COLLECTIVE BARGAINING AGREEMENT

BETWEEN

BOEING DEFENSE SPACE AND SECURITY (BDS)

CHECKOUT, ASSEMBLY & PAYLOAD PROCESSING SERVICES CONTRACT

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO

and its

DISTRICT 166, LOCAL LODGE 1163

KENNEDY SPACE CENTER

Effective Date: AUGUST 12, 2010

Expiration Date: AUGUST 13, 2013

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LOCAL LODGE 1163

THIS AGREEMENT, dated as of the 12th day of August, 2010 by and between Boeing Defense Space and Security, Checkout, Assembly and Payload Processing Service Contract (CAPPS), (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

ARTICLE 1
RECOGNITION

Section 1.1 Recognition. The Company recognizes the Union as the exclusive collective bargaining agent for the employees at Boeing Checkout, Assembly and Payload Processing Services Contract (CAPPS) - Kennedy Space Center, Florida, 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.

Section 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 Boeing-CAPPS Program at Kennedy Space Center, Florida, who are hereafter classified in the job classifications set forth in Section 15.15.

Section 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 is vested exclusively in the Company subject to the terms of this Agreement. All matters not specifically and expressly covered or treated by the language of this Agreement may be administered for its duration by the Company in accordance with such policy or procedure as the Company from time to time may determine.

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 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 3.5 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 When a system is developed and agreed to by the parties, the Company shall issue all union payments such as union dues, initiation fees, etc. via an electronic funds transfer process only.

Section 3.8 All dues increase or change letters must be received a minimum of thirty (30) days prior to implementation.

Section 3.9 All dues deduction changes must be received by the company by the third Monday of the month in order to be processed during the following month.

Section 3.10 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 3.11 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 3.12 Shop Stewards. The Company will agree to recognize four (4) Shop Stewards until January 5, 2011, at which time the number will be reduced to three (3) until the last shuttle launch, at which time the number of Shop Stewards will be reduced to two (2), until the end of the CAPPS contract as identified in Article 1. The Union shall keep the Company Manager of Human Resources 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.

Section 3.13 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 3.13 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 3.14 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 3.15 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 3.16 Time Off for Union Business. Upon receipt, three (3) 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 3.17 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 Director-Human Resources for Boeing. They or their authorized representatives, shall discuss the grievance within ten (10) working days after receipt. The Company's decision shall be given, in writing, to the Union by the Director-Human Resources or Designee within ten (10) working days after the discussion of the grievance. This grievance shall contain the information defined in Paragraph 4.2(b).

4.1(b) The Director's decision on such appeal shall be given to the Union, in writing, within ten (10) 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 Manager.

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 ten (10) 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 ten (10) 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 ten (10) working days from the date of the Step One decision, may submit the grievance to the Director-Human Resources or Designee.

The Director-Human Resources or Designee and the District Business Representative shall convene the Step Two meeting within ten (10) 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 Director-Human Resources within ten (10) 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 Director-Human Resources 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 Director-Human Resources 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 Labor Relations Representative of the name(s) of known witness(es) at least two (2) hours prior to the scheduled hearing.

Section 4.3 Request for Arbitration. Within ten (10) working days from the date of receipt of the decision of the Director-Human Resources 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) 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(c) Seniority of Union Representatives. Union Representatives shall be entitled, subject to their ability and qualifications to perform the required services of any remaining classification, to displace in accordance with their seniority rights, and without regard to their seniority, to be the last employees laid off.

5.2(c)(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(d) 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 12.9 or Sections 12.10(c) and 12.10(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 (a) a period of seven (7) years for employees with seven years or more seniority at the time of layoff, (b) a period of five years for employees with five years or more of seniority at the time of layoff, (c) a period of two (2) years for employees with less than five (5) years seniority, at the time of layoff.

5.4(f) Failure to keep 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 seven (7) calendar days that he will report back to work within fourteen (14) calendar 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 Company properly informed as to his address.

5.4(h) Employees who refuse placement in their last Bargaining Unit classification at time of layoff, which refusal must be in writing, shall lose all seniority in the Bargaining Unit.

5.4(i) Employees on an approved Leave of Absence not to exceed thirty (30) months.

5.4(j) Absence in excess of three (3) consecutive working days without notice, shall constitute resignation as in 5.4(a) above, unless satisfactory evidence of inability is shown.

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. 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.

6.1(c) Normal Work Week Schedule. A normal work schedule shall consist of five (5) workdays, Friday through Thursday with two days of rest (Saturday and Sunday, 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 and Sunday, in that order.

6.1(d) 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 ten (10) 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.

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) Overtime. The Company will first attempt to meet its overtime requirements on a voluntary basis from among employees who normally perform the particular work activity on a straight time basis. In the event there are insufficient volunteers to meet the requirement, the supervisor may designate and require the necessary number of employees to work the overtime, consistent with Section 7.2.

Section 7.2 Rotation of Overtime. Overtime work shall normally first be offered, within a classification, among qualified employees in the department and on the shift where such overtime work is to be performed, to employees with the lowest number of credited overtime hours.

7.2(a) In the event additional employees are required to perform such overtime work, the Company will select employees from other departments in the classification required, to perform such overtime work.

7.2(b) 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.

7.3 Overtime Grievances. If it is alleged that there has been an improper distribution of overtime, 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 Human Resources 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.

7.4 Equalization of Overtime.

7.4(a) Employees with low credited overtime hours shall normally be offered overtime work first, in the order that overtime occurs, 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. 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.

7.4(b) When someone is disqualified, per Section 7.4(a) they will not be credited as having worked the overtime.

7.4(c) For hours compensated over eight overtime selection will comply with Section 7.5(b)(3). Employees will be charged on the overtime list per the appropriate rate of pay for hours worked.

7.4(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.

7.4(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.

7.4(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.

7.4(g) Employees when returning from a temporary shift transfer as defined in Section 12.10(e), will have the overtime hours worked on the temporary assignment added to their pre-assignment hours.

7.4(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 7.4(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.

7.4(i) Should any employee be forced to a position outside the forty (40) hour requirement due to Sections, 7.4(a), 7.4(d), 7.4(f), 7.4(g), 7.4(h), and 7.4(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.

7.4(j) Overtime lists shall be developed and maintained by the Managers by department, classification and shift. These lists may be verified on a regular basis by the Union Representative responsible for the geographic area. An employee upon request to his immediate Manager 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.

7.4(k) An employee working or chargeable in accordance with Section 7.4(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].

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

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

Section 7.5 Overtime or Premium Pay.

7.5(a) Double Time Pay. Double time [i.e., two (2) times working rate] shall be paid for each hour worked as provided in Sections 7.5(a)(1) and 7.5(a)(2) and all hours worked in excess of ten (10) consecutive hours in any given workday.

7.5(a)(1) Second Day of Rest. Each employee shall be paid double time for all hours worked on the second day of rest.

7.5(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.

7.5(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:

7.5(b)(1) First Day of Rest. Time and one-half shall be paid to each employee for all hours worked on the first day of rest.

7.5(b)(2) Daily Overtime. Employees shall be paid time and one-half for all hours compensated in excess of eight (8) consecutive hours in any one (1) workday or forty (40) hours in any one (1) workweek except as defined in Section 6.1(d).

7.5(b)(3) 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.

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

7.5(c)(1) Time Off for Union Business. Time off for Union business as described in Section 3.12, shall be counted as time worked for the purpose of computing overtime.

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

7.5(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 (not to exceed 30 months). 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.

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 placed 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.

Section 9.2 The parties agree to actively participate in the Spacecraft Services Safety Committee. The membership will be established by mutual agreement of the parties.

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 in the Safety Department a supply of Safety Report Forms for use by employees in reporting alleged unsafe conditions or needed safety corrections in their department. Reports shall remain active until such time as the originator agrees that the unsafe or hazardous condition has been mitigated. Any disagreement shall be determined by the provisions of Section 9.5.

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 the CAPPS Program Director.

Section 9.6 Florida Right-to-Know Law/OSHA Hazards 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.

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 against espionage or subversive activity, refuses to give access to classified information and/or work.

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 and Payload Processing Service Contract (CAPPS), to continue to do a limited amount of actual “hands-on” work, including but not limited to, post-landing middeck 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. When it becomes necessary for the Company to reduce its work force in a job classification, 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 the employee with the least seniority in the reducing classification.

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(a), then layoff provisions under Section 12.2(b) 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 at Boeing which they will be displacing into.

Section 12.3 Selection and Layoff. The required reduction of employees in an job classification 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 the affected job classification in reverse seniority order.

Section 12.4 Voluntary Layoffs.

12.4(a) Consideration will 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 12.9 of the Agreement.

Section 12.5 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 department and on the shift affected will be laid off according to their seniority within the classification in such department and shift; provided that if such layoff should extend beyond two (2) weeks' duration, the employees laid off in such department 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 12.6 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 12.7 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 12.8 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 12.7 when adding to the work forces of an occupation in Boeing, 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.

12.8(a) 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.

12.8b) 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.

12.8(c) 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.

12.8(d) 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 12.8. 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.

12.8(e) 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.

12.8(f) 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.

12.9 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 12.8, or offer former employees (those not currently employed in The Boeing Company) 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). At the completion of a Temporary Recall assignment the employee will be laid off with no displacement rights.

Section 12.10 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. No displacement for shift preference, of or by a probationary employee, shall be permitted.

12.10(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) calendar 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) calendar days for training purposes.

12.10(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 ten (10) 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) working days advance notice of displacement.

12.10(c) 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.

12.10(d) The terms and conditions for temporary shift transfers as prescribed above shall not apply to the first or second day of rest 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 7.4(m). Overtime guidelines, rather than seniority, will be used to make these temporary work assignments on either the first or second day of rest.

12.10(e) 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.

12.10(f) 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.

12.10(g) 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 12.11 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 12.12 Lateral Transfers. 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 them 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. The base wage for employees covered by this agreement shall be as identified in Section 15.15.

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: All employees in the rate progression will, each January and July automatically progress through the rate range by advancing 45 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 44 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 Affected Employee: Affected Employee, as used in this wage section, during the initial year of the contract means an employee in the Bargaining Unit and in Active Service (i.e., not on layoff or on leave of absence) on August 12, 2010 and has not terminated employment nor retired prior to the date agreement is reached. In all subsequent years of the contract, Affected Employee, as used in this wage section, means an employee in the Bargaining Unit and in Active Service on the effective date and the day prior to an effective date of a change. Employees who are on leave of absence on an effective date will have wage changes applied if and when they return to work.

Section 15.8 First Year Lump Sum Wage Payment (LSWP): $5,000 lump sum payment paid September 9, 2010 to each employee on the active payroll or on an approved leave of absence of 90 days or less on date of ratification.

Section 15.9 Second Year Lump Sum Wage Payment (LSWP): $3,000 lump sum payment paid March 10, 2011 to each employee on the active payroll or on an approved leave of absence of 90 days or less on March 1, 2010.

Section 15.10 Third Year General Wage Increase (GWI): Effective October 4, 2012, the Affected Employee's pure base rate will be increased by 2%, rounded to the nearest whole cent.

Section 15.11 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 15.12 Paydays. Paydays for employees under this agreement on all shifts shall be on or before Thursday of every second week, at which time they will be paid through the Thursday of the preceding week, except when circumstances intervening beyond the Company's control make such practice impossible.

Section 15.13 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 first or second day of rest, 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 15.14 Wage Payment Basis. Employees shall be paid for time worked computed to the nearest one-tenth hour.

Section 15.15 Classification and Wage Schedule

GRADE	JOB NUMBER	CLASSIFICATION	AUG 2010 – SEP 2012		OCT 2012	
					2% G.W.I.	
			MIN	MAX	MIN	MAX
4	N518	TECHNICIAN	$20.19	$29.66	$20.19	$30.25
4	N505	INSPECTOR	$20.19	$29.66	$20.19	$30.25
4	N508	MACHINIST	$20.19	$29.66	$20.19	$30.25
4	N516	WELDER	$20.19	$29.66	$20.19	$30.25

ARTICLE 16
VACATION BENEFITS

Section 16.1 General. It is the policy of the Company to grant vacation to employees after each year of service. 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 16.3 (a)** During the first year, employees who have service with a predecessor contractor will receive credits based on total service for a pro rata portion of the year between date of hire by the Company and their predecessor contractor hire date established as a vacation service date.

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)** An employee with less than five years of service will earn one (1) hour credit for each twenty six (26) hours worked.*
>
> **15.5 (b)** An employee with five (5) or more but less than ten (10) years of service will earn one (1) hour credit for each nineteen (19) hours worked.*
>
> **16.5 (c)** An employee with ten (10) or more but less than fifteen (15) years of service will earn one (1) hour credit for each seventeen (17) hours worked.*
>
> **16.5 (d)** An employee with fifteen (15) or more but less than twenty (20) years of service will earn one (1) credit hour for each fifteen (15) hours worked.*
>
> **16.5 (e)** An employee with twenty (20) or more years of service will earn one (1) credit hour for each thirteen (13) hours worked.*
>
> *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 shall be required to use Vacation Credit as vacation. However, where an employee does not use all or part of such Vacation Credit as vacation with pay during the year between vacation award dates, the employee shall receive pay in lieu of any remaining unused Vacation Credit after reaching his next award date. An exception to the foregoing will be to allow employees to elect carryover of up to a maximum of eighty (80) vacation credits in order to meet extended vacation needs, provided the employee must make such election in writing at least ten working days before the employee's next award date. Vacation credits so carried over must be used during the next between award dates and pay in lieu of vacation credits carried over will not be allowed until the end of the award year following the award year in which the carryover election is made. All payments in lieu of vacations shall be made at the employee's rate in effect on the employee's current vacation award date, including shift differential where applicable.

Section 16.7 Vacation Award. Each employee will receive this vacation award in January on the vacation eligibility year, based on years of service at the time of the award.

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.

Section 16.8 (a) Between award dates, an employee shall use his unused vacation credit accumulated in the twelve-month period preceding his last award date 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) He shall request vacation dates on forms provided by the Company and 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 (a) Termination. An employee who is removed from the active payroll who has reached his first award date shall be provided pay-in-lieu of vacation for all unused and accrued vacation credits in his account, regardless of reason for termination.

Section 16.9 (b) An employee who is removed from the active payroll as a result of a voluntary quit, who has not reached his first award date, shall not be compensated for any vacation accrued upon termination.

ARTICLE 17
SICK LEAVE

Section 17.1 Accumulation of Sick Leave. Employees, on the active payroll during their first year of employment, shall earn sick leave credits at the rate of eight (8) hours for each month worked not to exceed a maximum of eighty (80) hours.

Section 17.2 Employees on the active payroll, shall be credited with eighty (80) hours of sick leave each January 1st, upon completion of their first year of continuous service. This credit shall be in addition to the credits earned during his first year of employment as mentioned above.

Section 17.3 Employees, on the active payroll, with more than one year of continuous service shall be credited each January 1st and thereafter with eighty (80) hours of sick leave in the current account upon completion of a continuous year of service.

17.3(a) Unused sick leave credits in the current account will continue to remain year to year without limitation.

Section 17.4 An employee who cycles on the January sick leave eligibility date with reserve sick leave credits available will maintain reserve hours available to use after current sick leave is exhausted.

Section 17.5 An employee who cycles on the January 2002 sick leave eligibility date with unused sick leave credits available, in his/her current year's account, may transfer 50% of the unused sick leave, up to a maximum of thirty two (32) hours of sick leave credits into a reserve sick leave account of which all reserve credits will be paid to the employee at the time of termination.

Section 17.6 Sick leave credits will not be accrued during periods of layoff, strike, or after the first thirty calendar days of a leave of absence. Such absence during a service year will reduce the sick leave credit granted at the beginning of the next service year. The reduction will be computed at the rate of .2192 per calendar day for each day of absence, rounded to the nearest one-tenth hour.

Section 17.7 Use of Sick Leave. An employee shall be eligible to use sick leave credits as soon as monthly credits have been awarded during his first year of employment. However, thereafter, an employee shall be eligible to use sick leave credits only when awarded such credits on each eligibility date 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 17.8 Sick leave shall be granted under the following conditions:

17.8(a) Illness of employee.

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

17.8(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.)

17.8(d) Bereavement.

Section 17.9 All sick leave payments must be approved by the employee's supervisor.

Section 17.10 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 17.11 Employees on leave of absence may use sick leave credits only if the leave is for medical reasons

Section 17.12 Termination An employee removed from the active payroll regardless of reason, who has reached the first January sick leave eligibility date, shall be eligible to receive payment for sick leave credits accumulated in his reserve sick leave account prior to January 2002. Unused sick leave hours will not be paid upon termination.

Section 17.13 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.

ARTICLE 18
HOLIDAYS

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

2010

Labor Day	Monday	Sept. 6,2010
Thanksgiving Day	Thursday	Nov. 25, 2010
Friday After Thanksgiving	Friday	Nov. 26,2010
Winter Break	Friday	Dec. 24, 2010
Winter Break	Monday	Dec. 27, 2010
Winter Break	Tuesday	Dec. 28, 2010
Winter Break	Wednesday	Dec. 29, 2010
Winter Break	Thursday	Dec. 30, 2010
Winter Break	Friday	Dec. 31, 2010

2011

New Year's Day	Monday	Jan. 3, 2011
Memorial Day	Monday	May 30, 2011
Independence Day	Monday	July 4, 2011
Labor Day	Monday	Sept. 5, 2011
Thanksgiving Day	Thursday	Nov. 24, 2011
Friday After Thanksgiving	Friday	Nov. 25, 2011
Winter Break	Friday	Dec. 23, 2011
Winter Break	Monday	Dec. 26, 2011
Winter Break	Tuesday	Dec. 27, 2011
Winter Break	Wednesday	Dec. 28, 2011
Winter Break	Thursday	Dec. 29, 2011
Winter Break	Friday	Dec. 30, 2011

2012

New Year's Day	Monday	Jan. 2, 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 4, 2012
Labor Day	Monday	Sept. 3, 2012
Thanksgiving Day	Thursday	Nov. 22, 2012
Friday After Thanksgiving	Friday	Nov. 23, 2012
Winter Break	Monday	Dec. 24, 2012
Winter Break	Tuesday	Dec. 25, 2012
Winter Break	Wednesday	Dec. 26, 2012
Winter Break	Thursday	Dec. 27, 2012
Winter Break	Friday	Dec. 28, 2012
Winter Break	Monday	Dec. 31, 2012

2013

New Year's Day	Tuesday	Jan. 1, 2013
Memorial Day	Monday	May 27, 2013
Independence Day	Thursday	July 4, 2013

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 the Group Insurance Program for Hourly Employees, effective January 1, 2011, or as otherwise noted in the Company offer, as negotiated between the Company and the International Association of Machinists and Aerospace Workers, Local 837, AFL-CIO for employees working in St. Louis, Missouri, and waive their rights to bargain the group benefits package at future negotiations. 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.

Section 19.2 – Group Benefits for Employees That Retiree During the Term of this Agreement. The parties agree that the Company will provide the Group Insurance Program for eligible Hourly Retirees, effective January 1, 2011, or as otherwise noted in the Company offer, as negotiated between the Company and the International Association of Machinists and Aerospace Workers, Local 837, AFL-CIO for employees working in St. Louis, Missouri, and waive their rights to bargain the group benefits package at future negotiations.

For retirees or survivors of retirees who retired prior to January 1, 1994, the monthly contribution will be:

	Point of Service Plan	HMO
Employee	$21.67	$13.00
Employee and Spouse	$39.00	$21.67
Employee and Child(ren)	$39.00	$21.67
Family	$56.33	$34.67

For eligible retirees or survivors of employees who die while eligible to retire under the pension plan on or after January 1, 1994, monthly contributions will be equal to one-third (1/3) of the appropriate eight-tiered monthly rates or premiums established by the HMOs or other health care plan administrator and the excess over the Defined Dollar Maximum established in the 1993 contract, as amended.

ARTICLE 20
SAVINGS AND RETIREMENT PLAN

Section 20.1 Retirement Income Plan. The parties agree that the Company will provide the Hourly East Retirement Plan for employees on the active payroll on or after September 1, 2010, as negotiated between the Company and the International Association of Machinists and Aerospace Workers, Local No. 837, AFL-CIO for employees working in St. Louis, Missouri. 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.

Section 20.2 Hourly Employees Investment Plan. The parties agree that the Company will provide the Voluntary Investment Plan for Hourly Employees as negotiated between the Company and the International Association of Machinists and Aerospace Workers, Local No. 837, AFL-CIO, working in St. Louis, Missouri. 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.

ARTICLE 21
DURATION

This Agreement shall become effective as of August 12, 2010 (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, August 13, 2013 and shall automatically be renewed for consecutive periods of one year thereafter August 13, 2013 unless either party shall notify the other in writing, at least sixty days, but not more than seventy-five days prior to August 13 of any calendar year, beginning with 2013, of its desire to terminate the Agreement, in which event this Agreement shall terminate at midnight at the close of such August 13 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.

Dated this 11th day of August 2010

International Association of Machinists and Aerospace Workers, AFL-CIO

Mark Blondin
Aerospace Coordinator
IAM&AW

Johnny Walker
Directing Business Representative
District 166

Nick Mrdjenovich
Business Representative
District 166

Joe Lessey
Union Committee

Donald Barker
Union Committee

The Boeing Company

Thomas A. Easley
Director Union Relations
The Boeing Company

Mark Jager
CAPPS Program Manager

Joe Herron
Director Ground Systems

Bruce Burch
Assembly and Test

Gina DaVito
Employee Relations

Richard Gillman
Union Committee Member

Scott Gray
CAPPS Human Resources

Mike Wilson
Union Committee Member

Kristy Goodin
CAPPS Human Resources

LETTER OF UNDERSTANDING #1

DRUG AND ALCOHOL FREE WORKPLACE

The Union recognizes the Company's policy to maintain a drug- and alcohol-free workplace, and to comply with laws and regulations addressing that subject. The Company will implement drug and alcohol testing (a) to the extent necessary to comply with said laws and regulations and (b) to the extent the Company otherwise believes it necessary to achieve a drug- and alcohol-free workplace.

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

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
The Boeing Company

LETTER OF UNDERSTANDING #2

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

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
The Boeing Company

LETTER OF UNDERSTANDING #3

MACHINIST CUSTOM CHOICES WORKSITE BENEFITS PROGRAM

This agreement acknowledges that The Boeing Company 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, long term disability insurance and cancer 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 Boeing, 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 Boeing 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. Boeing payroll will not collect amounts in arrears or provide an account reconciliation service.

Deductions will be made from the employees first paycheck each month.

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
The Boeing Company

LETTER OF UNDERSTANDING #4

(SCAPE)

An employee certified Self Contained Atmospheric Protective Ensemble (SCAPE), while performing SCAPE operations will receive a premium of $5.00 per hour.

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
The Boeing Company

IAM&AW Local 1163 39 08/12/10

LETTER OF UNDERSTANDING #5

PERSONAL RELIABILITY PROGRAM OR SECURITY

CREDENTIALS SUSPENSION OR REVOCATION

If an employee has either his Personal Reliability Program (PRP), or his security credentials revoked/suspended, the parties agree to the following:

The employee will be placed on an unpaid leave of absence until the appeal process is complete. The employee must request within twelve months, assistance from the Company to initiate the process of a request for reinstatement.

In the event that the appeal is denied, and the process is complete, the employee will then be terminated.

The above does not apply in those situations where the employee would have otherwise been terminated, or is in conflict with the parties Drug and Alcohol Free Workplace Program as reference in LOU #1, and Company Operating Procedure 388.

In the event the PRP or security credentials are reinstated the employee will be returned from leave of absence to the active payroll, in accordance with Article 8.

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
The Boeing Company

LETTER OF UNDERSTANDING #6

GAINSHARE

The Boeing Company and the Union agree that all eligible employees may participate in the CAPPS Performance Incentive Program (hereinafter referred to as the Program) for the duration of this Agreement. The parties agree that the Company's success depends upon the ability to increase productivity and grow the business. The Program is designed to encourage and reward improved productivity and efficiency in production within the CAPPS program, which result in improved performance and reduced costs. Employees will be eligible to participate in accordance with the governing provisions of the Program as set forth in the official Program documents. In the event of any conflict between this Letter of Understanding and the official Program documents, the official Program documents will prevail in every case. Eligible participates will proportionately share in Program Award based on the period they were eligible to participate during any Performance Period falling within the term of this Agreement or any preceding Agreement that provided for their participation in the Program.

Mark Blondin
Aerospace Coordinator
IAM&AW

Thomas A. Easley
Director – Labor Relations
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LETTER OF UNDERSTANDING #7

HMO'S

Where appropriate, the Company agrees to offer Health Maintenance Organizations (HMOs) to employees, retirees and their dependents as an alternative to the health care benefits provided by the Preferred Provider plans.

The co pays for office visits, emergency room, and prescription drugs that are agreed to will remain in effect for remote site HMOs offered by the Company during the life of the contract, except where the HMOs no longer offer those copay arrangements as part of their array of products. In those situations where an HMO no longer offers the copay arrangements agreed to by the union and the company, the company will work with the HMO and the union to offer the next lowest copay arrangements offered to other Boeing employees in the area.

In order to be offered, or continue to be offered, an HMO must be mutually acceptable to the Company and the Union. In general, the Company's basis for agreeing to offer, or continue offering HMO plans will be contingent on a review of factors such as network adequacy, size of Boeing population to be served, accreditation status by appropriate organizations, commitment to quality, and cost.

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LETTER OF UNDERSTANDING #8

SKILLS AND CERTIFICATIONS

The parties have reached an agreement with respect to the skills and certifications required to perform current and future work on the CAPPS program. The Company and Union both recognize that fewer employees may be necessary after the final launch. The parties agree that employees may be required to obtain critical skills/certifications in order to perform the functions required at the facility, as identified in SPP 0-07, Technical Training.

The Company and Union shall meet and jointly discuss the necessary number of employees needed to possess all certifications. Layoffs, if needed, shall be on the basis of seniority, within the group, providing those employees remaining have the capability of performing available work, which may require obtaining and maintaining the requisite certifications. Senior employees will be given an opportunity to obtain the required certifications. The Company will provide the needed training to gain certifications. If the senior employee cannot qualify for the available work, that employee may be laid off out of seniority order. If more employees are required, the recall provision of this CBA shall apply.

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