



Summary of **New Proposed Contract** Between **IAM District 751, Local 86** & **Triumph Composite Systems**

UNION RECOMMENDS ACCEPTANCE

YOUR NEGOTIATING TEAM RECOMMENDS: ACCEPT

Triumph presented your negotiating team with their "best and final offer" on Tuesday, June 1st. Members identified compensation, job security, and holding down health care costs as top issues. Your negotiating team made gains in job security, lump sum, progression, pension, and COLA. We held the line on health care and got language to protect the employee's portion from rampant inflation. **The job guarantee language is unprecedented.** There are no takeaways and many pluses in the offer. Highlights of the offer include the following:

JOB PROTECTION GUARANTEES

- Each of the 335 members currently on the payroll today are guaranteed 40 hours employment per week for life of the agreement. Protects employees from work transfers to Mexico or any other current or future Triumph facility and even against Boeing rate reductions.

LUMP SUM PAYMENTS

- Lump sum payments each year of the contract. **\$4,000** first year lump sum is **contingent on ratification at first vote on June 3rd**. \$2,150 second year and \$2,150 third year – delivers \$8,300 during life of contract.

JOB PROGRESSION INCREASES

- Increased from current 55¢ to 65¢ every six months, which is an 18% increase.

PENSION

- Pension contributions in each year of contract as follows: **2010** - \$1.55 generates \$113.47 per month per year. **2011** - \$1.65 generates \$120.15 per month per year. **2012** - \$1.70 generates \$123.50 per month per year. This is a 13.3 percent increase in Company contributions.

COST OF LIVING ADJUSTMENT (COLA)

- Improved COLA formula to 100% inflation protection - will pay 1¢ for each .075% change in the average BLS Consumer Price Index (previously \$.008 for each .075%). Continue to be paid out twice yearly in a lump sum and will be cumulative.

HEALTH CARE

- Share levels to remain at current 85/15 contribution share levels throughout the life of the contract.
- Added language that employees' share increase will not exceed 8% inflation. If that occurs, Triumph will pay any amount that exceeds 8%.
- Company will provide prescription safety glasses for employees – one pair every 24 months.

VACATION

- Vacation credits may be used in 2-hour increments with 24-hour advanced notice. Currently had to be used in full or half day.

Your negotiating committee, working on your behalf, recommends you accept this proposal. It shows improvements in nearly every area you identified as important and contains no takeaways. Study the proposal and discuss it with your family prior to the vote. While the negotiating committee makes a recommendation, ultimately it is up to each member to decide if the proposal adequately addresses your issues. We will continue working on your behalf and welcome your input and feedback throughout the life of the contract.

Thanks again for your support – Your IAM Negotiating Team

To view new contract in its entirety with changes highlighted, visit www.iam751.org/triumph.htm

Tom Wroblewski
Tom Wroblewski

Mark A. Blondin
Mark A. Blondin

Steve Warren
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Mark B. Johnson
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Ken Howard
Ken Howard

Jerry Womble
Jerry Womble

Job Security

No layoff for **ANY** current employees as a result of work transfer to Mexico or any other current or future Triumph plant for the life of the Agreement. (see insert for language).

From June 4, 2010 through May 10, 2013, the Company will not layoff any current employees (as of June 3, 2010) due to work unavailability. Exception: When such unavailability is

caused by a Boeing strike, act of God such as a natural disaster, an act of terrorism, or other major unforeseeable event beyond the Company's control. This is a one-time, non-precedent work preservation agreement based on the unique facts of the current TCS business projections, which will no longer apply on and after May 11, 2013.

Economic Issues

Lump Sum Bonuses – each year of contract

Lump sum bonus of \$4,000 paid June 18, 2010 - **contingent upon ratification at first vote on June 3, 2010.**

Lump sum bonus of \$2,150 paid June 17, 2011.

Lump sum bonus of \$2,150 paid June 15, 2012.

Lump sums will be paid to all seniority employees as of June 1st each year and to employees on workers' compensation leave or military leave. Employees on other types of leaves or new hires in prior 12 months will receive pro-rated bonus. (see insert for specifics on eligibility and pro-rated formula).

Seniority Progression Increases - Improved

• Revised from 55¢ every six months to 65¢ every six months. This is an 18 percent increase in the step amounts.

COLA - Improved

• Improved formula to 100% inflation protection based on six month average by revising to pay 1¢ for each .075% change in the average BLS Consumer Price Index (previously \$.008 for each .075%). First payment will be March 1, 2011.

Keep current payout calendar – COLA will be paid out twice yearly in a lump sum and will be cumulative. Past six months COLA earned will be paid at previous rate on or before Sept. 1.

Rate Maximums – Revised

Base rate for Tooling Mech A and B will increase \$1 for everyone in those two job classifications, effective immediately.

Gain Sharing - Maintained

Health Care/Dental/Vision

• Medical and dental will remain at current 85/15 percent contribution rate. Employees' share will not exceed 8 percent inflation. Triumph will pay any amount exceeding that 8%. Below are charts of potential maximum employee contributions for future years – actuals may not be this high.

• Vision coverage remains same.

• New benefit – Company will provide prescription safety glasses for employees – one pair every 24 months.

EPO Plan 2010 Medical Monthly Premiums			
	Total	TCS	Employee
Employee	\$442.00	\$375.70	\$66.30
Emp + 1	\$884.00	\$751.40	\$132.60
Family	\$1,326.00	\$1,127.10	\$198.90

EPO Plan Future Years Employee Monthly Premiums			
	2011	2012	2013
Employee	\$71.60	\$77.33	\$83.52
Emp + 1	\$143.21	\$154.66	\$167.04
Family	\$214.81	\$232.00	\$250.56

PPO Plan 2010 Medical Monthly Premiums			
	Total	TCS	Employee
Employee	\$488.00	\$414.80	\$73.20
Emp + 1	\$976.00	\$829.60	\$146.40
Family	\$1,464.00	\$1,244.40	\$219.60

PPO Plan Future Years Employee Monthly Premiums			
	2011	2012	2013
Employee	\$79.06	\$85.38	\$92.21
Emp + 1	\$158.11	\$170.76	\$184.42
Family	\$237.17	\$256.14	\$276.63

2010 Delta Dental Monthly Premiums			
	Total	TCS	Employee
Employee	\$33.11	\$28.14	\$4.97
Emp + 1	\$66.22	\$56.29	\$9.93
Family	\$99.32	\$84.42	\$14.90

Delta Dental Future Years Employee Monthly Premiums			
	2011	2012	2013
Employee	\$5.37	\$5.80	\$6.26
Emp + 1	\$10.72	\$11.58	\$12.51
Family	\$16.09	\$17.38	\$18.77

Pension/401K

Pension - Improved

Pension contributions increased in each year of contract as follows:

2010 - \$1.55 per hour generates \$113.47 per month per year of service

2011 - \$1.65 per hour generates \$120.15 per month per year of service

2012 - \$1.70 per hour generates \$123.50 per month per year of service

Under previous rate of \$1.50 per hour generates \$110.13 per month per year of service. This is a 13.3 percent increase in Company contributions.

- 401 Savings Plan maintained at current rates – match 50% of first 6 percent.
- When an employee is on leave of absence and has an outstanding 401K loan, he or she will not be required to make loan payments while on leave. However, upon return from leave, the loan will be reamortized.

Paid Time Off

Holidays – 12 Holidays per year

2010 Holidays	Date	2011 Holidays	Date	2012 Holidays	Date	2013 Holidays	Date
Independence Day	7/5/10	New Year's Day	1/3/11	New Year's Day	1/2/12	New Year's Day	1/1/13
Labor Day	9/6/10	Memorial Day	5/30/11	Memorial Day	5/28/12		
Thanksgiving Day	11/25/10	Independence Day	7/4/11	Independence Day	7/4/12		
Day after Thanksgiving	11/26/10	Labor Day	9/5/11	Labor Day	9/3/12		
Holiday Schedule	12/24/10	Thanksgiving Day	11/24/11	Thanksgiving Day	11/22/12		
Holiday Schedule	12/27/10	Day after Thanksgiving	11/25/11	Day after Thanksgiving	11/23/12		
Holiday Schedule	12/28/10	Holiday Schedule	12/23/11	Holiday Schedule	12/24/12		
Holiday Schedule	12/29/10	Holiday Schedule	12/26/11	Holiday Schedule	12/25/12		
Holiday Schedule	12/30/10	Holiday Schedule	12/27/11	Holiday Schedule	12/26/12		
Holiday Schedule	12/31/10	Holiday Schedule	12/28/11	Holiday Schedule	12/27/12		
		Holiday Schedule	12/29/11	Holiday Schedule	12/28/12		
		Holiday Schedule	12/30/11	Holiday Schedule	12/31/12		

Vacation

Vacation credits may be used in 2 hour increments with 24-hour advanced notice. Currently had to be used in full or half day increments.

Bereavement

- Added brother-in-law and sister-in-law.

Hours of Work

- Employees shall be paid for time worked in 15 minute increments rounded off on the basis of 7-1/2 minute increments. Previously employees were computed to nearest 10th of an hour.

Promotions, Employee Reviews, Temp Assignments

Company may promote or transfer employees covered by this agreement to any non-IAM position within Triumph Composite Systems and they will retain their bargaining unit seniority, but not accumulate any additional seniority. This would only occur with employee concurrence.

TEMPORARY ASSIGNMENTS - Used to be temp assignment remain for not more 30 days revised to 60 days.

EMPLOYEE REVIEWS

- Upon request, employees will be given a copy of their individual reviews within 5 working days.
- The Company will notify the Union in writing within 5 working days of any changes to HR policies, procedures or changes to the employee handbook that affect the collective bargaining unit employees.

Incorporating LOU's into Contract

Incorporated following LOU's into contract:

- Payout of Unused Paid Time Off (PTO)
- Jury Duty

- MQA/Quality Assurance, Roles and Responsibilities
- Shifts; lunch periods; rest periods.

Successor/Sale of Company Asset

In the event of a sale of Company assets is being considered, the Company will give 180 days minimum notice to the Union, if possible in light of the proposed structure of the sale and confidentiality considerations, and a minimum of 60 days notice regardless, in order to facilitate discussions of the impact of such sale on bargaining unit employees.

The Company will likewise make any potential buyer fully aware of the current IAM labor agreement.

The Company will comply with all state and federal laws with respect to employee rights in connection with the sale of the business. There will be expedited bargaining on all issues related to the sale and its effects on employees.

It is likewise recognized that in the normal situation of a transfer of operations/assets structured as a stock sale, the labor contract and all employee rights thereunder will continue unchanged and be binding on the purchaser.

Duration

Three-year Agreement to expire May 10, 2013. Moved expiration away from the Memorial Day holiday weekend.

VOTING THE PROPOSAL

WHEN: Thursday, June 3rd

WHERE: Spokane IAM Union Hall

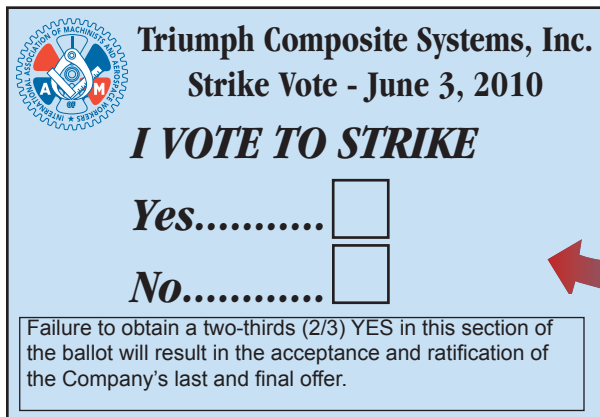
TIME: Polls will be open between 10 a.m. to 5 p.m.

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1 What Is on the Ballots

There are two separate ballots:

- One to accept or reject the contract.
- One to authorize a strike



Triumph Composite Systems, Inc.
Strike Vote - June 3, 2010

I VOTE TO STRIKE

Yes.....

No.....

Failure to obtain a two-thirds (2/3) YES in this section of the ballot will result in the acceptance and ratification of the Company's last and final offer.



Triumph Composite Systems, Inc.
CONTRACT VOTE
June 3, 2010

I ACCEPT the Contract...

I REJECT the Contract...

BALLOT 1:
Do you wish to accept or reject the contract offer?
Vote for one.

BALLOT 2:
IMPORTANT: The IAM Constitution requires two-thirds YES vote on this ballot to strike. Without two-thirds, even if a majority of the members reject the contract - the contract will be accepted by default.

2 How Are the Ballots Counted?

Members who volunteer to count the ballots will tabulate them and validate the numbers.



3 What Do the Results Mean?

- ✓ If a majority of voting members vote to ACCEPT the contract, negotiations end and the contract is signed.
- ✓ If a majority of voting members vote to REJECT the contract, but LESS THAN TWO-THIRDS vote to strike, the contract is automatically accepted by default. The Union cannot call a strike.

- ✓ If a majority of voting members vote to REJECT the contract, and MORE THAN TWO-THIRDS vote to strike, a strike can be called at 12:01 a.m. June 4th.

