to resource or discontinue some productive operations within a plant(s) and/or facility(ies) in San Diego County that will result in the layoff within the bargaining unit set forth in Article II of 250 employees or 20% of the active employees in such bargaining unit. Other resourcing or subcontracting decisions will continue to be covered by Article XVI, Section 16.06.
- (D) "Resourcing" means a Company decision to have productive operations that have been normally and customarily performed by employees in the bargaining unit set forth in Article II performed by other than Company forces or by Company forces other than employees in such bargaining unit during the term of this Agreement. Resourcing does not include decisions by the Company concerning the placement of productive operations related to the manufacture of

SIGNATORY

This Agreement supersedes Agreements.

In witness whereof, the parties hereto have hereunto set their hands this 14th day of August, 2000, at San Diego, California.

INTERNATIONAL ASSOCIATION OF MACHINISTS - DISTRICT LODGE 94, LOCAL LODGE 389.

/s/ [Signature]
D. A. Card, Jr.
Chief Spokesperson, Business Representative, District 94

/s/ [Signature]
E. B. Kennedy
Member, Negotiating Committee

/s/ [Signature]
K. M. Gaul
KM Chief Shop Steward,
Member, Negotiating Committee

/s/ [Signature]
J. M. Bautista
Member, Negotiating Committee

/s/ [Signature]
J. K. Fanning
HD Chief Shop Steward,
Member, Negotiating Committee

/s/ [Signature]
T. V. Sessions
Member, Negotiating Committee

SOLAR TURBINES INCORPORATED

/s/ [Signature]
J. S. Sutton
Chief Spokesperson,
Manager, Human Resources

/s/ [Signature]
E. J. Zell
Director, Turbomachinery Operations

/s/ [Signature]
P. W. Schultz
Director, PS Operations

/s/ [Signature]
V. C. Goodwin
Sr. Principal Human Resources Representative

/s/ [Signature]
W. A. Myers
Manager, Package Assembly & Coatings

/s/ [Signature]
D. A. Hadacek
Manager, Production Test

/s/ [Signature]
L. B. Askew
Manager, Human Resources

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LETTER OF UNDERSTANDING**

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**APPENDIX B
LETTER OF UNDERSTANDING**

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L.O.U. #1

Page 2

Manufacturing Engineers and the Manufacturing Planners will be doing the same type of work when such conditions dictate: i.e., Manufacturing Engineers will be completing documents that Planners will also be working with.

E. Package Assembly and Test

1. Original installation of equipment purchased for sale to a customer may be performed by Mechanical, Electrical, Engine Build and/or Test personnel in any assigned work area as production requirements dictate.

Assignment of personnel shall be consistent with the level of difficulty described in their classification description.

2. Installation of alignment of all test/slave equipment may be performed by Test Cell personnel and/or qualified Packaging or Engine Build personnel in any assigned work area.
3. Packaging, Engine Build and/or Test Cell personnel may remove, reinstall, and/or realign customer equipment, rejected equipment or engines, and/or overhaul engines in their assigned work area as production requirements dictate.
4. Packaging, Engine Build and/or Test Cell personnel may also perform original installation and alignment of driven equipment (such as compressors and pumps) when such equipment will be tested using a slave driver.
5. Where production requirements dictate, substitute components and/or accessories may be utilized by Packaging and/or Test Cell personnel in any assigned work to complete package tests.
6. Test Cell personnel shall hold primary responsibility for work performed on packages located in the Test Cells, consistent with the level of difficulty described in their classification and with the provisions above.

- F.** The parties agree that the audit and/or verification of bargaining unit employee labor cards is the prime responsibility of the Labor Auditor classification. However, this does not prohibit cognizant supervision or another employee from reviewing and identifying errors on employee labor cards prior to processing by the Payroll Department.

L.O.U. #2

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Medical Restrictions

It is understood between the parties that an employee who has a permanent medical limitation, which has been verified by objective medical evidence, shall be permitted to exercise displacement rights pursuant to Article X to any job he/she is capable of performing within their medical limitation.

In the event there is no job the employee can fill, then he/she will be placed on layoff due to physical inability to perform available work. The employee will remain on the recall list in accordance with Article X, Sections 10.12 and 10.13.

Any question regarding an employee's medical limitations will be discussed with the Union. If the Company and the Union cannot agree and the employee's personal physician disagrees with the Company physician, the Union may refer the question to a physician or clinic who shall be mutually agreed upon and whose decision with regard to the employee's medical limitation shall be final and binding upon the Union, employee involved, and the Company.

The expense of such examination and report shall be paid one-half by the Company and one-half by the employee.

L.O.U. #3
Page 2

this Agreement.

An employee transferred to another facility or another department as a result of such requests may not have another such request honored within eighteen (18) months from the date of that transfer.

For openings described in (3) above, departmental transfer requests shall have priority over facility transfer requests.

L.O.U. #5

**LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389**

Subject: Intra-Plant Trash Hauling

This letter will confirm our understanding that the hauling of trash gondolas within the plant using various types of tractors may be performed by Material Movers, General Maintenance Mechanics, General Utility Workers and/or Vehicle Operators. It is further understood that in facilities where Material Movers and/or Vehicle Operators are assigned to the Maintenance Department, they will have the prime responsibility for intra-plant trash hauling.

L.O.U. #6
Page 2

10. Any Company employee may utilize vans, trucks, and other vehicles (excluding semi-trucks) when necessary to transport themselves to another facility to perform duties or to pick up supplies, parts, materials, etc. from another facility or from vendors and suppliers. When operating as described herein, such personnel may carry with them the tools, supplies, and equipment necessary for them to perform their assignment.
11. Perform inventories within a manufacturing unit; define and initiate orders for parts shortages and assemble kits.

L.O.U. #8

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Shipping and Receiving Shift Hours

In order to assure the availability of qualified employees during peak periods of deliveries and shipments by transportation companies, employees assigned to the Shipping and Receiving departments may be assigned to shift hours different from those described in Article XII, Sections 12.05 and 12.06. When such assignment becomes necessary, volunteers will first be requested. Lacking sufficient volunteers, the least senior qualified employees will be assigned to the irregular shift hours. Employees will be notified at least three (3) days in advance of the change. Hours worked after 3:30 p.m. will include the second shift bonus.

L.O.U. #10

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Facility Items

It is agreed that the fabrication and assembly of facility items may be performed by the production classifications which normally perform similar work operations on production items. The employees assigned such work will be given sufficient planning documents, prints, working drawings or oral instructions to ensure that the work they perform falls within the level of difficulty of their classification.

4. The normal workweek will be Monday through Friday.
5. A \$0.50 * per hour premium will be paid for second shift hours.
6. Employees will not receive workers' compensation payments while assigned to the light duty program.
7. Employees in the light duty program will be evaluated on a daily basis relative to their effectiveness in their assignments. Employees who do not perform their assignment effectively will be removed from the light duty program and will resume their prior leave status.
8. While in the light duty program, employees will perform work not covered by any bargaining unit. Any complaint concerning a light duty program assignment outside of the bargaining unit will not be subject to the grievance procedure. Any complaint concerning disciplinary action will be subject to the grievance procedure provided in Article VII.

L.O.U. #13

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Teaming Process

The parties agree that in the interest of creating a safe, highly productive work environment with widespread employee involvement and satisfaction, there will be different types of teams. Examples of teams are: problem solving teams, process improvement teams, new product development teams, safety teams and work teams.

Nothing in team guidebook's or other team practices shall conflict with any of the provisions of the labor agreement, nor will any team have the authority to make decisions in conflict with the labor agreement. Although teams described above and having bargaining unit employees may make specific recommendations to management regarding wages, hours and working conditions, bargaining over and dealing with such remains the exclusive right of the union.

L.O.U. #14
Page 2

liability that may arise out of or by reason of actions taken or not taken by the Company in complying with the provisions of this section 3.05.

- D. The Union will reimburse the Company for the implementation of such payroll deductions.

that percentage (if any) used to calculate one share in the Solar Incentive Plan (S.I.P.) * for calendar year 2002 *. Earnings for purposes of the Solar Incentive Plan (S.I.P.) * award will be calculated using the same formula used for salaried employees.

d) During the first quarter of 2004 *, the Company agrees to pay each hourly employee on the active payroll, approved leave of absence, layoff, retirement or disability leave as of December 31, 2003 *, an award based on a percentage of his/her earnings during calendar year 2003 * (not including any Solar Incentive Plan (S.I.P.) * award granted in 2003 *). The percentage will be that percentage (if any) used to calculate one share in the Solar Incentive Plan (S.I.P.) * for calendar year 1998. Earnings for purposes of the Solar Incentive Plan (S.I.P.) * award will be calculated using the same formula used for salaried employees

e) During the first quarter of 2005 * the Company agrees to pay each hourly employee on the active payroll, approved leave of absence, layoff, retirement or disability leave as of December 31, 2004 *, an award based on a percentage of his/her earnings during calendar year 2004 * (not including any Solar Incentive Plan (S.I.P.) * award granted in 2004 *). The percentage will be that percentage (if any) used to calculate one share in the Solar Incentive Plan (S.I.P.) * for calendar year 2004 *. Earnings for purposes of the Solar Incentive Plan (S.I.P.) * award will be calculated using the same formula used for salaried employees.

2. The Union agrees that the Company has the exclusive right to calculate the salaried employee performance share percentage and that the Company's determination of this percentage shall not be subject to the grievance procedure. In the event a dispute arises over the percentage applied in calculating the performance award for employees on the hourly payroll, the only issue which may be grieved is whether the same percentage calculated for salaried employees was applied to hourly employees.

1. The training effort will be jointly administered by the Union and the Company.
2. A training task force will be established comprised of three Union-appointed representatives, three Company-appointed representatives and other advisory participants as necessary. The Union Business Representative and Director/Manager of Human Resources will be ex officio members of the training task force.
3. The joint training task will recommend training procedures, monitor progress and coordinate feedback.
4. The Company and Union may agree to be signatories to any Employment Training Panel contracts consistent with this Letter of Understanding.

C. Employee Instructors

1. Employee Instructors will be trained and certified on a voluntary basis on their own time.
2. Certified Instructors will receive the same rate of pay as a leadperson while instructing and preparing instruction curriculum as part of this program.
3. Certified Instructors may be placed on other shifts for up to ninety (90) days for the purpose of conducting employee training. In such an event, the instructors shall be paid the appropriate shift differential as provided in Section 13.05 of the current Labor Agreement in addition to the rate of pay provided in (C)(2) above.
4. Participation as a Training Instructor will be on a voluntary basis.
5. Hourly represented Instructors shall be allowed to work irregular working hours when necessary while serving as an Instructor in an ongoing class.
6. It is understood that the start time for those irregular work hours shall not begin later than 12:00 noon during the instructing period and shall apply only when the employee is serving as an Instructor for the Training Program.

L.O.U. #16
Page 4

It is further understood and agreed that if the Company should deem it necessary to commence operations on the Dawn Shift and that training will occur on the Dawn Shift, the parties will apply the principles contained herein to instructors on the shift.

It is also understood and agreed that the principles contained herein shall be applicable only to the program administered by the Joint Training Task Force and shall not serve as a precedent or to prejudice any like issue in the future.

L.O.U. #18

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS
LOCAL NO. 389

Subject: Weld Preparation

This will confirm the understanding that prior to the performance of fusion welding processes, Weldors (I.U.O.E.) will be allowed to perform certain tasks preparatory to welding to ensure the integrity of welds and promote efficiency. It is agreed, therefor, that Weldors may perform on surface preparation of parts such as cleaning, sanding, grinding and polishing. Weldors may also do some assembly of parts that is integral to the welding process where the location or fit-up of the parts to be welded is controlled by tooling or where such assembly is considered by the supervisor to be self-locating and does not require dimensional location or sizing prior to weld. Weldors may also clean and dress their welds which will also include the cutting and repairing of unacceptable weld joints. In addition, it is understood that Weldors may perform other bargaining unit work to enhance workforce flexibility as long as it does not result in the displacement of any employees in the bargaining unit.

L.O.U. #20

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS
LOCAL NO. 389

Subject: Health Care

It is agreed that the Company may implement additional changes to health care benefits provided that such changes are also applied to the Company's salaried employees in San Diego.

L.O.U. #22

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and the
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Employee Surveys

The parties recognize the importance of periodically requesting employees to provide information to the Company regarding ideas, interests and opinions on a variety of subjects. It is agreed that the Company may conduct employee surveys for ascertaining such information. The Company will inform the Union in advance as to the nature of employee surveys being undertaken and discuss their suggestions. It is understood that, the Company will provide the Union with the information gained as the result of the such surveys. In cases where the survey is intended to measure internal or external customer satisfaction, it will not be necessary for the above notification to be made or to share the results with the union.

L.O.U. #24

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Special Training Programs

In the event that the Company decides to place ten (10) or more trainees into a Training Program for a given classification during any one (1) year period, a training team will be established composed of two (2) employees designated by the Union, one of whom must currently hold the classification in which the training will occur, and at least two (2) but not more than three (3) persons designated by management. This training team shall be responsible to:

- (a) Determine the content of the Training Program;
- (b) Design the training curriculum; and
- (c) Selection of employees to be placed into the Training Program.

The selection of employees for such Training Program shall not be solely based upon candidates who have submitted Classification Change Requests or responded to a job posting as provided in Section 24.01 (B) of this Agreement, and may include persons not currently employed by the Company. In selecting persons to be placed into the Training Program, the team shall also consider related internal and external experience and education, seniority of current employee candidates, previous performance appraisals and active disciplinary action. A majority vote of the Training Team shall determine those selected for the Special Training Program.

L.O.U. #26

LETTER OF UNDERSTANDING
between
SOLAR TURBINES INCORPORATED
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL LODGE NO. 389

Subject: Structures Packaging Mechanic Duties

It is understood between the parties that the Structures Packaging Mechanic (40305) classification will perform the work operations of Electrical/Electronic Assembler (40120) as required to perform their primary work assignment in the area(s) of package assembly.

Work assigned may include all aspects of the Electrical/Electronic Assembler (40120) classification including but not limited to functional and/or operational check(s) to insure electrical/electronic system integrity and electrical/electronic component fabrication, installation, repair or rework. Such work will be considered a normal part of Structures Packaging Mechanic duties and will not be subject to farm-out (Article 10.05) time and/or notification limitations.

The pilot Job Posting System will be utilized in order to fill current requirements for twenty-three (23) Structures Packaging Mechanic openings in Department 379. Only those employees who currently hold the Electrical/Electronic Assembler (40120) will be eligible to receive consideration for such openings. Upon "posting" (notification of eligible employees) of the aforementioned openings eligible employees shall have three (3) working days to notify the Company of their desire to apply. In the event that the number of qualified candidates identified through this process is not sufficient to fill current needs, Electrical/Electronic Assemblers (40120) on the recall list shall receive consideration.

The process described herein will not cause the displacement of employees who are on the payroll classified as an Electrical/Electronic Assembler (40120), as of the effective date of this Agreement. Following the fulfillment of current requirements, all future needs will be filled using the process outlined in LOU #27, Job Posting System Pilot.

APPENDIX C
A GLOSSARY OF TERMS
AND PHRASES
AS USED IN SOLAR
FACTORY JOB DESCRIPTIONS

The following terms and phrases as used in job descriptions are given definition and meaning to clearly indicate the common and consistent interpretation to be placed in them by all persons using the descriptions. The terms not included in this glossary are given definition by Webster's Dictionary.

1. **ADAPT**

Means to utilize for other purposes or to modify, alter or change furnished tooling, aids, equipment, etc., to fit it for a specific need without altering its basic design.

2. **AS DIRECTED**

Means that determinations connected with the work operation described are usually and normally made by others and are given or made known to the worker directly connected with the assignment. Use of this term does not mean that the details and determinations involved need be repeated each time an identical or very similar work assignment is made or work operation performed, nor does it preclude use of independent judgement by the worker.

3. **AS REQUIRED**

Means performance of work operations if and when such are necessary, as long as they are within the level of difficulty described, and/or is used to mean an occasional or incidental job requirement in accomplishing the primary work assignment.

4. **ASSIST, ASSISTS**

Means to help or aid other employees in the performance of certain work where the higher graded employee has the responsibility and where the assistance consists of performing certain portions of the assigned work either in direct coordination or carrying out details of the tool assignment under the direct guidance of the higher graded employee. The worker assisted is held responsible for the satisfactory completion of such work assignment. The

parallel planes or the same plane, such planes being perpendicular to the curved surface, or means a curved line having radii of different lengths all of which are in the same plane. The surface of a cone or section thereon, the curved edge of a profile plate and the curved layout line guiding the making of a router block are examples. Contour surfaces composed of sections of cylinders and edges whose profile is a section of a circle are excluded since the radii are the same length.

10. CONTOUR, COMPOUND

Means a curved surface having radii of different lengths which lie in nonparallel planes. Compound contours are typical of stretch press and drop hammer dies. The surface of a sphere or section thereon would be a regular compound contour and, in general, was meant to be excluded.

11. CONTOUR, REVERSE

Means a compound contour that reverses its curvature so that it has both concave portions.

**12. COORDINATED TOLERANCES,
COORDINATED DIMENSIONS**

These expressions are used only when exacting tolerances are implied; i.e., exacting tolerances to be associated always with "coordinated dimensions," "coordinated tolerances" unless modified expressly. It is understood that the location of a point by two or more reference dimensions does not, in itself, mean that the dimensions themselves are coordinate. An example of truly coordinated dimensions is shown in the following: The precision dimensions between two holes must be held while at the same time the precision dimensions locating each of the holes must also be held with respect to another reference point or line.

13. DEVELOPMENTAL PARTS EXPERIMENTAL PARTS

Are parts which are intended for use on experimental or developmental products. These are usually produced singularly or in small lots using standard tooling, improvised tooling or newly constructed production tooling. Its use in a job description does not imply a restricted level of difficulty unless such intention is clearly and specifically indicated.

14. DRAW, DEEP

Means the relation of depth of draw to its other dimensions is such that it is

20 LAYOUT (N) LAYS OUT (V)

Means the actual marking of locating and/or reference points and lines on the material part, tool or assembly worked on. Layout in itself does not imply a high level of difficulty of skill since it can be a simple work operation such as measuring a length on a piece of lumber and marking a line or point at which it is to be sawed, marking lines on pavement with a chalk line preparatory to painting or scribing around a furnished template laid on flat stock. On the other hand, layout can be a difficult work operation which requires much skill, knowledge and experience to make the necessary computations, part setup, precise measurements and markings and interpretation of complex blueprints such as a complex die or casting requiring layout to establish locations for coordination hole patterns, compound angles and/or irregular contours.

21. LAYOUT, PROGRESSIVE

Is the layout for machining or other fabrication operation which is continued (or completed) after the fabrication operation has been performed. Progressive layout is often necessary when initial machining operations would remove scribed reference marks for subsequent operations, or is advantageous when the machining operation produces a good reference plane or point for further operation.

22. MAY

When used as the first word of a sentence or phrase, means that the function is performed by some of the personnel holding the classification or, that the function is occasionally performed, but is not a requisite for the classification.

23. PRODUCTION AIDS

Are devices initiated voluntarily and made by the worker to facilitate work operations, increase production or reduce elements of fatigue or strain. Such devices are usually simple but ingenious in nature.

24. REPAIR

Means to restore a part or assembly to its original state or utility after it has been damaged by accident or by wear. It does not have the same meaning as "rework."

30. TOLERANCES, CLOSE

Means those tolerances which require the worker's close attention, and directed effort during setup and/or operation to hold, but which are within the normal capacity of the machine. Also, means those tolerances which require a skillful use of hand tools and/or assembly techniques to hold. This term expresses a level of difficulty required to obtain or hold the tolerances rather than a preciseness of linear, angular or other measurement.

31. TOLERANCES, MODERATE-

Means those tolerances which must be observed to maintain proper standards of workmanship or economy, but which require only reasonable care or skill to hold. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

32. TOLERANCES, EXACTING

Means those tolerances which require special care and attention on the part of a skilled workman to obtain or hold. These tolerances would be difficult, if not impossible, for a semiskilled or unskilled workman to hold consistently at a good production rate. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

33. TOOLING, STANDARD

Means those tools or tooling used on the same or different types of machines or operations, principally in making a setup for either layout or machining and occasionally for bench or assembly work and which further are found commonly in nearly all shops and industries performing similar operations. In the machine shop it would include Vee-blocks, parallel bars, angle plates, chucks, collets, machine vises, a wide variety of clamps, bolts, locks and wedges.

34. TYPICAL

Means the same as the term "such as."

35. WHEN REQUIRED

Means that the work operation, function or job duty is usually and normally performed after or as a direct result of an order or request from authorized personnel and/or means that it is required or necessary only rarely or when exceptional circumstances exist.

APPENDIX D

PRO RATA VACATION AND SICK LEAVE *

* **Example:** An employee who had five years of service and who had a previous eligibility date of May, and who had 48 hours of unused vacation as of January 1, 1997, would have 118 hours available as of 1/1/97. This is calculated by finding the intersection of the years of service and eligibility month axes on the table and adding the unused vacation to the pro rata vacation.

VACATION ELIGIBILITY *

Y R S	1 J A N	2 F E B	3 M A R	4 A P R	5 M A Y	6 J U N	7 J U L	8 A U G	9 S E P	10 O C T	11 N O V	12 D E C
1-4	80	74	68	60	54	48	40	34	28	20	14	8
5-9	104	96	88	78	70	62	52	44	36	26	18	10
10-11	120	110	100	90	80	70	60	50	40	30	20	10
12-14	128	118	108	96	86	76	64	54	44	32	22	12
15-19	136	126	114	102	92	80	68	58	46	34	24	12
20+	160	148	134	120	108	94	80	66	54	40	26	14

Sick Leave Example:

An employee who has his/her first anniversary in * August 2000 and who * has 20 hours of unused sick leave as of 1/1/01, would have 38 hours of sick leave eligibility as of 1/1/01. This is calculated by finding the eligibility hours on the table and adding the unused sick leave to that number.

SICK LEAVE ELIGIBILITY *TABLE

	1	2	3	4	5	6	7	8	9	10	11	12
J A N	F	M	A	M	J	J	A	S	O	N	D	
A B	E	A	P	A	U	U	U	E	C	O	E	
N	B	R	R	Y	N	L	G	P	T	V	C	
40	38	34	30	28	24	20	18	14	10	8	4	

For calculating pro-rata eligibility when vacation/sick leave eligibility is reduced as a result of a leave of absence specified in Article 14, the number at the top of each column may be used to compare total months of the leave of absence. The corresponding number down the column in each table will be the employees total eligibility the following January 1.