COLLECTIVE BARGAINING AGREEMENT

BETWEEN

JACOBS TECHNOLOGY INC.

Checkout & Assembly Payload Processing Services
(CAPPS) CONTRACT

and

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

and its

DISTRICT 166
LOCAL LODGE 1163

KENNEDY SPACE CENTER

Effective Date: September 27, 2008

Expiration Date: September 30, 2012

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INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

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LOCAL LODGE 1163

THIS AGREEMENT, dated as of the **27th** day of **September**, **2008** by and between Jacobs Technology Inc., Checkout & Assembly Payload Processing Services (CAPPS) Contract (hereinafter referred to as the Company) and the International Association of Machinists and Aerospace Workers, AFL-CIO, and its Local Lodge 1163 (hereinafter referred to as the Union).

WITNESSETH that

WHEREAS, the union is the exclusive bargaining agent of certain employees of the company, and

WHEREAS, the union and the company have negotiated a collective bargaining agreement covering wages, hours and other employment, and

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

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

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ARTICLE 1
RECOGNITION

Section 1.1 Recognition. The Company recognizes the Union as the exclusive collective bargaining agent for the employees at Jacobs Technology Inc. (CAPPS) - Kennedy Space Center, as were certified by the National Labor Relations Board or agreed upon between the Company and the Union to be represented by the Union.

Section 1.2 Bargaining Unit.

1.2(a) The Company recognizes the IAMAW District 166 Local Lodge 1163 as the exclusive Collective Bargaining Agent for the employees assigned to the Jacobs Technology Inc. – CAPPS Contract at Kennedy Space Center, Florida, who are hereafter classified in the job classifications set forth in Appendix "A".

1.2(b) Both parties to this Agreement recognize that the duties and work performed by the employees included under the scope of the Bargaining Unit described above shall remain under the scope of this Agreement. No change in the method or means of accomplishing work, recognized in this Section to be represented by the Union shall exclude the persons performing such work from the Bargaining Units covered by this Agreement.

ARTICLE 2
RIGHTS OF MANAGEMENT

Section 2.1 Company Policies and Procedures. The management of the Company and the direction of the work force **are** vested exclusively in the Company subject to the terms of this Agreement. All matters not specifically and expressly covered or treated by the language of this Agreement may be administered for its duration by the Company in accordance with such policy or procedure as the Company from time to time may determine.

Section 2.2 Except insofar as it is specifically abridged by express provision of this Agreement, the Company retains all rights of management it had before this Agreement, the management of the facilities and the direction of the work force are exclusively vested in the Company. This includes, but is not limited to, the right to hire, retire, layoff under circumstances it determines appropriate, transfer, promote, demote, suspend for just cause, discipline for just cause, or discharge for just cause, the making of rules not in conflict with this Agreement, and the maintenance of discipline and efficiency of employees.

Section 2.3 The Company shall be the judge of all matters pertaining to the location of operations, production schedules, and the methods, processes and means of manufacture

or servicing and materials to be used, including the right to introduce new and improved methods or facilities and to change existing methods or facilities.

ARTICLE 3
UNION AND COMPANY RELATIONS

Section 3.1 Union Activity During Working Time. There shall be no discrimination, coercion, interference, harassment or restraint by the Company against any employee because of Union activity or membership in the Union. The Union will not coerce or intimidate employees into becoming members of the Union and there shall be no interference with Company operations and no solicitation or promotional Union activity on Company time, except as otherwise provided in this Agreement.

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

Section 3.3 Payroll Deduction for Union Dues. The company shall make payroll deductions for the Union's dues upon receipt by the office designated by the company of a voluntary written assignment covering such deduction on a form mutually agreed to by the Union and the Company. The deduction list will include each such employee's social security number or permanent employee number, name, and amount of deduction and such itemization will be forwarded to the Union. The Union dues shall be in an amount specified on such assignment and the amount will have been approved by the company in advance as being administratively practicable.

> **3.3(a)** The assignment, authorization and direction to deduct Union dues shall be irrevocable for the period of one (1) year from the effective date of the Collective Bargaining Agreement or until the termination of the Collective Bargaining Agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner. Union dues deductions shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Collective Bargaining Agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) calendar days and not less than ten (10) calendar days prior to the expiration of each period of one (1) year, or of each applicable Collective

Bargaining Agreement between the Company and the Union whichever occurs sooner.

Section 3.4 Union Membership - Assignment to Federal Enclave. If an employee is assigned to the Federal Enclave and works at the Center for an aggregate period of thirty (30) or more eight (8) hour days, within a one (1) year period, then such employee will be required to become a member of the Union within fifteen (15) calendar days after such thirtieth (30th) eight (8) hour day and shall remain a member of the Union for the duration of this Agreement.

3.4(a) Satisfaction of Obligation. Employees who, under Section 3.3 of this Article 3, are required either to become members of the Union or maintain membership in good standing in the Union may satisfy that obligation by periodically tendering to the Union an amount equal to the Union's regular and usual monthly dues.

3.4(b) Failure to Satisfy Obligation. In the event an employee, who as a condition of continued employment, is required under this Article 3 to become a member of the Union, or maintain his membership in good standing therein, but in any such case does not do so, the Union will notify the company in writing, through the Manager of Human Resources, or through such other office as may be designated by the company, of such employee's delinquency. The company agrees to advise such employee that his employment status with the company is in jeopardy and that his failure to meet his obligation under this Article 3 within thirty (30) days will result in his termination of employment.

3.4(c) Explanation to employees. Either the company or the Union may explain to any employee or call to his attention, at any time, his rights and obligations under any or all provisions of this Section 3.3.

Section 3.5 Collection of Back Dues. Collection of any back dues owed at the time of starting deductions for any employee and collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period will be the responsibility of the employee and will not be the subject of payroll deductions.

Section 3.6 Deduction of membership dues shall be made in a flat sum provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the company to collect dues shall not extend beyond the pay period in which the employee's last day of work occurs.

Section 3.7 Indemnity. The Union agrees that it will indemnify and save the Company harmless from any and all liability, claim, responsibility, damage, or suit which may arise out of any action taken by the Company in accordance with the terms of this Article, or in reliance upon the authorization described herein in an amount not to exceed

the sum received by the Union on account of the deductions made from the earnings of such employee or employees.

Section 3.8 Business Representatives - Access to Work Areas. The Business Representative of the Union shall have access to the company facilities during working hours for the purpose of conducting legitimate Union Business pertaining to this Agreement including, but not limited to, the investigation and advising in the handling of grievances, and the Company will not impose regulations which will render the intent of this provision ineffective. The necessary Company badges and credentials will be available to the Business Representative during working hours. The Union shall keep the Company Manager of Human Resources currently informed in writing of the name of the accredited Business Representative.

Section 3.9 Shop Stewards. The Union may select not to exceed, except by mutual agreement, **three (3)** full time employees as shop stewards. The Union shall keep the **Program Manager** currently informed in writing of the names of the accredited shop stewards. The Union may also select one (1) Alternate for each Representative, but the Alternate shall not function as a Representative except in the absence from the plant or location (clocked out) of the regular Representative. For the purposes of this paragraph, a Representative who is **unavailable** for at least one (1) full shift shall be deemed clocked out and during such period the alternate may function. An employee while serving as a shop steward shall not be transferred or loaned from his job classification department or shift so long as other employees remain in his job classification and on the shift he is designated shop steward, unless by mutual agreement.

Section 3.10 Departure from Work Assignment by Stewards to Investigate Complaints or Claims of Grievance. Each steward shall notify and obtain permission from his supervisor before leaving his work assignment for the purpose of investigating complaints or claims of grievance on the part of employees or the Union or contacting the business representative in regard to such claim or grievance. Such permission shall be granted except where there is a substantial reason for delaying the contact or the investigation due to safety conditions or the fact that a critical operation is in process. When it is necessary for a Representative to enter a department other than their own for the purpose of investigating a grievance, they shall notify the supervisor of that department concerning the nature of the official business. The supervisor may be present during any discussion relating to any complaint or grievance. However, upon the request of an employee or steward, the supervisor shall authorize a steward to participate in a private discussion with an employee, business representative, or his designee, relating to a complaint or grievance. Discussions of the type described in this Section 3.10 shall be conducted without requiring the employee or steward to clock out provided the discussion does not extend beyond the time that the supervisor considers reasonable under the circumstances.

Section 3.11 Shop Stewards shall not handle any grievances arising outside of their respective shifts or area, except when assigned to do so by the Business Representative.

When an employee temporarily leaves their area, their home representative will continue to represent them when appropriate.

Section 3.12 Bulletin Boards. The Company will provide bulletin boards for the use of the Union at locations mutually agreed to. Their use will be restricted to the following:

(a) Notices of Union meetings;
(b) Notices of Union elections and results thereof;
(c) Notices of Union recreational and social affairs;
(d) Such other notices as are mutually agreed upon.

Only notices approved by the Business Representative, or his designee, authorized in writing by the Union and approved by the Company may be placed on the bulletin boards.

Section 3.13 Nothing in this Agreement is intended to abridge the right of a supervisor to privately discuss with any employee under his or her supervision topics pertinent to the work place, including but not limited to, the employee's job performance.

Section 3.14 Time Off for Union Business. Upon receipt, five (5) working days in advance, of a written request by the President or Business Representative of the Union, not more than three (3) designated representatives of the Union, unless mutually agreed by the parties, shall be granted time off for official Union business and such time shall be counted as time worked for the purpose of computing overtime.

Section 3.15 New Employee Introduction. A Union official will be given an opportunity to meet with newly hired employees during new employee orientation to answer questions about the Union. Such meetings will be limited to fifteen (15) minutes.

ARTICLE 4
GRIEVANCE AND ARBITRATION PROCEDURE

Section 4.1 Union Grievances. Any grievances or disputes which the Union may have with the Company arising out of the application or interpretation of a specific clause or clauses of this Agreement shall be adjusted according to the following procedures:

4.1(a) The Union, through the Business Representative, shall present the grievance, in writing, to the **Program Manager** for Jacobs Technology Inc. They or their authorized representatives shall discuss the grievance within fourteen (14) working days after receipt. The Company's decision shall be given, in writing, to the Union by the **Program Manager** or **his** Designee within seven (7) working days after the discussion of the grievance. This grievance shall contain the information defined in Paragraph 4.2(b).

4.1(b) The Representative's decision on such appeal shall be given to the Union, in writing, within seven (7) working days after such discussion is concluded. If the Union is dissatisfied with the decision, it may submit such grievance to arbitration pursuant to Section 4.3 of this Article.

4.1(c) Grievances Excluded From This Section. Grievances requesting remedy for individual employees, which can be presented under the provisions of Section 4.2 of this Article, and the subject matter of any grievance that has been presented by an employee under Section 4.2, shall not be presented under this Section 4.1. Union grievances which are presented under the provisions of this Section, and the subject matter of any grievance that has been presented by the Union under this Section, shall not be presented under Section 4.2.

Section 4.2 Employee Grievances. Grievances or disputes of employees with respect to rates of pay, wages, hours and other conditions of employment, or arising out of the application or interpretation of a specific clause or clauses of this Agreement shall be adjusted according to the following procedure:

4.2(a) Oral Presentation of Grievance. Prior to filing a grievance in writing, employees, either directly or through their Union Representative, shall orally discuss the subject matter of the grievance with their **Immediate Supervisor**.

4.2(b) Step One. If the oral discussion provided for in Paragraph 4.2(a) does not settle the grievance to the satisfaction of the aggrieved employee, the employee and their Representative shall present such grievance in writing to the Manager or Designee, on a grievance form to be furnished by the Company. Such written presentation shall include all of the following information:

1. A statement of the grievance and the facts upon which it is based.

2. The specific remedy or correction requested.

3. The Article(s), and Section(s) in this agreement claimed to have been violated.

4. The signature of the aggrieved employee(s) and the Representative and the date of signing.

The Manager shall meet, within five (5) working days with the grieving employee(s) and with the employee's Representative, if such Representative wishes to be present, and shall attempt to adjust the grievance and shall render a decision thereon in writing within five (5) working days after such a meeting has concluded.

4.2(c) Step Two. If the written decision of the Manager is not satisfactory to the employee or the Union, the Representative or one (1) District Business

Representative, within five (5) working days from the date of the Step One decision, may submit the grievance to the **Program Manager**.

The **Program Manager** or Designee and the District Business Representative shall convene the Step Two meeting within five (5) working days after submission of the grievance and the parties shall endeavor to arrive at a satisfactory settlement. A decision with specific reason(s) shall be rendered in writing on the grievance form by the **Program Manager** within five (5) working days after the meeting.

4.2(d) Grievances alleging improper discharge, layoff or failure to recall filed by grievants not on the payroll and other grievances agreed upon by the Union and the **Program Manager** or Designee shall be filed in writing directly into Step Two. Such written presentation, in addition to the information required in Paragraph 4.2(b), shall include the signature of a District Business Representative or his Designee.

4.2(e) Group Grievances. Pursuant to Paragraphs 4.2(a) through 4.2(c) and Section 4.3, in the event a group grievance is filed by more than two (2) employees, the oral, Step One and Step Two meetings shall be limited to two (2) grievants chosen by the Union to be representatives of the group.

4.2(f) Witnesses. Representatives meeting with the Manager or Designee to discuss a grievance in the first (1st) step or meeting with the **Program Manager** or Designee to submit or discuss a grievance in the second (2nd) step shall be entitled to have employee witnesses called in without loss of regular shift pay (if any is involved) to help determine the facts pertinent to the grievance or dispute. Any such witness so called in shall be paid only for time spent as a witness during regularly assigned shift hours. Not more than one (1) such witness may be called in at one time, unless otherwise agreed to by the parties. Any such witness on the active payroll shall be notified only by the Company at the request of the Union. For the purpose of expediting the conducting of a second (2nd) step hearing, a Business Representative of the Union shall advise the appropriate **Manager** of the name(s) of **the** known witness(es) at least two (2) hours prior to the scheduled hearing.

Section 4.3 Request for Arbitration. Within five (5) working days from the date of receipt of the decision of the **Program Manager** or Designee on a grievance under Section 4.1, or the Company's decision on a grievance in Step Two under Section 4.2, the Union, through its Business Representative or Designee may request in writing that a grievance, arising out of the interpretation or application of a specific Article(s), and Section(s) of this Agreement, be submitted to arbitration. Only such grievances may be submitted to arbitration and none of them shall be arbitrated unless the request for arbitration cites the Article(s), and Section(s) of this Agreement cited on the grievance form.

4.3(a) Submission to Arbitration. Upon the receipt of such a written request for arbitration, the Company and the Union shall prepare a submission to arbitration signed by the Union and the Company setting forth the issues and the specific Article(s), Section(s) and Paragraph number(s) in dispute. If the Company and the Union cannot agree upon the submission for arbitration, each party, at least two (2) working days in advance of the hearing, shall submit to the other a statement in writing of the issues it considers in dispute. After the parties opening statements and prior to the taking of evidence or testimony at the hearing, the arbitrator shall determine the issues and in cases involving employee grievances the specific remedy based on the issues set forth by the arbitrator, provided that such issues are arbitrable under the terms of Paragraph 4.3.

4.3(b) Arbitration Rules and Procedures.

4.3(b)(1) Priority Scheduling. Priority grievances are those filed by grievants not on the payroll which involve continuing liability in alleging improper discharge, improper layoff or improper recall. These cases shall be heard no later than thirty (30) calendar days following the selection of the arbitrator. Once a priority case is scheduled the scheduling of non-priority cases will not be precluded even though they may be set for hearing prior to the hearing date of the priority case.

4.3(b)(2) Regular Scheduling. Grievances, other than those described in Paragraph 4.3(b)(1), shall be scheduled for arbitration in the order selected by the Union. After the order is established by the Union, the Company and the Union shall select the arbitrator according to this Article. The cases shall then be heard in that order unless the Company grants, the Union withdraws, or the case is otherwise mutually settled.

Section 4.4 Selection of Arbitrator-From Federal Mediation and Conciliation Service. The parties shall jointly request the Federal Mediation and Conciliation Service to submit a panel of seven (7) arbiters. Such requests shall state the general nature of the case and ask that the nominees, be qualified to handle the type of case involved. When notification of the names of the panel of seven (7) arbiters is received, the parties in turn shall have the right to strike a name from the panel until only one name remains. The right to strike the first name shall be determined by lot. The remaining person shall be the arbiter. If the arbitrator selected is not available within sixty (60) calendar days after selection, the selection procedure shall be repeated, starting within two (2) working days following notification by the arbitrator.

Section 4.5 Hearing Date Limitations. Non-priority cases shall be heard by an arbitrator within ninety (90) calendar days from the date of filing an arbitration.

Section 4.6 Hearing Date Extension - Priority Cases. In the event that the number of cases scheduled for arbitration precludes the Union from appearing and presenting such cases within thirty (30) calendar days for alleged improper discharge, layoff or

recall, the Union may request in writing an extension not to exceed thirty (30) calendar days and such extension shall be granted in writing.

Section 4.7 Procedure Compliance. In the event a party fails to comply with the procedure set forth in Paragraphs 4.3(b)(1) through 4.6, the other party may, after five (5) calendar days written notice to the opposite party, make written request to the Arbitrator selected pursuant to Paragraphs 4.3 through 4.12 that the arbitrator appoint a time and place for the hearing of the case and cause notice thereof to be served personally or by registered or certified mail on the parties to the arbitration not less than seven (7) calendar days before the hearing.

Section 4.8 Time of Hearing and Decision. Pursuant to Paragraphs 4.3(b)(1) or 4.3(b)(2), the parties and the impartial arbitrator shall begin the arbitration on the mutually agreed date. The decision of the impartial arbitrator shall be rendered in writing and mailed to the parties within thirty (30) calendar days after the conclusion of the taking of evidence.

Section 4.9 Expenses of Arbitrator. The fees and expenses of the impartial arbitrator shall be borne by the loser as evidenced by the decision of the arbitrator. Should the decision of the impartial arbitrator result in a compromise decision, then the fees and expenses of the impartial arbitrator shall be shared equally by the parties. Should the Union withdraw a grievance or should the Company grant a grievance that has been scheduled for hearing, it shall be the responsibility of the withdrawing party or the party granting the grievance to pay the arbitrator's fee if there should be one. The parties shall jointly inform the arbitrator of the cancellation of an arbitration.

Section 4.10 Expenses of Parties. Each party shall be responsible for all expenses incurred by it in the presentation of its case, including the payment for time lost by any employee called as a witness. Either party, at its option and at its own expense may have the arbitration proceedings reported and transcribed.

Section 4.11 Power of Arbitrator. The impartial arbitrator shall have no power to add to, subtract from or modify any of the terms of this Agreement or any supplement thereto, or any submission to arbitration agreed to by the parties, or to retain jurisdiction pending implementation of the award.

Section 4.12 Effect of Arbitrator's Decision. The decision of the impartial arbitrator, if within the scope of authority as defined in this Section 4.3, shall be final and binding upon the parties.

Section 4.13 General.

> **4.13(a) Extension of Time.** Any of the periods within which any of the acts is required by this Article to be performed may be extended by written consent of the parties. If an extension beyond fifteen (15) calendar days is requested by the Union in a grievance involving continuing financial liability on the part of the

Company, the period of time covered by such extension shall not be counted in determining financial liability.

4.13(b)Time Within Which to File Grievances.

4.13(b)(1) Ten Working Day Time Limit. No matter shall be considered as a grievance or dispute under either Section 4.1 or Section 4.2 of this Article unless it is presented in writing within ten (10) working days after the occurrence of the events on which the grievance is based.

4.13(b)(2) Circumstances Preventing Knowledge. If the circumstances of the case prevent either the employee or the Union from knowing prior to the expiration of the ten (10) working day period that grounds exist for a grievance, the grievance must be filed within ten (10) working days after the discovery of the circumstances resulting in the grievance.

4.13(b)(3) Effect of Leave or Vacation on Time Limits. Any employee who is bypassed or disqualified for promotion while on vacation or a leave of absence not exceeding thirty (30) calendar days on account of illness, may present to the employee's Manager a Step One grievance in writing regarding such bypassing or disqualification within five (5) working days following the expiration of such vacation or leave of absence.

4.13(b)(4) Period Applicable - Misclassification Claims. All work performed by an employee during only the ten (10) working days described in Paragraphs 4.13(b) and 4.13(b)(2), or such lesser number of working days as are determined by the filing date of the grievance, shall be considered in resolving a misclassification claim, unless it can be proven that the employee was regularly assigned to the contended duties within the thirty (30) calendar day period immediately prior to the filing of the grievance.

4.13(b)(5) Time Limits Related to Status Activity Report. The ten (10) working days referred to above shall commence in the case of grievances or disputes involving employee status changes when the status change listing is made available to the Union Representative.

4.13(b)(6) Grievances or disputes regarding alleged improper discharge must be filed in writing within ten (10) working days after such discharge.

4.13(b)(7) Grievances or disputes regarding alleged improper layoff or recall must be filed in writing within ten (10) working days after such layoff or recall unless the circumstances of the case made it impossible for

either the employee or the Union to know that the employee had such a grievance prior to that date, in which case such grievance must be filed within ten (10) working days after the discovery of the circumstances resulting in the grievance.

4.13(c) Limitation on Retroactive Effect of Grievance or Arbitration Decision.

4.13(c)(1) No reclassification or change in rate to be effective prior to the date a grievance is filed shall be granted in any decision under this Article, unless the aggrieved employee requests in the statement of the grievance that the reclassification or rate change be made effective retroactively and it is determined in the grievance or arbitration procedure to be justified. If such request is made and found to be justified, such request shall be granted retroactively, effective as of the beginning of the payroll period nearest the date that the misclassification first occurred or the change in rate was found to be justified, provided that such retroactive period shall not extend beyond fifteen (15) working days prior to the date such grievance was filed.

4.13(c)(2) No grievance or arbitration decision covering any other type of grievance shall provide for retroactive effect for more than thirty (30) working days prior to the date such grievance was filed.

4.13(c)(3) **Decision Final.** The decision rendered in any step of the grievance procedures provided for in this Article shall be in writing and signed by the person or persons who made the decision, and such decision shall be final and binding unless within the time allowed such decision is appealed to the next step in the proper grievance procedure or to arbitration where arbitration is available.

4.13(d) Effect of Union Failure to Comply with Time Limitations. The parties agree that the time limitations provided in Section 4.3 of this Article are essential to the prompt and orderly resolution of any case appealed to arbitration and that each will abide by the time limitations, unless an extension of any such time limitation is mutually agreed to in writing. Failure by the Union to comply with any time limitation provided in Section 4.3 of this Article, unless such written extension is secured, shall constitute a withdrawal from arbitration of the grievance.

4.13(e) Effect of Company Failure to Comply With Time Limitations. In the event of failure by the Company to comply with time limitations required of the Company by this Article, unless such written extension is secured, the Union may proceed to the next step of the grievance or arbitration procedure without waiting for the Company to comply.

4.13(f) Time for Paying Grievance and Arbitration Awards. Any employee found to be entitled to monetary redress by reason of a grievance or arbitration award shall be paid this money, less any amount earned by reason of employment elsewhere during a period of termination or failure to recall, within thirty (30) calendar days of the date of such award or the date the employee furnishes the Company with a statement of earnings of the employee, if applicable, whichever is later.

4.13(g) Notwithstanding the provisions of Section 4.1 and Section 4.2 of this Article, the termination by the Company of probationary employees, as defined in Paragraph 5.2(b), for failure to meet the work requirements of the employee's job as they relate to ability or production shall not be subject to the Grievance and Arbitration Procedure set forth in this Article.

ARTICLE 5
SENIORITY

Section 5.1 Definitions. Seniority is defined as the length of continuous service within the Bargaining Unit and shall be computed from the original date of hire except when seniority has been broken (as defined in Section 5 of this Article), in which event seniority shall be computed from the last date of rehire.

Section 5.2 Determination of Seniority.

5.2(a) Probationary Employees.

5.2(a)(1) For the first ninety (90) days of employment, employees shall be considered as on probation and without seniority. However, if a probationary employee is laid off and rehired within a period of time not in excess of the time he had previously spent as a probationary employee, he will be credited with the time previously worked toward the completion of his probationary period. Upon the completion of his probationary period, his seniority date will then be established as of ninety (90) days prior to the completion date of his probationary period.

5.2(a)(2) During such ninety (90) day period, probationary employees may be laid off or terminated at the discretion of the Company. Such layoffs or terminations during the probationary period shall not be subject to the grievance and arbitration procedure.

5.2(b) Restoration of Lost Seniority. If an employee is rehired after loss of seniority under Section 5.4(e) or Section 12.10, the employee's seniority at the time of layoff or release, plus any seniority such employee was entitled to accumulate during layoff or release in accordance with Section 12.10, will be

restored after ninety (90) calendar days of continuous service on the active payroll, provided:

5.2(b)(1) The employee re-enters this Bargaining Unit within five (5) years from the employee's loss of seniority as provided in Section 5.4(e) or Section 12.10.

5.2b)(2) The employee notifies the Company's Human Resources Department in writing, on a form supplied by the Company, within thirty (30) calendar days after the employee's ninety (90) calendar days of continuous service on the active payroll. Each rehire will be given written notification of this requirement.

5.2(c) Seniority During Periods of Layoff. Subject to the provisions of Section 5.4 of this Article, employees who are laid off shall accumulate seniority during such periods of layoff.

5.2(d) Seniority of Union Representatives. Union Representatives shall be entitled, subject to their ability and qualifications to perform the required services of any remaining classification within their geographic area, to displace or be downgraded within their geographic area in accordance with their seniority rights, and without regard to their seniority, to be the last employees laid off out of their respective geographic area.

5.2(d)(1) The rights accorded Union Representatives shall be effective two (2) working days following receipt by the Company of notice of the appointment. However, an appointee processed under the provisions of Article 5 during the week of receipt by the Company of notice of the appointment will not be recognized if the provisions require the appointee to be affected by a layoff or transferred out of the appointee's department or geographic area.

5.2(e) Employees Starting on Same Calendar Day. The seniority of persons starting on the same calendar day shall be in alphabetical order of most recent surname as shown on Company records, and if surnames are identical, in alphabetical order of first name and middle initial. The parties agree to and establish the seniority list for present employees per the surname of record on the effective date of this agreement. From the effective date of this agreement forward when two or more employees have the same seniority date as herein provided, the employee having the lowest last four (4) digits of one's social security number shall be considered as having the most seniority for tie breaking purposes.

Section 5.3 Temporary Transfers/Reclassifications.

5.3(a) Transfers Out of the Bargaining Unit. If an employee is temporarily transferred/ reclassified from the Bargaining Unit for a period not to exceed ninety (90) working days or such longer period as may be mutually agreed upon by the Company and the Union, in writing, the employee shall retain and accumulate seniority in the classification in the same Bargaining Unit from which transferred/ reclassified during the period of such temporary transfer.

5.3(b) Transfers Within the Bargaining Unit. If an employee is temporarily transferred from an occupation in the Bargaining Unit to another, also within the same Bargaining Unit, said transfer shall be limited to a period not to exceed thirty (30) working days, unless mutually agreed upon by the Company and the Union in writing. Such assignments shall take precedence over all recalls, promotions or shift transfer requests in the affected classification.

Section 5.4 Loss of Seniority. Seniority shall be lost by the occurrence of any of the following:

5.4(a) Quit, including absent without leave.

5.4(b) Discharge for just cause.

5.4(c) Release for just cause, except as provided in Section 12.10 or Sections 12.12(c) and 12.12(d).

5.4(d) Retirement, including election of deferred benefits, under the provisions of the pension plan(s).

5.4(e) Layoff out of the Bargaining Unit for two (2) consecutive years if the employee has less than five (5) years seniority at the time of layoff or five (5) consecutive years if the employee has five (5) or more years of seniority at the time of layoff.

5.4(f) Failure to keep the Human Resources Department of the Company informed, by certified or registered mail, of proper mailing address and name changes after layoff.

5.4(g) Laid off employees shall be called back to work in accordance with their seniority, except as specified in Section 12.4.(c). The Company shall notify them in writing, by certified mail forwarded to the employee's last known address on the Company's records, and the employee will be required to notify the Company within four (4) working days that he will report back to work within fourteen (14) days of the receipt of this notice. Failure to comply with provisions of Section 12.11 will result in automatic loss of seniority and the Company will be relieved of any obligation to reinstate the employee. It is the sole responsibility of the

employee to keep the Human Resources Department of the Company properly informed as to his address.

5.4(h) Employees who refuse placement in their last Bargaining Unit classification at time of layoff or reclassification from their non-bargaining unit occupation, which refusal must be in writing, shall lose all seniority in the Bargaining Unit.

5.4(i) Refusal of recall by a former employee has no additional recall.

ARTICLE 6
WORKWEEK, HOURS OF WORK, SHIFTS

Section 6.1 Definition of Workday and Workweek.

6.1(a) Each employee shall be assigned to a definite shift with designated times of beginning and ending. The shifts each shall be eight-hour and thirty-minute periods which shall include a thirty-minute unpaid lunch period. The thirty-minute unpaid lunch period shall be within a time frame of three (3) hours after the regular start time and three (3) hours before the end of the regular shift. If an employee does not get the lunch period within this time frame, they may at their option choose either to forego lunch and get paid for it or take the half hour when operations permit.

6.1(b) Workday and Workweek. For the purpose of computing overtime pay of each employee on a standard workweek, the workweek shall consist of seven (7) consecutive twenty-four (24) hour periods beginning at the regular starting time of an employee's assigned shift. The workday shall begin each calendar day at the regular starting time of the employee's assigned shift and end twenty-four consecutive hours later, with the exception that a workweek will not extend into the assigned start time of the next workweek.

Workweek: A workweek shall consist of seven (7) consecutive twenty-four hour periods, beginning on Saturday and extending through Friday.

Pay week: A Pay week is seven consecutive days beginning with Saturday, extending through Friday.

Pay Period: A pay period is a pay week beginning on Saturday of the first (1st) pay week and ending on Friday of the pay week.

6.1(c) Normal Work Week Schedule. A normal work schedule shall consist of five (5) workdays, Monday through Friday with two days of rest (Saturday[1st day of rest] and Sunday[2nd day of rest]), except for those employees designated by

mutual agreement between the company and the union , who regularly work on Saturday and/or Sunday, whose normal work schedule shall consist of five consecutive workdays followed by two (2) days of rest, which shall be treated as their Saturday[1st day of rest] and Sunday [2nd day of rest], in that order.

6.1(d) Non-standard Workweek. A non-standard workweek shall consist of five (5) workdays, with two (2) days of rest on other than Saturday and Sunday. Employees shall be assigned to a non-standard workweek by mutual consent of the parties and paid an additional one dollar ($1.00) per hour for all hours worked while on a non-standard workweek. If so assigned, overtime pay shall be computed in the manner provided in Section 4 of this Article, except that such employee's workweek will begin at the regular starting time of the employee's assigned shift on the first (1st) day of the employee's workweek. Any change in an employee's workweek will not affect the computation of overtime or premium pay in the overlapping period.

6.1(d)(1) The Company shall have the right to assign Facilities Maintenance Technicians to a non-standard workweek when necessary. The most senior qualified volunteers will be given preference from among the volunteers. If there are insufficient volunteers to meet the requirement, the Company may designate and require the necessary number of employees to work the non-standard workweek. Such designation shall be the junior qualified employee in the department and classification.

6.1(d)(2) It is further understood and agreed that employees will remain on the non-standard workweek schedules for at least forty-five (45) calendar days. If an employee on a non-standard workweek wishes to return to a regular Monday through Friday workweek and they have the seniority and qualifications to displace junior employees in the same shift, department, and classification, they may file a written request to do so. If an employee does change per the above, they must wait at least six (6) months to put in another request.

6.1(d)(3) Overtime will be paid to non-standard workweek employees on the sixth (6th) [1st day of rest] and seventh (7th) day [2nd day of rest] worked in their regularly scheduled workweek. When overtime is paid, the one dollar ($1.00) bonus will be included in the computation for overtime pay.

6.1(d)(4) Should any of the designated holidays observed in the Article 18 section of this **Agreement** occur on the employee's first regular scheduled day off, the preceding day shall be considered as the holiday for such employees. Should any of the designated holidays observed in Article 18 occur on the employee's second regular scheduled day off, the following day shall be considered as the holiday for such employees.

6.1(e) Split Workdays. When it is necessary to work an employee on a split workday during the first five days of the workweek [i.e., the Company sends the employee home prior to completion of eight (8) hours work and then directs the employee to return during the same workday] the employee's pay will be calculated at straight time for up to eight (8) hours worked if that work is performed within an eight (8) hour period which begins with the employee's start time that day. Time and one-half will be paid for each hour worked in excess of eight (8) and for all time worked after the eight (8) hour period which began at the employee's start time up to a maximum of twelve (12) hours. Double time pay will be paid for all hours worked in excess of **ten (10)** hours. When a work period in a split workday continues into the next workday, premium time shall continue until the work period is complete. Opportunities for split workdays will be administered per the overtime wheel. Qualified employees with the lowest credited overtime will be given preference.

Section 6.2 Shift Hours. Shift hours of employees in the Bargaining Unit Shall Be:

First (1st Shift)	Shift beginning any time between 4:00 a.m. and 11:59 am, normally 8:00 a.m.
Second (2nd Shift)	Shift beginning any time between 12:00 p.m. and 7:59 p.m., normally 4:00 p.m.
Third (3rd Shift)	Shift beginning any time between 8:00 p.m. and 3:59 a.m., normally 12:00 a.m.

6.2(a) The Company will not change shift start times for a period less than a workweek as defined in Section 6.1. Changing start time more than two (2) hours on either side of the normal time as identified above requires mutual agreement between the Company and the Union.

Section 6.3 Rest Periods. Existing rest periods of ten (10) minutes duration each shall be continued for the duration of this Agreement.

ARTICLE 7
OVERTIME

Section 7.1 Overtime Work

7.1(a) The Company shall notify effected department of sixth (6th) day [1st day of rest] and **seventh (7th) day [2nd day of rest]** overtime as early as possible. The Company shall make a reasonable effort to fill sixth (6th) day [1st day of rest] and **seventh (7th) day [2nd day of rest]** overtime requirements on a voluntary basis within the classification before making overtime mandatory.

7.1(b) Overtime work, authorized by management, shall be distributed among employees qualified to perform the work required as equitably as practicable. The overtime board and the "calling" of overtime will be the responsibility of the union steward or designee and will be accomplished in accordance with Article 7 of this Agreement, with company administrative assistance/support where required. In the event the requirement for overtime work is established on the weekend or during off shifts, management or management representatives will call overtime from the appropriate roster and may require the union steward or appointee, if reachable, to review the process. The union steward or his appointee must either verbally note any errors or sign the appropriate overtime form indicating approval. If the overtime calling process is performed or approved by the union steward or his appointee, there shall be no recourse to the grievance procedure. In the event an error is found after the approval process, the Company and Union may meet to agree on corrective action.

Section 7.2 Rotation of Overtime. Overtime work shall normally first be offered, within a classification, among qualified employees in the department **(HVAC, Electrical, Mechanical, Crane Crew, Load Test, Calibration, RMRS, EME)** and on the shift where such overtime work is to be performed, to employees with the lowest number of credited overtime hours. In the event additional employees are required to perform such overtime work, **employees will be selected** from other departments **and shifts** in the classification required, to perform such overtime work. Such selection shall be in order from such other departments' overtime list based on credited overtime hours. The parties agree to utilize a forty (40) hour equalization policy in the distribution of overtime work.

7.2(a) If it is alleged that there has been an improper distribution of overtime **when called by management**, a grievance may be filed in Step 1. If it is found in the investigation that the overtime was not distributed in accordance with this Agreement, the manager will notify people in writing. The employee will be given the opportunity by management to perform the next available overtime for which he is qualified. Management will not, however, reschedule other employees who have already been scheduled for overtime. Failure of management to provide next available overtime will result in a Step 2 grievance for resolution.

Section 7.3 Equalization of Overtime.

7.3(a) Employees with low credited overtime hours shall normally be offered overtime work first so that equalization within a forty (40) hour differential can be maintained between the employee with the least number of credited overtime hours and the employee with the most number of credited overtime hours. An employee will only be offered overtime work once for each 24-hour period until all other employees on the same overtime wheel are offered overtime, in the order that it occurs. If two or more employees are equal, then the most senior employee will have first preference. However, an employee who does not have a low

number of credited overtime hours may be assigned overtime (1) in order to maintain job continuity, or (2) to meet qualification requirements, (3) to maintain compliance with the constraints imposed by NASA and USAF overtime policies, or (4) when an employee is on a temporary duty assignment.

7.3(b) When someone is disqualified, per Section 7.3(a) they will not be credited as having worked the overtime.

7.3(c) For hours worked over four in conjunction with a half-day vacation, selection will be done through the overtime list. Employees will be charged on the overtime list per the appropriate rate of pay for hours worked.

7.3(d) During normal working hours employees who are present will be offered the overtime first. If an eligible employee refuses an offer of overtime, cannot accept overtime due to absence for any reason other than a pre-approved vacation of five days or more, authorized military training of five days or more but not to exceed ten work days**,** refuses overtime when contacted, or cannot be contacted by one telephone number outside of his regular working hours, he will be credited with, but not paid for, the scheduled overtime hours (to the nearest whole hour) he would have worked, up to a maximum of 24 hours per day for the purpose of administering the forty (40) hour equalization requirement.

7.3(e) When overtime has been offered to all available employees within the department, classification and shift, and the required number of employees have not accepted the overtime offered, the Company may make overtime mandatory. The person with the lowest number of hours shall be forced. Should two or more employees be equally low, the employee with the least seniority shall be forced. An employee forced to work overtime will be charged once for refusing and again for the force.

7.3(f) An employee hired, recalled, or transferred will be credited with the same number of hours as the employee with the highest number of hours on the list within the forty (40) hour limit.

7.3(g) Employees, when returning from a temporary shift transfer as defined in Section 12.13, will have the overtime hours worked on the temporary assignment added to their pre-assignment hours.

7.3(h) When an employee is temporarily transferred to another department, he will continue to participate in overtime opportunities in his home department's overtime list, and carry the overtime hours worked on the temporary assignment back to their home department wheel. However, should the temporary transfer exceed five (5) normal working days, he shall then be considered a permanent transfer under Section 7.3(f). If an employee is working second or third shift and does not have work available, he may be assigned to do work in another department if qualified.

7.3(i) Should any employee be forced to a position outside the forty (40) hour requirement due to Sections 7.3(a), 7.3(d), 7.3(f), 7.3(g), 7.3(h), and 7.3(l) the Company shall not be penalized. If the employee has assumed the less than forty (40) hour or "low" position he shall be given first preference for all overtime in his department and shift until he is within the forty (40) hour requirement. If the employee has assumed the greater than forty (40) hour or "high" position he shall not be allowed to further participate in any overtime opportunities until he is within the forty (40) hour requirement or to avoid forced overtime or going outside the department.

7.3(j) Overtime lists shall be developed and maintained by the **Union Steward or his designee;** by department, classification and shift. An employee upon request to his **Union Steward or designee** may view the list for his/her overtime distribution unit. These lists will be reconciled each calendar year by giving zero hours to the employee with the least hours. Each other employee will receive the difference between their respective total overtime hours and those of the low man.

7.3(k) An employee working or chargeable in accordance with Section 7.3(d) will be credited with the number of overtime hours paid, computed to the nearest whole hour, [i.e., 8.6 hours at double time will be credited as seventeen (17) hours].

7.3(l) Union officials, representatives and contract negotiators during negotiations will not be charged for overtime declined in order for them to attend monthly Union meetings.

7.3(m) Probationary employees will become eligible for sharing in overtime upon receipt of qualifying certifications.

Section 7.4 Overtime or Premium Pay.

7.4(a) Double Time Pay. Double time [i.e., two (2) times working rate] shall be paid for each hour worked as provided in Sections 7.4(a)(1) and 7.4(a)(2) and all hours worked in excess of **ten (10)** hours in any given workday. **In all other situations double time will be paid for all consecutive hours worked in excess of 10 hours.**

7.4(a)(1) Seventh Workday (2nd Day of Rest). Each employee shall be paid double time for all hours worked on the seventh (7th) [2nd day of rest] workday, as such, in the employee's workweek. For the purpose of this provision, the seventh (7th) day, as such, for the first (1st) and second (2nd) shift employees shall be a twenty-four (24) hour period commencing at the end of the regular second (2nd) shift [i.e., the second (2nd) shift hours to which the majority of employees are assigned] of the sixth (6th) day in the employee's workweek, unless the employee is

assigned to an irregular second (2nd) shift. In such case, the seventh (7th) day, as such, shall be a twenty-four (24) hour period commencing at the end of such employee's irregular second (2nd) shift on the sixth (6th) workday in the employee's workweek. For third (3rd) shift employees the seventh (7th) day, as such, shall be the employee's seventh (7th) workday in the employee's workweek.

7.4(a)(2) Holiday. Each employee shall be paid double time for all hours worked on any holiday granted under the provisions of Article 18 in addition to receiving holiday pay. Where employees work into the holiday as an extension of their regular assigned shift on the workday preceding the holiday, work performed within the holiday period defined in Article 18 as an extension of such regular shift, will be paid at double time and such payment will not be deducted from the employee's holiday pay granted under Article 18.

7.4(b) Time and One-Half Pay. Time and one-half [i.e., one and one-half (1-1/2) times working rate] shall be paid for each hour worked as provided in this Subsection:

7.4(b)(1) Shift Change Pay. Time and one-half shall be paid for all hours worked on the first day of a shift change occurring during the employee's standard workweek. Employees will be charged the one-half time on their overtime wheel. Example: 8 hours worked = 12 hours paid; employee would be charged 4 hours on his overtime wheel. Employee will not be charged for refusing the shift change.

7.4(b)(2) Sixth Workday (1st Day of Rest). Time and one-half shall be paid to each employee for all hours worked on the sixth (6th) [1st day of rest] workday, as such, in the employee's workweek.

7.4(b)(3) Daily Overtime. Employees shall be paid time and one-half for all hours worked in excess of eight (8) in any one (1) workday or forty (40) hours in any one (1) workweek except as defined in Section 6.1(d).

7.4(b)(4) Pre-shift Hours on Mondays and Days Immediately Following Holidays. Employees working pre-shift hours on Mondays and pre-shift hours on the day immediately following Company granted paid holiday(s) shall be paid time and one-half for such hours.

7.4(c) General Rules Pertaining to Computation of Overtime Pay.

7.4(c)(1) Time Off for Union Business. Time off for Union business as described in Section 3.14, shall be counted as time worked for the purpose of computing overtime.

7.4(c)(2) Pyramiding of Rates. Overtime or premium rates shall not be pyramided on any workday.

7.4(c)(3) Holidays. Whenever one of the holidays specified in Article 18 falls on a regularly scheduled workday and the holiday is granted, such day shall be considered as a day worked for the purpose of computing overtime pay.

ARTICLE 8
LEAVE OF ABSENCE

Section 8.1 Authorized Leaves of Absence. For the time period indicated in each instance, leaves of absence (without pay except to the extent vacation credit or sick leave credit can be used and is used under and in accordance with Articles 16 and 17) shall be granted to an employee on the active payroll:

8.1(a) In case of accident or illness, for the period of time the injury or illness requires that the employee be absent from work. The Company may require satisfactory proof of such illness. Alcoholism may be the basis for granting medical leave to individuals while under treatment at a recognized and accepted treatment center or hospital if such treatment is requested prior to the employee being terminated for unsatisfactory attendance or violation or other Company rules.

8.1(b) In pregnancy cases, upon request of the employee or at such time as leave shall be mandatory under any applicable law. The Company must be notified immediately upon medical confirmation that a pregnancy exists.

8.1(c) For the period of time necessary to serve in the Armed Forces of the United States.

8.1(d) When he is appointed as a full time representative of the Union representing the particular unit, or selected to a full-time Union position, for the period of time necessary to fill such position.

8.1(e) The Company may grant leaves of absence without pay for other reasons that the Company considers valid, such as Family Leave or for personal reasons.

8.1(f) An employee elected to any full time federal, state or municipal public office shall, upon written request, be granted a formal leave of absence without pay for the period of the initial term of office. An extension of the leave of absence beyond this period may be granted by the Company upon written application by the employee.

8.1(g) An employee who enters the Peace Corps or VISTA shall, upon written

request, be granted a formal leave of absence without pay for the period of such service or twenty-five (25) months, whichever period is shorter.

8.1(h) Requests for leaves of absence must be made in writing to the Company and specify the reason for the absence.

Section 8.2 Return from Leave of Absence. An employee who applies for return from leave of absence on or before the expiration date of his leave will be returned in accordance with the following:

8.2(a) When an employee returns from a leave of absence that was granted due to industrial injury or industrial illness and is medically able to perform the job which was last held:

8.2(a)(1) The employee will be returned to that job if this does not conflict with Article 12.

8.2(a)(2) If this does conflict with Article 12, the employee will be considered for any job that he is qualified and able to perform, or (if a surplus occurred that would have affected him during such leave) be subjected to surplusing procedures with Article 12.

8.2(b) When an employee returns from a leave of absence described in paragraph 8.2(a) and is not able to perform the job last held due to medical limitation, he will be considered for any job that he is qualified and able to perform, or (if a surplus occurred that would have affected him during such leave) be subjected to surplusing procedures, all in accordance with Article 12.

8.2(c) When an employee returns from a leave of absence that was granted due to non-industrial injury or illness or because of pregnancy, and the period of the leave has not exceeded one year, and the employee is able to perform the job last held, the steps and procedures of subparagraphs 8.2(a)(1) and 8.2(a)(2), limitation will apply.

8.2(d) When an employee returns from a leave of absence described in paragraph 8.2(c) and is medically not able to perform the job which he last held due to medical limitation, he will be considered for any job which he is qualified and able to perform; otherwise, he may be on layoff, in accordance with Article 12.

8.2(e) If leave was granted due to non industrial injury or illness and the period of leave is in excess of one year, the employee may be returned to the job title last held providing there is an opening in such job title and placement in such opening is not inconsistent with Article 12; otherwise, he may be placed on layoff.

8.2(f) If leave was granted for military service, the provisions of applicable laws shall apply.

8.2(g) If leave, irrespective of length, was granted for any reason other than those stated in paragraphs 8.2(a) to 8.2(f) inclusive, and in paragraph 8.2(h), the employee will be returned to the job title last held providing there is an opening in such job title and placement in such opening is not inconsistent with Article 12; otherwise, the employee may be placed on layoff.

8.2(h) If leave was granted to accept a full-time position with the Union, the employee will be returned to the job last held if such job is then populated. If such job is not then populated, the employee will be returned to one of equal grade.

ARTICLE 9
SAFETY

Section 9.1 Health and Safety. It is the desire of the parties to this Agreement to maintain high standards of safety in order to eliminate, as far as possible, occupational injuries and illnesses. The Company agrees to abide by and maintain in its work locations, standards of sanitation, safety, and health in accordance with Federal, State, County, and City laws and regulations issued in pursuance thereof.

9.1(a) Both the Company and the Union agree to pursue a cooperative agreement with the Occupational Safety and Health Administration (OSHA) to implement a comprehensive safety and health management system and ultimately achieve approval as a Voluntary Protection Program (VPP) site. However, this pursuit will not supersede, replace or interfere with any rights or obligations of either party contained in this agreement, unless prior approval is received from both the Union and Company.

9.1(b) OSHA Hazard Communication. The Company has the responsibility to inform all employees of any toxic substances to which they may be exposed in the working areas. The Company shall provide training in safe handling practices and emergency procedures. Attendance at this training is mandatory.

Section 9.2 Safety Committees. The Union shall be entitled to appoint one (1) primary and one (1) alternate to serve on the Payload Services Safety Committee. The committee shall be comprised of a 50/50 mix of craft to salaried personnel employed by Boeing and CAPPS supplier teammates. The committee chair position will alternate annually between craft and salaried personnel.

Section 9.3 Safety Devices and Personal Protective Equipment. The Company will continue to furnish personal protective equipment and/or devices in particular situations where it is now the practice to do so unless circumstances in such situations change, making the use of such personal protective equipment and/or devices unnecessary. Whenever personal protective equipment is required by the Company, it shall be mandatory for employees to wear such equipment.

Section 9.4 Safety Report Forms. The Company shall have available at all times a supply of Safety Report Forms for use by employees in reporting alleged unsafe conditions or needed safety corrections in their department. This form shall be used before the Grievance and Arbitration procedure for safety complaints and requests for corrections relative to safety conditions. Copies of forms will be made available to a designated Union Representative upon request. Employees shall submit the forms to the CAPPS Safety Office, who will appoint an investigator. The investigator will report back to the employee the results of the investigation and corrective actions (if any) that have been or will be taken. Employees may file anonymous **safety** complaints to the **CAPPS Safety Manager**.

Anonymous complaints will be dealt with expeditiously, and the results of any investigation and corrective actions taken (if any) will be provided to a Union representative and posted in a public location.

Section 9.5 Alleged Unsafe Condition. No employee shall be discharged or disciplined for refusing to work on a job or a machine if the refusal is based upon employee's written claim that said job or machine is not safe or will endanger the employee's health until it has been determined that the job or machine is or has been made safe or will not unduly endanger the employee's health. Pending the determination, as set forth in this section, the employee shall be transferred to other available work, which the employee is qualified to perform. When it has been determined that the job or machine is or has been made safe, the employee shall be returned to such job. Then, if the employee continues to refuse to work after the job or machine is determined to be safe, the employee shall be subject to discharge or other disciplinary action. The determination shall be made jointly by the Sr. Manager-Safety and a Union Safety Committee member. If they are unable to agree, the determination shall be made by a Representative of NASA Safety.

ARTICLE 10
SEPARABILITY

Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree by a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Inventions. Employees shall be permitted to retain ownership of inventions conceived or developed by them while performing work on any of the represented projects as an employee for the Company providing, however that the Government and the Company shall have shop rights extending to all such inventions,

which rights shall include the non-exclusive royalty-free rights on the part of the Company, to use such inventions and to make, have made, and sell products, parts or tools incorporating such inventions; and on the part of others making products parts or tools for the Company (to be by the Company or in its products), to incorporate or use such inventions in such products, parts or tools, on in the manufacture thereof.

Section 11.2 Sabotage. The Union agrees to report to the Company when it has knowledge of any acts of sabotage or damage to or the unauthorized or unlawful taking of Company, Government, customer or any other person's or employee's property. The Union further agrees, if any such acts occur, to use its best efforts in assisting to identify the guilty person or persons and notify the Company of its investigation.

Section 11.3 Security Clearance. Nothing in this Agreement shall require the Company to employ or continue to employ or give access to any of its facilities or work locations, any person or persons to whom the cognizant Security Agency, in the interest of security, refuses to give access. However, the Company will give consideration to assigning an employee in his job title to an area for which he is qualified and a clearance is not required.

> **11.3(a)** In the event that the review discloses that the removal of the employee was without sufficient cause, the employee shall be entitled to be restored to such employee's former job. Reimbursement for loss of earnings resulting from the suspension, revocation, or denial of clearance during the period of removal from employment shall not be made by the Company, but shall be requested by the affected employee from the appropriate Department of Defense or other governmental agency, subject to its regulations. The Company will assist the employee in processing a request for such reimbursement if requested by the employee.

Section 11.4 Non-Discrimination. All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, sex, or the presence of a handicap except in those instances where age, sex or the absence of a handicap may constitute a bona fide occupational qualification. If administration and application of the contract is not in contravention of Federal laws, such administration shall not be considered discrimination under this Section 11.4.

Notwithstanding any other provision of Section 11.4 of this Agreement, a grievance alleging a violation of this Section 11.4 shall be subject to the grievance procedure and arbitration of Article 4 only if it is filed on behalf of and pertains to a single employee. Class grievances based on alleged violation of this Section 11.4 shall not be subject to the grievance procedure and arbitration under this Agreement.

Section 11.5 Successor and Assigns. It is expressly agreed between the parties that the terms of this Agreement are binding on any successor contractor or successor employer to the Company, whether said successor takes over all or part of Company’s operation. If

such successor is unable to provide the benefits as negotiated herein**,** the successor will be obligated to negotiate comparable benefits with the Union. In the event the Company ceases to perform on the contract as identified in Article 1, the Company shall be released from all obligations on the project(s) so affected under this Agreement.

Section 11.6 Performance of Work. Managerial, salaried and other non-represented employees shall not perform production work normally performed by employees in the Bargaining Unit except when instructing employees or in case of emergency.

Section 11.7 Travel Reimbursement. The Company will furnish, to the Union, copies of the present published Company policies relating to reimbursement of travel.

Section 11.8 Masculine - Feminine References. In construing and interpreting the language of this Agreement, reference to the masculine such as "he", "him", or "his" shall include reference to the feminine.

Section 11.9 Contributions to Machinists Nonpartisan Political League. Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union for use by the Machinists Nonpartisan Political League, the Company will thereafter make such deductions and forward them to the Machinists Nonpartisan Political League, in care of the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

Section 11.10 Contributions to Guide Dogs of America. Upon receipt by the Company of a signed voluntary authorization by an employee, on a form approved by the Company, requesting that there be deductions made from his wages, in a monthly amount designated by the employee, such deductions to be forwarded to the Union. Such authorization will remain in effect for the duration of this Agreement, unless earlier canceled in writing by the employee.

Section 11.11 Technological Change. The Union will be given advance notice of any intended technological changes affecting the work of the bargaining unit and an opportunity to discuss the impact of such changes with the Company prior to their implementation. Appropriate bargaining unit employees will continue to perform such affected work unless the technological changes alter the nature of the work to an extent which removes it from the scope of the unit. Bargaining unit employees will be given necessary training to qualify them for technologically changed work providing they have the basic requisite education and experience. Such training will be given on the basis of seniority preference within the affected job classification(s).

Section 11.12 NASA Hands-On Requirement. It is understood and agreed that the National Aeronautics and Space Administration, hereafter referred to as NASA has retained the right as specified in the Checkout & Assembly Payload Processing Services (CAPPS) to accomplish any task in the experiment/partial payloads processing

(Experimental Integration) with Government personnel or others, as required by NASA, to acquire hands-on experience, training, and enhanced customer support. The Company and the Union agree that such periodic work does not violate the intent and agreement between the parties.

ARTICLE 12
WORKFORCE ADMINISTRATION

Section 12.1 Surplus Action. For the purpose of administering the layoffs in Section 12.2 through Section 12.5, employees shall be selected for displacement and layoff in accordance with the following:

Section 12.2 Affected Employees: For the purposes of this layoff provision, an affected employee shall be defined as:

12.2(a) The employee with the least seniority in the reducing classification.

12.2(b) If an employee in the bargaining unit is affected by a reduction in force as prescribed in Section 12.2(b), then layoff provisions under Section 12.2(c) and displacement rules in Section 12.5 shall be amended to allow an employee being laid off in an affected classification to displace an employee in another bargaining unit classification if (1) they have more bargaining unit seniority, as defined in Section 5.1, than the employee being displaced and (2) they have previously held the classification with Jacobs Technology Inc. or a predecessor contractor which they will be displacing into.

12.2(c) Employee who is being displaced by another employee in accordance with the displacement procedure hereinafter provided.

Section 12.3 Selection and Layoff. The required reduction of employees in an occupation shall be accomplished through the layoff of employees as follows:

12.3(a) Probationary employees in the reducing classification shall be laid off.

12.3(b) Employees selected for layoff in accordance with the displacement procedure and displacement rules of this layoff provision shall be next laid off.

Section 12.4 Voluntary Layoffs.

12.4(a) Consideration may be given to accept voluntary requests for layoff out of seniority order. If more than one request is received within a classification, the more senior employee will receive first consideration.

12.4(b) Denial of requests to volunteer for layoff will not be subject to the grievance procedure.

12.4(c) All normal layoff benefits will apply. Volunteers will be subject to recall in accordance with Article 12, Section 12.12 of the Agreement.

Section 12.5 Displacement Rules:

12.5(a) Bargaining Unit employees who are reclassified to a lower-rated job as a result of this displacement procedure or for any other reason shall receive the maximum rate of pay for such lower-rated job, or their present rate whichever is lower.

Section 12.6 Return of Non-Bargaining Unit Employees With Bargaining Unit Seniority: When the Company determines it necessary to place employees who formerly were promoted or reclassified as provided in Section 5.5(h), back into the Bargaining Unit, such employees shall exercise their retained Bargaining Unit seniority as provided in Section 12.6(c). Notification of the employee's desire to exercise this retained seniority must be given by the employee to the Company at time of receipt of notice of layoff.

12.6(a) These employees shall be offered the classification of the last held Bargaining Unit classification.

12.6(b) Employees whose seniority is insufficient for placement in such classification shall be entitled to all of the provisions of this Article, including recall to the last held classification.

12.6(c) Any employee who is covered under this agreement and transfers to a non-CBU position for a period of one year or more shall be placed at a position equal to the lowest seniority position or their prior seniority, whichever is less, should they return to their former CBU position.

12.6(d) Employees then shall become subject to the provisions of Article 5.4, and Section 12.12 of this Article.

Section 12.7 Temporary Layoffs. For temporary layoffs, which in the judgment of the Company are not to exceed two (2) weeks probable duration, the employees in the **classification** and on the shift affected will be laid off according to their seniority within the classification and shift; provided that if such layoff should extend beyond two (2) weeks' duration, the employees laid off in such **classification** shall immediately be returned to such work as they are qualified for within their classification if their seniority is greater than that of other employees then at work in such classification at the location.

Section 12.8 Notice of Layoff. The Company will give fourteen (14) calendar days notice prior to layoff to the employee to be laid off except when caused by the termination or amendment of a government or other production contract subject to cancellation, and except in cases where the employee is absent or it is otherwise

impractical to give such notice, and except in cases of temporary layoff not exceeding two (2) weeks probable duration. As to temporary layoffs, the Company shall, whenever possible, give at least two (2) working days notice to the employees to be laid off.

Section 12.9 Employees on Leaves. Employees who become subject to layoff while on leave of absence by reason of disability shall be processed for layoff as of the date of return from such leave of absence. The period of eligibility for recall, as specified in Section 5.4(e) shall commence on the date the employees would have been laid off had they not been on leave of absence. Prior notice of layoff to such employees is not required.

Section 12.10 Expiration of Formal Sick Leave. If the Company grants an employee, referenced in Section 12.7, incremental sick leaves which extend for a continuous period of one (1) year and the employee is medically unable to return to work at that time, the employee will be terminated by release. Such employee will be placed in suspended medical recall status in accordance with the provisions of Section 12.12(h). The recall period of Section 5.4(e) shall start on the original effective date of such expired sick leave.

Section 12.11 TDY Assignments Employees who become subject to layoff while on TDY, i.e., receiving per diem, will be returned from such assignment within ninety (90) working days to be processed for layoff. The period of eligibility for recall shall commence on the date the employees would have been laid off had they not been on a TDY assignment.

Section 12.12 Recall

12.12(a) Eligibility for Recall: For the purpose of this Section, a former employee is considered to have been recalled when notice of recall to the employee has been initiated in accordance with this Section. Subject to the provisions of Section 12.9 and Section 12.12(h), when adding to the work forces of an occupation in Jacobs Technology Inc., employees heretofore laid off in the classifications of such occupation and employees who accepted a transfer in lieu of layoff shall be recalled in order of their seniority if the available openings are in the classification(s) to which they possess recall rights.

12.12(b) Refusal of Recall - Former Employee. Laid off employees shall be called back to work in accordance with their seniority. The Company shall notify them in writing, by certified mail forwarded to the employee's last known address on the Company's records, and the employee will be required to notify the Company within four (4) working days that he will report back to work within fourteen (14) days of the receipt of this notice. Failure to do so will result in automatic loss of seniority and the Company will be relieved of any obligation to reinstate the employee. It is the sole responsibility of the employee to keep the Human Resources Department of the Company properly informed as to his address.

12.12(c) Rehire in a Different Classification. In the event an employee subject to recall is rehired in a different classification included in the Bargaining Unit to which the employee has recall rights, the employee's seniority shall be credited at the time of rehire to the new classification. Such employees shall not lose their right to recall in their former occupations by reason of their employment in a different classification or by reason of termination for failure to meet work requirements in such different classification.

12.12(d) Failure to Accept Recall - Active Employee. In the event of failure to accept any recall offered within twenty-four (24) hours after notification, the employee shall lose recall rights to that classification and to all other lower-rated classifications to which the employee possesses recall.

12.12(e) Termination From a Different Job. Any employee affected by a reduction in work forces who accepts a transfer and/or reclassification to another job in the Bargaining Unit, who is terminated for failure to meet work requirements in such different job, shall not lose recall rights to the employee's former classification by reason of such termination.

12.12(f) Restricted Recall. Employees who refuse reclassification to a lower-rated classification as a result of a reduction in work forces, and former employees who refuse recall to a lower-rated classification, shall have the privilege of further recall restricted to the same classification in which employed at time of layoff. Such refusal also shall cause loss of right to recall to all other lower-rated classifications to which the employee possesses recall.

12.12(g) Suspended Recall. Former employees who are not available for reemployment because of employment (including military duty) outside the Bargaining Unit, or disability supported by evidence satisfactory to the Company, may suspend the privilege of recall upon written request to the Human Resources Department provided such request is made in advance of actual recall as defined in Section 12.10. Such suspended recall(s) because of employment elsewhere shall be supported by evidence satisfactory to the Company and shall not exceed a total of one (1) year for each layoff period. At the end of one (1) year, such former employee shall be removed from suspended recall and be returned to active recall status. During the period of suspension of recall rights, such former employees will not be required to accept reemployment or forfeit further recall privileges. Former employees whose recall privileges have been suspended may reinstate such recall privileges upon the giving of five (5) working days notice in writing to such Human Resources Department. The reinstatement of recall privileges shall not entitle former employees to displace employees with less seniority who were reclassified, recalled or hired during the interim in which their recall privileges were suspended. In no event shall this provision extend the privileges of recall beyond those set forth in Section 5.4(e), from the date of layoff.

12.12(h) Recall - Temporary Medical Reject. Former employees who at time of reporting to Employment for recall processing who temporarily fail to meet the medical requirements of the Company, shall be placed in the suspended recall file.

12.12(i) Recall While on TDY Assignments. Employees who become subject to recall and accept such recall while on TDY assignment, i.e., receiving per diem, will be returned from such assignment within ninety (90) working days to be processed for recall to the appropriate classification.

12.12(j) Recall While on Foreign Assignments. Employees who become subject to recall while on foreign assignments outside the continental United States shall be offered such recall upon return. If recall is accepted, the recall shall be processed as soon as practicable.

12.12(k) Recall While on Leave of Absence. Employees who become subject to recall while on leave of absence due to disability shall be placed in suspended recall status until the expiration of, or their return from, such leave of absence.

12.12(l) Temporary Recall. When adding to the work forces of a classification and it is anticipated by the Company that the work requirement will exist for less than six (6) weeks, the Company may either recall in accordance with Section 12.12(a), or offer former employees (those not currently employed at Jacobs Technology Inc. with recall rights a temporary recall to their former classification. In the event the former employee does not elect to accept a temporary recall, the former employee shall not lose the right of recall for that classification. Employees shall be telephoned in seniority order. The Company will notify the appropriate Union Representative and inform him of its intent to contact the affected former employee. If the employee has no telephone or there is no answer, the next employee shall be called and offered the temporary recall. Employees shall report to the Company's Employment Office on the next regularly scheduled workday after the offer is extended. If such recall should extend beyond the six (6) weeks, employees who possess recall rights shall be recalled in accordance with this Section and temporary recalls shall be laid off. Temporary recall shall not extend the original period of eligibility for recall as specified in Section 5.4(e) and a temporarily recalled employee shall not be granted any of the promotional privileges allowed in Section 5 of this article. At the completion of a Temporary Recall assignment the employee will be laid off with no displacement rights.

Section 12.13 Shift Transfers. The Company shall have the right to assign employees to any shift in accordance with operation requirements. Senior employees, when qualified, shall be given preference in the same department over other employees for placement in available jobs in their same classification, and work schedule for either

temporary or permanent shift changes. Temporary shift transfers shall be considered to be thirty (30) days or less.

12.13(a) Employees who are transferred at the direction of the Company from one shift to another will be given as much advance notice as possible. After thirty (30) working days, these employees may exercise their displacement rights to his or her original shift. The Company shall reserve the right to override an employee's request for up to an additional thirty (30) working days for training purposes.

12.13(b) An employee may request of their immediate manager, in writing, a transfer to another shift which shall be limited to their present job classification and department. The employee shall be permitted, within fifteen (15) working days following the date of request, to displace an employee having less seniority, on the shift of their preference. The displaced employee shall be given at least five (5) days advance notice of displacement **and be entitled to shift change pay as stated in Section 7.4(b)(1)**.

12.13(b)(1) It is further understood that when an employee voluntarily transfers to/from an odd workweek (changing his workweek to days off other than Saturday or Sunday) as stated in 12.13(b) he is not entitled to any overtime or premium pay for the first day of the shift or applicable overtime rates for the normal 6th or 7th day since his workweek has changed.

12.13(c) No displacement for shift preference, of or by a probationary employee, shall be permitted.

12.13(d) Any employee may cancel their request for shift transfer at any time prior to their notification of shift transfer by the Company. Such cancellation must be made in writing to their manager and signed by the requesting employee. Cancellation of a request for shift transfer will prohibit that employee from submitting any further requests for shift transfer for six (6) months. In addition, an employee whose application for shift transfer has been granted may not file a new shift transfer request for six (6) months. Employees displaced by more senior employees will not be required to submit a written shift change for their new shift assignment.

12.13(e) The terms and conditions for temporary shift transfers as prescribed above shall not apply to sixth (6th) and seventh (7th) day shift changes created as a result of overtime requirements. When there are not enough employees available to work the required shift overtime, work assignments will be made as agreed in Sections 7.1(a) through 7.3(m). Overtime guidelines, rather than seniority, will be used to make these sixth (6th) and seventh (7th) day temporary work assignments.

12.13(f) Temporary Shift Transfers. Employees whose temporary shift request has been granted will not be eligible for another temporary shift change until the completion of the temporary shift they are assigned to.

12.13(g) Employees who are forced to a temporary shift, based on job qualification, will be returned to their original shift no later than the beginning of their next scheduled work week if those qualifications are no longer required on that shift.

12.13(h) Senior employees that volunteer for temporary shift transfers will have the option of displacing junior qualified employees at the beginning of a new work week.

Section 12.14 Compensable Injuries. Any employee included within this Agreement who has been wholly or partially incapacitated for the employee's regular work by compensable occupational injury or compensable occupational illness while in the employ of the Company, while so incapacitated, may be placed on available work which the employee can do without regard to the seniority provisions of this Agreement. Should such disability be of a temporary nature, such as will permit the employee to return to and perform the duties of the employee's classification, the employee shall retain and accumulate seniority in the former job. Should the nature of the employee's disability be permanent, such as will not permit the employee to return to perform the duties of the employee's classification, the employee's seniority shall be transferred to the new classification.

Section 12.15 Promotions/Job Posting/Lateral Transfers

12.15(a) **Definition of Promotion:** For the purpose of this Article, a promotion shall be defined as any change from one classification to another classification with a higher base wage rate range maximum.

12.15(b) **Promotional Procedures.** When effecting promotions, employees shall be selected for promotion in order of their seniority, if they possess substantially equal ability to perform the higher-rated classification, in accordance with the following procedure: (Employees will not be downgraded for the express purpose of defeating the application of this promotional procedure).

12.15(c) **Request for Promotion** Employees shall be offered promotion under this Subsection as follows:

12.15(c)(1) Notice of available Bargaining Unit classification openings with a brief description of the required qualifications shall be placed on Company designated bulletin boards. The notice normally will be posted on a Monday for five (5) consecutive working days. The closing date of the posting will be included on the notice.

12.15(c)(2) If an employee who possesses the required qualifications wishes to be considered for an available opening, the employee may submit a job posting application. Such request must be received by the Human Resources Department no later than the end of the employee's regularly scheduled shift on the fifth (5th) working day following the original day of posting.

12.15(c)(3) New hire employees with less than twelve (12) months seniority in the job classification for which they were originally hired shall not be eligible to participate in the Job Posting Program until they have completed the twelve (12) month seniority requirement.

12.15(c)(4) When selected for promotion in accordance with Section 12.15(b), the other job posting applications, if any, shall be canceled.

12.15(c)(5) When an employee is promoted or refuses promotion as a result of the procedure defined in Section 12.15(c) through Section 12.15(c)(7), the employee shall not be eligible to file another request for promotion for six (6) months. Prior to being selected for promotion, an employee may withdraw a promotional request at any time.

12.15(c)(6) Employees selected for promotion under Section 12.15(c) through Section 12.15(c)(7) shall be released to the available higher-rated classification and transferred to the new department within ten (10) working days following selection for promotion.

12.15(c)(7) Employee activity in connection with making application for promotion will be on the employee's own time and in accordance with Company rules.

12.15(c)(8) Employees promoted to a higher-rated classification who, within sixty (60) days of work after such promotion, disqualify themselves or are found not to possess the qualifications to perform the job, shall be returned to their former classification provided their seniority is greater than that of other employees employed in such former classification.

12.15(c)(9) In the event promotions involve shift changes, employees selected for promotion shall be given preference in seniority order for placement in the available classification.

12.15(c)(10) It is recognized that the adjustment of a grievance under Article 12, Section 12.15, sometimes results in the granting of the aggrieved employee's request for promotion. It is also recognized that the aggrieved employee is not always the senior person in the classification, although senior to the person the aggrieved seeks to replace. When such a grievance is adjusted in the above manner, the adjustment is not to be

construed as a separate promotion in accordance with the definition as set forth in Article 12, Section 12.15. The only promotion in such cases will be construed to have taken place on the date the junior employee was reclassified to the available opening. If more than one (1) grievance is filed against the promotion of a junior employee, such grievances will be adjusted in seniority order only against such originally promoted junior employee.

12.15(d) Lateral Transfer Procedures. Employees who possess the proper qualifications and skills may laterally transfer to another job classification within the same labor grade with no increase in wages through use of the Job Posting Program. However, release of employee is contingent upon an available qualified replacement having been identified.

ARTICLE 13
JURY AND WITNESS DUTY

Section 13.1 An employee absent from work due to required jury duty will be paid for such lost hours at his current straight time base rate, including shift differential where applicable, up to a maximum of eight hours per day, for each regular workday the government body that summoned the employee for jury duty pays the employee. Such payments shall be limited to twenty (20) days in any one calendar year except for grand jury where such payment shall be limited to thirty (30) days in any one calendar year.

Employees will be paid eight (8) hours jury duty pay and will be excused from their scheduled shift if they serve more than four (4) hours on the day so assigned as a juror. All other employees must report for work provided there are more than four (4) hours available on their shift either prior to their scheduled report time for jury duty or after their release from jury duty (two (2) hours of this time will be considered as travel preparation time). Second and third shift employees summoned to jury duty will be temporarily assigned to first shift on a weekly basis during the time required to serve. Fees received for jury duty will not be deducted from such pay. The employee will furnish to the Company evidence satisfactory to the Company showing the performance of jury duty that meets the requirements of this Section 13.1.

Section 13.2 An employee absent from work in order to comply with a subpoena as a witness in a federal or state court of law, will be paid for such lost hours at his current straight time base rate, including shift differential where applicable, up to a maximum of eight (8) hours per day, for each regular workday for which he is paid a daily witness fee. Such payments shall be limited to twenty (20) days in any one calendar year. Employees will be paid eight (8) hours witness duty and will be excused from their scheduled shift if they serve more than four (4) hours on the day so serving as a witness. All other employees must report to work provided there are more than four (4) hours available on their shift either prior to their scheduled report time for witness duty or after their release from witness duty (two (2) hours of this time may be considered as travel preparation

time). Witness fees will not be deducted from such pay. An employee is not entitled to such pay under this Section 13.2 in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his own behalf in an action in which he is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his outside employment or outside business activities. The employee will furnish to the Company evidence satisfactory to the Company showing his attendance as a witness that meets the requirements of this Section 13.2.

ARTICLE 14
SHORT-TERM MILITARY DUTY

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

ARTICLE 15
RATES OF PAY

Section 15.1 Rates of Pay.

> **15.1(a)** The base wage for employees covered by this agreement shall be as identified in Appendix A.

Section 15.2 Effective Date of Increase. The effective date of any pay increase identified in this agreement, shall be the first day of the next pay period, exceptions to this will be temporary assignments.

Section 15.3 Reassignments. When an employee is downgraded for any reason their hourly rate will be reduced to the maximum of the new labor grade or the employee's current hourly rate whichever is lower.

Section 15.4 Shift Differential. Employees assigned to the second and third shifts shall receive a shift differential of one dollar ($1.00) per hour for all hours actually worked in that workday. Employees reporting to work between the hours of 12:00 p.m. and 3:59 a.m. will receive shift differential.

Section 15.5 An employee will receive shift differential as identified in Section 15.4 when the employee is assigned to either Second or Third Shift. In those situations where an employee is required to work either pre-shift or post-shift overtime, shift differential will not be paid unless the employee is regularly assigned to the Second or Third Shift.

Section 15.6 Automatic Wage Increases: Each employee will, the first pay period of each January and July automatically progress through the rate range by advancing .50 cents per hour until the maximum rate for the assigned classification has been achieved.

If at the time of an automatic increase an employee's base rate is .49 cents per hour or less from the maximum base rate of the classification, the increase will be the amount necessary to reach the maximum base rate of the classification.

Section 15.7 Pay Rates For New or Revised Occupational Classifications. In the event the Company desires to establish new classifications or revise existing occupational classifications, the wage rates shall be subject to negotiations. Operations shall not be delayed through failure to immediately agree upon wage rates and classifications. In such cases, wage rates will be established and placed into effect. If a negotiated wage rate is established which is higher than the proposed rate, it will be paid retroactive to the start date of the classification. Inability to agree on a negotiated wage rate may be referred to Arbitration.

Section 15.8 Paydays. All employees will be paid in accordance with the Jacobs Technology Inc. processes on a weekly basis of every Friday via **electronic direct deposit for all employees**.

Section 15.9 Report Time/Call-In Time. If an employee reports for work in accordance with instructions he shall receive a minimum of four (4) hours pay at his base rate. Report time will not apply in case of emergency shut down arising out of any condition beyond the company's control. An employee who leaves work of his/her own volition, or because of incapacity (other than industrial injury), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day. An employee that leaves work because of incapacity due to occupational injury/illness will be paid eight hours pay at his base rate. Where work is assigned to an employee on either the employee's sixth (6th) or seventh (7th) workday, or both, and the employee has not been notified of cancellation of such work at least one (1) hour prior to its start, and the employee reports to work, the employee shall receive a minimum of four (4) hours work or four (4) hours pay. Hours not worked shall be considered as straight time hours, and hours worked shall be paid at the applicable overtime rate.

Section 15.10 Wage Payment Basis. Employees shall be paid for time worked computed to the nearest one-tenth hour.

Section 15.11 Promotional Increases. The Company agrees to grant an increase to employees who are promoted to a higher rated job classification. Such promotional

increase will be to the minimum of the higher rated job classification or thirty cents ($.30) per hour, whichever is greater.

ARTICLE 16
VACATION BENEFITS

Section 16.1 General. It is the policy of the Company to grant vacation to employees as it accrues. It is believed that a reasonable period of time away from the job is conducive to good health and well-being and can have a refreshing effect that is to the advantage of the Company as well as the employee. Accordingly, it is management's responsibility to allow each eligible employee the opportunity to take a vacation each year.

Section 16.2 Accumulation of Credits. Vacation credits will be awarded according to the schedule as listed in this section. Credit will be given for the employee's total length of service which is continuous with the Company, and other predecessor contractors who performed similar work at Kennedy Space Center/Cape Canaveral Air Station, and was determined to be a predecessor to the Company under the Service Contract Act.

Section 16.3 Eligibility Conditions. The vacation service date will be the date of last hire by the Company or predecessor contractor at Kennedy Space Center/Cape Canaveral Air Station, when service was continuous, or the most recent rehire date following a termination.

Section 16.4 Allowance for Use of Credits. An employee who meets the requirements as set forth in this section shall be eligible for vacation credits in accordance with the following:

Section 16.5 Computation of Credit. The credit to which an employee shall be entitled on the vacation award date, shall be computed in accordance with the following rules:

16.5 (a) Vacation Crediting: Vacation will be credited to the employee's account weekly, in hourly increments, as they are earned.*

16.5 (b) Vacation Accrual Rate:

Continuous Service Credit

FROM	LESS THAN	VACATION ____
0 Years	5 Years	10 Days (80 hours)
5 Years	15 Years	15 Days (120 hours)
15 Years or More		20 Days (160 hours)

*Includes hours paid for the following: sick leave, vacation, holiday, military duty, jury duty, witness pay.

Section 16.6 Unused Vacation Credit. It is the intent of the parties that employees use vacation credit as vacation.

16.6(a) The Maximum Vacation Accrual, (i.e. maximum unused vacation) which may be accumulated and credited to an employee's account will be a maximum of 240 hours.

16.6(b) An employee's allowable year-end vacation accrual balance (October 1 through September 30 – approximate dates based on the Company's fiscal year start/end) cannot exceed the year-end balance of 160 hours.

Any time above 160 hours will be forfeited.

16.6(c) Employees have the ability to verify vacation balances on a daily basis via the electronic time card to ensure that the end of the fiscal year balance will not exceed the year end limit of 160 hours in an effort to eliminate lost time.

Section 16.7 Vacation Award. Vacation time will be paid at the employee's working rate, not to exceed forty (40) hours per week. Accrued vacation may be taken at a time mutually agreeable between the employee and the Company. Vacation time may be taken as it is accrued, immediately commencing from the employee's date of hire, in increments as small as .1 –(tenth of an hour) hours.

Section 16.8 Use of Vacation Credits. Vacation credits are to be used in units equal to the scheduled hours in the employee's normal workday; however, vacation credits may be used in lesser amounts to permit a partial day absence. Also, in cases when sick leave credits are exhausted, a partial day of absence for sick leave may be charged against vacation credits in any amount up to the scheduled hours in the employee's normal work day.

16.8 (a) An employee shall use his unused vacation credit accrued in his account as vacation with pay at the rate in effect at the time his vacation begins, including shift differential where applicable, subject to the following conditions:

16.8(a)(1) The Company will endeavor to schedule his vacation as requested.

16.8(a)(2) In instances where Company management believes the awarding of vacations as requested would interfere seriously with production requirements, the scheduling of vacations shall be as near to the dates requested as possible.

16.8(a)(3) When approving time off, preference will be given to senior employees whose Vacation Authorization forms have been received by Management no more than one-hundred and twenty (120) nor less than sixty (60) calendar days prior to the proposed start of vacation. Vacation requests received after the thirty (30) calendar days will only be approved on the basis of production requirements. Prior approved vacations will not be canceled as a result of requests filed less than sixty (60) calendar days prior to the proposed start of vacation.

Section 16.9 Termination. An employee who is removed from the active payroll shall be provided pay-in-lieu of vacation for all unused and accrued vacation credits in his account, regardless of reason for termination.

ARTICLE 17
SICK LEAVE

Section 17.1 Accumulation of Sick Leave. Employees on the Company's active payroll shall be granted 80 hours of sick leave per fiscal year. Sick leave granted under the provisions of this Article shall consist of 48 hours of Guaranteed Sick Leave and 32 hours of Non-Guaranteed Sick Leave. An advance of 80 hours is given as of the first pay period of (October) each fiscal year. Sick leave is earned at the rate of 1.5384 hours per week and credited against the employee's account.

The sick leave is advanced to employees ahead of the time it is actually earned. Therefore, if an employee terminates his employment before the end of the twelve month period (October 1 through September 30 – approximate dates based on the Company's fiscal year start/end) for which he has received an advance of sick leave and if he has charged more sick leave than a pro rata share of credits earned for weeks of service rendered, he will owe the balance to the Company.

New hire employees will be given a pro-rated amount of sick leave with up to the first 48 hours stated as Guaranteed Sick Leave with any amount above that up to the maximum of 32 hours as Non-Guaranteed Sick Leave.

17.1(a) Sick Leave Pay

Payment for sick leave shall be at the employee's straight time base rate, including shift differential where applicable, not to exceed a maximum of eight (8) hours pay for any one-day of absence. Sick leave time absences shall be taken and paid in units to the nearest tenth of an hour. An employee who takes a disability leave of absence will not receive any sick leave pay for which he is eligible for any of the days in question unless he makes a written request to Human Resources.

17.1(b) Time Charge

Sick leave time absences shall first be charged to an employee's unused Guaranteed Sick Leave balance, upon depletion of such balance any additional sick leave time absences, up to the maximum provided for in Section 17.1 of this Article, shall be charged against the employee's Non-Guaranteed Sick Leave balance.

17.1(c) Sick Leave Payout

Any unused Guaranteed Sick Leave allowed each year will be paid to each employee at the employee's straight time base rate the last pay period of the fiscal government year (October). Employees shall not receive sick leave pay for any unused Non-guaranteed Sick Leave. Unused non-guaranteed sick leave will be accumulated for future use. Accumulated non-guaranteed sick leave is paid out only for qualifying absences and is forfeited upon termination.

Sick leave credits will not be accrued during periods of layoff, strike, or after the first thirty calendar days of a leave of absence.

Section 17.2 An employee who has reserve sick leave credits available will maintain reserve hours available to use after current sick leave is exhausted.

Section 17.3 Use of Sick Leave. An employee shall be eligible to use sick leave credits only when such credits are available for use or to the extent of available accumulated credits in his sick leave account. Payment for sick leave shall be at the employee's straight time base rate, including shift differential where applicable, not to exceed a maximum of eight (8) hours pay for any one day of absence.

Section 17.4 Sick leave shall be granted under the following conditions:

17.4(a) Illness of employee.

17.4(b) Illness in the immediate family, i.e., spouse, mother, father, mother-in-law, father-in-law, children, brother, brother-in-law, sister-in-law, sister, son-in-law, daughter-in-law, grandparents, and grandchildren.

17.4(c) Medical or dental appointments (Employees should be encouraged to arrange medical or dental appointments so as to avoid absence from work when reasonably practical.)

17.4(d) Bereavement.

Section 17.5 All sick leave payments must be approved by the employee's supervisor.

Section 17.6 When sick leave cannot be charged because the employee has exhausted all sick leave credits and he is not yet eligible for an award of his next sick leave credits; the employee may use available vacation credits or be granted leave without pay.

Section 17.7 Employees on leave of absence may use sick leave credits only if the leave is for medical reasons

Section 17.8 Termination An employee removed from the active payroll regardless of reason, shall be eligible to receive payment for sick leave credits accumulated in his reserve sick leave account prior to January 2002 (predecessor contractor bank). Unused sick leave hours will not be paid upon termination.

Section 17.9 It is expressly agreed between the parties that the terms of this Agreement, and any accrual benefits are binding on any successor contractor or successor employer whether said successor takes over all or part of the operation. Specifically, but without limitation accrued but untaken sick leave shall continue as an obligation of any successor contractor or successor employer, and the employees covered by the collective bargaining agreement shall continue to have their individual credit with said successor the full amount of sick leave accrued, and shall continue to accrue benefits of this article.

Section 17.10 Flex Time At the employee's option, with Manager/Supervisor approval, he may voluntarily flex his schedule on a daily basis to meet personal needs such as Doctor's appointments and childcare arrangements. An employee may choose this option to avoid using sick time or vacation leave to meet the required 40-hour workweek. To exercise this option, an employee will request this option in writing, in advance, and the Manager/Supervisor may approve as meets scheduling needs and customer requirements. The Company and Union agree this is a voluntary program and will result in no additional compensation including shift differential pay, overtime, special operations pay, and emergency non-scheduled duty pay.

ARTICLE 18
HOLIDAYS

Section 18.1 The following holidays shall be observed by the bargaining unit personnel:

2008 Holidays

Thanksgiving Day	**Thursday**	**November 27, 2008**
Friday following Thanksgiving	**Friday**	**November 28, 2008**
Year-End Holiday	**Wednesday**	**December 24, 2008**
Year-End Holiday	**Thursday**	**December 25, 2008**
Year-End Holiday	**Friday**	**December 26, 2008**
Year-End Holiday	**Monday**	**December 29, 2008**
Year-End Holiday	**Tuesday**	**December 30, 2008**
Year-End Holiday	**Wednesday**	**December 31, 2008**

2009 Holidays

New Year's Day	**Thursday**	**January 1, 2009**
Memorial Day	**Monday**	**May 25, 2009**
Independence Day	**Friday**	**July 3, 2009**
Labor Day	**Monday**	**September 7, 2009**
Thanksgiving Day	**Thursday**	**November 26, 2009**
Friday following Thanksgiving	**Friday**	**November 27, 2009**
Year-End Holiday	**Thursday**	**December 24, 2009**
Year-End Holiday	**Friday**	**December 25, 2009**
Year-End Holiday	**Monday**	**December 28, 2009**
Year-End Holiday	**Tuesday**	**December 29, 2009**
Year-End Holiday	**Wednesday**	**December 30, 2009**
Year-End Holiday	**Thursday**	**December 31, 2009**

2010 Holidays

New Year's Day	**Friday**	**January 1, 2010**
Memorial Day	**Monday**	**May 31, 2010**
Independence Day	**Monday**	**July 5, 2010**
Labor Day	**Monday**	**September 6, 2010**
Thanksgiving Day	**Thursday**	**November 25, 2010**
Friday following Thanksgiving	**Friday**	**November 26, 2010**
Year-End Holiday	**Friday**	**December 24, 2010**
Year-End Holiday	**Monday**	**December 27, 2010**
Year-End Holiday	**Tuesday**	**December 28, 2010**
Year-End Holiday	**Wednesday**	**December 29, 2010**
Year-End Holiday	**Thursday**	**December 30, 2010**
Year-End Holiday	**Friday**	**December 31, 2010**

2011 Holidays

New Year's Day	**Monday**	**January 3, 2011**
Memorial Day	**Monday**	**May 30, 2011**
Independence Day	**Monday**	**July 4, 2011**
Labor Day	**Monday**	**September 5, 2011**
Thanksgiving Day	**Thursday**	**November 24, 2011**
Friday following Thanksgiving	**Friday**	**November 25, 2011**
Year-End Holiday	**Friday**	**December 23, 2011**
Year-End Holiday	**Monday**	**December 26, 2011**
Year-End Holiday	**Tuesday**	**December 27, 2011**
Year-End Holiday	**Wednesday**	**December 28, 2011**
Year-End Holiday	**Thursday**	**December 29, 2011**
Year-End Holiday	**Friday**	**December 30, 2011**

2012 Holidays

New Year's Day	**Monday**	**January 2, 2012**
Memorial Day	**Monday**	**May 28, 2012**
Independence Day	**Wednesday**	**July 4, 2012**
Labor Day	**Monday**	**September 3, 2012**

Section 18.2 Unworked Holidays. Eligible employees shall receive eight (8) hours pay for unworked holidays (those holidays designated above), at their base rate in effect at the time the holiday occurs, plus shift differential, if applicable.

Section 18.3 Worked Holidays. Employees who are required to work on the above-named holidays shall receive the pay due them for the holidays, plus double their base rate for all hours worked on such holiday, plus shift differential, if applicable, unless the employee starts to work at 10:30 P.M., or thereafter on that day.

Section 18.4 Holidays During Vacation. Should a holiday occur while an employee is on vacation, the employee shall be allowed to take one (1) extra day of vacation with pay in lieu of the holiday as such.

Section 18.5 Holiday Observance When Occurring on a Scheduled Day of Rest. When a holiday falls on an employee's scheduled day of rest, the holiday will be moved in accordance with the following:

> **18.5(a)** If the holiday falls on the first day of rest, the last work day immediately preceding the holiday will be observed as the holiday.
>
> **18.5(b)** If the holiday falls on the second day of rest, the first work day immediately following the holiday will be observed as the holiday.

ARTICLE 19
GROUP BENEFITS

Section 19.1 Group Benefits for Active Employees. The parties agree that the Company will provide medical insurance for Hourly Employees or as otherwise noted in the Company offer, as negotiated between the Company and the International Association of Machinists and Aerospace Workers, Local 1163, AFL-CIO for employees working under this agreement. The parties recognize that the current plan terms and benefits may change in the future and agree that such changes will be applied under this Agreement and will be made a part hereof. In order to maintain current rates, the parties mutually agree to meet in the event the cost to the Company is greater than 10% to the plan on the annual renewal rate.

Section 19.2 Benefits

NOTE: THIS IS INTENDED TO BE A BRIEF SUMMARY OF EMPLOYEE BENEFITS. IN THE EVENT OF A DISCREPANCY BETWEEN THIS SUMMARY AND A PLAN DOCUMENT, THE PLAN DOCUMENT WILL TAKE PRECEDENCE.

a. **Short Term Disability**

The company provides, at no cost, short term disability pay after a seven (7) day period (on the eighth (8th) day), which replaces sixty (60%) percent of an employee's straight time rate for up to twenty-five (25) weeks, for a total coverage of twenty-six (26) weeks (180 days).

b. **Long Term Disability**

Employees are provided, at no cost, with a sixty (60%) percent disability income replacement benefit, after satisfying a 180-day waiting period. Benefits are payable up to age 65 except for mental/nervous disorders, which are limited to twelve (12) months.

c. **401(k) Saving Plan**

All regular employees are eligible to participate in the 401(k) Savings Plan effective on their date of employment. Employees may contribute up to 50% of base pay. Employees are immediately 100% vested. Restrictions apply to part-time eligibility.

The Company matches employee contributions at 50% for up to the first 6% an employee contributes on a weekly basis. Basic compensation is limited to base pay not to exceed 2080 hours per year.

Employees may invest in one or all of the thirteen investment options offered through Vanguard. Employees are eligible for Company contributions when they complete one year of service.

d. **Basic Life Insurance**

The Company provides a basic term life insurance policy equal to an employee's annual base pay (rounded up to the next $1,000). Because this coverage may result in additional "imputed income" employees have the right to waive this company-provided coverage. If an employee elects to waive coverage, he/she may not elect coverage at a later date.

e. **Supplemental Life Insurance**

Employees may purchase Company offered supplemental life coverage in $10,000 increments up to $500,000. Policies over $200,000 in coverage will require evidence of insurability.

f. **Spouse Life Insurance**

Employees can purchase Spouse Life Insurance from $10,000 to $250,000, in $10,000 increments limited to fifty-percent (50%) of the employee's Supplemental Life amount. When electing spousal coverage at the employee's first opportunity, the spouse will not be required to furnish evidence of insurability for amounts of coverage up to $50,000.

- **Children Life Insurance**

  Employees may purchase either $5,000 or $10,000 of coverage.

g. **Accidental Death & Dismemberment Insurance**

The Company provides $10,000 of Accidental Death and Dismemberment coverage at no cost. Employees may purchase additional AD&D coverage in $10,000 increments up to $500,000 in coverage, or up to ten (10x) times the employee's annual salary.

h. **Travel Accident**

The Travel accident plan provides three (3x) times the employee's annual salary with a minimum benefit of $100,000 and a maximum benefit of $500,000.

i. **Medical, Dental, Vision, Prescription Drug Coverage**

The Company provides PPO medical, dental, vision and pharmacy coverage at a cost to the employee of the following:

	Employee	Family	Working Spouse
PPO 703	**$47.57/month**	**$133.39/month**	**$233.39/month**
PPO 1748	**$37.93/month**	**$117.01/month**	**$217.01/month**

All rates are based on a calendar year. The above rates reflect the **2008** cost share for medical benefits. Effective January 1, **2009** and each new plan year, the employee cost share will be adjusted for changes in the medical coverage with up to a 15% maximum increase to the selected cost based on increases the Company will incur. Each year employee costs may increase up to 15% based on increases to the Company cost.

j. **Flexible Spending Accounts**

Flexible Spending accounts are defined as a Medical Reimbursement Account (MRA) or a Dependent Care Reimbursement Account (DCR). Employees enrolled in the MRA can set aside up to **$7,500** in tax-free dollars per full year for eligible medical expenses. Employees enrolled in the DCR can set aside up to $5,000 in tax-free dollars per year for dependent care expenses.

k. **Employee Assistance Program (EAP)**

Employees and their family members are provided with an on-site confidential counseling assistance program. This voluntary program is available to assist those who experience a need for counseling assistance related to problems such as substance abuse, family problems, and a variety of other stressful situations.

l. **Long Term Care Insurance**

The Company offers the opportunity to enroll in a Long Term Care Insurance Policy. This policy provides benefits should an employee or a family member become ill or injured and require long term care outside of a hospital environment.

m. **Employee Stock Purchase Plan**

This plan allows employees with one year of service to purchase Jacobs stock at a discount. The purchase is made by a payroll deduction of 2% to 15% of base pay. At the end of each option period, shares are transferred to an account set up in the employee's name at Computershare Trust Company.

Option periods and Company discounts are subject to change at any time and are not subject to the grievance procedure.

n. **Tuition Reimbursement Limit**

The Company supports a comprehensive training and education program to develop, increase, or upgrade employee skills. One aspect of the program is the Undergraduate and Graduate Study program. This includes undergraduate and graduate level courses taken for credit or audit, on campus or by extension through educational institutions, and undergraduate senior-level courses that are a requisite part of the prescribed curriculum for the graduate degree the employee is pursuing. When involved in an approved program the employee pays for all courses and is reimbursed by the Company after successful completion of coursework. The maximum payment in any calendar year is **$5,000** per employee.

o. **Bereavement**

Bereavement Leave: All regular full-time employees who have completed the ninety-day (90) probationary period are eligible to attend the funeral of a member of their immediate family. Employees are permitted to take up to two (2) days off without loss of pay in connection with the death of an immediate family member. For purposes of this section immediate family is considered to include the employee's spouse, children, stepchildren, siblings, parents, stepparents, step-siblings, foster parents, foster children, parents-in-law, legal guardians, grandparents, and grandchildren. All leave granted under this section shall be taken between the date of death and two days following the date of the funeral or service, inclusive.

ARTICLE 20
SAVINGS AND RETIREMENT PLAN

Section 20.1 I.A.M. National Pension Fund, National Pension Plan

(A) JACOBS TECHNOLOGY INC. shall contribute to the I.A.M. National Pension Fund, National Pension Plan for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement as follows: One dollar and fifty cents (**$1.50**) per hour effective **September 30, 2006**.

(B) The Employer shall continue contributions based on a forty (40) hour workweek while an employee is off work due to paid vacations, holidays, jury duty or bereavement.

(C) Contributions for a new employee are payable at the completion of the employee's probationary period but no later than 90 calendar days after date of hire. Upon successful completion of the employee's probationary period the employer will contribute for the employee retroactive to their date of hire.

(D) The I.A.M. Lodge and 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) Increases to the hourly amount will be as follows: effective **October 4, 2008 - $1.70, October 3, 2009 - $1.90, October 2, 2010 - $2.10, and October 1, 2011 - $2.40**.

This Article contains the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provisions I this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the said Pension Fund. JS IRS ID# 62-0510412.

ARTICLE 21
DURATION

This Agreement shall become effective as of **September 27, 2008** (which date is the date as of which this Agreement was executed, sometimes referred to as the "effective date of this Agreement"), and shall remain in full force and effect until midnight, September **30, 2012** and shall automatically be renewed for consecutive periods of one year thereafter September **30, 2012** unless either party shall notify the other in writing, at least sixty days, but not more than seventy-five days prior to September **30** of any calendar year, beginning with **2012**, of its desire to terminate the Agreement, in which event this Agreement shall terminate at midnight at the close of such September **30** unless renewed or extended by mutual written agreement. In the case of such notice, the parties agree to meet immediately thereafter for the purpose of negotiating a new agreement or a written renewal of this Agreement.

SIGNATURES OF THE PARTIES:

IN WITNESS WHEREOF, the Company and the Union have caused this Agreement to be signed by their authorized representatives.

International Association of Machinists and Aerospace Workers, AFL-CIO

Nick Mrdjenovich
Business Representative
IAM&AW District 166, Local Lodge 1163

Benjamin Narvaez
Union Committee Member

Russell J. Hagerstrom
Union Committee Member

Bradley D. Smith
Union Committee Member

Jacobs Technology Inc. Technology Group

Patrick Campbell
Program Manager

Lee Whitham
Director, Human Resources
Jacobs Technology Inc.

Cindy Robertson
Manager, Human Resources

Steven Iapicco
Manager, Labor Relations
Jacobs Technology Inc.

LETTER OF UNDERSTANDING #1

DRUG AND ALCOHOL TESTING PROGRAM

The Company continues to be vitally concerned with the health, safety, and well being of all employees. It is recognized that illegal drug use and alcohol abuse can create serious problems for workers, their families, the workplace, and the community. Our goal is to make every effort to provide education and assistance to employees and their families, to encourage employees to receive treatment as needed, and to foster and encourage an environment that is free of illegal drug use and alcohol abuse.

The Company has developed a high quality program for Drug and Alcohol Testing. This program will meet the provisions of the Federal Government's Drug-Free Workplace Act of 1988 and NASA and Department of Defense directives for a Drug-Free Workplace.

Management and the Union recognize the need for a partnership to successfully achieve a Drug-Free Workplace. We look forward to the continued support of all teammates in meeting our goal of achieving a workplace that is free of illegal drug use and alcohol use.

The published policy includes, but is not limited to: random testing, as well as testing for reasonable suspicion, testing following an accident and testing upon return to work for a positive drug or alcohol test.

If a challenged test is requested after a positive analysis, the employee agrees to pay fees incurred from a second test of the same sample performed by the contracted lab. If the second test is negative, the Company will reimburse the incurred fees. The Union shall have the right to inspect the testing lab and verify the chain of custody and, at no time shall the employee or Union be asked to waive constitutional, common law or contractual rights.

The Company is committed to conducting the highest quality drug-free workforce program that protects the privacy and best interest of our employees. Furthermore, the Company encourages those who need help or counseling to contact the Employee Assistance Program (EAP).

Human Resources has oversight responsibility for the Testing Program to verify consistency with and adherence to this policy.

LETTER OF UNDERSTANDING #2

Special Work Week

The Company and the Union jointly agree to form a team to develop guidelines for a special workweek consisting of four 10-hour days, should the need arise. The team shall equally consist of union negotiators and company representatives. The team shall report their progress on a weekly basis to the Manager, Human Resources or his designee.

Implementation of the special workweek shall be with concurrence by the Company and the Union.

LETTER OF UNDERSTANDING #3

DATA

The Company agrees to furnish the Union the following reports with respect to the records of employees in the Bargaining Unit.

1. Seniority roster by classification and seniority.
2. The number of employees in each classification
3. Average wage of each classification
4. The total population of each Labor Grade
5. Names of employees on active layoff status
6. Names of employees on Leave of Absence

LETTER OF UNDERSTANDING #4

Temporary Duty Travel

Temporary duty (TDY) travel shall be on a rotation basis, whereas the most senior, and qualified employee in the affected department, classification and shift are given first preference. Should they accept, they will then be disqualified from future travel until all others in the same department, classification and shift are offered the same opportunity.

LETTER OF UNDERSTANDING #5

Lateral Movement Within A Classification

The Company shall have the unrestricted right to assign employees to different tasks within and between departments to accomplish work assignments. Not withstanding these rights, the Company shall recognize an employee's desire to change their home assignments/locations.

When the company determines that it is necessary to hire a new employee, an employee currently holding the same classification as that which is being posted may request consideration for transfer to the department requiring the new employee. The criteria used to select will be:

1. The most senior qualified employee requesting consideration shall receive first consideration.

2. The employee possesses all skills required by the hiring department.

3. The employee has not been previously transferred to another department for reasons other then workload requirements.

4. The employee has identified to management in writing or e-mail of the request within 5 working days of the first day of the job's posting.

5. A limit of one employee transfer shall be allowed per each job posting.

6. The release of the selected employee may be contingent upon the replacement by a qualified employee. The selected employee will be transferred to the new position within (90) working days unless extended by mutual agreement by the parties.

7. Lateral transfer within a classification shall in no way limit the company's right to initiate departmental transfers or departmental loans.

8. This process eliminates any requirement for notification or justification to employees not selected.

Denial of request or other disputes arising in regards to lateral transfer shall not be subject to the grievance procedure.

LETTER OF UNDERSTANDING #6

AGREEMENT BETWEEN THE IAMAW AND JACOBS TECHNOLOGY INC.

SUBJECT: MACHINIST CUSTOM CHOICES WORKSITE BENEFITS PROGRAM

This agreement acknowledges that Jacobs Technology Inc. has agreed to allow the International Association of Machinists and Aerospace Workers to offer the Machinists Custom Choices Worksite Benefits program of supplemental life insurance and long term disability insurance to its members in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Furthermore, the Parties agree that if any other product from EBS is added as a benefit for other IAM-represented employees of Jacobs Technology Inc., then they will meet and confer on adding those products for employees covered by this Agreement. It is understood that all policyholder service will be provided by the underwriter and EBS and that members will be given an opportunity annually to spend up to fifteen minutes with an EBS Counselor off site during off hours. This service will begin as soon as practicable. It is understood that the Company is not the plan sponsor and is not responsible for plan administration, enrollment, or communication.

It is further agreed as a condition of offering this payroll deduction service that EBS will comply with Company Payroll administration and procedures that will include the following basic requirements:

> Each participating employee will complete a Deduction Authorization card that contains the employee's name, social security number, deduction name(s) or type(s), employee signature, and date.
>
> Information affecting account activity, including, but not limited to enrollment, policy cancellations, deduction changes, premium rate changes, and other changes affecting the employee deduction amount, must be received by Jacobs Technology Inc. Payroll by the 20th of the month proceeding the month in which the deduction will be effective.
>
> Any deduction amount not collected due to lack of earnings will be the responsibility of EBS. Jacobs Technology Inc. payroll will not collect amounts in arrears or provide an account reconciliation service.

Deductions will be made from the employee's first paycheck each month.

LETTER OF UNDERSTANDING #7

Lead Positions

A new classification will be developed as a Lead. The Company will have the right to designate the number of Leads. Lead positions will be filled through an interview process through the job posting process to include, but not be limited to, seniority. Employees must have a minimum of two (2) years seniority in the classification that the lead position will be posted. Employees holding this classification will receive $1.00 per hour more than the negotiated wage rate of the maximum of the classification the Lead is assigned. Both parties agree this is not a separate classification for purposes of layoff.

LETTER OF UNDERSTANDING #8

Mid-Term Meeting

The Company and the Union agree to have a Mid-term meeting prior to the beginning of year three **(10/1/10)** to explore any economic changes either side would like to address. Both parties agree that neither side is obligated to make changes to this agreement. The meeting will consist of teams designated by the Program Manager for the Company and the Business Representative for the Union.

LETTER OF UNDERSTANDING #9

Overtime Restriction

Employees placed on modified duty **will be charged as unavailable on the overtime wheel** until **they are released to full duty**. Upon return to full duty (with a release from their health care provider and the Occupational Health Facility) **the employee will become eligible for overtime**.

LETTER OF UNDERSTANDING #10

Overtime List Departments

It is understood and agreed to by Jacobs Technology Inc. (Company) and the IAMAW (Union) that this agreement relates to the CAPPS contract dated October 25, 2003 to September 26, 2008 the portion pertaining to ARTICLE 7 – Overtime and ARTICLE 12 – Workforce Administration.

The Company and the Union have agreed on the following:

1. Effective January 1, 2007 the classification of Facility Maintenance Technician will include the following Departments:
   - HVAC
   - Electrical
   - Mechanical
   - Crane Crew
   - Load Test Shop
2. Effective January 1, 2007 the overtime lists for each department listed in 1. above will be "zeroed" out in accordance with paragraph 7.3(j) of the CBA with the total hours for each department ranging from zero (0) to a maximum of forty (40).
3. Effective January 1, 2007 ARTICLE 12, Section 12.2(a) shall be revised to read, "The employee with the least seniority in the reducing classification."

The aforementioned are and collectively agreed to by signature of all the parties as signed below, on this 19th day of December 2006.

Nick Mrdjenovich
Business Representative
IAM&AW District 166, Local Lodge 1163

Steven Iapicco
Manager, Labor Relations
Jacobs Technology Inc.

APPENDIX A

CLASSIFICATION AND WAGE SCHEDULE

Classification	Oct. 2007		Oct. 2008		Oct. 2009		Oct. 2010		Oct. 2011	
			Eff 10/4/08		Eff 10/3/09		Eff 10/02/10		Eff 10/1/11	
	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX	MIN	MAX
			4.00%		3.00%		3.00%		4.50%	
Material Specialist	$14.18	$20.59	$17.75	$21.41	$18.28	$22.05	$18.83	$22.71	$19.68	$23.73
Support Specialist	$14.18	$20.59	$17.75	$21.41	$18.28	$22.05	$18.83	$22.71	$19.68	$23.73
Metrology-Calibration Technician	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Facility Maint. Tech.	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Inspector	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Machinist	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Welder	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Transportation Spec.	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Corrosion Control Technician	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31
Electro Magnetic Effects Technician	$18.49	$27.15	$22.23	$28.24	$22.90	$29.09	$23.59	$29.96	$24.65	$31.31

NOTE: (to the nearest penny) for each year of the contract effective on the first pay week of the Government fiscal year (Oct).

NOTE: Includes one-time $3.00 increase to minimum of rate range after 4% wage increase was applied.