

**COLLECTIVE BARGAINING AGREEMENT**

**BETWEEN**

**BAE SYSTEMS PLATFORM SOLUTIONS**

**AND**

**DISTRICT LODGE 751**

**INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS**

**Seattle, Washington**

**TABLE OF CONTENTS**

|    |   |    |
|----|---|----|
| 1  |   |    |
| 2  | Preamble/Agreement .....                                    | 2  |
| 3  | Article 1 – Recognition .....                               | 2  |
| 4  | Article 2 – Union Security .....                            | 2  |
| 5  | Article 3 – Union Access to Ops & Assign. of Stewards ..... | 4  |
| 6  | Article 4 – Management Rights .....                         | 5  |
| 7  | Article 5 – Work Week, Hours of Work, Shifts .....          | 5  |
| 8  | Article 6 – Rates of Pay.....                               | 6  |
| 9  | Article 7 – Holidays .....                                  | 10 |
| 10 | Article 8 – Vacation .....                                  | 12 |
| 11 | Article 9 – Personal Time .....                             | 14 |
| 12 | Article 10 – Leaves of Absence .....                        | 14 |
| 13 | Article 11 – Mileage Allowance .....                        | 15 |
| 14 | Article 12 – Seniority .....                                | 16 |
| 15 | Article 13 – New Jobs/Vacancies.....                        | 17 |
| 16 | Article 14 – Health and Safety.....                         | 19 |
| 17 | Article 15 – No Strike / No Lockout .....                   | 19 |
| 18 | Article 16 – Grievance Procedure .....                      | 19 |
| 19 | Article 17 – Arbitration Procedure .....                    | 21 |
| 20 | Article 18 – Severance Pay.....                             | 22 |
| 21 | Article 19 – Discipline .....                               | 22 |
| 22 | Article 20 – Miscellaneous Provisions.....                  | 23 |
| 23 | Article 21 – Group Benefits .....                           | 25 |
| 24 | Article 22 – Pension Plan .....                             | 29 |
| 25 | Article 23 – Profit Sharing .....                           | 30 |
| 26 | Article 24 – Savings Plan .....                             | 31 |
| 27 | Article 25 – Job Security Provisions &New Technology .....  | 31 |
| 28 | Article 26 – Successors and Assigns.....                    | 32 |
| 29 | Article 27 – Term and Notice of Change or Termination ..... | 32 |
| 30 | LOU #1 – Drug and Alcohol Testing .....                     | 34 |
| 31 | LOU #2 – Lump Sum Payment .....                             | 35 |
| 32 | LOU #3 – Attendance Policy.....                             | 36 |



1 **Section 2.2 Payroll Deduction for Union Dues and Initiation Fee.**

2 The Company shall make payroll deductions for the Union's initiation  
3 fee, and its regular and usual monthly dues, upon receipt of a signed  
4 payroll deduction form. The Company shall remit such dues and  
5 fees to the Union on or before the 15<sup>th</sup> day of the month following  
6 collection of such dues. The Company shall include a list of the  
7 Union members from whom dues and fees were collected with the  
8 remittance. The list will include member's identification number,  
9 name, and the amount of dues or fees deducted by the Company. It  
10 is agreed that the Company will recognize payroll deduction forms  
11 completed by members of the Union during the time they were  
12 employed by BCE.

13  
14 **Section 2.3 Contributions to Machinists' Nonpartisan Political  
15 League.**

16 Upon receipt by the Company of a signed voluntary  
17 authorization by an employee, on a form approved by the Company,  
18 requesting that there be deductions made from wages, in a monthly  
19 amount designated by the employee, such deductions to be  
20 forwarded to the Union for use by the Machinists' Nonpartisan  
21 Political League, the Company will thereafter make such deductions  
22 and forward them to the Machinists' Nonpartisan Political League,  
23 care of the Union. Such authorization will remain in effect for the  
24 duration of this Agreement, unless earlier canceled in writing by the  
25 employee.

26 **Section 2.4 Contributions to Guide Dogs of America.**

27 Upon receipt by the Company of a signed voluntary authorization by an  
28 employee, on a form approved by the Company, requesting that  
29 there be deductions made from wages, in a monthly amount  
30 designated by the employee, such deductions to be forwarded to the  
31 Union for use by Guide Dogs of America, the Company will  
32 thereafter make such deductions and forward them to Guide Dogs of  
33 America, care of the Union. Such authorization will remain in effect  
34 for the duration of this Agreement, unless earlier canceled in writing  
35 by the employee.

36 **Section 2.5**

37 The Union will indemnify and hold the Company  
38 harmless from and against any and all claims, demands, charges,  
39 complaints or suits instituted against the Company which are based  
40 on or arise out of any action taken by the Company in accordance  
41 with or arising out of the foregoing provisions of this Article, or in  
42 reliance on any list, notice or assessment furnished under any of  
43 such provisions.  
44



1  
2 **Section 3.7 Bulletin Boards.** The Company shall provide bulletin  
3 boards for the Union's use in areas at the Boeing facility, subject to  
4 Boeing concurrence, conveniently accessible to bargaining unit  
5 employees. New and replacement boards will be at least three (3)  
6 feet by four (4) feet in size. The Union may maintain the boards for  
7 the purpose of notifying employees of matters pertaining to Union  
8 business. All notices shall be signed by a representative of the  
9 Union who is authorized by the Union to approve Union notices.

10  
11 **ARTICLE 4**  
12 **MANAGEMENT RIGHTS**

13 The management of the Company and the direction of the workforce  
14 is vested exclusively in the Company subject to the terms of this  
15 Agreement. All matters not specifically and expressly covered or  
16 treated by the language of this Agreement may be administered by  
17 the Company in accordance with policy and procedure as the  
18 Company from time to time may administer.

19  
20 **ARTICLE 5**  
21 **WORK WEEK, HOURS OF WORK, SHIFTS**

22 **Section 5.1** An employee's regular assigned workweek shall consist  
23 of:

- 24  
25 a) Forty (40) hours consisting of five (5) consecutive eight (8) hour  
26 days, which excludes a one-half (1/2) hour meal period,  
27 beginning on Monday. The meal period will be taken at the  
28 determined time. The payroll week commences on Saturday  
29 12:00 AM and ends Friday 11:59 PM. The Company agrees to  
30 notify the Union and provide employees a reasonable advance  
31 notice of any changes to the commencement of the payroll  
32 week, due to business requirements for processing payroll.  
33  
34 b) Other schedule as agreed to by both parties.  
35  
36 c) Other schedule as dictated by the customer requirements. In  
37 the event of customer requirements, the Company shall notify  
38 the Union as soon as the facts are known of such need.

39  
40 **Section 5.2** The designated times of beginning each shift during the  
41 scheduled workweek shall be: first shift – between 5:30 A.M. and  
42 8:30 A.M.; second shift – between 1:30 P.M. and 6:00 P.M.; third  
43 shift – between 10:00 P.M. and 1:30 A.M. of the following day.  
44

1 **Section 5.3 Shift Preference.** Senior employees who have a shift  
2 preference on file shall be given preference over junior employees  
3 and new hires for placement onto another shift.

4  
5 **Section 5.4 Report Time.** An employee who is called and reports  
6 back for work after he/she has completed his/her regularly assigned  
7 shift and departed from the premises shall receive a minimum of four  
8 (4) hours pay at the applicable rate. When an employee is not  
9 scheduled, and is called and reports for work, outside his/her  
10 scheduled work week, he/she shall receive a minimum of four (4)  
11 hours pay at the applicable rate.

12  
13 **Section 5.5** If access to the work site is restricted to “essential  
14 personnel” as determined by the Company’s customer due to severe  
15 weather, natural disaster, or closure for any reason, employees will  
16 be compensated for their regularly scheduled work time up to a  
17 maximum of three (3) days unless mutually agreed otherwise  
18 between the Company and the Union.

19  
20 **Section 5.6 Rest Periods.** Each employee shall be given a ten  
21 (10)-minute rest period in each half of the shift to which he/she is  
22 assigned, the time of starting each such rest period to be designated  
23 by the Company. Each employee who is required to report for work  
24 two (2) or more hours prior to the start of his/her regular shift shall  
25 receive a ten (10) minute rest period prior to the start of his/her  
26 regular shift. Each employee who is scheduled to work two (2) or  
27 more hours of overtime after his/her regular shift shall receive a ten  
28 (10) minute rest period prior to the start of the overtime.

29  
30 **ARTICLE 6**  
31 **RATES OF PAY**

32 **Section 6.1 Wage Rates.** The wage rates listed below will be  
33 effective for the term of this Agreement and apply to all bargaining  
34 unit employees at the Company's facility. An employee's regular rate  
35 of pay shall be defined as his/her straight time hourly rate. This  
36 straight time hourly rate will be increased as designated below.  
37 These increases will be effective on the dates indicated in this  
38 Agreement. These rates are prior to any COLA or general wage  
39 increase applied.

1

|                                 | <b>Effective Date</b> | <b>Minimum Hourly Rate</b> | <b>Maximum Hourly Rate</b> |
|---------------------------------|-----------------------|----------------------------|----------------------------|
| Field Service Technician Lead   | 8/30/07               | \$25.93                    | \$37.04                    |
| Senior Field Service Technician | 8/30/07               | \$24.52                    | \$35.03                    |
| Field Service Technician        | 8/30/07               | \$21.42                    | \$30.60                    |

2

3

4

5

6

7

8

9

**Section 6.2 General Increases.** General increases shall be applied to the above rates as shown below. When the COLA date is concurrent with the General Increase date, the COLA shall be applied first. Employees on progression through the rate range shall maintain their step level percentage of the maximum for their classification when all such increases are granted.

| <b>Effective Date</b> | <b>General Increase Amount</b> |
|-----------------------|--------------------------------|
| September 1, 2007     | 4.0%                           |
| August 30, 2008       | 3.0%                           |
| August 29, 2009       | 3.0%                           |

10

11

12

13

14

15

16

17

18

19

**Section 6.3 Cost of Living Adjustment.** Employees covered by this Agreement shall receive Cost of Living Adjustments. Determination of the potential Cost of Living Adjustments shall be made in reference to the new series "All City Average of the Consumer Price Index for Urban Wage Earners and Clerical Workers" published by the Bureau of Labor Statistics, U.S. Department of Labor, with the following base period: 1982-84 = 100, such Index being referred to herein as the BLS Index.

20

21

22

23

24

25

26

During the term of this Agreement, the Cost of Living Adjustment shall be computed on the basis of 1 cent = .075 percent change in the six month average of the BLS Index, as shown below. Such adjustments, if any, shall be added to the base wage on the effective dates below. Negative Cost of Living Adjustments shall not be subtracted from any employee's base rate.

| <b>Effective Date of Cost of Living Adjustment</b> | <b>Based on the Average of the Six-Month BLS Consumer Price Index for</b> |
|--|---|
| August 25, 2007                                    | January, February, March, April, May, June, 2007                          |

| <b>Effective Date of Cost of Living Adjustment</b> | <b>Based on the Average of the Six-Month BLS Consumer Price Index for</b> |
|--|---|
| February 23, 2008                                  | July, August, September, October, November, December, 2007                |
| August 30, 2008                                    | January, February, March, April, May, June, 2008                          |
| February 28, 2009                                  | July, August, September, October, November, December, 2008                |
| August 29, 2009                                    | January, February, March, April, May, June, 2009                          |
| February 27, 2010                                  | July, August, September, October, November, December, 2009                |

2 If the BLS Index is revised or discontinued, the parties shall attempt  
3 to determine an appropriate Index figure by agreement and, if  
4 agreement is not reached, the parties shall request the Bureau of  
5 Labor Statistics to make available a BLS Index in its present form for  
6 the appropriate dates and calculated on a comparable basis.

7

8 **Section 6.4** There shall be a minimum of one (1) lead designated.  
9 The Company will assign the most senior qualified employee as  
10 Lead Tech.

11

12 **Section 6.5 Progression Increases.** New employees may be hired  
13 into the rate range at any step based on experience and as  
14 determined by the Company. There will be a six (6) step progression  
15 beginning at a minimum seventy percent (70%) of the rate range up  
16 to the maximum. Progression will occur at the rate of five percent  
17 (5%) every six months. A Technician, at maximum, who is promoted  
18 to Lead Technician shall receive the maximum rate for the Lead  
19 occupation. An employee whose classification is changed from Field  
20 Service Technician Lead to Senior Field Service Technician shall  
21 have his/her rate decreased to the maximum of the rate range for  
22 Senior Field Service Technician.

23

24 **Section 6.6 Shift Differential.** An employee assigned to work  
25 second or third shift shall receive a shift differential of one dollar  
26 (\$1.00) per hour added to his/her base salary.

27

28 **Section 6.7 Jury/Witness Duty.** Employees summoned to serve  
29 on jury duty, to testify as a witness for the Company, to respond to a  
30 subpoena to appear as a witness in a legal proceeding, to respond to  
31 a subpoena to appear at an arbitration (other than an arbitration  
32 resulting from this Collective Bargaining Agreement) shall be granted

1 paid time off up to eight (8) hours per day and not to exceed the  
2 limits of the prevailing state law. Fees received for jury or witness  
3 duty will not be deducted from such pay. Notice of jury or witness  
4 duty must be given to the Company upon receipt of a summons, and  
5 proof of such service must be submitted to the satisfaction of the  
6 Company before this Article shall apply.

7  
8 Despite the foregoing, an employee shall not be entitled to witness  
9 pay if called as a witness against the Company or its interests, called  
10 as a witness on his/her own behalf, voluntarily seeks to testify as a  
11 witness, or is a witness in a case related to outside business or  
12 employment activities.

13  
14 Second and third shift employees summoned to jury or witness duty  
15 will be temporarily assigned to first shift on a weekly basis during the  
16 time required to serve.

17  
18 **Section 6.8 Bereavement Leave.** Up to three (3) days  
19 bereavement leave with pay will be granted to an employee on the  
20 active payroll who, because of death in his/her immediate family,  
21 takes time off from work during his/her normal work schedule. Such  
22 pay shall be for eight (8) hours at his/her straight time base rate,  
23 including shift differential for each such day off; however, such pay  
24 will not be applicable if the employee receives pay for such days off  
25 under any other provision of this Agreement. Bereavement leave  
26 must be taken on consecutive workdays as selected by the  
27 employee within twenty (20) calendar days following the death (or  
28 evidence of belated notification of death). "Immediate family" is  
29 defined as follows: spouse, mother, father, mother-in-law, father-in-  
30 law, children, brother, sister, son-in-law, daughter-in-law, brother-in-  
31 law, sister-in-law, great-grandparents, grandparents, grandchildren,  
32 stepmother, stepfather, stepchildren, stepbrother, stepsister, half  
33 brother, half sister spouse's grandparents and foster children if living  
34 in the employee's home. In addition, an employee will be granted  
35 bereavement leave for a stillborn child if the employee provides a  
36 certificate of fetal death which has been certified by the attending  
37 physician.

38  
39 Employee may be required to provide proof of claim.

40  
41 **Section 6.9 Military Training Leave.** The Company agrees to pay  
42 employees who are members of an active, organized military reserve  
43 component, and who take leaves of absence for military reserve field  
44 duty service or encampment, the difference between their military

1 pay and their regular pay, including shift differential, for a maximum  
2 of fifteen (15) workdays each calendar year.

3  
4 **Section 6.10 Overtime.**

5 **A. How paid.**

6 (a) Time worked in excess of eight (8) hours in a single  
7 regular workday shall be paid one and one-half times the  
8 employee's base rate.

9 (b) Time work on Saturday shall be paid one and one-half  
10 times the employees' base rate.

11 (c) Time worked in excess of twelve (12) hours in a single  
12 regular workday or Saturday shall be paid double the  
13 employee's base rate.

14 (d) Time worked on Sunday shall be paid for at double the  
15 employee's base rate and such double time shall remain  
16 in effect for all hours continuously worked.

17  
18 **B.** Using a fair and equitable system, available overtime shall  
19 be rotated among qualified volunteers. If no qualified  
20 volunteers are available, the Company shall assign overtime  
21 among qualified employees.

22  
23 **C.** Except in extenuating circumstances, overtime requirements  
24 shall normally be posted not less than forty-eight (48) hours  
25 prior to an overtime requirement.

26  
27 **Section 6.11 Wage Payment Basis.** Employees shall be paid for  
28 time worked computed to the nearest one-tenth hour.

29  
30 **Section 6.12 Pay Day/Direct Deposit.** Employees are encouraged  
31 to enroll in direct deposit of their paychecks. Checks or direct  
32 deposit pay stubs are mailed weekly from the Company's payroll  
33 office.

34  
35 **ARTICLE 7**  
36 **HOLIDAYS**

37 **Section 7.1** Each year the following days are to be paid holidays. If  
38 a holiday falls on a Saturday, Friday shall be the observed holiday. If  
39 a holiday falls on a Sunday, Monday shall be the observed holiday.

| <b><u>2007 Holidays</u></b>   |           | <b><u>Date of Observance</u></b> |
|-------------------------------|-----------|----------------------------------|
| Labor Day                     | Monday    | September 3, 2007                |
| Thanksgiving Day              | Thursday  | November 22, 2007                |
| Friday following Thanksgiving | Friday    | November 23, 2007                |
| Winter Break                  | Monday    | December 24, 2007                |
| Winter Break                  | Tuesday   | December 25, 2007                |
| Winter Break                  | Wednesday | December 26, 2007                |
| Winter Break                  | Thursday  | December 27, 2007                |
| Winter Break                  | Friday    | December 28, 2007                |
| Winter Break                  | Monday    | December 31, 2007                |
| <b><u>2008 Holidays</u></b>   |           | <b><u>Date of Observance</u></b> |
| Winter Break                  | Tuesday   | January 1, 2008                  |
| Memorial Day                  | Monday    | May 26, 2008                     |
| Independence Day              | Friday    | July 4, 2008                     |
| Labor Day                     | Monday    | September 1, 2008                |
| Thanksgiving Day              | Thursday  | November 27, 2008                |
| Friday following Thanksgiving | Friday    | November 28, 2008                |
| Winter Break                  | Wednesday | December 24, 2008                |
| Winter Break                  | Thursday  | December 25, 2008                |
| Winter Break                  | Friday    | December 26, 2008                |
| Winter Break                  | Monday    | December 29, 2008                |
| Winter Break                  | Tuesday   | December 30, 2008                |
| Winter Break                  | Wednesday | December 31, 2008                |
| <b><u>2009 Holidays</u></b>   |           | <b><u>Date of Observance</u></b> |
| Winter Break                  | Thursday  | January 1, 2009                  |
| Memorial Day                  | Monday    | May 25, 2009                     |
| Independence Day              | Friday    | July 3, 2009                     |
| Labor Day                     | Monday    | September 7, 2009                |
| Thanksgiving Day              | Thursday  | November 26, 2009                |
| Friday following Thanksgiving | Friday    | November 27, 2009                |
| Winter Break                  | Thursday  | December 24, 2009                |
| Winter Break                  | Friday    | December 25, 2009                |
| Winter Break                  | Monday    | December 28, 2009                |
| Winter Break                  | Tuesday   | December 29, 2009                |
| Winter Break                  | Wednesday | December 30, 2009                |
| Winter Break                  | Thursday  | December 31, 2009                |

1

| <u>2010 Holidays</u> |        | <u>Date of Observance</u> |
|----------------------|--------|---------------------------|
| Winter Break         | Friday | January 1, 2010           |
| Memorial Day         | Monday | May 31, 2010              |
| Independence Day     | Monday | July 5, 2010              |

2

3

**Section 7.2 Unworked Holidays.** 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, on the holiday, they are on the active payroll, including those on approved leave of absence for not longer than ninety (90) calendar days.

8

9

10

**Section 7.3 Worked Holidays.** Employees who are required to work on the above-named holidays shall receive the pay due them for the holiday, plus double their base rate for all hours worked on such holiday, plus shift differential, if applicable, unless the employee starts to work at 10:00 P.M., or thereafter on that day.

11

12

13

14

15

16

**Section 7.4 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.

17

18

19

20

21

**Section 7.5** If an employee is on an approved vacation in a week in which a holiday falls, time will be charged to holiday rather than vacation.

22

23

24

25

**Section 7.6 Employees on Third Shift.** Those employees who are assigned to work on third shift shall observe holidays in accordance with Sections 7.1 through 7.6 except when Independence Day falls on a Monday, Tuesday, Wednesday or a Thursday. When this occurs, they shall observe the Independence Day holiday on the fifth of July.

26

27

28

29

30

31

**Section 7.7 Customer Recognized Holiday.** The Company may at its discretion, incorporate any additional holidays, in addition to those specified in Section 7.1, that the customer may observe during the term of this Collective Bargaining Agreement.

32

33

34

35

36

37

38

**ARTICLE 8  
VACATION**

39

**Section 8.1** Paid vacation for full time employees shall accrue and be considered earned by the employee on a monthly basis.

40

1 Vacation will be used in a minimum increment of one (1) hour. An  
2 employee hired after September 1, 2007 shall receive vacation  
3 accruals on the first of the month after the completion of six (6)  
4 months. Computation of vacation accruals are as follows:

| <b>Length of Service</b>       | <b>Vacation<br/>Accrual</b> | <b>Equivalent<br/>Hours/Days Per Year</b> |
|--------------------------------|-----------------------------|---|
| Less than 5 years              | 6.67 hours                  | 80 hours/10 days                          |
| 5 years but less than 7 years  | 8.33 hours                  | 100 hours/12.5 days                       |
| 7 years but less than 15 years | 10.00 hours                 | 120 hours/15 days                         |
| 15 years and more              | 13.33 hours                 | 160 hours/20 days                         |

5  
6 **Section 8.2 Unused Vacation.** It is the intent of the parties that  
7 employees shall be required to use their vacation. However, if  
8 desired by the employee, vacation may be carried over to  
9 subsequent years up to a maximum of 400 hours at any point in  
10 time. Payment is made at the employee's current base rate  
11 including shift differential. Accrued and unused vacation is paid to  
12 the employee upon termination of employment. Employees may sell  
13 one week or two weeks vacation during the annual benefit open  
14 enrollment period.

15  
16 **Section 8.3 Employee's on Leave of Absence.** If an employee is  
17 on leave of absence, the employee may request payment of accrued  
18 but unused vacation upon commencement of such absence or  
19 termination of employment.

20  
21 **Section 8.4** Vacation requests in excess of one (1) day must be  
22 made in writing to their supervisor fourteen (14) calendar days prior  
23 to the vacation start date unless approved by the employee's  
24 Supervisor. The Company reserves the right to approve or deny  
25 vacation requests based on business operations. Vacation requests  
26 will be approved based on seniority.

27  
28 **Section 8.5** If an employee's personal time is exhausted,  
29 management may approve on a case-by-case basis an employee's  
30 request to use vacation hours as personal time for legitimate reasons  
31 for absence. Such approval will not be unreasonably denied.

32  
33 **Section 8.6 Buy Additional Vacation.** Effective January 1, 2008,  
34 an employee may purchase up to forty (40) hours of vacation per  
35 year to be used in the year the vacation is purchased. All vacation  
36 hours must be used prior to using the hours purchased. Employees  
37 are awarded the hours equal to their purchase and the cost of the

1 vacation hours is deducted from the employee's pay over a period of  
2 forty-eight (48) weeks.

3  
4 **ARTICLE 9**  
5 **PERSONAL TIME**  
6

7 **Section 9.1 Personal Time Eligibility.** Employees are eligible for  
8 sixty (60) hours of personal time based on the calendar year. Such  
9 eligibility shall be prorated for new hires based on full months of  
10 employment during the first year at a rate of five (5) hours per month.  
11 Personal time may be taken in hourly increments.

12  
13 **Section 9.2 Unused Personal Time.** At the end of the year, up to  
14 sixty (60) hours of personal time may be carried over to the next  
15 benefit year; anything over ninety-six (96) hours will be paid to the  
16 employee at his/her base rate plus shift differential if applicable.  
17 Such payment will be made by the end of January of the following  
18 year. Unused personal time is also paid if the employee retires, dies,  
19 laid off or is terminated. Unused personal time pay will be paid after  
20 90 (ninety) calendar days to employees on layoff status.

21  
22 **ARTICLE 10**  
23 **LEAVES OF ABSENCE**

24 **Section 10.1 Family Medical Leave Act.** The Company agrees to  
25 comply with the provisions of the Family Medical Leave Act (FMLA),  
26 regardless of the total number of employees employed by the  
27 Company, and to afford the benefits provided by the Act to all  
28 employees who have worked at least 1,250 hours in the twelve (12)  
29 months immediately preceding the month in which leave is  
30 requested.

- 31  
32 A. The Company recognizes that each employee is entitled up to  
33 twelve (12) weeks of unpaid leave during a twelve (12)-month  
34 period for any of the following reasons: for the birth of a child  
35 and to care for a newborn; for the placement with the  
36 employment of a child for adoption or foster care; to care for an  
37 employee's spouse, child or parent with a serious health  
38 condition; or because of the employee's own serious health  
39 condition. For the purpose of this Section, the twelve (12)-  
40 month period shall be the twelve (12) months from the last day  
41 on which the employee had previously been on FMLA leave.

42  
43 Employees will not be required to use vacation or personal time for  
44 unpaid FMLA or personal medical leaves.

1  
2 B. During any period in which an employee is taking leave  
3 provided under this Article, the Company shall make  
4 available all benefits provided under this Agreement to which  
5 the employee would otherwise be entitled. The employee  
6 shall continue to accrue seniority for all purposes during the  
7 period of FMLA leave.  
8

9 **Section 10.2 Medical Leaves.** A medical leave of absence may be  
10 granted upon written notification from a doctor. The maximum  
11 medical leave is twelve (12) months. Any leave taken by an  
12 employee in accordance with the federal Family and Medical Leave  
13 Act (FMLA) shall run concurrent with this leave. A doctor's note and  
14 release to return to work is required upon return to work. Employees  
15 will receive six (6) months of Company-subsidized coverage for the  
16 benefits in which they are enrolled, and COBRA thereafter, provided  
17 they continue to pay their portion of the premiums.  
18

19 **Section 10.3 Personal Leaves.** The Company may approve a  
20 leave of absence without pay up to thirty (30) calendar days for  
21 personal reasons. Such leave must be requested in writing and  
22 approved by the Site Manager. Said request must also state the  
23 reason for the unpaid leave. Employees must request such leave at  
24 least five (5) calendar days prior to the date the leave would  
25 commence, except in cases of emergency.  
26

27 **Section 10.4 Union Business.** Bargaining unit employees who are  
28 required to travel for official Union business or attend official Union  
29 functions shall be granted a leave of absence for performing such  
30 business. While on such leave, employees shall not lose any benefit  
31 of seniority.  
32

33 Employees shall submit such requests for leave accompanied by  
34 official Union communication authorizing them to travel or act in such  
35 capacity.  
36

37 **ARTICLE 11**  
38 **MILEAGE ALLOWANCE**

39 **Section 11.1 Use of Personal Automobile.** Reimbursement will  
40 be based on the current prevailing IRS rate per mile. Employees will  
41 receive mileage reimbursement and applicable toll costs for the use  
42 of their personal vehicle for Company business within the local area.  
43 The employee must have a valid driver's license and evidence that  
44 the vehicle is properly insured.

1  
2 **Section 11.2 Work and Travel Pay.** Employees directed to travel  
3 during their regular workweek will be paid at their regular working  
4 rate for all hours traveled during their regular shift. Employees  
5 directed to travel on Saturday and Sunday will be paid at the  
6 applicable premium rate for all hours traveled during their regular  
7 shift hours.

8  
9 **ARTICLE 12**  
10 **SENIORITY**

11 **Section 12.1 Principle of Seniority.** The principle of seniority shall  
12 be a factor in all cases of promotion within the bargaining unit,  
13 transfer, decrease or increase of the work force as well as  
14 preference in assignment to shift work and choice of vacation period,  
15 and shall govern when all other factors are considered essentially  
16 equal in the good faith judgment of the Company.

17  
18 **Section 12.2 Definitions.**

- 19  
20 A. Seniority is defined as including the whole span of continuous  
21 service in the bargaining unit with the present contractor and  
22 with predecessor contractors.  
23  
24 B. Seniority will not be broken for:  
25 (1) Periods of approved absence with leave  
26 (2) Periods of absence due to industrial injury or illness  
27 (3) Periods of absence due to personal injury or illness  
28 (4) Time spent on Union business  
29  
30 C. When two or more employees are hired on the same day, the  
31 last four digits of their Social Security number shall then be  
32 used for purposes of layoff, recall and promotion; i.e., if two  
33 employees have the same seniority date, the employee that  
34 has the lowest number shall be considered to be the most  
35 senior of the employees hired on the same day.

36  
37 **Section 12.3 Loss of Seniority.** All seniority of any employee shall  
38 terminate if the employee:

- 39  
40 A. Voluntarily resigns  
41 B. Is discharged for just cause  
42 C. Is on layoff status in excess of sixty (60) months  
43 D. Refuses recall

1  
2 **Section 12.4 Seniority List.** A seniority list will be maintained by  
3 the Company and will be made available to the Union semi-annually  
4 or upon request. The Company will also furnish a list to the Union  
5 reflecting new-hires or rehires/recalled, their classification, their date  
6 of hire, and termination or layoff dates or other dates of leaving the  
7 bargaining unit.

8  
9 **Section 12.5 Layoff.** When it becomes necessary to reduce the  
10 number of employees, the Company shall layoff employees in  
11 reverse seniority order. The Company shall notify the Union and  
12 affected employees as soon as the facts are known to the Company  
13 of upcoming layoffs, but not less than two (2) weeks' notice or two (2)  
14 weeks' pay in lieu thereof.

15  
16 **Section 12.6 Recall.** Employees shall be recalled in seniority order.  
17 The Company shall send recall notices by certified or signature  
18 receipt mail, to employee's last known official address. The notice  
19 will instruct laid off employees when to report to work. Employees  
20 shall report to work within ten (10) working days after receipt of  
21 notice to report to work or on the specified day whichever is greater  
22 in time. If the employee does not report to work within ten (10)  
23 working days or the specified date, the employee will be deemed to  
24 have abandoned their job and will be removed from the seniority list.  
25 The Company agrees that an employee may request a later return to  
26 work date due to incapacitation or other extenuating circumstances  
27 that prevented him/her from reporting, in which case he/she must  
28 notify the Company, in writing, within ten (10) days after receipt of  
29 the notice that he/she is unable to return to work specifying the  
30 circumstances.

31  
32 **Section 12.7** An employee who has established seniority rights  
33 within the bargaining unit and who is transferred to a position not  
34 covered by this Agreement shall retain seniority rights for a period of  
35 ninety (90) calendar days.

36  
37 **ARTICLE 13**  
38 **NEW JOBS/VACANCIES**

39  
40 **Section 13.1** When new job descriptions are required, the Company  
41 shall notify the Union in writing of the requirements. The Union shall  
42 have thirty (30) calendar days from the date of receipt of notice in  
43 which to request collective bargaining regarding the rate of pay and  
44 benefits. If necessary, this matter is subject to the grievance  
45 procedure up to and including arbitration. The Union shall be notified

1 in writing, within sixty (60) days of implementation, of any needed  
2 revisions or modifications of job descriptions or qualifications; and  
3 the terms shall be mutually agreed upon.  
4

5 A. All vacancies and all new full time jobs shall be posted. Such  
6 postings shall be placed on the Company and Union bulletin  
7 boards at the employees' work site and shall remain posted for  
8 five (5) days. The posting will state the number of jobs to be  
9 filled, the scheduled location of the job, the shift, the rate of pay,  
10 the qualifications required for the job, and a description of the  
11 work required. The Union will be provided a copy of all postings.  
12

13 B. Any bargaining unit employee in the classification posted, or any  
14 employee meeting the minimum qualification requirements, may  
15 bid for the transfer or job. An employee may bid for more than  
16 one job, but should indicate his/her preference on the internal job  
17 application form. A copy of all internal applications will be  
18 provided to the Union.  
19

20 C. The Administrative Manager shall review all internal applications  
21 to determine if candidates meet the minimum qualification  
22 requirements for the position. The position shall then be filled by  
23 the most senior qualified candidate.  
24

25 **Section 13.2** If no qualified internal candidates are identified, the  
26 Company will consider external candidates. The Company agrees to  
27 notify the Union of all vacancies. The Union agrees to provide a pool  
28 of candidates for consideration for future open positions from those  
29 employees eligible for recall from Boeing. Candidates wishing to be  
30 considered for the position of Field Service Technician should first  
31 possess the minimum skill requirements established for the job as  
32 documented in the Job Description. The Company will make all final  
33 decisions concerning the hiring of all capable personnel.  
34

35 **Section 13.3** The Company may temporarily upgrade an employee  
36 to a higher paid classification. The employee shall receive the pay  
37 rate for the classification of work that the employee is performing.  
38 Promotion and seniority rules apply to all permanent (non-temporary)  
39 promotions to a higher paid classification. Temporary promotions  
40 will be based on most qualified candidate. Temporary promotions  
41 shall not be used to circumvent promotion to any regularly  
42 permanent position and shall not be used in excess of thirty (30)  
43 days. The time limits herein prescribed may be extended by the  
44 parties, if the upgrade is due to another employees' extended  
45 absence.

1  
2  
3  
4  
5  
6  
7  
8  
9

**ARTICLE 14  
HEALTH AND SAFETY**

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

**Section 14.1 Health.** The Company and the Union are committed to providing employees with a drug-free and alcohol-free workplace. It is our goal to protect the health and safety of employees and to promote a productive work place, and protect the reputation of the Company, Union and employees.

21  
22  
23  
24  
25  
26  
27  
28

**Section 14.2 Safety.** The Company and the Union recognize the importance of safety in the workplace. The Company will provide bargaining unit employees with any safety equipment necessary to perform the work and that conforms to the minimum standards for the worksite. The Company and employees will be required to comply with all safety rules and regulations that govern the worksite. The Company agrees to request from the customer any repairs or changes to the workplace if they are not in compliance with applicable safety standards. The Union shall have the right to meet and confer with the Company regarding these matters.

29  
30  
31  
32  
33  
34  
35  
36  
37

**Section 14.3 Safety Shoe Reimbursement.** The Company will maintain a process that will provide employees up to \$75.00 per year toward the purchase of approved Safety Shoes where such shoes are mandatory due to regulatory compliance, Company directive or Site requirement.

38  
39

**ARTICLE 15  
NO STRIKE / NO LOCKOUT**

40  
41  
42  
43

**Section 15.1** The Union agrees that neither it nor any of the employees in the bargaining unit, covered by this Agreement will collectively or individually engage in or participate in any strike, slowdown or stoppage of work during the term of the Agreement and the Company agrees that during the term of this Agreement it will not lock out or deny work for any of the employees covered by the Agreement. It is further agreed that no employee shall be disciplined for honoring any IAM&AW picket line at the Boeing facilities.

44  
45

**ARTICLE 16  
GRIEVANCE PROCEDURE**

46  
47  
48  
49

**Section 16.1** "Grievances" shall mean, and be limited to disputes of differences between the Company and the Union, or employees so represented, with respect to the interpretation or application of any specific provision of this Agreement. Both parties agree to use their

1 best efforts, including informal meetings involving supervision,  
2 management, the Union Steward, and the grievant, to resolve  
3 matters without resorting to the grievance procedure except that any  
4 such meetings shall not extend the time limits set forth in this Article.  
5 In the event such informal methods do not resolve the grievance, all  
6 grievances shall be reduced to writing and processed in accordance  
7 with the following steps:  
8

9 **Section 16.2** All grievances beyond Step 1 below, involving  
10 employee claims shall be in writing on grievance forms provided by  
11 the Union and shall be signed by all employees claiming rights there  
12 under. In an effort to adjust employee grievances by mutual  
13 agreement, they shall be presented in the following order and within  
14 the following time limits:  
15

16 **Step 1:** The employee(s), with or without their Union Steward,  
17 shall promptly bring a grievance to their supervisor within five (5)  
18 working days following the event or discovery of the event giving  
19 rise to the grievance. In the event an employee is unavoidably  
20 absent due to illness or injury, or unavailable due to vacation or  
21 other approved reasons, the employee's Union Steward may  
22 bring the grievance to the supervisor. The supervisor shall have  
23 five (5) working days from the grievance meeting to give an oral  
24 reply. If the grievance is not satisfactorily settled after the Step 1  
25 reply then:  
26

27 **Step 2:** Within ten (10) working days following the reply to Step  
28 1, a written grievance containing the Article or Section which is  
29 claimed to be violated and the remedy requested, must be  
30 signed by the employee and submitted by the Union Steward  
31 and taken up with the Manager, or his/her designee. A formal  
32 grievance meeting shall be scheduled within five (5) subsequent  
33 working days. The Company shall give its written reply within  
34 ten (10) working days. If the grievance is not satisfactorily  
35 settled after the Step 2 reply then:  
36

37 **Step 3:** Within fifteen (15) working days of the Step 2 reply, the  
38 grievance may be moved to Step 3 by written appeal to the  
39 Company Human Resources Representative. The Company  
40 Human Resources Representative and the Union  
41 Representative, shall meet within ten (10) working days after  
42 receipt of the grievance into a third step. A written reply from the  
43 Company Human Resources Representative will be given to the  
44 Union within ten (10) working days after the meeting. If the  
45 grievance is not satisfactorily settled within in ten (10) working

1 days from the Step 3 reply, either party may submit the  
2 grievance or dispute to arbitration as covered in the "Arbitration  
3 Procedure" Article.  
4

5 **Section 16.3** Each Union Steward shall notify and obtain permission  
6 from his/her supervisor before leaving his/her work assignment for  
7 the purpose of investigating complaints or claims of grievance on the  
8 part of employees or the Union or contacting the Union  
9 Representative in regard to such claim or grievance.

10 **Section 16.4** The Union, or its authorized representative, shall have  
11 the right to examine time sheets and other records pertaining to the  
12 computation of compensation of any individual or individuals whose  
13 pay is in dispute or other records pertaining to a specific grievance.  
14 Compensation will be paid for time spent discussing or investigating  
15 grievances during normal work schedules.  
16

17 **Section 16.5** It is understood that the time limits specified herein  
18 may be extended by mutual agreement of the parties hereto.  
19

20 **Section 16.6** Nothing in this Article precludes the Union from filing a  
21 general grievance on behalf of an employee or employees in the  
22 event of unusual or unforeseen circumstances.  
23

24  
25 **ARTICLE 17**  
26 **ARBITRATION PROCEDURE**

27 **Section 17.1** The party choosing to arbitrate shall give written notice  
28 to the other party setting forth the matter to be arbitrated. If said  
29 notice is not served within a thirty (30) working day period following  
30 the Step 3 decision of the Grievance Procedure Article, it shall be  
31 deemed that the grievance has been satisfactorily adjusted and the  
32 right to arbitrate waived.  
33

34 **Section 17.2** In the event the Union or the Company submits a  
35 grievance to arbitration, a panel of seven (7) arbitrators will be  
36 requested from the Federal Mediation and Conciliation Service. The  
37 right to first strike a name will be determined by lot; the other party  
38 shall then strike a name. This procedure shall continue alternately  
39 until one (1) name remains.  
40

41 **Section 17.3** The decision of the arbitrator shall be final and binding  
42 on all parties. However, the arbitrator shall not have jurisdiction or  
43 authority to add to, subtract from, modify or in any way change the

1 provisions of this Agreement. The expense and fees of the arbitrator  
2 will be borne equally by both parties.  
3

4  
5 **ARTICLE 18**  
6 **SEVERANCE PAY**

7 **Section 18.1 Eligibility.** In the event economic or operating  
8 conditions result in layoff or reduction in workforce, affected  
9 employees will be eligible for severance pay. Severance pay will not  
10 apply if an employee is laid off and subsequently becomes employed  
11 by another part of BAE Systems; if an employee is offered a position  
12 with comparable pay and benefits by a successor employer; if an  
13 employee is laid off because of an act of God, national emergency or  
14 natural disaster; if an employee is laid off because of a strike,  
15 picketing of Company or Boeing premises, work stoppage or other  
16 similar action; and if employment is terminated for any other reason  
17 including discharge, resignation, death, retirement or leave of  
18 absence.  
19

20 **Section 18.2 Severance Pay.** Employees laid off as described  
21 above shall receive the equivalent of two (2) weeks' base pay,  
22 excluding shift differential, as severance pay. All other employees,  
23 who sign a waiver of claims against the Company, shall receive the  
24 equivalent of one (1) week's pay for each full year of service, up to a  
25 maximum of twenty-six (26) weeks pay. If an employee is recalled  
26 and subsequently laid off in that three-year period, the employee  
27 shall be eligible for any new accumulated severance benefit.  
28 Severance is paid in a lump sum.  
29

30 **Section 18.3 Medical Coverage during Severance Period.** In the  
31 event of layoff, medical, dental, and vision coverage for employees  
32 and dependents will continue during the severance period until the  
33 employee is covered by any other group medical plan either as an  
34 employee or as a dependent, but in no event beyond six (6) months  
35 after the date of layoff. Required contributions, if any, must be paid  
36 during any period of such continuation of coverage.  
37

38 **ARTICLE 19**  
39 **DISCIPLINE**

40 **Section 19.1** Disciplinary action shall only be initiated by the  
41 Company for just and sufficient cause, and any penalty imposed will  
42 be consistent with proven offenses. The principle of progressive  
43 discipline shall be adhered to, as set forth below:

1 **Section 19.2** Upon request, the Union shall be provided all  
2 documentation used pertinent to the disciplinary action taken.

3 **Section 19.3** There shall be a twelve (12) month reckoning period  
4 for any disciplinary action taken, after which all reference to the  
5 matter shall be removed from the employee's record, provided the  
6 employee has not committed any infraction of the same rule for  
7 which they were disciplined during the reckoning period.

8 **Section 19.4** For infractions of Company rules, such as, but not  
9 limited to, poor work performance, a four (4) step procedure will be  
10 followed of oral reprimand, written reprimand, unpaid suspension  
11 and finally discharge.

12 **Section 19.5** Employee(s) shall have the right to Union  
13 representation during any interview that may be disciplinary in nature  
14 or lead to any discipline. Employee(s) shall be notified of these  
15 rights prior to any such interview taking place. The Union Steward  
16 shall be notified and the Union shall be given the opportunity to  
17 attend such interviews.

18  
19 **Section 19.6 Discharge Reinstatement.** In the event it is found  
20 that an employee has been discharged without just and sufficient  
21 cause, such employee shall be reinstated to his/her former position  
22 and compensated for all time lost at his/her applicable hourly  
23 earnings. The period of unjust discharge shall not affect the  
24 employee's seniority rights or his/her right to the other benefits  
25 agreed to herein.

26  
27 **ARTICLE 20**  
28 **MISCELLANEOUS PROVISIONS**

29 **Section 20.1 Nondiscrimination.** The Company and the Union  
30 separately and jointly recognize their obligation to abide by those  
31 state and federal laws relating to equal employment opportunity,  
32 OSHA and nondiscrimination. The Agreement shall be applied fairly  
33 and equitably among all bargaining unit employees and shall not in  
34 any way be used to discriminate against employees on account of  
35 race, color, religious affiliation, sex, age, national origin, veteran, or  
36 disabled status.

37  
38 **Section 20.2 Inventions.** Employees may be permitted to retain  
39 ownership of an invention conceived and developed by them if the  
40 invention was (a) developed entirely on the employee's own time and  
41 the invention is one for which no equipment, supplies, facilities or  
42 trade secret information of the Company was used; and (b) does not

1 directly relate to the business of the Company or demonstrably  
2 anticipated research and development or (c) result from work  
3 performed by the employees for the Company. All other inventions  
4 shall be the property of the Company and employees shall assist the  
5 Company in the protection of such inventions as directed by the  
6 Company.

7  
8 **Section 20.3 Sabotage.** The Union agrees to report to the  
9 Company when it has knowledge of any acts of sabotage or damage  
10 to or the unauthorized taking of Company, government, customer or  
11 any other person's or employee's property. The Union further  
12 agrees, if any such acts occur, to use its best efforts in assisting to  
13 identify and apprehend the guilty parties.

14  
15 **Section 20.4 Tuition Refund.** A tuition refund program will be  
16 made available to employees in accordance with Company policies.

17  
18 **Section 20.5 Change of Address.** Employees are responsible for  
19 notifying the Company of their proper mailing address and current  
20 telephone number. Laid off employees are responsible for notifying  
21 the Company of their proper mailing address and current telephone  
22 number to maintain recall rights. The Company shall be entitled to  
23 rely upon its records and shall be held harmless for any action that  
24 may arise out of said reliance.

25  
26 **Section 20.6 Employee Assistance Program.** The Company will  
27 maintain an Employee Assistance Program (EAP) that includes  
28 wellness, child care and elder care referrals, drug and alcohol  
29 dependence programs, and general counseling for employees and  
30 eligible family members.

31  
32 **Section 20.7 Alteration of Agreement.** No agreement, alteration,  
33 understanding, variation, waiver or modification of any of the terms,  
34 conditions, or covenants contained herein shall be made by any  
35 employee or group of employees with the Company and in no case  
36 shall it be binding upon the parties hereto unless such agreement is  
37 made and executed in writing between the parties hereto. The  
38 waiver of any breach or condition of this Agreement by either party  
39 shall not constitute a precedent in the future enforcement of all the  
40 terms and conditions herein.

41  
42 **Section 20.8 Federal, State and Local Laws.** In the event that any  
43 federal or state legislation, governmental regulations or court  
44 decisions cause invalidation of any Article or Section of this  
45 Agreement, all other Articles and Sections not so invalidated shall

1 remain in full force and effect. Within thirty (30) days, the Company  
2 and Union shall meet to negotiate new contract language to replace  
3 the particular clause(s) which was invalidated by federal or state  
4 legislation.  
5

6 **Section 20.9 Collective Bargaining.** The Company agrees that it  
7 will negotiate with the Union during the term of this Agreement  
8 concerning any matter involving the wages, hours and working  
9 conditions of the employee which is not specifically provided for in  
10 this Agreement and which is not the subject of any grievance. Any  
11 grievance or dispute concerning an employee's rights under the  
12 provisions of this Article shall be adjusted under the terms of the  
13 Grievance and Arbitration procedures outlined in this Agreement.  
14

15 **ARTICLE 21**  
16 **GROUP BENEFITS**

17 **Section 21.1 General Insurance.** The Company's insurance plans  
18 are designed to protect employees and their families against  
19 financial losses, which result from death or disability, and against  
20 unbudgeted hospital and medical expenses, which result from illness  
21 or accident to employees or their covered dependents. The  
22 Company agrees to negotiate with the Union any substantial  
23 changes to the Plans. Coverages begin the first of the month  
24 following the month of employment for new hires and rehires.  
25 Starting in 2006, the employee's share of premium costs shall not  
26 increase more than 10 percent (10%) for the medical, dental and  
27 vision plans.  
28

29 **Section 21.2 Basic Life and AD&D Insurance.** The Company  
30 shall pay the entire cost of Basic Life Insurance for all employees  
31 equal to two times their annual salary, excluding bonuses,  
32 commissions, overtime, shift differential or expense reimbursements.  
33 The Company shall also pay the entire cost of Basic Accidental  
34 Death and Dismemberment (AD&D) Insurance for all employees  
35 equal to two times their annual salary, excluding bonuses,  
36 commissions, overtime, shift differential or expense reimbursements.  
37

38 **Section 21.3 Optional Life and Accidental Death and**  
39 **Dismemberment Insurance.** Optional Life and Optional AD&D  
40 Insurance is available to employees and their eligible dependents.  
41 Employees may choose coverage amounts from one to six times  
42 salary, subject to a \$1,000,000 maximum. Lesser amounts are  
43 available for dependents. The cost of this plan is experience based

1 and will vary from year to year. The employee shall pay the full cost  
2 of this optional plan.

3  
4 **Section 21.4 Short Term Disability.** The Company shall pay the  
5 entire cost of Short Term Disability for all employees beginning in  
6 2005. Short-term disability benefits will be taxable to the employee  
7 and begin on the 15th day of disability and provides for up twenty-six  
8 (26) weeks of benefits equal to 70% of base pay, less any other  
9 income received as a result of disability.

10  
11 **Section 21.5 Long Term Disability.** The Company shall offer a  
12 voluntary long-term disability plan to employees. Costs of the plan  
13 shall be born by the employee.

14  
15 **Section 21.6 Medical.** Medical coverage is available for employees  
16 and eligible dependents via several options, which may vary from  
17 year to year. The Company shares the premium costs with  
18 employees. Employees must contact the Benefit Center during  
19 Annual Enrollment to establish coverage each year. Cost to  
20 employees in 2007 and 2008 is as follows. The cost of the medical  
21 coverage options is experienced-based and will vary from year to  
22 year. If a Field Service Technician employee opts out of medical  
23 coverage, a payment shall be made to the employee as determined  
24 by the Company.

25  
26 2007 Weekly Costs (base salary less than \$50,000)

27

|                          | <u>\$400 PPO</u> | <u>\$250 PPO</u> | <u>EPO</u> |
|--------------------------|------------------|------------------|------------|
| Employee Only            | \$2.12           | N/A              | \$5.12     |
| Employee +<br>Spouse     | \$5.08           | N/A              | \$11.01    |
| Employee +<br>Child(ren) | \$3.08           | N/A              | \$8.38     |
| Family Plan              | \$13.43          | N/A              | \$21.77    |

28  
29 2007 Weekly Costs (base salary \$50,000 or greater)

30

|                          | <u>\$400 PPO</u> | <u>\$250 PPO</u> | <u>EPO</u> |
|--------------------------|------------------|------------------|------------|
| Employee Only            | \$7.12           | N/A              | \$10.12    |
| Employee +<br>Spouse     | \$10.08          | N/A              | \$16.01    |
| Employee +<br>Child(ren) | \$8.08           | N/A              | \$13.38    |
| Family Plan              | \$18.43          | N/A              | \$26.77    |

1 2008 Weekly Costs (base salary less than \$50,000)

|                       | <u>\$400 PPO</u> | <u>\$250 PPO</u> | <u>EPO</u> |
|-----------------------|------------------|------------------|------------|
| Employee Only         | \$2.64           | \$7.65           | \$6.11     |
| Employee + Spouse     | \$5.90           | \$31.76          | \$12.58    |
| Employee + Child(ren) | \$3.67           | \$31.13          | \$9.67     |
| Family Plan           | \$15.18          | \$33.25          | \$24.46    |

2  
3 2008 Weekly Costs (base salary \$50,000 or greater)

|                       | <u>\$400 PPO</u> | <u>\$250 PPO</u> | <u>EPO</u> |
|-----------------------|------------------|------------------|------------|
| Employee Only         | \$7.64           | \$12.65          | \$11.11    |
| Employee + Spouse     | \$10.90          | \$36.76          | \$17.58    |
| Employee + Child(ren) | \$8.67           | \$36.13          | \$14.67    |
| Family Plan           | \$20.18          | \$38.25          | \$29.46    |

4  
5 **Section 21.7 Dental.** Dental Preferred Provider High and Low  
6 coverage options are offered for employees and their eligible  
7 dependents. The amount of coverage varies by plan selected. The  
8 Company shares the premium costs with employees. Employees  
9 must contact the Benefit Center during Annual Enrollment to  
10 establish coverage each year. Cost to employees in 2007 and 2008  
11 is as follows. The cost of the dental plan options is experienced  
12 based and will vary from year to year.

**Delta Dental PPO**

| <u>2007 Weekly Costs</u> | <u>High Plan</u> | <u>Low Plan</u> |
|--------------------------|------------------|-----------------|
| Employee Only            | \$3.64           | \$2.23          |
| Employee plus Spouse     | \$7.89           | \$4.75          |
| Employee plus Child(ren) | \$7.89           | \$4.75          |
| Family Plan              | \$10.42          | \$6.27          |

14

**Delta Dental PPO**

| <u>2008 Weekly Costs</u> | <u>High Plan</u> | <u>Low Plan</u> |
|--------------------------|------------------|-----------------|
| Employee Only            | \$3.67           | \$2.24          |
| Employee plus Spouse     | \$7.95           | \$4.78          |
| Employee plus Child(ren) | \$7.95           | \$4.78          |
| Family Plan              | \$10.50          | \$6.30          |

1  
2  
3  
4  
5  
6  
7  
8  
9

**Section 21.8 Vision.** The Company shares the premium costs with employees. Coverage is offered to employees and eligible dependents. The plan includes an annual exam, frames and lenses. Contact lenses may be obtained in lieu of frames and lenses. Cost to Field Service Technician employees in 2007 and 2008 is as follows. The cost of this plan is experienced based and will vary from year to year.

**Vision**

2007 Weekly Costs

|                          |        |
|--------------------------|--------|
| Employee Only            | \$1.55 |
| Employee plus Spouse     | \$2.84 |
| Employee plus Child(ren) | \$3.03 |
| Family Plan              | \$4.58 |

10

**Vision**

2008 Weekly Costs

|                          |        |
|--------------------------|--------|
| Employee Only            | \$1.46 |
| Employee plus Spouse     | \$3.00 |
| Employee plus Child(ren) | \$2.71 |
| Family Plan              | \$4.24 |

11

12 **Section 21.9 Flexible Spending Accounts.** The Company  
13 provides employees the option of making pre-tax contributions to a  
14 health care spending account and/or a dependent care spending  
15 account.

16

17 **Section 21.10 Long-Term Care.** Long-term care insurance is  
18 available to the employee, his/her spouse, parents and parents-in-  
19 law at employee cost. The policy covers long-term expenses in the  
20 event professional care is required in your home or nursing home.

21

22 **Section 21.11 Business Travel Accident Insurance.** The  
23 Company provides Business Travel Accident Insurance for all  
24 employees while traveling on Company business equal to six (6)  
25 times the employee's annual salary up to a maximum of one million  
26 dollars. The premium is paid by the Company.

27

28 **Section 21.12 Copies of Policies and Administration.** Copies of  
29 the policies and agreements covering the above benefits shall be  
30 made available to the Union. The coverages and benefits indicated  
31 in these group insurance programs, the rights of eligible employees  
32 in respect to such coverages, and the settlement of all claims arising

1 out of such coverages shall be in accordance with the provisions,  
2 terms and rules set forth in such policies and agreements.

3  
4 The Group Benefits Programs shall be administered by the Plan  
5 Administrator, healthcare contractors or administrative agents with  
6 whom the Company enters into contractual arrangements for the  
7 purpose of providing and/or administering the programs. Any  
8 questions or issues arising under the administration of these  
9 programs or the contracts and agreements shall be subject to the  
10 grievance procedure or arbitration.

11  
12 **ARTICLE 22**  
13 **PENSION PLAN**

14 **Section 22.1.** The Company shall contribute to the IAM National  
15 Pension Fund, National Pension Plan for each day/hour or portion  
16 thereof to a maximum of forty (40) hours per work week for which  
17 employees in all job classifications covered by this Agreement are  
18 entitled to receive pay under this Agreement as follows:

19  
20 \$2.15 per hour effective September 1, 2007  
21 \$2.30 per hour effective September 1, 2008  
22 \$2.45 per hour effective September 1, 2009  
23

24 **Section 22.2** The Company shall continue contributions based on a  
25 forty (40) hour workweek while an employee is off work in pay status  
26 due to paid vacations or paid holidays.

27  
28 **Section 22.3** Contributions for a new, temporary, probationary, part-  
29 time and full-time employee shall be payable from the first day of  
30 employment.

31  
32 **Section 22.4** The Union and Company adopt and agree to be  
33 bound by, and hereby assent to, the Trust Agreement, dated May 1,  
34 1960, as amended, creating the I.A.M. National Pension Fund and  
35 the Plan rules adopted by the Trustees of the I.A.M. National  
36 Pension Fund in establishing and administering the foregoing Plan  
37 pursuant to the said Trust Agreement, as currently in effect and as  
38 the Trust and Plan may be amended from time to time.

39  
40 **Section 22.5** The parties acknowledge that the Trustees of the  
41 I.A.M. National Pension Fund may terminate the participation of the  
42 employees and the Company in the Plan if the successor Collective  
43 Bargaining Agreement fails to renew the provisions of this Pension  
44 Article or reduces the Contribution Rate. The parties may increase

1 the Contribution Rate and/or add job classifications or categories of  
2 hours for which contributions are payable.

3  
4 **Section 22.6** This Article contains the entire Agreement between  
5 the parties regarding pension and retirement under this Plan and any  
6 contrary provisions in this Agreement shall be void. No oral or  
7 written modification of this Agreement shall be binding upon the  
8 Trustees of the I.A.M. National Pension Fund. No grievance  
9 procedure, settlement or arbitration decision with respect to the  
10 obligation to contribute shall be binding upon the Trustees of the  
11 Pension Fund.

12  
13 **Section 22.7** When employees in the bargaining unit are required to  
14 be away from work to serve as Union representatives in any official  
15 capacity, the employee shall be given authorized absence during the  
16 period of absence and the Company shall continue to make  
17 contributions to the I.A.M. National Pension Fund on behalf of the  
18 employee during the period of absence.

19  
20 **Section 22.8 Retiree Medical.** Employees who transfer from  
21 Boeing, including those recalled from layoff for hire by BAE Systems,  
22 shall be eligible for retiree medical at the time of retirement from BAE  
23 Systems, provided age and service requirements are met which shall  
24 include service from Boeing. Such plan shall be contributory and  
25 based on length of service with the Company, including service with  
26 Boeing.

27  
28 **ARTICLE 23**  
29 **PROFIT SHARING**

30 BAE Systems appreciates and applauds the contribution made by all  
31 employees to the success of the Company. In recognition of that  
32 contribution, the Board of Directors has granted various "profit-  
33 sharing" type programs. These programs have included an All-  
34 Employee Stock Appreciation Rights (SARs) Plan and a Profit  
35 Sharing Plan. The issuance of these plans, terms of these plans,  
36 and the timing of the plans are determined solely by the BAE  
37 Systems plc Board of Directors. They are provided to  
38 nonrepresented employees only unless an agreement is reached to  
39 provide them to represented employees.

40  
41 It is agreed that in the event such plans are granted to the  
42 nonrepresented population of BAE Systems Platform Solutions, they  
43 shall be provided to the employees covered by this Collective

1 Bargaining Agreement in accordance with the same eligibility  
2 conditions.

3  
4  
5

**ARTICLE 24  
SAVINGS PLAN**

6 **Section 24.1 Plan Administration.** Subject to approval of the  
7 Commissioner of Internal Revenue and other cognizant government  
8 authorities, a voluntary Savings Plan (called the Plan) shall be  
9 available to employees. Approval of the Plan by the Commissioner of  
10 the Internal Revenue means that the Plan and related trust or trusts  
11 are at all times qualified and exempt from income taxes under  
12 Section 401(a) and Section 401(k) and other applicable provisions of  
13 IRS code that make contributions made by the Company tax  
14 deductible. The Company will select a provider to administer the  
15 Plan.

16  
17 **Section 24.2 Eligibility and Contributions.** Employees are eligible  
18 to participate upon hire with the Company. On a pre-tax basis,  
19 employees may elect to defer one (1) to twenty-five (25) percent of  
20 their salary, up to an annually specified government limit, whichever  
21 is less. A Company match will be provided equal to \$.75 for each  
22 \$1.00 up to eight (8) percent of pay. Employees are vested in the  
23 Company match immediately. An employee may request a switch to  
24 after-tax savings after reaching the regulatory limits. After-tax  
25 savings are not matched by the Company.

26  
27  
28

**ARTICLE 25  
JOB SECURITY PROVISIONS AND NEW TECHNOLOGY**

29 **Section 25.1 Partnership.** The Company and Union share the  
30 common goal of maximizing the value of the Company for the benefit  
31 of all the stakeholders in the Company. The Company accepts that  
32 employees are significant stakeholders in the Company and that the  
33 Union has a legitimate role to play in representing the long term  
34 interest of its members who work for the Company in achieving fair  
35 wages and benefits; a safe, healthy, and challenging work place; job  
36 security to the greatest extent possible given the Company's  
37 economic realities; and all other matters pertaining to the  
38 employment relationship. As such, the parties agree to form a  
39 Partnership to put these beliefs into action. The provisions that  
40 follow are deemed essential by both the Company and the Union to  
41 faithfully grow this partnership.

42  
43  
44

**Section 25.2 Outsourcing.** The Company will not out source any  
work historically performed by the bargaining unit in the facility

1 without the approval of the Union. Approval shall not unreasonably  
2 be denied.

3  
4 **Section 25.3 Temporary Employees.** The use of temporary  
5 employees may be permitted with prior Union approval on an  
6 occasional basis if overtime by regular employees is not sufficient to  
7 meet workload surges required of the Company. Such temporary  
8 employees shall not exceed ninety (90) days continuous employment  
9 unless mutually agreed by the Company and Union and are subject  
10 to the terms and conditions of employment as specified in Article 2 of  
11 this Agreement.

12  
13 **Section 25.4 Technology Changes.** Technological changes which  
14 affect jobs in the bargaining unit will not be used as a basis for  
15 changing such jobs from bargaining unit status to a non-bargaining  
16 unit status.

17  
18 **ARTICLE 26**  
19 **SUCCESSORS AND ASSIGNS**

20 This Agreement shall be binding upon and shall inure to the benefit  
21 of the parties hereto, their successors, administrators, executors and  
22 assigns until its expiration, or until it is changed by mutual agreement  
23 of the parties. It is the expressed intent of the parties that the  
24 Agreement shall remain in effect for its full term. In the event that a  
25 successor is announced by the customer the Company shall notify  
26 the Union of such change and include contact information for the  
27 successor if known.

28  
29 **ARTICLE 27**  
30 **TERM AND NOTICE OF CHANGE OR TERMINATION**

31  
32 This Agreement shall become effective August 30, 2007 and remain  
33 in full force and effect until the close on August 30, 2010 and shall be  
34 automatically renewed for consecutive one-year periods, unless  
35 either party notifies the other in writing, between 60 and 90 days of  
36 its expiration, of its desire to change or terminate the Agreement.

1 In the case of such notice the parties agree to meet for the purpose  
2 of negotiating a new Agreement or a written renewal of this  
3 Agreement.

4  
5  
6

7 \_\_\_\_\_  
8 MARK BLONDIN  
9 AEROSPACE COORD.  
10 IAM&AW

7 \_\_\_\_\_  
8 DAPHNE L. RIVERA  
9 SR HR MANAGER  
10 BAE SYSTEMS PLATFORM  
11 SOLUTIONS

11  
12  
13  
14  
15

12 \_\_\_\_\_  
13 TOM WROBLEWSKI  
14 PRESIDENT & DIRECTING  
15 BUSINESS REP

1  
2                   **Letter of Understanding No. 1**  
3                   **Subject: Drug and Alcohol Testing**  
4

5  
6   The Union recognizes the Company's desire to maintain a drug and  
7   alcohol free workplace, and to comply with laws and regulations  
8   addressing that subject. The Company will implement drug and  
9   alcohol testing to the extent necessary to comply with such laws and  
10  regulations and when reasonable suspicion or accidents occur. The  
11  Company will utilize the services of the Company Employee  
12  Assistance Program and the Union to assist with employees who test  
13  positive for drugs and/or alcohol. An employee who tests positive for  
14  illegal drugs or abuse of legal drugs shall be referred to the  
15  Company Employee Assistance Program, provided that such test is  
16  the first positive in the employee's history with the Company. The  
17  employee will comply with all recommendations of the employee  
18  assistance program and in accordance with the Company's Drug and  
19  Alcohol Misuse Prevention policy. Employees who test positive for  
20  drugs or alcohol for a second time, or employees who test positive  
21  and no job exists where the employee can work because of laws and  
22  regulations, shall be discharged for cause. Employees who engage  
23  in drug use, sale and/or distribution of drugs on Company or  
24  customer premises shall be immediately discharged for cause. An  
25  employee who tests positive for illegal drugs or abuse of legal drugs  
26  may elect to have a drug test provided by his or her own physician at  
27  his/her own expense, within three (3) days of the original test. The  
28  Company will consider the results of the test provided by the  
29  employee.

30  
31  
32  
33  
34  
35  
36   Dated August 30, 2007  
37

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

**Letter of Understanding No. 2**  
**Subject: Lump Sum Payment**

The Company shall make the following cash payment to all active employees as of the effective date. The amount is a gross payment and subject to taxes in accordance with regulations regarding lump sum compensation payments.

| <u>Effective Date of Cash Payment</u> | <u>Amount of Cash Payment</u> |
|---------------------------------------|-------------------------------|
| September, 1, 2007                    | \$2,000                       |

Dated August 30, 2007

**Letter of Understanding No. 3**  
**Subject: Attendance Policy**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16

The Union recognizes the Company's need for an Attendance Policy. The Union and the Company agree that the Attendance Policy is subject to the Grievance and Arbitration process written in this contract.

Dated August 30, 2007