

**AGREEMENT
BETWEEN
BATH IRON WORKS
AND
LOCAL S6**

Effective Monday, May 31, 2004

Expiration Midnight, Sunday, May 18, 2008

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Article 1
RECOGNITION

Section 1 – Recognition:

Bath Iron Works recognizes the Union as the exclusive representative of all employees in respect to all rates of pay, wages, hours of employment, and all other conditions of employment for all employees in job classes in Local S6.

Section 2 – Definitions:

- a) Unless otherwise specified, the term “days” will mean “working days.”
- b) The term “employee” will mean any employee included within the bargaining unit.
- c) In referring to employees, the masculine gender is used for convenience only and will refer to both males and females.

Article 2
NO DISCRIMINATION

Section 1 – No Discrimination:

- a) Neither BIW nor the Union will discriminate against you or any applicant for employment because of race, religion, color, gender, sexual orientation, age, national origin, marital status, disability, veteran status, or membership in any lawful organization.
- b) BIW and the Union recognize the right of all employees to work in an environment free of sexual or other unlawful harassment.

Article 3
RESPONSIBILITIES

Section 1 - Management Rights:

Management rights as defined in this agreement. Management will be responsible for:

- Hire employees and set the standards for selection of employment.
- Determine the number of employees to be employed.
- Assign and direct the workforce.
- Monitor employee performance.
- Determine area assignments.
- Formulate overtime plans.
- Determine merit raises.
- Formulate a corporate training plan.

- Suspend, discharge, or otherwise discipline employees for just cause.
- Make medical decisions.
- Administer the Family Medical Leave Act.
- Determine the method(s) of appropriate charging and time accounting.
- Make Yard closure decisions.
- Promote employees.
- Lay off and recall employees.
- Control and regulate the use of machinery, facilities, equipment, and other property of BIW.
- Make strategic business and marketing decisions.
- Establish recognition and rewards programs.
- Safety and health of employees.
- Provide company tools.
- Hardships.
- Healthcare carrier.

It is agreed that all management rights not specifically limited by the expressed provisions of this agreement or by Memoranda of Agreement executed during the term of this agreement or by prior arbitration decision construing any portion of the current agreement are reserved to BIW. The Company agrees that it will not exercise its management rights in a manner, which violates its obligation under this agreement.

NOTE: The Company will not introduce any recognition and/or reward program that would incentivize employees not to report job-related injuries.

Section 2 - Union Rights:

Except as expressly limited in this agreement, the Union is responsible for enforcing its rights. Local S6 reserves any and all rights it is granted through the NLRB/NLRA, State, and/or Federal law.

Section 3 - Management, Union or Jointly Develop/Management Implement With Joint Agreement:

- Rescope work*
- Subcontract*
- New job classifications*
- Reasonable rules and regulations*
- Special shift hours*
- New technology*
- Transfer plans*

(*) Intentions to do the following will be communicated to Local S6 in a timely manner by BIW. The parties will work through the joint agreement process prior to implementation.

Section 4 - Healthcare Carrier:

It is the intent of the Company to recognize an equal number of Union Representatives from Local S6 to assist the Company in interviewing, reviewing, and selecting a new healthcare provider.

Article 4
CHECKOFF

Section 1 – Checkoff:

a) Bath Iron Works agrees that you will not be retained unless you pay your periodic dues, initiation or reinstatement fees to the Union. Failure to pay these items by the 31st calendar day after the date of hire and any other delinquency of dues or initiation/reinstatement fees will be cause for discharge.

b) BIW will deduct dues in equal weekly installments on each payday. Initiation and reinstatement fees will also be deducted weekly.

c) Each new employee may sign a check off authorization and initiation authorization card when entering the employ of BIW.

d) BIW will provide Local S6 members a weekly check off for the Machinists Non-Partisan Political League with a monthly check to the Machinists Non-Partisan Political League forwarded to Local S6, attention: Financial Secretary.

e) BIW will provide Local S6 members a weekly check off for Guide Dogs of America with a monthly check to the Guide Dogs of America forwarded to Local S6, attention: Financial Secretary.

f) Upon receipt of check off authorization, a monthly check for the Local S6 Dental, Long Term Disability, and Supplemental Accident and Sickness Plans will be forwarded to the appropriate Plan Administrator.

g) After forty-five calendar days as a member of the supervisory staff, such employee will be notified by the Company to cease paying Union dues.

Article 5
UNION REPRESENTATION/RECOGNIZED COMMITTEES

Section 1 – Union Representatives:

The Union may name its representatives consistent with yard-wide ratios of 1:70. Union representatives who are not conferring with management or using union paid time are required to perform work in their trade as assigned by Management.

Each steward shall notify and obtain authorization from his supervisor or another member of management in the immediate area before leaving his work assignment for the purpose of conducting union business. Such authorization shall be granted except where it creates an imminent danger situation should the union representative not remain on the job.

If you are elected or appointed to a full-time Union position within the IAM, AFL/CIO, IUMSWA/IAMAW District Lodge 4 (up to a maximum of 8 employees), you may be granted a leave of absence, upon request of the President of Local S6, without pay during the term of your office. If you are elected or appointed to a full-time Union position within the IAM, AFL/CIO, IUMSWA/IAMAW District Lodge 4, benefits to individuals on such leave of absence shall be limited to healthcare and pension under the terms of this agreement and in accordance with appropriate plans. In addition, anyone elected or appointed to a full-time position within Local S6 will be granted a leave of absence without pay during the term of your office to fill the position of President, Vice President, or Chief Steward in Bath on request of the President of Local S6.

You will be excused from work without pay while serving as a Union delegate.

The use of Union time (paid or unpaid) for official Union business must be authorized by the President of Local S6 or his designee.

Section 2 – Recognized Committees:

The following Local S6 Committees are recognized by this agreement having signoff privileges, which provide a service to our employees: (this list may be modified by mutual agreement).

- a. Apprenticeship Committee
- b. Benefits Committee*
- c. Grievance Committee(s)
- d. Human Rights Committee
- e. Negotiating Committee
- f. Safety and Health Committee*

* Paid by D Order

Paid by D Order as approved in advance by Management.

Article 6
UNION REPRESENTATIVE PAY

Section 1 – Union Representative Pay:

Any Union representative, other than those full-time, conferring with management will be compensated for that time by Bath Iron Works at his base hourly wage rate. BIW will determine whether this time will be charged to direct or to overhead. Union representatives present at any formal step of the grievance process will be paid by the Company, in accordance with Article 24. Any time spent off the job investigating a grievance will be paid by the Union.

BIW will pay up to twenty (20) hours per week for Union business conducted by the Vice President, Chief Stewards at Bath and the Harding Plant, and a General Steward on second and third shift at the Main Plant and a General Steward at EBMF.

In accounting for daily time charging, all Union representatives will continue utilizing signoff books provided by BIW (except for the President, Vice President, Chief Stewards, and any union

representatives that are on leave of absence). Union representatives will sign off when conferring (direct charge or overhead), investigating, or utilizing d-orders for recognized committee work.

To improve payroll efficiency, BIW will pay for all full-time Union Officials and Code 13 time for Union representatives in addition to any hours worked. Payment will occur weekly. Affected employees will receive one W-2 document annually. BIW will bill the Union monthly for all Union Officials and Code 13 labor charges, including FICA, tax deductions, and State and Federal unemployment.

If you are a second and third shift representative attending Company scheduled meetings not held on your shift, you will be compensated by BIW at your base hourly wage rate. Call-in pay, reporting-in pay and minimum pay are not applicable; however, representatives will be put to work upon their request to bridge shift and meeting times.

Any combination of Union and Company paid time outside your regular scheduled work shift will be compensated at the overtime rate. BIW will only be obligated to pay straight time for a Steward working on his regular shift where the Union requested his presence on the off shift. The Union will reimburse BIW under the Paying Agent agreement for such overtime.

Article 7 **CLASSIFICATIONS**

Section 1 - Current Job Classifications:

Job classifications shall be limited to those specified within this Article and made part of this Agreement. Furthermore, those same specified classifications shall be measured in relation to the established rates in Article 19 of this Agreement.

Section 2 - New Job Classifications:

In the event that BIW needs to create new job classifications within the duration of this Agreement, then BIW will negotiate with Local S6 to establish a mutual agreement. Upon mutual agreement, BIW may add new classifications that shall be measured in relation to established rates in Article 19 of this Agreement.

Section 3 - Job Classifications

- Carpenters (C02)
- Crane Operators (C70)
- Electricians (E02)
- General Shop Helpers (G05)
- Heavy Equipment Operators (H03)
- Insulators (I02)
- Maintenance Custodians (M03)
- Machinists (M04)
- Maintenance Carpenters (M06)
- Outside Machinists (O04)
- Sign Painters (P06)
- Preservation Technicians (P10)
- Pipe Coverers (P16)
- Pipefitters (P18)
- Safety Inspectors (S02)
- Sandblasters (S06)
- Shipfitters (S40)
- Ship Riggers (S14)

- Maintenance Electricians (M08)
- Maintenance Mechanics (M10)
- Maintenance Pipefitters (M12)
- Maintenance HVAC Mechs. (M14)
- Material Clerks (M16)
- Metal Preparation Technician (M40)
- Stage Builders (S18)
- Tinsmiths (T04)
- Tug Boat Operator (T12)
- Welders (W12)
- Yard Riggers (Y02)

Notes:

1. Apprentices, A06, fall within parent classification.
2. New classification of Metal Preparation Technician (M40) effective May 31, 2004.

Section 4 – Intra-Bargaining Unit Loans:

Due to the fluctuations in work it may become necessary to loan Local S6 members from their parent classification to another. In order to accomplish these loans, the following criteria shall be utilized.

The Company may loan Local S6 members from their parent classification into another Local S6 function providing however that at no time shall the total manhours being worked by the loaned Local S6 members exceed 10% of the manhours worked by the Local S6 members in the loaned into classification in any one calendar month. Nor shall the total manhours being worked by Local S6 members loaned into another classification exceed 5% of the total manhours worked by regular members of loaned into classifications in any one calendar year. These limits may only be exceeded by joint agreement in accordance with the joint agreement process.

The people chosen to be loaned from one Local S6 classification into another Local S6 classification shall be chosen by volunteers by seniority, senior to junior by shift within the director area where fluctuation is needed. Non-voluntary assignment shall be done by junior to senior seniority order by shift by director area.

The loan may proceed as soon as the notification has been sent to Local S6.

Overtime rights for loaned people are with their job classification.

Loaned employees may work overtime in loaned classifications after working three (3) days within the loaned classification.

There shall be no loans into a classification on layoff.

There shall be no loans into a classification that has employees loaned out.

Within a director area there shall be no employees loaned out of a classification currently working overtime.

Loans across director level areas or on a facility-wide basis must be pre-approved by the Chief Steward.

There shall be no loans out of a classification that is hiring absent Chief Steward agreement.

Any deviation from the above requires joint agreement from Local S6 President or his designee.

BIW and Local S6 have agreed to implement a “back-up” process for critical jobs such as crane operation, rigging, and machine operation, and third shift material support assigned to paint issue stations consistent with past practice.

Article 8 **APPRENTICES**

Section 1 – Joint Apprenticeship Committee:

The Joint Apprenticeship Committee will manage and develop the apprenticeship program in compliance with the labor agreement.

Section 2 – Apprenticeships:

Apprenticeships may be offered in the following job classifications:

| | | |
|-------------|-------------------|-------------|
| Electrician | Outside Machinist | Welder |
| Tinsmith | Machinist | Maintenance |
| Carpenter | Structural Fitter | Pipefitter |

Section 3 – Apprentice Seniority:

Apprentices will not exceed 15% of mechanics in the classification. Apprentices are exempt from the seniority provisions until removal from the apprentice grade at which time they are given credit for time spent in the apprentice grade.

Section 4 – Apprenticeship Program:

The Apprenticeship Program will be four years (8000 hours). A graduate may receive an associate degree from Maine Maritime Academy, as well as a certificate of completion (diploma) from BIW. This program will have a labor history course.

Section 5 – Apprenticeship Qualifications:

For Local S6 represented applicants, your rate of pay at entering the Apprenticeship Program will be your current base rate.

For purposes of a tiebreaker, given substantially equal qualifications, consideration shall first be given to members of the bargaining unit including those on layoff with recall rights when hiring Apprentices. Apprentices will not be hired into a classification where there are layoffs.

Section 6 – Apprenticeship Restrictions:

There will be no BMDA apprentice rotation(s) into job classes represented by Local S6 that are on layoff.

Article 9
PROBATIONARY EMPLOYEE

If you have never worked at BIW, you will, for the first 360 hours, be considered a probationary employee. You will be evaluated in writing on or before completing 120 and 240 hours of work. You and your steward will receive copies of your evaluation. If BIW decides to discontinue your employment during your probation period, that decision is not grievable.

Article 10
SHIFT CHANGES

Section 1 – Shift Changes:

All shift changes will be done by volunteers by seniority (most senior first). Assignment to any shift, where insufficient volunteers exist, will be by direct assignment (least senior first) with no rotation. The Company agrees to implement the change to eliminate the shift rotation effective December 1, 2004 in those trades not currently affected by shift rotation and in the remaining trades no later than January 1, 2005. If insufficient volunteers exist for a second or third shift assignment in these remaining trades, then volunteer assignment first, then direct assignment (least senior first) will be on a three-month (3) rotation basis.

Employees shall be given five (5) calendar days notice.

Shift assignments will be as follows:

- a. Volunteers by seniority by classification (most senior).
- b. Assignment by seniority by classification (least senior).

Standing lists of volunteers for all shift changes shall be maintained by the Craft Administration. It is the employee's responsibility to add or remove his/her name from a standing list. The Company will poll all employees on a quarterly basis. Employees may add or remove their names from any standing list prior to a shift change assignment.

NOTES:

1. BIW will complete a poll for voluntary shift changes no later than June 18, 2004 to implement the change to eliminate the shift rotation.
2. At any time a classification has non-volunteers in effect to either second or third shift, all hiring within that classification will be to the effected shift.

Section 2 – Shift Assignment Volunteers:

In identifying volunteers for shift assignment at each facility, standing lists will be used as follows:

- a. Employees may add their name to, or remove their name from, the facility volunteer list at anytime prior to the assignment. An employee adding their name to the volunteer list may not displace an employee who has already been advised of their assignment. Standing lists will be available and maintained by the Craft Administration area.

Article 11 **OVERTIME POLICY**

Section 1 - Purpose:

This article will define management and employee responsibility in relation to overtime assignments.

Section 2 - Goal:

Our goal is to minimize the use of overtime. The goal of this policy is to define a method of assigning overtime in an efficient manner.

Section 3 - Management Responsibility:

Management will determine the need for overtime. Assignments will be based on the selection criteria listed below. Any skill (e.g. Tig welding) or ability (e.g. physical limitations) requirements that would preclude assignment based on the selection criteria will be identified up front pursuant to Article 42.

a) Management will determine and offer weekday overtime within four (4) hours from the start of shift on the first workday of the week for 1st and 2nd shifts. Third shift will be within four (4) hours from the start of the shift on the second workday.

b) Management will determine and offer weekend overtime within four (4) hours from the start of shift on Thursdays of each week. (Note: Third shift will be determined and offered each Wednesday at the end of their shift (Thursday)).

c) In the event emergent and unforeseen overtime arises section 3 (a) (b) will not apply.

Overtime records will be maintained by the Craft Administration area and made available upon request in a timely manner but no later than the close of business on Monday following the overtime assignment for weekend overtime and the close of business on Wednesday following the overtime assignment for weekday overtime.

Section 4 - Employee Responsibility:

You are responsible for declaring your overtime availability to your supervisor at the time of assignment and must be present to be eligible for an assignment.

You may cancel your overtime assignment by notifying your supervisor on or before the end of your shift the day prior to the day overtime is to be worked (weekday), by the end of lunch break Friday for Saturday overtime, or end of break Saturday for Sunday overtime.

NOTES:

1. There shall be no polling for overtime availability.
2. Once assigned and past the cancellation period, you are expected to complete the overtime assignment.
3. You may not declare yourself available for overtime after the assignment has been made.

Section 5 – Selection Criteria:

1. **Job Ownership.**
Offered to the employee working the job at the time the assignment is made that is to be worked on overtime.
NOTE: Classifications that currently do not utilize job ownership may continue to do so.
2. **Crew Ownership.**
Jobs where job owner(s) have been offered and refused or jobs that do not have a job owner at the time of assignment will be offered to other employees on that Front Line Supervisor's crew at the time of assignment, utilizing crew seniority rotation.
3. **Area Ownership. (PO2, Panel, Assembly Building, Aluminum Shop, 5-Skids, Blast and Paint, Machine Shop, Bath Service Shops, Hardings, EBMF, CW and each separate hull.)**
Offered to other employees on crews working the same shift within the area at the time the overtime assignment is made utilizing seniority rotation.
4. **Area Ownership. (Director Level) (Pre-Outfit, LLTF, Ships Completion)**
Offered to other employees on crews working the same shift within the area (Director level) at the time the overtime assignment is made, utilizing seniority rotation.
5. **Facility Ownership.**
Offered to other employees working the same shift within the facility (Bath) at the time the overtime assignment is made utilizing seniority rotation.
6. **Facility Ownership (All Shifts).**
Offered to other employees working other shifts within the facility (Bath, Hardings, EBMF) at the time the overtime assignment is made utilizing seniority rotation. If insufficient volunteers exist, the employees working the overtime can be offered double shifts by seniority rotation.
7. **Yard Ownership.**
Offered to all employees within that classification on that shift utilizing seniority rotation.

Nothing shall preclude the parties from agreeing in writing to separate overtime selection criteria different from the criteria listed above for each classification during the term of the Agreement.

Section 6 - Application:

All overtime is voluntary; your volunteer status is determined by your declaration of availability. The duration of each weekend and holiday assignment will be 6 hours. Weekend durations may be extended if mutually agreed between management and steward. Holiday durations may be extended if mutually agreed between Management and the Chief Steward. Durations for weekday overtime shall not exceed three (3) hours and will be prior to the start of shift for first and third shift employees and at the end of your regular shift for second shift, unless mutually agreed between Management and the Chief Steward. Durations for special events, such as launches, translations, christenings, ship systems demonstrations, ship movements, drydockings, and ammo loads, will be based on job needs.

Section 7 - Overtime Rates:

You will be paid overtime at the following rates:

| <u>Event</u> | <u>Rate (times base hourly wage rate)</u> |
|---------------------------------|---|
| Time outside your regular shift | Time and one-half |
| Saturday | Time and one-half |
| Sunday * | Double time |
| Holiday | Time and one-half plus holiday pay |

* Excluding third shift regular working hours.

Section 8 - Overtime Cancellation:

a) Where it is necessary, BIW may cancel your overtime assignment prior to the start up time. Where possible you will be notified in advance by your supervisor. Where advance notice cannot be provided, your supervisor or another member of production management will personally notify you at the gate.

b) The Company reserves the right to cancel the overtime work at any time during the overtime shift. For cancellation of overtime work Monday through Friday, you will receive pay for actual hours worked. For cancellation of overtime on Saturday, Sunday or holiday, your pay will be determined by the "Reporting-In, Minimum Pay, Call Back Pay" section of Article 13.

Article 12
SECOND AND THIRD SHIFT PREMIUMS

Section 1 - Eligibility:

a) If you are assigned to the second or third shift, you will be paid a shift premium of 7% of your base hourly rate or \$1.25, whichever is lower for the hours worked on those shifts.

b) In addition, if you are assigned to the second or third shift, you will be eligible for shift premium for the following reasons:

- Chief/General Stewards/Shop Stewards pay;
- Injured employee pay;
- Holiday pay;
- Compensated time off pay;
- Jury/military/witness pay;
- Bereavement pay.

Article 13
REPORTING-IN PAY, MINIMUM PAY, CALL BACK PAY

Section 1 - Reporting-In Pay:

If you report to work as scheduled and then not put to work, you will receive four hours pay unless canceled in a timely manner by BIW.

Section 2 - Minimum Pay:

If you are put to work, you will not receive less than four hours pay unless you voluntarily quit or the work is suspended due to bad weather, machinery breakdown, or other causes beyond the control of BIW.

Section 3 - Call Back Pay:

If you are called back to work you will receive a minimum of four hours pay.

Article 14
INJURED EMPLOYEE

Section 1 - Entitlement:

You are eligible for injured employee pay if, when you are put out of work for the day at the direction of Employee Health, or there is no work available within your limits and you cannot be placed in the Alternate Work Program for a yard injury/illness as follows:

- a. First day of injury which falls on a regular workday or a Saturday or Sunday when you report the injury to Employee Health that same day.
- b. Second day of injury where the injury/illness does not present itself fully until after you have left work for the day providing:
 1. You report to Employee Health.
 2. Employee Health determines you are unable to work, and
 3. Employee Health determines the injury or sickness is related to the prior regular workday's events.
- c. Injured on a Saturday or Sunday with verification.

Section 2 - Pay:

If you are injured during a regular workday, you will be paid for the balance of that shift at straight time.

If you are injured on a Saturday or Sunday, you will be paid for the balance of that shift at the appropriate rate.

If you are injured on an overtime assignment during the regular workweek, you will be paid for the balance of the overtime shift at the overtime rate.

If your injury requires outside medical treatment beyond the end of your regular shift, you will continue to receive pay:

- a. Through the time of admission
- b. Completion of outpatient care
- c. Return to work to clock out.

Section 3 - Definition of Work:

a) Should you be out of work, routine visits to Employee Health, the Workers Compensation Office, or Craft Administration will not be paid.

b) The Company will compensate you for time at BIW only if you are called in by Management.

Article 15 LAYOFF/RECALL

Section 1 - Definitions:

a) "Involuntary layoff" means a termination of employment for more than five days.

b) "Recall" means a return to employment from involuntary layoff for not less than thirty calendar days.

c) "Voluntary layoff" means a voluntary termination of employment for more than five working days with an agreed upon return to work date.

Section 2 – Involuntary Layoff:

a) Notice of Involuntary Layoff:

(i) BIW will provide ten days notice to the Union and seven days notice to you. In the event you are absent on the day of notice, BIW will send you a certified letter of notice (copy to Local S6). The date of mailing will be the notice date.

(ii) The notice period begins with the next day following the notice.

b) Date of Involuntary Layoff:

Your date of involuntary layoff will be the expiration date of your notice or the date of accepting twenty-four (24) hours pay in lieu of work.

c) Pay in Lieu of Work:

You may accept twenty-four (24) hours pay in lieu of working your notice period. Should BIW elect to retain you for work during the notice period, you will receive twenty-four (24) hours pay in addition to your pay if involuntarily laid off.

d) Notice of Involuntary Layoffs Beyond Control of BIW:

No notice is required for involuntary layoffs for reasons beyond the control of BIW, such as power or machinery breakdown, fire, floods, and hurricanes or blizzards.

e) Involuntary Layoff Process:

Layoffs will occur within a job classification in seniority order on a yard-wide basis. If needed, a tiebreaker will be based on your last name at time of hire.

Section 3 – Voluntary Layoff:

Under circumstances mutually agreeable between BIW and Local S6, you may have the opportunity to participate in a voluntary layoff. These voluntary layoffs will be for an agreed upon length of time.

Section 4 – Recall Process:

a) Rehire Questionnaire:

You will be required to complete a rehire questionnaire at time of layoff. This important document will determine which jobs could become available to you during your involuntary layoff. Although you have the right to refuse all jobs that become available other than your job classification, you are encouraged not to list jobs on the rehire questionnaire you have no intention of accepting.

b) Notice to Local S6:

Local S6 will be notified in advance of any recall.

c) Recall Process:

Employees will be recalled by job classification in the reverse order of the layoff.

d) Notice of Your Recall:

Should we be unable to contact you by telephone for any job vacancy that may exist which you listed on your rehire questionnaire, BIW will certify mail (copy to Local S6) your recall notice to your address of record. Final notice of recall will be five working days from receipt or fourteen working days from date of mailing, whichever first occurs.

e) Dual Recall:

Should you be recalled from layoff into another job classification within this bargaining unit, you will maintain your full seniority rights. You will continue your recall rights back to your prior job classification. Should you subsequently be involuntarily laid off from the new job class, you will also have recall rights back to that job classification.

Section 5 – Short-Term Recall Process:

- Local 6 will be notified in advance of any short-term recall.
- Employees will be recalled by job classification in the reverse order of the layoff, within classification first, then by yard-wide seniority outside of the classification being recalled.
- Should you accept a short-term recall you will maintain your full seniority rights.
- Should you refuse a short-term recall you will maintain your full seniority rights.
- The short-term recall will be for a specified number of workdays not less than 5 nor greater than 20.
- At the end of the specified period, the employee will be separated without any pay in lieu of work benefits.
- If you are laid off from a short-term recall, your healthcare coverage will extend or continue for 1 month.
- To be eligible for a short-term recall, any employee must present himself for work within five workdays of notice.
- The recall process will be by telephone only, with a list of employees not contacted provided to Local 6 the same day. Notification to the Union shall be deemed sufficient.

Article 16
SENIORITY

Section 1 - Definition:

Seniority means your length of service from date of hire, unless otherwise specified.

Section 2 - Application:

Seniority will be broken in all cases if:

- a. You quit.
- b. You are discharged.
- c.
 - (i) You went on a non-occupational leave of absence prior to May 31, 2004. The date upon which seniority is or will be broken is your length of service or three (3) years from the leave of absence date, whichever is less.
 - (ii) You went on an occupational leave of absence prior to August 25, 1997. The date upon which your seniority is or will be broken is your length of service or seven (7) years from the leave of absence date, whichever is less.
 - (iii) You went or go on a non-occupational leave of absence after May 31, 2004. The date upon which seniority is broken is your length of service or three (3) years from the leave of absence date, whichever is less.
 - (iv) You went or go on an occupational leave of absence after August 24, 1997. The date on which seniority is broken is your length of service or six (6) years from the leave of absence date, whichever is less.
- d. You fail to notify BIW of an address change while on involuntary layoff or leave of absence.
- e. Upon recall, you fail to report for work or provide reasonable excuse for failing to report for work to your regular job or any selected job on your rehire questionnaire within five (5) days from date of receipt of telephone or letter notification (fourteen [14] days from date of mailing), whichever occurs first.
- f. You are on involuntary layoff for a period longer than your length of service.

Section 3 – Occupational or Non-Occupational LOA:

a) BIW will continue healthcare for employees on an occupational or non-occupational leave of absence under the BIW Healthcare Program until such time as their seniority is broken as long as the employee:

- (1) Pays the employee contribution in a timely manner (see Contributory Premiums for Employees under the Employee Benefit Program), and
- (2) Applies for Social Security Disability coverage within twelve (12) months of the leave of absence, and
- (3) Notifies the BIW benefits administrator regarding their eligibility for SSDI and/or Medicare.

b) An employee that is eligible for Medicare because of SSDI entitlement must provide documentation and a signed release form whenever requested by the BIW benefits administrator regarding continued eligibility for SSDI and/or Medicare. BIW will coordinate benefits under the BIW Healthcare Plan as a secondary payor to Medicare and reimburse the employee Medicare Part B premium. Any employee terminated as a result of Section 2c during the life of this agreement who is Medicare eligible will be reimbursed their Part B premium for a combined leave of absence and termination period equal to their prior length of service. An employee that does not qualify for SSDI and/or Medicare shall continue to be covered by healthcare in accordance with the healthcare terms of this agreement and Section 2c.

c) For a period equal to length of service, employees terminated as a result of Section 2c will be offered employment to a position within the bargaining unit with reinstated seniority upon release for work through medical certification from primary care physician. If BIW’s Medical Director disagrees with the decision, a third party (medical physician) will be called in and selected by mutual agreement between the employee’s medical primary care physician and Yard Medical Director. The third party physician will decide the issue.

Section 4 – Years of Service Credit for Healthcare Coverage:

If you are laid off, your healthcare coverage will continue as follows:

| <u>Years Service</u> | <u>Healthcare Coverage Beyond Month of Layoff</u> |
|----------------------|---|
| Less than 10 | 3 months |
| 10 or more | 6 months |

Section 5 – Leave of Absence:

a) Your seniority will be fixed as of the first day of involuntary layoff. All time on involuntary layoff will accrue for seniority purposes upon your return to work.

b) Your seniority will be fixed as of the first day of leave of absence. All time on leave of absence will accrue for seniority purposes upon your return to work for a minimum of 30 hours of work within 15 working days of return to work from that medical LOA. New injuries or illnesses incurred during this time frame shall not preclude an employee from having his seniority accrue under this provision.

c) All leave of absence for sickness, injury or mental or physical disability will be granted with medical certification acceptable to BIW.

d) Seniority will be accumulated when you are elected to a Local (City council, town selectman position only), State, or Federal Government office that requires your full-time presence.

Section 6 – Yard Injury:

Should you incur a yard injury that prevents you from working within your job classification and accept work within your limits in another bargaining unit at BIW and be subsequently involuntarily laid off prior to linking up your full seniority, you will be transferred back into Local S6 to protect your seniority rights in your prior classification and rate of pay.

For purposes of determining occupational and non-occupational leave of absence time limits only, any controverted worker’s compensation case being actively pursued by any employee who is covered by this agreement will be treated as occupational until such time as a formal decision is received.

If BIW prevails in controverting the claim, we will treat the entire time on leave of absence as non-occupational. If the employee prevails, it will continue as occupational. In the event that an employee files claims under both State and Federal law, the initial formal decision in either forum shall serve to determine whether seniority will be controlled by non-occupational or occupational time limits, subject to final determination.

Article 17
HOLIDAYS

Section 1 - Holiday Schedule:

You will be entitled to the following holidays:

2004

Memorial Day (Monday, May 31, 2004)
Independence Day (Monday, July 5, 2004)
Labor Day (Monday, September 6, 2004)
Veterans' Day (Thursday, November 11, 2004)
Thanksgiving Day (Thursday, November 25, 2004)
Day After Thanksgiving Day (Friday, November 26, 2004)
Holiday (Wednesday, December 29, 2004)
Holiday (Thursday, December 30, 2004)
Holiday (Friday, December 31, 2004)

NOTE: Unpaid days for the dates of December 27 and 28, 2004.

2005

Martin Luther King, Jr. Day (Monday, January 17, 2005)
President's Day (Monday, February 21, 2005)
Memorial Day (Monday, May 30, 2005)
Independence Day (Monday, July 4, 2005)
Labor Day (Monday, September 5, 2005)
Veterans' Day (Friday, November 11, 2005)
Thanksgiving Day (Thursday, November 24, 2005)
Day After Thanksgiving Day (Friday, November 25, 2005)
Holiday (Monday, December 26, 2005)
Holiday (Tuesday, December 27, 2005)
Holiday (Wednesday, December 28, 2005)

NOTE: Unpaid days for the dates of December 29 and 30, 2005.

2006

Martin Luther King, Jr. Day (Monday, January 16, 2006)
President's Day (Monday, February 20, 2006)
Memorial Day (Monday, May 29, 2006)
Day Before Independence Day (Monday, July 3, 2006)
Independence Day (Tuesday, July 4, 2006)
Labor Day (Monday, September 4, 2006)
Thanksgiving Day (Thursday, November 23, 2006)
Day After Thanksgiving Day (Friday, November 24, 2006)
Christmas Day (Monday, December 25, 2006)
Holiday (Tuesday, December 26, 2006)
Holiday (Wednesday, December 27, 2006)

NOTE: Unpaid days for the dates of December 28 and 29, 2006.

2007

New Year's Day (Monday, January 1, 2007)
Martin Luther King, Jr. Day (Monday, January 15, 2007)
President's Day (Monday, February 19, 2007)
Memorial Day (Monday, May 28, 2007)
Independence Day (Wednesday, July 4, 2007)
Labor Day (Monday, September 3, 2007)
Thanksgiving Day (Thursday, November 22, 2007)
Day After Thanksgiving Day (Friday, November 23, 2007)
Holiday (Monday, December 24, 2007)
Christmas Day (Tuesday, December 25, 2007)
Holiday (Wednesday, December 26, 2007)
Day Before New Year's Day (Monday, December 31, 2007)

NOTE: Unpaid days for the dates of December 27 and 28, 2007.

2008

New Year's Day (Tuesday, January 1, 2008)
Martin Luther King, Jr. Day (Monday, January 21, 2008)
President's Day (Monday, February 18, 2008)

Section 2 - Entitlement:

You are eligible for holiday pay if you are a full-time employee upon completing a 360 work-hour probationary period commencing upon your date of hire.

If you are excused from work you will receive holiday pay if excused time started within fifteen (15) calendar days preceding a paid holiday.

Section 3 - Holiday Pay:

Holiday pay will be paid at your current base hourly rate.

When a holiday falls on a workday while you are on compensated time off, you will receive pay for the holiday.

If you work on a holiday you will receive time and one half for the hours worked in addition to the holiday pay.

Section 4 - Working a Holiday:

If your regular scheduled workday falls on a holiday, you will be eligible to take a day off later without pay within six (6) months at the convenience of you and your supervisor (i.e., Boiler Operator, Winter Pipe Patrol).

Article 18
COMPENSATED TIME OFF

Section 1 - Entitlements:

Compensated time off is for vacation and sick leave. When used for vacation, Compensated Time Off will be taken at the convenience and discretion of the Company, with due regard for your wishes. Your annual compensated time off allowance, which will be accrued monthly during the year, is as follows:

| Years Service | Annual Allowance (In Hours) | Monthly Accrual (In Hours) |
|----------------------|--|---------------------------------------|
| 1-2 | 48 | 4.0 |
| 2-3 | 96 | 8.0 |
| 3-5 | 112 | 9.33 |
| 5-10 | 136 | 11.33 |
| 10-15 | 160 | 13.33 |
| 15-20 | 184 | 15.33 |
| 20-25 | 200 | 16.66 |
| 25-30 | 216 | 18.0 |
| 30 or more | 280 | 23.33 |

Section 2 - Accrual:

The Compensated Time Off allowance accrues during any calendar month in which you received payroll compensation for 80 or more hours in that month. During the calendar year in which you complete a service anniversary that brings you to a higher allowance, you accrue compensated time-off at the higher rate for the entire year. Any unaccrued compensated time off used during a calendar year will be debited from your allowance at the start of the next calendar year. Any hours not paid that are covered by an absentee code not held against perfect attendance (refer to Article 49) those hours will be credited for the accrual of your compensated time.

Section 3 - Usage:

You may use the following at any time during the calendar year: Accrued Compensated Time-off, Banked Compensated Time-off, and Accrued Compensated Time-off you anticipate for that year. Compensated Time-off will be at the convenience of the Company.

The minimum increment of Compensated Time-off permitted is 2 hours (i.e., 2, 4, 6, or 8 hours) with the exception that up to eight (8) hours may be used in any calendar year in one (1) hour increments.

Section 4 - Carryover:

Any unused compensated time off in a calendar year may be carried over for future use to a maximum of 720 hours. Your current banked sick leave and vacation hours will be rolled into the carryover hours.

Section 5 - Payment:

You will receive payment for compensated time off at your current base hourly wage rate.

In the event you separate employment from BIW, you will be paid for all your unused Accrued Compensated Time-Off and Banked Compensated Time-Off at your regular base rate. Any Compensated Time-Off taken in excess of your Accrued Compensated Time-Off and Banked Compensated Time-Off will be deducted from your final paycheck.

Article 19
COMPENSATION

Section 1 – Effective Dates of New Agreement

This new labor agreement begins Monday, May 31, 2004, and expires at midnight, Sunday, May 18, 2008.

Section 2 - Rates of Pay:

This pay shall be at your base hourly rate as identified and included in the table below:

| Grade | Effective 5/31/2004 | Effective 5/30/2005 | Effective 5/29/2006 | Effective 5/28/2007 |
|------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| AA (Specialist) | 22.55 | 23.23 | 23.93 | 24.89 |
| A (Specialist) | 20.27 | 20.88 | 21.51 | 22.37 |
| B (Specialist) | 19.68 | 20.27 | 20.88 | 21.72 |
| C (Specialist) | 19.10 | 19.67 | 20.26 | 21.07 |
| 9 | 18.51 | 19.07 | 19.64 | 20.43 |
| 8 | 17.64 | 18.17 | 18.72 | 19.47 |
| 7 | 16.78 | 17.28 | 17.80 | 18.51 |
| 6 | 15.91 | 16.39 | 16.88 | 17.56 |
| 5 | 15.05 | 15.50 | 15.97 | 16.61 |
| 4 | 14.18 | 14.61 | 15.05 | 15.65 |
| 3 | 13.32 | 13.72 | 14.13 | 14.70 |
| 2 | 12.45 | 12.82 | 13.20 | 13.73 |
| 1 | 11.59 | 11.94 | 12.30 | 12.79 |

Trades with Grade AA Specialists: E02, M08, O04, P18

Trades with Grade A Specialists: C70, E02, M04, M08, O04, P18, W12

Trades with Grade B Specialists: E02, M04, M08, M14, O04, P06, P18, S06, T12, W12

Trades with Grade C Specialists: E02, H03, M04, M08, M14, O04, P18, W12

Note 1 : Employees in pay grade 1 through 8 will receive a pay increase to the next higher pay grade level effective the first pay period following the payment of every 1,000 hours on the job, provided the employee exhibits the skills required to achieve the next level.

Note 2: H03 Grade C Specialist rating will apply to certain rated truck drivers with commercial drivers licenses.

Note 3: W12 Grade A Specialists are those Welders currently performing consumable ring welding on x-ray butt pipe welds.

Section 3 – Apprentice Wage Rates

Apprentices will progress as follows:

| | | Effective 5/31/2004 | Effective 5/30/2005 | Effective 5/29/2006 | Effective 5/28/2007 |
|----------|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 1 | 1st 1,000 hrs. | 13.23 | 13.63 | 14.04 | 14.60 |
| 2 | 2nd 1,000 hrs. | 13.81 | 14.22 | 14.65 | 15.24 |
| 3 | 3rd 1,000 hrs. | 14.40 | 14.83 | 15.27 | 15.88 |
| 4 | 4th 1,000 hrs. | 14.99 | 15.44 | 15.90 | 16.54 |
| 5 | 5th 1,000 hrs. | 15.57 | 16.04 | 16.52 | 17.18 |
| 6 | 6th 1,000 hrs. | 16.16 | 16.64 | 17.14 | 17.83 |
| 7 | 7th 1,000 hrs. | 16.75 | 17.25 | 17.77 | 18.48 |
| 8 | 8th 1,000 hrs. | 17.33 | 17.85 | 18.39 | 19.13 |

Section 4 – Welder Qualification Tests

| TEST | PROCESS | POSITION | MATERIAL | INSPECTION |
|---|----------------------------|----------------------------|------------------------------------|------------------------------------|
| Test 1 Grade 5 | SMAW (Stick) | 3F (Vert. Fillet) | E10018. 3/8” Plate | VT & Break |
| | | 4F (Ovhd Fillet) | E10018. 3/8” Plate | VT & Break |
| | FCAW (Flux Cored) | 3F (Vert. Fillet) | E71T-1, 3/8” Plate | VT & Break |
| | | 4F (Ovhd Fillet) | E71T-1, 3/8” Plate | VT & Break |
| | GMAW-P (Pulse-Arc) | 2F (Horiz. Fillet) | E100S-1, 3/8” Plate | VT & Break |
| | | 3F (Vert. Up Fillet) | E100S-1, 3/8” Plate | VT & Break |
| | | 3FD (Vert. Down Fillet) | E100s-1, 3/8” Plate | VT & Break |
| | | 4F (Ovhd Fillet) | E100S-1, 3/8” Plate | VT & Break |
| | GMAW (Spray-Arc) | 2F (Horiz. Fillet) | E100S-1 3/8” Plate | VT & Break |
| | Test 2A Grade 7 | FCAW (Flux Cored) | 3G (Vert. Groove) | E71T-1, ¾” Plate w/Backgouge |
| 4G (Ovhd Groove) | | | E71T-1, ¾” Plate w/Backgouge | VT & UT |
| Test 2B Grade 8 | GMAW-S (Spray Arc) | 2G (Horiz. Groove) | E100S, 3/8” Plate w/Ceramic | VT & UT |
| Test 3 Grade C (See Note 1) | GMAW-P (Pulse Arc) | 2G (Horiz. Groove) | E100S 3/8” Plate w/Ceramic | VT & UT |
| | | 3G (Vert. Groove) | E100S 3/8” Plate w/Ceramic | VT & UT |
| | | 3GD (Vert Down Groove) | E100S ¼” Plate w/Ceramic | VT & UT |
| | | 4G (Ovhd Groove) | E100S 3/8” Plate w/Ceramic | VT & UT |

| TEST | PROCESS | POSITION | MATERIAL | INSPECTION |
|---|---|---------------------------------|-----------------------------|-------------------|
| Test 4 Grade B # determined by business needs Senior Qualified | P-2 GTAW (Tig) Fillets Or Tig Aluminum Fillets | 4F restricted (Ovhd) | Cuni-RN67 ½" sch 40 pipe | VT/PT/Macro |
| | | 5F restricted (Horizontal) | Cuni-RN67 ½" sch 40 pipe | VT/PT/Macro |
| | | 4F restricted (Ovhd) | Cres 309 ½" sch 40 pipe | VT/PT/Macro |
| | | 5F restricted (Horizontal) | Cres 309 ½" sch 40 pipe | VT/PT/Macro |
| Test 5 Grade A # determined by business needs Senior Qualified | P-1 GTAW (Tig) Non- Consumable | 2G restricted (Horiz. Fixed) | Cres 347 | VT & RT |
| | | | 5" sch 10 pipe | |
| | | 5G restricted (Horiz. Fixed) | Cres 347 | VT & RT |
| | | | 5" sch 10 pipe | |
| | 6G Cuni | RN60 | VT & RT | |
| | | 5"sch 80 pipe | | |
| 6G Cuni | RN67 | VT & RT | | |
| 5" Class 200 | | | | |
| GTAW P-1 Butt Welds | 2G 5G restricted Fusion or Consumable insert or FASTIG | Cres 347 5" sch 10 pipe | VT & RT | |

Note 1: W12's in Pay Grade C performing either butts/seams in primary hull structure subject to UT/RT, and mechanized welding will receive \$0.50/hr while assigned rate.

Article 20
WELLNESS BENEFIT

The Wellness Program provides reimbursement for two categories of wellness items: physical fitness services and medical/preventive services.

The Company will reimburse you and your spouse up to a combined total of \$125 per year, subject to required Federal and State tax withholdings, upon the submittal of a Wellness Benefit Request form accompanied with a paid invoice to the BIW Benefits Department for approved wellness program(s). Refer to the Wellness Program Reimbursement Guidelines for detailed instructions. The Guidelines and Wellness Benefit Request form may be obtained at the BIW Benefits Department.

In addition to the reimbursement program described above, a more comprehensive program is offered to employees and their spouses on a variety of programs to improve their health. These programs will be run by outside organizations and will respect employee privacy and personal choice.

Article 21
EMPLOYEES' BENEFITS

Section 1 – Employees' Benefit Program:

Your Benefits Program consists of plans that provide you financial security and policies that provide you paid time-off away from work.

Health and welfare plans include healthcare, accident and sickness (A&S) insurance, basic life insurance, supplemental life insurance, vision care, and business travel accident insurance. Retirement plans include pensions and 401(k). All of these plans require you to be a full-time employee. All of the health and welfare plans require you to complete a probationary period of 360 hours from date of hire before you can participate. For the IAM Pension Plan, that eligibility period is 60 calendar days from date of hire. The 401(k) plan does not have a service requirement for eligibility. BIW pays the full cost of your pensions, A&S insurance, basic life insurance and business travel accident insurance, and pays most of the cost of your healthcare. BIW also matches a portion of your contributions to your 401(k) account. These plans are ERISA plans and their terms and conditions are governed by plan documents and/or insurance contracts, all of which are available through the BIW Benefits Department. Therefore, the language contained in this Agreement for these plans is intended to represent only highlights of the plans. You will receive a summary plan description for each of these plans which will give you further information in addition to these highlights.

In addition to the ERISA plans above, BIW sponsors a wellness program and will continue to offer a program where you can obtain insurance for personal property.

Policies that provide you paid time-off away from work include compensated time-off, bereavement, jury/military/witness pay, and holidays.

Additionally, LS6 sponsors a dental plan, a long-term disability plan, and an A&S plan which supplements the A&S that BIW sponsors for you. Each of these plans requires you to make contributions if you choose to participate in them. The language contained in this Agreement is limited to the terms and conditions that BIW and LS6 have agreed to so that if you elect to participate in them, your contributions to these plans will be deducted from your paycheck. To the extent permitted by law, your contributions for the dental plan will be deducted from your paycheck on a pre-tax basis. Your contributions for the supplemental A&S and long-term disability will be deducted on a post-tax basis. For information on the benefit provisions of these plans, contact the LS6 Union Hall. The Union agrees that it will provide the Director of Benefits with a list of named employees by department and badge number participating in the Local S6-sponsored A&S supplemental plan upon request but no more than on a monthly basis. Such listing will be provided in a timely manner.

Section 2 – Healthcare Program

For eligible employees, the Healthcare Program that was in effect on May 30, 2004, will continue unchanged through December 31, 2004, including but not limited to employee contributory premiums and plan co-payments. Effective January 1, 2005, there will be several changes to the Program. The highlights of this new Program are described below.

a) Choice:

You are eligible for BIW's Healthcare Program once you have completed a period of 6 months from your date of hire. You may choose between two healthcare options. The two options include:

- Physician Open Access (POA)
- Primary Care Physician Select (PCP Select)

Both options cover doctor visits, hospitalization, surgery, prescription drugs, mental health and substance abuse treatment, routine physical exams, child immunizations and check-ups, mammograms, routine eye exams, and other services. The options differ in the amount you must contribute from your weekly paycheck and the amounts you pay when you obtain services.

The POA option offers different levels of coverage depending upon whether you or a covered family member receive care through a medical care network or outside of the network.

With the PCP Select Option, you and your covered family members each select a participating Primary Care Physician (PCP) who oversees your medical care. To be eligible for most covered services, you must choose a PCP who will coordinate your care by treating you or referring you to specialty services. With the exception of a few services, the only way you're covered is if you seek care through your PCP.

You will receive a booklet for the healthcare option you participate in that provides a detailed description of that option including eligibility and enrollment information, covered services, co-payment and co-insurances, when coverage ends, continuation of coverage and conversion information, and the member satisfaction process.

Other options may be available to you if your primary residence is outside the Network Area.

b) Enrolling in the Healthcare Program:

Once you have completed your 6-month eligibility period, you must have medical coverage through BIW, unless you are covered under another healthcare plan (such as your spouse's employer) in which case you would indicate that during your initial open enrollment process by the due date specified. If you are not waiving coverage as specified in the previous sentence, you will be enrolled in the Program as specified by you during your initial enrollment. If you fail to enroll, you will automatically be enrolled in the POA Option with single coverage and a smoking status.

c) Choosing Your Healthcare Option and Coverage Level:

You will be able to choose the healthcare option you want to participate in and your coverage level each year through the annual open enrollment process. If you and your spouse are both employed by BIW, one of you can choose to cover your spouse and children, while the other can choose the no coverage option. You can each cover yourselves, but your spouse and/or dependents cannot have “double” coverage.

During the Fall 2004, an open enrollment package consisting of information that will be helpful for you to make your choice effective January 1, 2005 will be provided to you. Because the Healthcare Program has changed, you must enroll for 2005 through the open enrollment process by the due date specified. If you do not enroll by the due date specified, you will automatically be enrolled in the POA Option at the same coverage level and smoking/non-smoking status you have as of December 31, 2004.

Subsequent annual enrollments beginning with the Fall 2005 (effective January 1, 2006) will also provide you the opportunity to change your healthcare option or coverage level, or smoking/non-smoking status. If you do not enroll by the due date specified, you will automatically be re-enrolled in the same option and at the same coverage level and smoking/non-smoking status you had as of the last day of that calendar year.

d) Contributory Premiums for Employees:

Although BIW pays the majority of the cost of the Healthcare Program, you share in the cost through your employee contributions, which are deducted from your paycheck. To the extent permitted by law, these contributions will be deducted before taxes are withheld. If you are not receiving a paycheck, and are not placed on a leave of absence, your missed contributions will be deducted when you start receiving paychecks again. If you are not receiving a paycheck and are placed on a leave of absence, you will be responsible to make payment when billed. Failure to pay by the grace period, which is 60 calendar days, will result in termination of coverage.

The amount of your contribution will depend on the healthcare option and coverage level you select, and whether you or your covered family members are non-smokers and have the non-smoking discounts for that calendar year. Your spouse and unmarried children under the age of 21 (age 25 if full-time student) are eligible dependents that you may enroll in the Program. Also, children who are totally disabled at the time that they would no longer be eligible for healthcare coverage because of the age limits, may be eligible for continued coverage under the Program. Weekly contributions for each

coverage level for each healthcare option are shown in the last part of the section that explains that particular option.

e) Eligibility for Non-Smoking Discount:

Open Enrollment each year provides you with an opportunity to declare your smoking/non-smoking status for the following year. You are required to re-select your smoking/non-smoking status if it has changed.

You are eligible for the non-smoking discount if: 1) you and your covered dependents have not used tobacco products more than 3 times in the month before you complete the enrollment process, 2) you are committed to remaining smoke-free, and 3) you declare yourself and your dependents non-smokers.

You are not eligible for the non-smoking status if you and your dependents do not meet all three requirements stated in the above paragraph.

f) Option 1: Physician Open Access (POA)

The option gives you “open access” to the doctor (or hospital) of your choice, without requiring a referral. Each time you need care, you decide which type of doctor to see and whether to receive services from an in-network provider (one who participates in the plan network) or from an out-of-network provider.

Even though you may seek care from any provider, it’s still important to review the extensive network of participating hospitals, doctors, and other providers. That’s because more of your out-of-pocket costs are covered when you use an in-network provider.

You’re free to receive care from any network provider to qualify for in-network benefits. When you do, office visits and preventive care (including Mammograms, annual physicals, and immunizations) are covered at 100% after a \$15 co-payment. Prescription drugs are covered at 100% after a co-payment that is determined based upon whether the drug is filled with a generic, preferred brand name, or non-preferred brand name. You can receive up to a 30-day supply through a retail pharmacy, and a 90-day supply through the mail-order program. Most other services are subject to an annual deductible, coinsurance, and an out-of-pocket maximum. Listed below is a summary of some fees for commonly used services from network providers.

| | |
|-----------------------------------|-----------------------|
| Preventive Care Office Visit | \$15 |
| Office Visits (PCP or Specialist) | \$15 |
| Physical Therapy Office Visit | \$15 |
| Chiropractic Office Visit | \$15 |
| Allergy Shots Office Visit | \$15 |
| Prescription Drugs | |
| Retail (30-day supply) | \$10/20/35 |
| Mail Order (90-day supply) | \$20/40/70 |
| X-rays, Labs, Diagnostics | 15%; no deductible |
| Emergency Room | 15%; after deductible |
| Inpatient Hospital Stay | 15%; after deductible |
| Outpatient Surgery | 15%; after deductible |

Here is how your share of the cost for care is determined for those services where coinsurance applies. (Co-payments for office visits and prescription drugs do not count toward the annual deductible and out-of-pocket maximum.)

Unless specifically stated above, you need to meet the annual deductible. For in-network care, the annual deductible is:

| Year | 2005 | 2006 | 2007 | 2008 |
|---------------------------|-------------|-------------|-------------|-------------|
| Per Person | \$100 | \$150 | \$200 | \$250 |
| Maximum Per Family | \$200 | \$300 | \$400 | \$500 |

Once you meet the annual deductible, you will begin to pay a percentage of covered services.

After your deductible and share of coinsurance reaches the out-of-pocket maximum, then the plan pays the remainder of covered services (excluding co-payments) for the rest of the year. This means the plan pays 100% of the usual, customary and reasonable costs for covered services where coinsurance applies. The out-of-pocket maximum is:

| Year | 2005 | 2006 | 2007 | 2008 |
|---------------------------|-------------|-------------|-------------|-------------|
| Per Person | \$750 | \$900 | \$1,000 | \$1,100 |
| Maximum Per Family | \$1,500 | \$1,800 | \$2,000 | \$2,200 |

To participate in the POA Option, the following contributions will be deducted from your weekly paycheck. These contributions will be effective the first paycheck of each of the calendar years shown below:

| | 2005 | | 2006 | | 2007 | | 2008 | |
|--------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | Non Smoker | Smoker | Non Smoker | Smoker | Non Smoker | Smoker | Non Smoker | Smoker |
| Employee Only | 6.46 | 9.69 | 7.36 | 11.05 | 8.32 | 12.48 | 9.32 | 13.98 |
| Employee and Spouse | 11.84 | 18.61 | 13.50 | 21.21 | 15.25 | 23.97 | 17.08 | 26.85 |
| Employee and Child(ren) | 11.84 | 18.61 | 13.50 | 21.21 | 15.25 | 23.97 | 17.08 | 26.85 |
| Employee and Family | 18.30 | 28.28 | 20.86 | 32.24 | 23.57 | 36.43 | 26.40 | 40.80 |

g) Option 2: Primary Care Physician Select (PCP Select)

PCP Select is an HMO. Under an HMO, you have the opportunity to receive your care from a specific network of doctors, hospitals, and other health care providers. You must select a primary care physician (PCP) to provide or coordinate your care. Since PCP Select uses the CIGNA plan network, when you need care, you should first contact your PCP who can either treat you or refer you to a specialist within the PCP Select network. Except for a few limited exceptions, you will need a referral from your PCP to see a specialist. If you see a specialist without a referral, your visit will not be covered, even if the specialist is in the plan network.

Listed below is a summary of some fees for commonly used services from network providers:

| | |
|-----------------------------------|-----------------|
| Preventive Care Office Visit | \$15 |
| Office Visits (PCP or Specialist) | \$15 |
| Physical Therapy Office Visit | \$15 |
| Chiropractic Office Visit | \$15 |
| Allergy Shots Office Visit | \$15 |
| Prescription Drugs | |
| Retail (30-day supply) | \$10/20/35 |
| Mail Order (90-day supply) | \$20/40/70 |
| X-rays, Labs, Diagnostics | Covered in full |
| Emergency Room | \$50 |
| Inpatient Hospital Stay | \$200 |
| Outpatient Surgery | \$100 |

If you enroll in this plan and choose to receive care from a provider who is not part of the network – or receive care from a network provider without a referral from your PCP – these services would not be covered. You would be responsible for the entire cost.

To participate in the PCP Select option, the following contributions will be deducted from your weekly paycheck. These contributions will be effective the first paycheck of each of the calendar years shown below:

| | 2005 | | 2006 | | 2007 | | 2008 | |
|--------------------------------|------------|--------|------------|--------|------------|--------|------------|--------|
| | Non Smoker | Smoker | Non Smoker | Smoker | Non Smoker | Smoker | Non Smoker | Smoker |
| Employee Only | 7.83 | 11.06 | 10.32 | 14.00 | 14.11 | 18.27 | 17.73 | 22.39 |
| Employee and Spouse | 17.11 | 23.57 | 22.08 | 29.44 | 29.66 | 37.98 | 36.90 | 46.22 |
| Employee and Child(ren) | 17.11 | 23.57 | 22.08 | 29.44 | 29.66 | 37.98 | 36.90 | 46.22 |
| Employee and Family | 24.99 | 34.20 | 32.08 | 42.57 | 42.87 | 54.73 | 53.19 | 66.47 |

h) Changes During the Year:

You can only make changes in the Healthcare Program during the annual enrollment period, unless you have a life event or "qualifying change in status" that affects the type of coverage you need. You or your dependents can enroll in or change your level of coverage during the year, consistent with the legal requirements for a qualifying change in status, only if one of the following events occur and you and your dependents sign up within 31 days to reflect the life event. Life events and status changes are:

- Marriage, divorce, legal separation or annulment
- Birth, adoption or placement for adoption of a child
- Death of a covered dependent

- Change in your dependent's eligibility status (for example, your child reaches an age when coverage stops)
- You lose coverage provided under another plan (for example, your spouse's plan is no longer offered)
- Change in location (that is, your current medical coverage is not available in your new location)
- Termination or start of employment by yourself, your spouse or your dependent.
- Move out of the area covered by your current healthcare option

i) Participation and Contributory Premiums for Employees on a Medical Leave of Absence:

BIW will continue healthcare for employees on a medical LOA and their eligible dependents under the conditions specified in Article 16. Contributions equal to the active employee contribution will be required. Failure to pay these contributions in a timely manner (See Contributory Premiums for Employees), will result in termination of healthcare benefits.

j) Participation and Contributory Premiums for Retirees:

If you are eligible to retire under the Pension Plan directly from employee status for any reason and are under age 65, you may elect to participate in the Healthcare Program by making monthly payments equal to BIW's average cost for the coverage level you select.

k) Participation for Eligible Dependents of Deceased Employees:

An employee's spouse and/or eligible dependent children will be covered by the Healthcare Program for one full year from the end of the month of employee's death, with no contributory premiums required.

l) Coordination of Benefits for SSDI/Medicare:

BIW will coordinate benefits under the BIW Healthcare Plan as a secondary payor to Medicare for all subscribers who are Medicare eligible as a result of an SSDI award.

m) Joint Committee on Healthcare Costs and Quality:

BIW and LS6 are committed to ensuring that employees have access to cost effective, quality healthcare coverage. Because of their ongoing concern about the quality of healthcare and costs, the parties agree to a Joint Committee on Healthcare Costs and Quality. The Committee will have an equal number of representatives, including a co-chair, from each party. When appropriate, healthcare experts and representatives from BIW's health plans will be invited to attend Committee meetings. Each party may have their benefits consultants and advisors attend Committee meetings. The Committee also will meet with healthcare providers to express the parties' interest in obtaining quality healthcare at affordable prices.

In furtherance of these objectives, any savings on the annual cost of healthcare will be passed on to employees. If annual per capita costs for healthcare decline between July 1 and June 30 of the

following year, then employee's weekly premiums will be reduced by 50% of the weekly equivalent decrease as of January 1.

n) Changes in Healthcare Plan Design:

As healthcare information and tools to evaluate quality become available to BIW and Local S6, either party may propose using financial incentives or disincentives within the POA Option and/or the PCP Select Option that will encourage members to use certain providers that have better outcomes. Proposals that reduce aggregate costs to both BIW and employees will be carefully evaluated by the other party for inclusion into existing plan design.

To the extent the plan design contained within this Agreement cannot be administered by the current or a future healthcare carrier, both BIW and Local S6 will work together in whole or in part in order to provide the health insurance coverage and benefits which are comparable as a whole to the coverages and benefits described in this Agreement.

Section 3 – Basic Accident and Sickness

For eligible employees, the Basic Accident and Sickness Plan in effect on May 30, 2004 will remain unchanged for the duration of this Agreement, including the weekly benefit amount of two hundred dollars (\$200) per week.

Section 4 – Life Insurance Coverage

a) Basic Life Insurance:

For eligible employees, the Basic Life Insurance coverage in effect on May 30, 2004 in the amount of \$25,000 will increase to \$35,000 on the effective date of this Agreement, and will remain at that level for the duration of this Agreement.

If you are eligible to retire under the Pension Plan directly from employee status with BIW, you will be eligible for life insurance coverage during your retirement. Your benefit amount will be the same amount that was in effect prior to your retirement. Then, on the first anniversary date of your retirement, your life insurance benefit will be reduced by 10%. Thereafter, every year on the anniversary of your retirement, your benefit will be lowered by the same amount it was reduced on your first anniversary date. The minimum benefit paid to your surviving beneficiary is \$5,000.

b) Supplemental Life Insurance:

You are eligible for additional life insurance for yourself.

You will have four (4) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No Coverage.

- Coverage at \$25,000.
- Coverage at \$50,000.
- Coverage at \$100,000 effective January 1, 2005.

If you elect supplemental life insurance, you will pay the full cost of the premium. This cost will be deducted from your paycheck on an after tax-basis. The cost can change each year and depends upon the coverage level you select and your age.

You can only make changes outside of the open enrollment process during the year under certain rules. For those rules, see the "Changes During The Year" section under the Healthcare Program.

Section 5 – Business Travel Accident Insurance

If you die as a result of an accident while you are traveling on company business, your beneficiary listed on your basic life insurance plan will receive a lump sum benefit of four times your annual base pay.

Section 6 – Vision Care Plan

You will be eligible to participate in a vision care plan. This plan provides coverage for eye examinations, lenses, frames, and contact lenses.

You will have five (5) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No coverage
- Employee Only.
- Employee and Spouse.
- Employee and Child(ren).
- Employee and Family.

If you elect coverage under the vision care plan, you will pay the full cost of the premium. To the extent permitted by law, these contributions will be deducted before taxes are withheld. The cost can change each year and depends upon the coverage level you select.

You can only make changes outside of the open enrollment process during the year under certain rules. For those rules, see the “Changes During The Year” section under the Healthcare Program.

Section 7 – Spending Accounts

a) Health Care Account:

This is a special account where the money in the account may be used on a tax free basis for almost any un-reimbursed expense related to medical, dental, or vision coverage for you, your spouse, or your dependents. For example, you can use the money to be reimbursed for deductibles, co-insurance, and co-payments under an established plan (like the BIW healthcare program, or the LS6-

sponsored union dental plan, or a plan through your spouse's employer), or for out-of-pocket expenses you have if you are not covered under an established plan. Contributions you make as a requirement to participate in a benefits plan, like payroll deductions for healthcare or dental coverage, are not eligible.

You can establish your own account by setting aside a portion of your wages on a pre-tax basis during the annual open enrollment process conducted each Fall preceding the calendar year. If you elect to participate in this account, you must indicate so during the open enrollment and decide how much to contribute during that year. The minimum contribution is \$100 and the maximum is \$5,000.

To make sure you put the right amount of money in your account during open enrollment, you need to estimate your expenses for the next year. If you put more money into the account than you have expenses for, any money remaining in your account by the end of the year will be forfeited. See the BIW Benefits Department for a complete list of eligible and ineligible expenses.

You can only make changes outside of the open enrollment process during the year under certain rules. For those rules, see the "Changes During The Year" section under the Healthcare Program.

No later than 2006, the Company will make available a debit card to each employee who participates in this account.

b) Dependent Care Account:

This is a special account where you can be reimbursed dependent day care expenses that meet certain requirements on a tax-free basis.

An annual open enrollment process will be conducted each Fall preceding the calendar year. If you elect to participate in this account, you must indicate so during the open enrollment and decide how much to contribute during that year. The minimum contribution is \$100 and the maximum is \$5,000.

To make sure you put the right amount of money in your account during open enrollment, you need to estimate your expenses for the next year. If you put more money into the account than you have expenses for, any money remaining in your account by the end of the year will be forfeited. See the BIW Benefits Department for a complete list of eligible and ineligible expenses.

You can only make changes outside of the open enrollment process during the year under certain rules. For those rules, see the "Changes During The Year" section under the Healthcare Program.

Section 8 – Personal Lines of Insurance

You are eligible to receive a free no-obligation rate quote from an insurance carrier that BIW chooses for several different types of personal insurance coverage (i.e., automobile, home). Each employee who chooses to apply and is accepted for one or more coverages would be individually underwritten and rated, and will also have the option to have premiums automatically deducted from paychecks in equal amounts each pay period.

The insurance carrier reserves the right to not offer this Program in certain states, and may not underwrite certain high-risk individuals.

Article 22
PENSION PLAN

Section 1 - Bath Iron Works Corporation Pension Plan for Hourly Employees:

If you participated in this Plan prior to September 1, 1994, you are also vested to a monthly benefit at your normal retirement age (65) equal to \$16.50 multiplied by your years and months of credited service in this Plan as of August 31, 1994.

Section 2 - IAM National Pension Plan:

BIW became a Contributing Employer under the IAM National Pension Plan on September 1, 1994. BIW's contribution to the IAM Plan in effect on May 30, 2004 of \$0.65 per employee per hour of service as defined in the Standard Contract Language will increase to \$0.85 on May 31, 2004. Effective May 30, 2005, the contribution will increase to \$0.95. Effective May 29, 2006, the contribution will increase to \$1.10. Effective May 28, 2007, the contribution will increase to \$1.30.

For purposes of applying the Continuity of Past Service rule as defined in the IAM National Pension Plan Document, the term "foreman" shall include all participants who are former salaried employees prior to regressing back into LS6.

A copy of the IAM National Standard Contract Language is included as Schedule A.

Article 23
SUPERVISORS NOT TO WORK WITH THE TOOLS

Section 1:

It is not the intent or desire of BIW that supervisors be permitted to perform work on any hourly-rated job except in the following situations.

- **Emergencies:** Supervisors will be allowed to give limited assistance to other employees where imminent danger to people or property exists or can alleviate an unsafe situation where no employee(s) are present in the immediate area to do the work.
- **Instruction of Employees:** Supervisors will be allowed to explain how to do a job verbally. This does not allow them to do the work.
- **Training:** If employees are assigned to a job with insufficient knowledge of how to do the work in question, supervisors will be allowed to train employees on how to do the work in question, but only to demonstrate how the work in question is to be performed.

- Limited Assistance: In situations where an employee is doing a job that could bring him harm, a supervisor could help in situations where no other employees are available.

Section 2:

Violations of this Article will not be tolerated.

Article 24
GRIEVANCE PROCEDURE

Section 1 – Definition:

Wherever used in this agreement, the term “grievance” shall mean any disagreement, difference, or dispute raised by any employee(s) or the Union that the Company has violated subjects covered in this Agreement.

Section 2 – (Step 1):

Prior to filing a written grievance, employees are encouraged to first discuss the issue with the appropriate supervisor and/or steward for resolution. If you fail to resolve the issue, the grievance shall be reduced to written form and presented to craft administration. The written grievance should set forth the facts giving rise to the grievance, and, where possible, should provide the remedy sought, and specify the sections of the Agreement alleged to be violated. Within five (5) days of receiving the grievance, Craft Administration must schedule a meeting between you (i.e., a representative employee), your steward, two members of the grievance committee, and witnesses that can testify directly about the facts in dispute (up to a maximum of two) to hear your grievance. The meeting shall be held within fifteen (15) days. The goal of the meeting should be to resolve the grievance. Craft Administration has five (5) days to answer your grievance in writing.

Section 3 – (Step 2):

If the Craft Administrator’s answer is not acceptable, the Chief Steward will file your grievance with Labor Relations within five (5) days. Labor Relations must schedule a meeting between you (i.e., a representative employee), your Steward, Chief Steward, two members of the grievance committee, and witnesses that can testify directly about the facts in dispute (up to a maximum of three) within ten (10) days. Labor Relations will have five (5) days to answer your grievance after hearing it.

NOTE: In processing grievances through Sections 2 and 3, BIW will only pay conferring to the Union representatives identified in these sections. Any other Union representative(s) present will be paid by the Union.

Section 4 – (Step 3):

There will be one arbitrator/mediator selected in accordance with the procedures of the American Arbitration Association. A request for arbitration/mediation is to be submitted to the American Arbitration Association within one hundred twenty (120) workdays from date of the Step 2 grievance answer. The arbitrator/mediator shall make his own rules of procedure. His decision shall be in writing and shall set

forth what relief, if any, shall be granted. A decision of the arbitrator shall be final and binding, except that he shall have no power to alter or modify the terms of this Agreement.

In any disputed matter, the records of BIW shall be deemed to be correct, unless other evidence shall be introduced.

The decision of the arbitrator shall be final and binding upon BIW and the Union for the duration of this Agreement unless mutually agreed.

The cost of the arbitrator/mediator and administrative costs of the arbitration shall be shared equally between the Company and the Union. Each party shall bear its own costs, including the cost of witnesses who shall be paid by the party who called them.

The Union or Company may, following the scheduling of a grievance for arbitration/mediation, that is then subsequently settled, substitute another grievance to be heard by an arbitrator/mediator by mutual agreement. In the event the parties disagree, and there are thirty (30) or more days remaining from the date of settlement before the scheduled date, LS6 will select the substitute grievance. When less than thirty (30) days exist from date of settlement and the parties disagree, the Company will pay the cancellation fee.

Section 5 – Accelerated Arbitration:

BIW or the Union may institute accelerated arbitration proceedings as outlined elsewhere in this agreement. The Union and the Company will select ten (10) arbitrators by mutual agreement who will, by rotation, hear any accelerated case filed with the American Arbitration Association. The arbitrator will follow the American Arbitration Association Rules for Arbitration except for the provisions outlined below.

- The American Arbitration Association will advise the appropriate arbitrator, by alphabetical rotation, of his appointed case within five (5) days. The arbitrator will hear his/her appointed case within fifteen (15) days. If an arbitrator is unable to fulfill his appointment, the American Arbitration Association shall move to the next arbitrator on the list.
- If multiple days are needed, the Company, Union, and arbitrator will use the next available workday to complete the hearing.
- There will be no briefs, unless mutually agreed upon. Both sides will do closing arguments.
- The arbitrator will have ten (10) days to render his/her decision unless mutual agreement is reached.
- The arbitrator will follow all other provisions outlined in the American Arbitration Association Rules for Arbitration that are not in conflict with this agreement. Where conflict exists, the agreement shall prevail.

Section 6 – Grievances Scheduled Outside of Your Shift:

Second and third shift grievant(s), Steward(s), and Grievance Committee members will be paid overtime at the appropriate rate if their grievance is heard on off-shift time. The Company will make an effort to schedule second or third shift grievances at mutually convenient times on those respective shifts.

An International Representative of the Union, President, Vice President, Chief Steward or the Chief Steward's designee may be present at any meeting provided for in this process. First shift mechanics, Stewards, and Grievance Committee members who attend a grievance outside their assigned shift will be compensated at the applicable overtime rate.

Section 7 – Grievance Timeframes:

If you have a problem or disagreement that cannot be resolved with your supervisor and/or steward, you have ninety (90) days to file a grievance from the date on which the fact or event giving rise to the grievance shall have existed or occurred, but only fifteen (15) days in case of discharge. Failure to file a grievance within this ninety- (90) day period shall be deemed to be an abandonment of the grievance. For physical or mental incapacity, ninety- (90) workday period will not begin until conditions end. Timeframes can only be extended by mutual agreement.

Section 8 – Administration:

Any checks cut in settlement of a grievance will be forwarded to the Union's President for review and returned to Payroll for racking

Financial settlements arising from a grievance settlement will be reimbursed to the affected employee(s) by separate check, providing the amount is equivalent to two (2) hours pay or greater.

Section 9 – Resolution of Prior Cases:

Any grievance based upon facts and events which existed or occurred prior to the expiration date of the prior contract(s) which is still pending and not finally disposed of as of the date of the Agreement shall be handled in accordance with the terms of the applicable prior contract(s).

Section 10 – Process By-Pass:

Discharge grievances shall be filed at Step 2 of this procedure.

Article 25
NO STRIKE/NO LOCKOUT

There shall be no strikes and no lockouts for the life of this agreement. BIW and Local S6 reserve their rights to seek all remedies under law if this provision is violated.

Article 26
RETURN TO WORK/STAY AT WORK PROCESS

Section 1 - Our Commitment:

Detailed processes dealing with keeping or returning injured/ill employees to productive employment have been developed. These include the Return to Work/Stay at Work and Job Opening Processes. These processes apply to occupational and non-occupational injured or ill employees. Issues requiring joint agreement will be resolved through the Joint Agreement Process.

Section 2 - Initial Reporting of Injury/Illness:

To comply with OSHA regulations, occupational injuries/illnesses must be reported to Employee Health. Employees shall report such illnesses/injuries to their supervisor who may send employees to Employee Health. Non-occupational injury/illness resulting in lost time must be reported to your Craft Administration Area.

Section 3 - Return to Work/Stay at Work Process:

If you are injured/ill with some work capacity (limits), the Return to Work/Stay at Work Process will be utilized to identify productive work for you in the following manner.

1. Present your Employee Health Status Form (or M1 Form) to the Employee Health Department.
2. The Craft Administrative area will attempt to identify productive work with or without reasonable accommodations.
3. If no work within your work capacity is available, your steward shall work with Craft Administration and attempt to place you in another classification. If unable to place you in another classification within your limits, an attempt will be made to place you in the Alternate Work Program for work hardening, as applicable (Occupational Injuries/Illnesses only).

Section 4 - Process to Follow If You Are Out of Work to Comply with the Attendance at Work Policy:

When limits change (increased work capacity); report in person to the Medical Department who will initiate the Return to Work/Stay at Work Process.

Article 27
WHILE ASSIGNED RATES

Section 1 - Divers:

a) Divers/Standby Divers will receive \$50.00 per hour. Time starts when entering the water and ends when leaving the water. They shall receive a minimum of four hours pay.

b) Dive tenders for tending on the dive station on site shall receive \$2.00 per hour over base rate.

c) Sonar Dome Divers/Standby Sonar Dome Divers will receive \$50.00 per hour while working in a pressurized submerged sonar dome.

Section 2 - Asbestos/Blood Spill Cleanup/Underground Sewage:

While assigned to the following tasks you will receive \$5.00 per hour above your base rate:

a) Ripout, install, and cleanup asbestos insulation, tape cloth or pads (excludes non-friable or bonded asbestos products).

b) Work underground on sewer systems where exposure to sewage occurs.

c) Blood cleanup (volunteers).

Article 28

JURY/MILITARY/WITNESS PAY

Your daily base wage for each regular working day served on a jury, on active duty training, or as a witness on behalf of the State of Maine in a court of law not in contravention to Bath Iron Works' interests will be protected through payment by BIW of the differential in pay you receive for those services and eight hours at straight time as follows:

Jury: Unlimited number of days.

Witness: Maximum three days per year.

Military: Up to ten days (two additional days for advance training requirements).

Application forms may be obtained through Employee Records or your Craft Administrator. Evidence of service and pay received must be submitted with the application.

Article 29
BEREAVEMENT

You will be compensated eight hours at straight time for each day's absence during the scheduled workweek as follows:

| Relationship | Paid Bereavement Day(s) |
|--|--------------------------------|
| Spouse, child | Six days |
| Mother (in law), father (in law), sister, brother, stepmother, stepfather, stepson, stepdaughter, stepbrother, stepsister, legal guardian, or grandchild | Three days |
| Grandfather, grandmother, spouse's grandparents | One day |

If you are on vacation at the time of the death in your family, you may call your Craft Administration Area to cancel your vacation and change it to bereavement pay.

Article 30
SUBCONTRACTING

Section 1 – Subcontracting:

Subcontracting falls into two categories and will be managed in one of the following manners:

- **Production and Facilities work not normally assigned to bargaining unit members:** This type of work will be put on a jointly developed standing list. Implementation of items on this list needs no notification. Additions or deletions to the standing list require mutual agreement of both parties. Unresolved matters of concern may be forwarded to the joint agreement process.
- **Work normally assigned to bargaining unit members:** The joint agreement process will apply to this category of subcontracting and must be worked through in a timely manner prior to implementation to support the work in question. If an agreement cannot be reached, the Company may implement its decision which may be subject to the accelerated arbitration process where the arbitrator will be obligated to hand down a decision based on the requirements to meet or achieve a competitive position, obtain new work, overcome severe manning shortages, lack of equipment, or facilities. The arbitrator shall also be empowered to rule on the good faith efforts of either party to reach resolution under the joint agreement process in Article 39.

Article 31
SPECIAL EVENTS

Section 1 – Special Events:

a) Special events of launchings, drydockings, storm watches, and ship-movements, will be staffed in the customary manner.

b) Special events related to the Land Level Transfer Facility (i.e., ship translation, christening, docking, undocking, ship movement on Land Level, including unit moves with TTS system) will be staffed in the customary manner and in accordance with this Labor Agreement.

Article 32
AT SEA ASSIGNMENTS

Section 1 – Classification Assignments:

Assignments to sea will include the following job classifications by event:

Assignments to “B” Trials:

O04, E02, P18, T04, P10, S14, S40, W12

Assignments to “C” Trials:

O04, E02, P18, T04, P10, S14, S40, W12

Assignments to Tow:

O04, E02, P18, P10, S14, T04, W12, S02, S40

Or any other classifications as required by event.

Assignments will be made from volunteers by classification by seniority on a rotational basis. Skill or ability to be used on a need basis. No employee will work outside their job classification.

Section 2 – Sea Trial Pay:

Employees shall receive pay for all time spent on sea trials, including premium pay, in accordance with the “Overtime Rates” section of this contract.

Article 33
AT SEA FIRE PARTY

Section 1 – At Sea Fire Party:

The “At Sea Fire Party” will consist of Local S6 members on the standing list dated May 21, 2003. Ten (10) members of this list will be solicited and assigned by seniority rotation for each Sea Trial to perform all fire-fighting and damage control duties. If a member on this list is riding trials in his/her core

trade, they will be passed by for the At Sea Fire Party. The Fire Party will be augmented by Local S6 volunteers who are trial riders for emergency situations and named prior to the trial.

Section 2 – Problem Solving:

Local S6 and Management will designate one (1) person each to resolve any issues arising from this Agreement.

Article 34
PAYDAY

You will receive your regular weekly paycheck on each Thursday. A supplemental check will be provided to employees whose paycheck is in error for two hours or more, by the close of business Friday.

Article 35
GENERAL DYNAMICS STOCK SAVINGS AND INVESTMENT PLAN (SSIP)

The BIW matching contribution in SSIP in effect on May 30, 2004 of \$0.35 on every dollar you defer up to the first 5% of straight time pay will continue unchanged through the duration of this Agreement.

BIW will defer pay for all hours in which you are paid, on a straight-time basis, up to a maximum of 2080 hours in a year.

Effective the first paycheck in January 2005, the maximum deferral percentage will be increased from 16% to 50% subject to IRS and DOL maximum limits, including limits to “highly compensated employees.”

Article 36
SCOPING

Section 1 – Scoping:

Scoping is the distribution or assignment of work on a new project or contract. BIW will continue the scoping of work consistent with past practice. Any requested variations in scoping will be subject to the joint agreement process at Article 39.

All the work scope will remain within the bargaining unit.

Article 37
RESCOPING

Rescoping is moving work normally accomplished by one classification to another classification. The joint agreement process at Article 39 will apply to rescoping.

Article 38
TRANSFERS/JOB OPENING PROCESS

Section 1 - Transfers:

a) If you are transferred into this bargaining unit from a BMDA, LS7 or IGA represented position, your seniority date will be fixed from date of transfer for purposes of involuntary layoff and all other seniority driven assignments.

b) Company service will always be used to determine all applicable benefits.

c) Should you be transferred within this bargaining unit from one job classification to another, your seniority date will not change.

d) Transfers from one job classification to another, or into Local S6, shall fall under the joint agreement process, and must be worked through in a timely manner prior to implementation. If an agreement cannot be reached within ten (10) days after notice of transfer, the Company may implement its decision, which may be subject to the accelerated arbitration process in Article 24 where the arbitrator will be obligated to hand down a decision based on the need to overcome manning overages/shortages. The arbitrator shall also be empowered to rule on the good faith efforts of either party to reach resolution.

Section 2 – Job Opening Process:

When a position needs to be filled, the following steps will be followed in order of listing:

- a. Out of work within classification not on involuntary layoff (most senior).
- b. Involuntary layoff within classification.
- c. Out of work yard wide (senior qualified) (Local S6).
- d. Involuntary layoff yard wide (Local S6) (senior qualified).
- e. Transfer yard wide (Senior qualified Local S6 employees will be transferred as long as the transfer will not result in a subsequent job posting. Except that any employee with two [2] years' seniority within a classification that applies for a position and qualifies shall be transferred into available positions prior to hiring from outside of Local S6.)
- f. Transfer yard wide (non-Local S6).
- g. New hire.

Article 39
JOINT AGREEMENT PROCESS

Section 1 - Joint Agreement Process:

Decisions requiring joint agreement will be handled on a priority basis based upon accomplishing the task, work or issue in the most efficient and economical manner possible, always acting in the best interest of BIW and Local S6. Should the parties not reach agreement after reasonable options have been explored (you cannot just say no to working the process), the Company can at that point implement its decision, which may be subject to the accelerated arbitration process in Article 24.

Article 40
OUT OF TOWN WORK/OUT OF TOWN JOB ASSIGNMENTS

Section 1 - Out of Town Work:

BIW and Local S6 will work to establish terms and conditions for employees asked to work out of town, that meet the needs of the employees and allows us to continue to gain more out of town work.

Section 2 - Out of Town Job Assignments:

Out of town job assignments will be made utilizing a seniority list, by classification, maintained by the craft administrator. Assignments will be by seniority, by classification. Volunteers will be selected in seniority order, assuming skill or ability. Each person is solicited once and is not solicited again until every person has been solicited. Rotation on this list shall continue. Consideration may be given to skill or ability. Employees may be by-passed in cases where their skill or ability is not sufficient to complete the job in accordance with the Skill or Ability Article 42.

Article 41
PARKING

Whenever possible, BIW employees will have preference on assignment on proximity parking lots. The Company agrees to maintain parking lots in a satisfactory condition. Special parking areas for car poolers (4 or more employees in one vehicle) will be established. The Company will encourage car-pooling and has established a central location for information and assistance in establishing car pools in the Plant Protection Office. Parking in BIW lots shall be at the employee's own risk, including but not limited to overspray.

Management has the responsibility to notify the Union prior to spraying. BIW will keep signs in place at all times at all parking lots.

BIW will put flyers out every quarter or four times a year explaining condition of overspray in their parking lots.

BIW will make every possible effort to spray when the wind is not blowing at parking lots.

BIW will also make every effort to ensure that the overspray situation will be worked on to alleviate these problems.

Article 42
SKILL OR ABILITY

Section 1 - Skill or Ability:

It is not the intention of BIW Management to utilize skill (e.g., Tig) and ability (e.g., physical limitations) for other than necessary business needs. Skill or ability will be handled on a need basis. Management will determine what skills are needed for an assignment and notify the Chief Steward in writing prior to assigning an employee with the skill or ability to accomplish the job. This notice shall identify:

- Which employees are being selected by management for a skill or ability assignment.
- The scope of work to be accomplished.

The most senior qualified person shall be used whenever skill or ability needs to be applied. BIW commits to train senior volunteers whenever feasible to alleviate the use of the skill or ability process.

Article 43
SUPERVISOR REGRESSION

Section 1 - Supervisor Regression:

a) BIW reserves the right to reassign a member of the supervisory staff back into his prior classification in the bargaining unit. Supervisory staff who have not had prior bargaining unit membership shall not be reassigned. Reassigned supervisors shall retain all of their previous bargaining unit seniority and accrue up to one (1) year of additional seniority for purposes of layoff, recall, and all seniority driven assignments.

b) Supervisory staff means that the person is a supervisor as defined by the National Labor Relations Act.

c) BIW will limit the use of back-up supervisors to forty-four (44) days per leadperson in the six-month periods from January through June and from July through December and will also similarly limit the use of any single Local S6 member during the six-month periods.

Article 44
MANNING/DEMANNING

Section 1 - Manning/Demanning Facilities:

Assignments between the Main Plant, EBMF, Harding Plant, and Consolidated Warehouse (which includes Maine Yankee and Bissons) will be as follows:

- Volunteers by seniority by classification (most senior).
- Assignment by seniority by classification (least senior).

Section 2 – Temporary Assignments:

a) Assignments to fill an absence from work are considered temporary. The absent employee maintains the position upon return providing the facility has not been demanned beyond his seniority date.

b) Assignment for three (3) days or less between offsite facilities is considered temporary. Temporary assignments for longer than three (3) days in duration require utilization of the joint agreement process in Article 39. Temporary employees will be demanned first regardless of their classification seniority. This policy also applies to facilities work that needs to be supported by the Maintenance Department from Bath. The Company agrees that it shall not attempt to deliberately circumvent the manning/demanning requirements of this Article by use of temporary assignments. There shall be no more than three (3) days assigned within any calendar month by trade without joint agreement pursuant to Article 39.

c) In identifying volunteers for assignment to all facilities, standing lists will be used as follows:

- Employees may add their name to, or remove their name from, the facility volunteer list at anytime prior to the assignment. An employee adding their name to the facility volunteer list may not displace an employee who has already been advised of their assignment to a facility. Facility assignments will not be made on shift preference.
- Shift assignments may be made prior to sending people between facilities by utilizing a separate standing list, provided both groups (volunteers and assignees) are treated as one group.

Article 45
SUPER SENIORITY

Super seniority will be granted to all shop stewards within classification. The President, Vice President, two (2) Chief Stewards, and two (2) Grievance Committees will have top seniority in the yard. Seniority preference is President, Vice President, two (2) Chief Stewards, Shop Stewards, and two (2) Grievance Committees. BIW will have up to thirty (30) employees on super seniority, but at no time can BIW exceed the numbers of Union representatives allowed by this provision. BIW will give a list of these people to the Union in January and July of each contract year.

Article 46
NEW TECHNOLOGY/PROCESS CHANGE

Section 1 - Purpose:

We recognize that significant changes to our present manner of producing ships are required for us to become globally competitive and ensure jobs for our people at BIW. Together, through the Joint Agreement Process, we must seek out new technology in order to achieve maximum efficiency and the preservation of jobs. As we find better ways to accomplish our work, we will train the people affected so we can build ships more efficiently and broaden our horizons for the future.

Section 2 - Definitions:

New technology shall be defined as technologies not previously utilized at BIW that are significant modifications in the manner that BIW manufactures/maintains its products/property where the outcome would directly result in staffing reductions. Such modification may involve new or changed processes, equipment, machines, and facilities.

Section 3 - Commitment/Training:

We are committed to seeking out new technologies to achieve maximum efficiency in the interest of remaining competitive and preserving jobs for the long term. When the Company anticipates that new technologies may have an impact on the work performed by Union represented employees, the Company will, as early as possible, so advise the Union, and at the time describe the location and nature of such technological changes and the extent to which they may affect the work performed by represented employees. In the event it becomes necessary to train you to qualify for new technology or other available jobs, BIW will institute the necessary programs.

Any new technology or new process as defined under Section 2 above will be subject to the Joint Agreement process. The Company agrees to notify the Union President of any proposed new technology or new process change in writing.

Section 4 - Technological Change Procedure:

The Joint Agreement Process in Article 39 will apply to new technologies and must be worked through in a timely manner.

Issues that pertain to this article that are significant will be reviewed by the President of Local S6 or his designee.

Article 47
EDUCATION AND TRAINING

Section 1 - Purpose:

The education and training of our workforce to meet business and employee needs are key ingredients in the development of a highly skilled workforce. Through an investment in education and training we will build skill and prepare for new technologies so that all members have the opportunity to be the best in today's world and be prepared for tomorrow's.

Section 2 - Safety Training:

The BIW Training Plan will include provisions for safety training developed from input from the Safety Department, Local S6 Safety Committee, Safety Inspectors, and other relevant sources.

BIW and Local S6 commit to jointly develop and implement a safety and health training program to train appropriate Management and Union safety representatives, including Safety Inspectors, during the life of this agreement. BIW will establish a budget to implement this agreement.

Section 3 – Employee Training:

Depending on an individual's needs, opportunities, and choices, employees will be provided training in safe work practices, classification skills, and specialties. Since the best learning occurs in the context of productive and safe work, most training will be on the job.

All assignments made utilizing Article 42 as it relates to skill, will be reviewed on a quarterly basis by trade by the Director of Craft Administration and the President or his designee in an attempt to jointly develop and implement training plans in order to mitigate the impact on senior employees being denied equitable distribution of overtime assignments and/or selection to out-of-town assignments and sea trial assignments.

Section 4 - Tuition Reimbursement:

a) We encourage employees to enroll in job-related after hours courses by providing tuition reimbursement at the rate of 50% for tuition and lab fees for employees with a "C" or higher grade, up to \$200 for books and up to \$200 for graduation fees. Approval for course acceptance is required in advance by Management.

b) Employees will be reimbursed for job-related certification/license application and renewal fees when such certification/license is a requirement of an employee's job. All such reimbursements must be pre-approved by the discretion of the Director of Craft Administration or designee.

Section 5 - After Hours Training:

Where significant interest exists, BIW will have after hours training available for you. Second and third shift employees attending after hours training not available on their off shift may start work early to compensate for the excused training time.

Section 6 - Basic Skills Training:

Help with improving basic skills in reading and math is available through volunteer tutors. Request confidential assistance by calling 442-5000. GED pre-testing is also available. This program is fully supported by Local S6 and management.

Article 48 PROTECTIVE EQUIPMENT

Section 1 – Purpose:

The Company recognizes that there are inherent hazards within the various production stages of the shipbuilding industry.

Section 2 – Goal:

The Company's goal is to reduce and minimize these production hazards by providing protective clothing and/or equipment to employees.

Section 3 – Application:

The Company will provide protective clothing and/or equipment to the following trades as indicated:

- a) Welders to receive one pair of Welders' mittens during six month period (January and July) maximum of two pair per year.
- b) Structural Fitters to receive two pair gloves (leather).
- c) Metal Preparation Technicians (M40) will be provided up to four (4) pair of gloves per year if required. In addition they will receive one (1) pair of gloves per year to perform various hotwork operations. M40's will also be provided with two (2) pair of coveralls per year.
- d) Raingear – one set only for duration of this contract for employees assigned to the outside crew (Y02's, M16's, and H03's).
- e) M04's straightening at Hardings to receive two (2) pair rubber boots per year.
- f) Structural Fitters doing straightening to receive two (2) pair rubber boots per year.
- g) Preservation Technicians spray painting, mixing, and tending to receive two (2) pair rubber boots per year.
- h) Sandblasters to receive two (2) pair rubber boots per year.
- i) Welders to receive one (1) pair of leathers for duration of this contract.

j) Welders to have magnetic mirror holders and magnetic sucker tube holders provided as needed.

k) Electricians (Power Test) to receive one (1) voltmeter for duration of this contract.

Section 4 – Prescription Glasses:

Should you damage or crack your prescription glasses while at work, your prescription glasses will be replaced at the BIW Main Store or Harding’s Tool Room, upon presentation of the damaged or cracked glasses to be replaced. There is no cost to you except for the prescription obtained from your optometrist for your glasses. This also covers prescription inserts for respirators, progressive lenses and transition lenses.

**Article 49
ATTENDANCE AT WORK**

Section 1 - Excused Absence Codes:

We recognize that certain absences from work may be unavoidable. The following codes are used for excused absences:

| | | | |
|------|---|------|---|
| 01F | Employee Health passout | *15L | Compensated time off, FML |
| 03 | Company excused | 16 | Leave of absence granted by Employee Heal |
| *4D | Death in family | *17 | Jury duty |
| *4DP | Death in family paid | *18 | Military duty |
| *7W | Weather | *20 | Split shift |
| **09 | Yard injury | *22 | Company paid witness duty |
| *09L | Yard injury, FML | *23 | On-call fireman |
| *10 | No work in area (EBMF, Hardings, Bath Fab, Pre-Outfit, LLTF and by Ship on Water) | *24 | FML uncompensated time off |
| 12 | Suspension | *25 | Other Excused Time Off as Required by Law |
| *13 | Union business unpaid | *26 | Accident and Sickness |
| *14 | Scheduled day off | *26L | Accident and Sickness, FML |
| *15 | Compensated time off | *44 | Company paid Union business |

** Effective January 1, 2005, the first 520 hours of yard injury in any one calendar year will count towards accrual of compensated time off.

Section 2 - Notes:

Codes designated by an asterisk (*) will not be held against you for perfect attendance.

Requests for Code 03 will be considered by management on a case by case basis and are not grievable.

Code 10M will not be held against you for up to two days per occurrence.

(M) = Excused by Medical

Section 3 - Unexcused Absence Codes:

a) The following absences from work during your regular scheduled workweek will be considered unexcused.

- 02 No Report
- 06 Personal Business
- 11 Late

b) (X) – Excused by Department

c) An (X) or an (M) designation will make any code excusable.

d) For the months of November through April, grace period of ½ hour per month for lates will be excused.

Section 4 - Disciplinary Steps:

You will receive progressive discipline for unexcused absences as follows:

First Offense: First Written Warning

- If you have more than four (4) unexcused absences in any three (3) consecutive calendar months.
- If you have unexcused absences in excess of twenty (20) hours in any three (3) consecutive calendar months.

Second Offense: Second Written Warning

- If you have more than two (2) unexcused absences in any three (3) consecutive calendar months.
- If you have unexcused absences in excess of eight (8) hours in any three (3) consecutive calendar months.

Third Offense: Discharge

- If you have more than two (2) unexcused absences in any four (4) consecutive calendar months.
- If you have unexcused absences in excess of eight (8) hours in any four (4) consecutive calendar months.

Section 5 – Administration:

- Discipline will remain on your record for one year from date of issuance.

- Any discipline improperly issued will be dealt with in accordance with settlement #B300-98.
- If discipline is withdrawn from your records, all days/hours will be removed.
- Unexcused absences, which occur up to the date of a valid disciplinary step will be rolled into that disciplinary action.
- For unexcused absences that are less than five consecutive days where the employee fails to be present at work to be issued the proper discipline, the following will apply:
 - If an employee has taken in excess of thirty-two (32) hours of unexcused time in twenty (20) consecutive days, BIW may issue the proper discipline through certified mail (with copy to Local S6 President).
- Your discipline will be reduced by achieving perfect attendance as follows:

| <u>CONSECUTIVE MONTHS PERFECT ATTENDANCE</u> | <u>MONTHS REDUCTION OF DISCIPLINE</u> |
|--|---|
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |
| 6 | 6 |

- Rule #IIA warnings of record will be removed as of May 31, 2004.
- Union representative will be present for each of the disciplinary steps.

Section 6 – Medical Absences:

Absences for five days due to illness or injuries will be excusable if you:

- Report to the Medical Department on your first day back to work.
- Provide a valid medical report which describes the illness, treatment, and verification that you were unable to work and what dates the illness kept you out of work. The medical report must be written by a licensed board-certified physician or chiropractor or by a healthcare provider working under the license of a board-certified physician or chiropractor (physician assistant, nurse practitioner) based on their personal observations and treatment. (Non-occupational cases require a valid medical note describing dates of total incapacity, omitting diagnosis and treatment.)
- If your note is found to be unacceptable, you will have five (5) days to provide a proper note. Should you not provide an acceptable note by the end of the five (5) day period, you will be terminated.

If you have an illness or injury requiring continuous medical treatment, you will not have such absence(s) count for disciplinary reasons providing the Yard Medical Director concurs with the absence(s).

If you are absent from work for five (5) consecutive days without satisfactory excuse you will be sent a certified letter (with a copy to the Local S6 President) requesting reasons for the absences. Failure to respond within five (5) days from receipt or refusal of the letter will result in a certified letter of discharge with a copy to the Local S6 President.

Section 7 - Family Medical Leave (FML):

- a) FML qualifying event(s) will be administered in accordance with the provisions of that law.
- b) Parental bonding as permitted under the FMLA will be used within a 12-week period either as block time or intermittent time as pre-scheduled by the eligible employee.
- c) Any request for a deviation to FML qualifying events based upon unusual or special circumstances will be discussed on a case-by-case basis and any granted deviation will be at the discretion of the Director of HR Services or his designee. Reasonable documentation from the employee for confirmation purposes may be required in considering such deviations.
- d) Employees who are certified under the FMLA for doctor visits need only notify their immediate supervisor and call the FMLA office in advance on the day of any such visit.

Section 8 - Call-In/Report-In:

- If you are on leave of absence you are required to call your Craft Administration Area at least once monthly to ask if work is available and provide the date of your next doctor's appointment.
- Should your limits change (increased work capacity) you must report in person to the Medical Department who will use the Return to Work/Stay at Work Process.

Section 9 - Call-In Process:

- You are encouraged to provide advance notice of an absence to your supervisor where circumstances permit.
- You are required to call the Call-In Center on our toll free number (1-800-243-9747) or, if local, 442-1444 within two (2) hours following the start of your shift or sooner if circumstances permit, or call your supervisor of the occurrence.
- Should the Call-In Center be malfunctioning, please call your Craft Administration Area at 442-3045.

Article 50
RULES OF CONDUCT

Section 1 - Purpose:

a) The primary purpose of BIW's disciplinary system is to serve as a corrective, not punitive tool; it is intended as a means to improve substandard performance or correct improper behavior. It is not intended for the purpose of building a record against any employee.

b) Discipline will not be imposed in an arbitrary, capricious or discriminatory manner, but will be applied with just cause and uniformly amongst all employees whose behavior or conduct warrants corrective action.

Section 2 - Chapter Administration:

- These rules become effective May 31, 2004.
- Any verbal warning, written warning or suspension on your record will be removed effective May 31, 2004.
- A Union representative will be present for each disciplinary and counseling action taken.
- Management reserves its right to put an end to inappropriate behavior and notify the employee(s) that further action may be taken.
- Any disciplines issued will remain on your record for one year from date of issuance.

Section 3 – Disciplinary Sections:

- I. Counseling
- II. Written Warning
- III. Suspension
- IV. Discharge

a) SECTION I – Counseling:

The following offenses may result in formal counseling (not grievable). Second violation may result in written warning. Third violation may result in suspension up to three days. Subsequent violation may result in discharge.

A. Repeatedly Neglecting to Clock In or Out

You are required to clock in/out at a TAS terminal, (in areas utilizing automated time accounting) at the beginning of shift and after the pick-up whistle. You are also required to egress and ingress, on TAS, when passing through the gate during working times.

B. Entering a Restricted Area...

Employees are not to enter restricted areas without proper authorization.

C. No Report

Employees are required to report an absence through the Call-In process within two hours of the start of shift. For absences of five consecutive workdays, employees must communicate with their Craft Administration at least weekly.

D. Housekeeping/Hygiene

Employees are expected to maintain their worksite and maintain personal hygiene in a manner, which is non-offensive to other employees.

E. Smoking

Employees are not permitted to smoke in restricted areas. Employees are not permitted to smoke on finished ships, except in designated areas (defined as: one week prior to Bravo and beyond).

F. Quality/Quantity of Work

Employees are expected to perform a reasonable day's work of high quality.

G. Off the Job/Wasting Time

Employees shall be prepared to start work at their job site or mustering site at the start of their shifts and following breaks, and shall remain productive until the break whistles and pick-up whistle blows. **NOTE:** After the pick-up whistle, you will muster with your supervisor, then proceed to the gate and remain inside the yard until the end of shift whistle. (This should not be interpreted that employees are required to start work, such as retrieving tools and equipment before the start of the shift without being compensated.)

H. Safety

Safety rules have been established for the well being of all employees. Every employee must comply with these rules.

I. Horseplay

Horseplay, scuffling, running, throwing things, are all improper behavior for the work environment.

J. Physical Examination

Employees may be required to submit to a physical exam by the Company physician or the employee's physician as a matter of protection. Employees absent due to sickness or injury for five consecutive days or more will report to Employee Health prior to starting work on the day of return.

K. Terms of This Labor Agreement

All employees are required to observe/comply with the terms of this labor agreement.

L. Overtime Commitment

Employees who are selected for overtime work are expected to fulfill that commitment. Habitual failure may result in disciplinary action under this section. (In excess of two occurrences in a twelve month period.) Late, no show, early departure.

M. Solicitation

Vending, soliciting, or collecting contributions for any purpose at any time on Company premises is prohibited, unless authorized by management.

N. Removal or Posting Material on BIW Bulletin Boards

Posting or removal of any material on BIW bulletin boards, or distributing written or printed matter of any description is prohibited on Company premises except where prior approval has been granted by the Director of Labor Relations.

b) SECTION II – Written Warning:

The following offenses may result in a written warning. Second violation may result in suspension up to five days. Subsequent violation may result in discharge.

A. Absenteeism

This is covered under Attendance at Work in the labor contract.

B. Others Tools/Company Tools

It is improper conduct to use other people's tools or tools signed out to other employees without first gaining their consent.

C. Negligent/Mistakes

Employees are expected to follow instructions and to exercise due diligence in the performance of their duties.

D. Malicious Statements

It is inappropriate conduct to make derogatory or malicious statements toward any employee or the Company.

E. Misuse of Property

Employees are expected to use Company property or the property of another person for the purpose in which it was intended.

F. Dozing

Employees are required to remain alert while on the job.

G. Leaving Plant/Failure to Return

Employees who leave the plant during work hours or who are not returning from lunch break must have authorization.

c) SECTION III – Suspension:

The following offenses may result in suspension up to five days. Subsequent violations may result in discharge.

A. Refusal to Cooperate

Refusal to show badge or pass to any supervisor, management or plant protection or altering of badge or pass, or interfering with or refusal to cooperate with plant protection officers or supervisor in the performance of their duties. (However, when an employee is being investigated for possible discipline, he may exercise his right to remain silent.)

B. Sleeping

All employees are required to stay awake while at work.

C. Under the Influence

It is a violation of this rule to be on Company premises subject to the effects of alcohol, illegal drugs, or to refuse to submit to a test. Probable cause testing will be conducted by trained members of management and will include breathalyzer testing for alcohol and urine testing for illegal drugs. Permissible levels are:

- Alcohol 0.04 for safety sensitive jobs
 0.08 for all others.
- Illegal drugs -----

D. Negligent Disregard of Instructions

Negligent disregard of instructions which affect the safety of any person or result in damage to property or disregard for red tape barriers is a serious matter.

E. Creating a Disturbance

Employees must not provoke, create, instigate, or engage in a disturbance on Company premises.

F. Illegal Gambling

Illegal gambling on Company time or on Company premises is unacceptable conduct.

G. Insubordination

Refusal to comply with a reasonable assignment given by a member of supervision.

d) SECTION IV – Discharge:

The following offenses may result in discipline up to and including discharge.

A. Violent Conduct

Violence, threatened violence, including threatening, intimidating, fighting, assault, or attempted assault, or taking action that could result in injury on Company premises will not be tolerated.

B. Committing a Nuisance

A course of unreasonable conduct which interferes with the rights of other employees or impedes production, by causing annoyance or inconvenience to others or the Company will not be tolerated.

C. Fraud

Engaging in or knowingly benefiting from any activity for the purpose or with result of causing unearned or unwarranted payment or benefits to himself or any other person; unauthorized altering of any document, falsification of any record or intentional omission of fact will not be tolerated. (Includes deliberate and flagrant acts of avoiding work.)

D. Badges

Employees must not permit another person to use their Company badge or use another person's badge.

E. Employment Abandonment

Employees absent for five consecutive workdays without satisfactory excuse.

F. Unauthorized Possession

Firearms or explosives of any type or use or threat of use of firearms, explosives, or dangerous weapons on Company time or premises will not be tolerated.

G. Drugs/Alcohol

Use, possession, distribution, sale or offering for sale narcotics, dangerous drugs (including marijuana), or alcoholic beverages on Company premises at any time.

H. Immoral Conduct/Indecency

Immoral or indecent conduct at work is unacceptable behavior.

I. Theft/Damage

Willful destruction or damage, theft, or attempted theft, or removal from Company premises, without proper authorization of any property not belonging to you will not be tolerated.

J. Habitual Offender

Accumulation of four or more disciplinary steps within a twelve month period (formal counseling is not a disciplinary step).

K. Discrimination and/or Sexual Harassment

Section 4 - NOTES:

- The Union and the Company reserve the right to negotiate a “last chance agreement” when it is deemed appropriate.
- The Union and the Company will not tolerate discrimination or sexual harassment of or by its employees. Such behavior constitutes a severe infraction of Company policy and, as such, may be grounds for disciplinary action, up to and including dismissal.

Article 51
DURATION OF AGREEMENT

This agreement between Bath Iron Works and the Union, in respect to rates of pay, wages, hours of work, and other conditions of employment of the employees in the bargaining unit, will remain in full force and effect beginning May 31, 2004 and ending midnight May 18, 2008.

Either party may, within the thirty calendar days preceding sixty calendar days prior to the expiration date of this agreement, serve a written notice upon the other of its desire to terminate or modify this agreement.

SIGNATURE PAGE
2004-2008

BATH IRON WORKS

| | |
|-----------------------------|------------------------------------|
| By _____ Dugan Shipway | President |
| By _____ Jeffrey Geiger | Vice President, Operations |
| By _____ Gerald Stergio | Director, Labor Relations |
| By _____ David Clark | Director, Production |
| By _____ Ben Favreau | Director, Craft Administration |
| By _____ Donald Barr | Director, Financial Control |
| By _____ Daniel Roet | Director, Human Resources Services |
| By _____ David Libby | Sr. Specialist, Labor Relations |
| By _____ Dennis Litalien | Foreman, Electrical |
| By _____ Stacey Tower | Sr. Specialist, Labor Relations |

SIGNATURE PAGE
2004-2008

**INDUSTRIAL UNION OF MARINE AND SHIPBUILDING WORKERS OF AMERICA,
DISTRICT LODGE 4 INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, AFL-CIO, AND ITS LOCAL S6**

| | |
|-----------------------------|--|
| By _____ Dale Hartford | Grand Lodge Representative |
| By _____ Brian Bryant | Directing Business Representative District Lodge 4 |
| By _____ Anthony Provost | Business Representative District Lodge 4 |
| By _____ Michael Keenan | President, Local S6 |
| By _____ Troy Osgood | Vice President, Local S6 |
| By _____ Michael Cyr | Chief Steward, Local S6 Main Plant & EBMF |
| By _____ Leon Berry | Chief Steward, Local S6 Hardings |
| By _____ Rob Jacobs | Benefits Committee |
| By _____ James Alexander | Trustee, Legislative Committee |
| By _____ Richard Doyle | Communicator, Shop Steward, Community Services, Women's Committee |

Schedule A
I.A.M. NATIONAL PENSION FUND
NATIONAL PENSION PLAN

STANDARD CONTRACT LANGUAGE

"ARTICLE ____ - PENSIONS

- A. The Employer shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour/day or portion thereof 1/ for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement 2/ as follows:

\$0.38 per hour effective September 1, 1994

\$0.43 per hour effective January 1, 1999

\$0.50 per hour effective January 1, 2000

\$0.65 per hour effective July 1, 2003

\$0.85 per hour effective May 31, 2004

\$0.95 per hour effective May 30, 2005

\$1.10 per hour effective May 29, 2006

\$1.30 per hour effective May 28, 2007

- B. The Employer shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays. 3/
- C. Contributions for a new, temporary, probationary, part-time and full-time employee are payable from the first day of employment. 4/
- D. The I.A.M. Lodge and the Employer adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.
- E. The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Employer in the Plan if the successor collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.
- F. This Article contains the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provision in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

– END OF STANDARD CONTRACT LANGUAGE –

(Please complete Options Section and sign below if the Standard Contract Language is to be signed as a separate Agreement. If the Language is included in the Collective Bargaining Agreement, please insert options where applicable.)

Options:

- 1/ Trustees' policy requires that all groups entering and continuing participation shall negotiate either an HOURLY or DAILY contribution rate. An HOURLY or DAILY contribution rate may be negotiated if the collective bargaining agreement provides for a standard work week of at least 40 hours based on 5 work days. An HOURLY rate must be negotiated if the standard workweek is at least 40 hours but less than 5 days. A DAILY rate must be negotiated if the standard workweek is 5 days but less than 40 hours. Contributions are required for any day/hour or portion thereof for which an employee is entitled to receive pay under this Agreement.
- 2/ The parties may negotiate to limit contributions to a maximum of forty (40) hours per week for each employee. Yes No
- 3/ a. The parties may negotiate to exclude contributions for sickness and injury time, Reserve Training Time, jury duty, bereavement pay, or lost time for processing grievances under the Agreement. If contributions are to be excluded for any time, please specify: No contribution for sickness*
- b. The parties may negotiate that contributions will continue while an employee is off work and is not receiving pay for the following time:
Employees on LOA for Union Business**

Indicate for how long:

- 4/ The parties may negotiate that contributions will begin at the completion of the employee's probationary period, but no later than sixty (60) calendar days after date of hire. Yes No
. Temporary employees may be excluded for a maximum period of ninety (90) calendar days.
Yes No

If yes, for how long?

.....

**Local Lodge S6, IUMSWA/IAMAW, District Lodge 4
(Insert Name and Number of Lodge)**

By: _____
(Authorized Officer and Title)

Date: _____

**Bath Iron Works Corporation
(Insert Name of Employer)**

EMPLOYER'S IRS IDENTIFICATION NUMBER 39 1343528

Address: 700 Washington Street, Bath, Maine, 04530

By: _____
(Authorized Officer and Title)

Date: _____

For plants or terminals located at:

(Street) (City) (State) (Zip)

* For an employee who did not work at all and was out on an occupational or non-occupational sickness or injury for one complete calendar year, BIW will make contributions for that one year of credited service, but not more than one year in a lifetime. Also, for an employee who works at least one hour of service between September 1, 1994 and August 31, 1995, but does not earn 1200 total hours of service in the Plan because of sickness or injury, BIW will pay for those hours which the employee needs to get 1200 hours of service.

** BIW agrees to make contributions on behalf of employees on an approved leave of absence for Union Business to a maximum of 1,601 hours for a full calendar year, and prorated on a weekly basis for less than a full calendar year. Contributions will be made in the same amount and on the same basis as other eligible employees.

**Schedule B
HOURS OF WORK**

| | <u>Main Plant</u> | <u>Harding Plant</u> |
|-----------------------------|--------------------|----------------------|
| 1st Shift | | |
| Start | 7:00 a.m. | 6:30 a.m. |
| Break | 9:30-9:40 a.m. | 9:00-9:10 a.m. |
| Lunch | 11:30 a.m.-12 Noon | 11:30 a.m.-12 Noon |
| End | 3:30 p.m. | 3:00 p.m. |
| 2nd Shift | | |
| Start | 4:00 p.m. | 3:00 p.m. |
| Lunch | "Eat on the fly" | "Eat on the fly" |
| End | 11:42 p.m. | 10:42 p.m. |
| 3rd Shift | | |
| Start | 11:30 p.m. | 11:00 p.m. |
| Lunch | "Eat on the fly" | "Eat on the fly" |
| End | 7:00 a.m. | 6:30 a.m. |

| | <u>CW/Bissons</u> | <u>EBMF</u> | <u>CROF</u> |
|-----------------------------|--------------------|--------------------|--------------------|
| 1st Shift | | | |
| Start | 6:24 a.m. | 6:18 a.m. | 7:00 a.m. |
| Break | 9:00-9:10 a.m. | 9:00-9:10 a.m. | N/A |
| Lunch | 11:30 a.m.-12 Noon | 11:30 a.m.-12 Noon | 12 Noon-12:30 p.m. |
| End | 2:54 p.m. | 2:48 p.m. | 3:30 p.m. |
| 2nd Shift | | | |
| Start | 3:00 p.m. | 3:30 p.m. | 3:30 p.m. |
| Lunch | "Eat on the fly" | "Eat on the fly" | "Eat on the fly" |
| End | 10:42 p.m. | 11:12 p.m. | 11:12 p.m. |
| 3rd Shift | | | |
| Start | 10:30 p.m. | 11:00 p.m. | 11:00 p.m. |
| Lunch | "Eat on the fly" | "Eat on the fly" | "Eat on the fly" |
| End | 6:00 a.m. | 6:30 a.m. | 6:30 a.m. |

- NOTES:** 1) Parking will be dedicated for 1st and 2nd shifts.
 2) "Eat on the fly": Employees may eat at any normal or natural lull or break in work during their shift.
 3) Hours of work under Schedule B will become effective Monday, June 7, 2004.

Schedule B
HOURS OF WORK

| | <u>Boiler Operating</u> | <u>Tank Testing</u> | <u>Machine Shop</u> |
|-----------------------------|--------------------------------|----------------------------|----------------------------|
| 1st Shift | | | |
| Start | 7:00 a.m. | | 7:00 a.m. |
| Break | 9:30-9:40 a.m. | | 9:30-9:40 a.m. |
| Lunch | 11:30 a.m.-12 Noon | | 11:30 a.m.-12 Noon |
| End | 3:00 p.m. | | 3:30 p.m. |
| 2nd Shift | | | |
| Start | 3:00 p.m. | | 3:30 p.m. |
| Break | 6:45-6:55 p.m. | | |
| Lunch | 8:45-9:05 p.m. | | “Eat on the fly” |
| End | 11:00 p.m. | | 11:12 p.m. |
| 3rd Shift | | | |
| Start | 11:00 p.m. | 3:00 a.m. | 11:30 p.m. |
| Break | 2:00-2:10 a.m. | | |
| Lunch | 4:00-4:20 a.m. | “Eat on the fly” | “Eat on the fly” |
| End | 7:00 a.m. | 10:30 a.m. | 7:00 a.m. |

State Law requires Boilers be staffed continuously. Operators do not leave their job site for break or lunch.

To allow continuous machining operation.

Schedule B
HOURS OF WORK

Maintenance Custodian

Office Cleaning

1st Shift

| | | |
|-------|--------------------|--------------------|
| Start | 7:00 a.m. | 7:00 a.m. |
| Break | 9:30-9:40 a.m. | 9:30-9:40 a.m. |
| Lunch | 11:30 a.m.-12 Noon | 11:30 a.m.-12 Noon |
| End | 3:30 p.m. | 3:30 p.m. |

2nd Shift

| | | |
|-------|------------------|------------------|
| Start | 3:30 p.m. | 3:30 p.m. |
| Lunch | “Eat on the fly” | “Eat on the fly” |
| End | 11:12 p.m. | 11:12 p.m. |

3rd Shift

| | | |
|-------|------------------|------------------|
| Start | 11:30 p.m. | 11:30 p.m. |
| Lunch | “Eat on the fly” | “Eat on the fly” |
| End | 7:00 a.m. | 7:00 a.m. |

Sandblast Building Hours

| <u>Shift</u> | <u>Start</u> | <u>Suitup/Report to Job Site</u> | <u>Blast Time</u> | <u>Cleanup & Lunch</u> | <u>Blast Time</u> | <u>End</u> |
|-----------------|--------------|--------------------------------------|------------------------|--------------------------------|-------------------|------------|
| 1 st | 7:00 a.m. | 7:00-7:30 a.m. | 7:30-11:20 a.m. | 11:20 a.m. | 12:00-2:10 p.m. | 2:30 p.m. |
| 2 nd | 3:00 p.m. | 3:00-3:30 p.m. | 3:30-7:20 p.m. | 7:20 p.m. | 8:00-10:10 p.m. | 10:30 p.m. |
| 3 rd | 11:00 p.m. | 11:00-11:30 p.m. | 11:30 p.m. – 3:20 a.m. | 3:20 a.m. | 4:00-6:10 a.m. | 6:30 a.m. |

Schedule C
WEEKEND OVERTIME HOURS

1st Shift

| | |
|-------|-------------------|
| Start | 6:00 a.m. |
| Break | 9:00-9:20 a.m. |
| End | 12:00 p.m. (Noon) |

2nd Shift

| | |
|-------|-------------------|
| Start | 12:00 p.m. (Noon) |
| Break | 3:00-3:20 p.m. |
| End | 6:00 p.m. |

3rd Shift

| | |
|-------|-----------------------|
| Start | 12:00 a.m. (Midnight) |
| Break | 3:00-3:20 a.m. |
| End | 6:00 a.m. |

Void Shift

| | |
|-------|-----------------------|
| Start | 6:00 p.m. |
| Break | 9:00-9:20 a.m. |
| End | 12:00 p.m. (Midnight) |

Note: Void Shift will be manned utilizing all shifts by seniority per Departmental Overtime Policies

Notes:

1. Steam Patrol mechanics will work regular eight (8) hour shifts.
2. Boiler Operators work a regular eight (8) hour shift.
3. Those working in Maintenance Tool Cribs work a six and one-half (6 ½) hour shift.

Schedule D
SUBCONTRACTING
STANDING LIST
NOTIFICATION NOT REQUIRED

Management will assign Local S6 members to accompany vendors as required.

| CATEGORY | SERVICE DESCRIPTION |
|-----------------|---|
| Calibration | Boilers annual inspection Gas monitoring systems Meter calibration Scales |
| Certifications | Boilers annual state inspection Cranes Elevators Fire alarms Rigging gear inspections |
| Cleaning | Jet snake drain line Vacuum and large sweeper trucks – condo assistance by department 20 |
| Dredging | Dredging/soundings/dolphins/hauling spoils |
| Environmental | <p style="text-align: center;"><u>COLLECTION DOES NOT ALTER CURRENT PRACTICE</u></p> Changing fluids and maintenance of parts wash machines Collection and disposal of daily refuse Collection and disposal of special waste, contaminated metals, grit, wood, soil Collection and disposal of spent caustic bernite solution Collection and recycling of scrap paper and fiber material Collection and transportation and disposal of batteries Collection, transportation and disposal of bulk waste and emergency response Collection, transportation and disposal of drummed hazardous and non-hazardous Collection, transportation and disposal of medical waste Collection, transportation and recycling of AO, blast grit, road sand, garnet, black beauty, asphalt, and steel shot Collection, transportation and recycling of fluorescent tubes and ballasts Collection, transportation and recycling of scrap metal Collection, transportation and refurbish damaged pallets Collection, transportation and waste wood recycling Provide professional laboratory and analytical services Sewer pump truck Underground tank inspections Water sampling |

| CATEGORY | SERVICE DESCRIPTION |
|------------|---|
| Excavation | Demolition and grading Hot top/trenching/haul dredging/excavating Field mowing Pier and fender repairs Pile driving repairs Snow removal including hand shoveling at CROF and James Buildings |
| Repairs | Adjust ADA door closures Computer room on liebert units Curved glass replacement Elevator repairs when license required Front end alignment Motor, CMP transformer work, and starter repair/rewind Oil samplings and replacement by vendor Outboard motor repairs Overhaul of hydraulic cylinders PM saws by saw blade supplier Pressure grouting Propane burners Rebuild leaf springs when heat treat and bending required Repairs to communication equipment, i.e., radios Repairs to critical equipment requiring technical assistance Repairs to magnets/coil Security systems repairs and PM Tire repair split ring rims only |
| Service | Blade sharpening, cold cut and shear Compressor overhaul – continue current practice to assist vendors Fence post driving Keys pad, electronic locks License pest control Oil burner service Pump concrete Remove and install rubber roofing Remove, repair, and install carpet greater than 400 square feet |
| Warranty | All warranty/factory recalls Vendor owned equipment |
| Structure | Stripping structural extrusions |

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