UNION RECOMMENDS REJECT & STRIKE!

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

YOUR NEGOTIATORS RECOMMEND: REJECT & STRIKE

Triumph presented your negotiating team with its “best and final offer” on Thursday, May 5th. You identified restoring pensions for all, general wage increases, and eliminating the two-tier wage scale as top issues. The company made very little movement to address these top issues. Because of this, your Negotiating Committee recommends you REJECT this proposal and vote YES TO STRIKE.

Triumph’s “best and final” offer demands that you submit to more of the corporate practices that are destroying Middle Class America. It is part of a corporate strategy to break the workers who have built this company. While one CEO retired last year with a $3.2 million lump sum retirement -- which he took instead of a $221,000 annual pension -- Triumph is refusing to guarantee you any basic level of retirement security.

From the start, your union negotiating team has pursued a fair contract that would provide everyone on the Triumph Team with an equal opportunity to earn wages and retirement security. Our goal has been to right the wrongs that were imposed in the last contract, three years ago. But the company’s negotiators simply are not interested in rewarding you for fixing the problems the company caused when it moved your work away.

Triumph has committed Unfair Labor Practices and has Bargained in Bad Faith.

Beyond the insulting proposal, and their unjust salary scheme, Triumph has violated the law by not providing information essential to bargaining, committed direct dealing, intimidation and coercion, and has bargained in bad faith. The company’s bad faith conduct is an Unfair Labor Practice under federal law, and our union has filed ULP charges. Protesting the company’s failure to bargain in good faith is one more reason to support a strike.

There is no excuse for Triumph not to reward you and expect you to sell out yourselves, your children, the people you work with today and the people you will work with in the future -- not after all you’ve done over the past three years to make up for the mistakes Triumph’s management has made.

Triumph believes you are weak and will simply submit to whatever bad proposal it puts out. Triumph doesn’t believe you will stand up for yourselves. Don’t allow Triumph to further divide the workforce and pit member against member and parents against children. Above all, let’s not repeat what happened last time, when only six votes made the difference between standing strong and accepting the bad contract we’ve lived under for the past three years.

We are One Equal Team, and we will not accept a contract that further divides us.

– Your IAM Negotiating Team

Jon Holden  Steve Warren  Ken Howard  Rick Olson  Jerry Purser  Jerry Womble

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

PENSION: NO RESTORATION OF PENSION FOR ALL. Two-tier system. This extends the haves and have not's and destroys our bargaining unit going forward as the group will continue to grow that is excluded from retirement security.

401(k): TAKE-AWAY For those hired after 5/11/13, 401(k) match will be reduced from current 100% for first 2% then 40% for next 4% to just 50% of the first 6%.

WAGES: SELL OUT. NO ELIMINATION OF TWO-TIER WAGE SYSTEM. Instead, the company is proposing to continue the current unfair wage system that divides our members.

CHANGES TO PAY: Company proposes wage increases only to some employees rather than all. They offer raises only to those on Lower Tier Table who, remember, had their maximum lowered 12.5% in the last contract.

LUMP SUMS: TAKE-AWAY Less than half that was offered in each of the last two contracts. They believe you are worth less and less and that you won't stand up for your fair share.

CHANGES TO HEALTH CARE: Removed the cap on what you may pay on premiums in 2018. This leaves you unprotected for cost increases to monthly premiums without limits.

COST OF LIVING: Same as current contract.

Economic Issues

WAGES: Divide and conquer continues!

Triumph is continuing with their two-tier wage system - divide and conquer strategy with the Heritage and Lower Tier wage tables. Rather than providing raises for all, they continue to give to some and not to others.

Members on Table 1 - Heritage will receive NO General Wage Increase during the life of the proposed agreement.

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>No change to maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Lead</td>
<td>$27.48</td>
</tr>
<tr>
<td>Production Mechanic A</td>
<td>$27.48</td>
</tr>
<tr>
<td>Production Mechanic B</td>
<td>$24.78</td>
</tr>
<tr>
<td>Maintenance Mech. A</td>
<td>$30.18</td>
</tr>
<tr>
<td>Inspection Mechanic A</td>
<td>$28.42</td>
</tr>
<tr>
<td>Inspection Mechanic B</td>
<td>$26.58</td>
</tr>
<tr>
<td>Tooling Mechanic A</td>
<td>$29.44</td>
</tr>
<tr>
<td>Tooling Mechanic B</td>
<td>$27.60</td>
</tr>
<tr>
<td>Development Mech. A</td>
<td>$31.30</td>
</tr>
<tr>
<td>Development Mech B</td>
<td>$29.54</td>
</tr>
</tbody>
</table>

Members on Lower Tier Table (who had their maximum lowered by 12.5% in the last contract): Triumph offers only a 2% GWI in 2016, NO raise in 2017, and a 1.5% GWI in 2018. Minimum rates shall be increased by 2% on 05/13/16. (See table below).

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>+2% Min Rate of Pay</th>
<th>+2% 5/13/16 Max</th>
<th>+0% 5/12/17 Max</th>
<th>+1.5% 5/11/18 Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Lead</td>
<td>$13.63</td>
<td>$24.04</td>
<td>$24.04</td>
<td>$24.40</td>
</tr>
<tr>
<td>Production Mechanic A</td>
<td>$13.63</td>
<td>$24.04</td>
<td>$24.04</td>
<td>$24.40</td>
</tr>
<tr>
<td>Production Mech B</td>
<td>$11.22</td>
<td>$21.68</td>
<td>$21.68</td>
<td>$22.00</td>
</tr>
<tr>
<td>Inspection Mechanic A</td>
<td>$14.49</td>
<td>$24.87</td>
<td>$24.87</td>
<td>$25.24</td>
</tr>
<tr>
<td>Insepction Mechanic B</td>
<td>$12.76</td>
<td>$23.26</td>
<td>$23.26</td>
<td>$23.60</td>
</tr>
<tr>
<td>Tooling Mechanic A</td>
<td>$15.51</td>
<td>$25.76</td>
<td>$25.76</td>
<td>$26.14</td>
</tr>
<tr>
<td>Tooling Mechanic B</td>
<td>$13.78</td>
<td>$24.15</td>
<td>$24.15</td>
<td>$24.52</td>
</tr>
<tr>
<td>Development Mech. A</td>
<td>$17.25</td>
<td>$27.39</td>
<td>$27.39</td>
<td>$27.80</td>
</tr>
<tr>
<td>Development Mech B</td>
<td>$15.51</td>
<td>$25.85</td>
<td>$25.85</td>
<td>$26.23</td>
</tr>
</tbody>
</table>

Last contract, Triumph gave 2% ONLY to those on Table 1. It’s time to say no to their pick-and-choose strategy with wages. We want a one-tier system with raises for ALL!
**Lump Sum:** Less than half of the lump sums received in both of the last two contracts.

**Lump Sum:** Total of $4,000 ($4,500 less than in last contract)

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/27/16</td>
<td>$2,000</td>
</tr>
<tr>
<td>05/26/17</td>
<td>$1,000</td>
</tr>
<tr>
<td>05/28/18</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Triumph is offering less and less because they believe you will accept less each time. Stand together, stand united and tell them you deserve MORE!

The 2016 Contract has $4,000 in lump sums  
The 2013 Contract had $8,500 in lump sums  
The 2010 Contract had $8,300 in lump sums

Why would you accept less than half of what was offered in lump sum bonuses in the previous two contracts?

**Overtime:**

Company will not assign designated overtime to an employee more than one consecutive weekend (previously two consecutive weekends) or two weekends total in a calendar month.  

Changed language to all time compensated (previously “worked”) in excess of eight hours in one day shall be paid at time and one half for the first two hours and then double time thereafter.

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**Pension/401K**

**Pension & 401(k) - Divide and conquer continues!**

This extends the have’s and have not’s and destroys our bargaining unit going forward as the group will continue to grow that is excluded from retirement security. This is a major reason why your negotiating committee recommends you vote to **REJECT** the contract and **VOTE YES TO STRIKE**.

PENSION: Triumph offered an additional nickel on 5/11/17 for those in the pension plan in 2018 bringing the contribution to $1.80 an hour.

The company’s offer on retirement benefits is a purposeful tactic to divide and conquer our unified membership. This also reduces the 401(k) matches for our newer brothers and sisters who must rely solely on the 401(k) for their retirement security.

401(k) PROPOSAL: For those hired after 5/11/13, 401(k) match will be reduced from current 100% for first 2% then 40% for next 4% to just 50% of the first 6%. This does not address your co-workers that don’t have the pension contribution on their behalf.

This proposal is a reduction of the 401(k) match from 3.6% to 3% for those only receiving the 401(k) match. Therefore, a “Yes” vote on this contract would mean SMALLER 401(k) MATCHES and pension contributions for some and not for all.

This is one of the reasons why your negotiating team recommends A VOTE TO REJECT AND STRIKE.
Health Care/Dental

Health Care: Cost shift continues - pay close attention to third year where monthly premium increases are not capped and members are not protected from increases without limit!

Health Care coverage remains at an 85% employer paid and 15% employee paid plan; HOWEVER, in 2018 and beyond, there would be no cap on how much each member pays in premiums. Triumph language says “Medical and dental rates for 2017 remain unchanged. Future rates based on actual experience rating.”

This means all future increases YOU WILL PAY!

Company proposal eliminates current language in 11.2(b) that put a cap and spelled out the maximum rates employees pay for a monthly premium.

Again, for 2018 and beyond there is no cap on the increase of plan costs you might have to pay.

FORGET INCREASED CO-PAYS & COST SHIFTS YOU KNOW ABOUT, THIS IS POTENTIALLY MORE DAMAGING.

Rules due to the Affordable Care Act (ACA)
If the Triumph plan triggers the ACA tax, Triumph can meet with the Union and if no agreement on plan changes is reached within 30 days of the initial meeting...Triumph may modify the plan design such as deductibles and co-payments and/or contributions to medical-related accounts to ensure they avoid the ACA excise tax. The assurance you have is “the modifications cannot be greater than what is necessary to bring the premium below the threshold and any value reduction would be captured with lower monthly premiums or increases in wages or a combination of both.”

DANGER: You are trusting the company to do the right thing and giving up our Union’s ability to pursue a grievance objecting to the plan changes only if the company exercised unreasonable or improper judgement (both very subjective terms).

<table>
<thead>
<tr>
<th>Employee Medical Cost Share 2016 &amp; 2017</th>
<th>Employee Dental Cost Share 2016 &amp; 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>Employee Only</td>
</tr>
<tr>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Employee + One (1)</td>
<td>Employee + One (1)</td>
</tr>
<tr>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Family</td>
<td>Family</td>
</tr>
<tr>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Medical Premiums for 2016 and 2017 ONLY

<table>
<thead>
<tr>
<th></th>
<th>TCS Monthly</th>
<th>Employee Monthly</th>
<th>Employee Per Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$505.50</td>
<td>$75.54</td>
<td>$34.86</td>
</tr>
<tr>
<td>Employee + One (1)</td>
<td>$918.00</td>
<td>$162.00</td>
<td>$74.77</td>
</tr>
<tr>
<td>Family</td>
<td>$1,230.10</td>
<td>$270.02</td>
<td>$124.63</td>
</tr>
</tbody>
</table>

NOTE: 2018 and beyond there is no cap on your premium cost and Triumph is free to pass on all increases to you into the future.

THE FOLLOWING LANGUAGE WAS DELETED FROM 11.2(b): “Premium sharing formulas continue subject to these employee premium maximums. If employee premium payment obligation in any year exceeds that year’s employee maximum, TCS will pay the excess premium.”

If they don’t plan to stick us with much higher premiums, why not continue with the same language?
### Dental Premiums

<table>
<thead>
<tr>
<th></th>
<th>TCS Monthly</th>
<th>Employee Monthly</th>
<th>Employee Per Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$35.00</td>
<td>$5.00</td>
<td>$2.31</td>
</tr>
<tr>
<td>Employee + One</td>
<td>$68.00</td>
<td>$12.00</td>
<td>$5.45</td>
</tr>
<tr>
<td>Family</td>
<td>$98.00</td>
<td>$22.00</td>
<td>$10.15</td>
</tr>
</tbody>
</table>

### Holidays – Article 7

**2016 Holidays**
- Memorial Day: 5/30/16
- Independence Day: 7/4/16
- Labor Day: 9/5/16
- Thanksgiving Day: 11/24/16
- Day after Thanksgiving: 11/25/16
- Winter Break: 12/23/16
- Winter Break: 12/26/16
- Winter Break: 12/27/16
- Winter Break: 12/28/16
- Winter Break: 12/29/16
- Winter Break: 12/30/16

**2017 Holidays**
- Winter Break: 1/2/17
- Memorial Day: 5/29/17
- Independence Day: 7/4/17
- Labor Day: 9/4/17
- Thanksgiving Day: 11/23/17
- Day after Thanksgiving: 11/24/17
- Winter Break: 12/22/17
- Winter Break: 12/25/17
- Winter Break: 12/26/17
- Winter Break: 12/27/17
- Winter Break: 12/28/17
- Winter Break: 12/29/17

**2018 Holidays**
- Winter Break: 1/1/18
- Memorial Day: 5/28/18
- Independence Day: 7/4/18
- Labor Day: 9/3/18
- Thanksgiving Day: 11/22/18
- Day after Thanksgiving: 11/23/18
- Winter Break: 12/24/18
- Winter Break: 12/25/18
- Winter Break: 12/26/18
- Winter Break: 12/27/18
- Winter Break: 12/28/18
- Winter Break: 12/31/18

**2019 Holidays**
- Winter Break: 1/1/19

### Paid Time Off – Article 9

**9.1:** Added option to roll over up to 40 hours PTO for a maximum balance of 80 hours.

For cash out, employees will be required to notify the Human Resources department by the end of the first calendar year pay period, to indicate the amount of hours they wish to cash out. All remaining hours will be rolled over up to maximum allowed.

Vacation can be used in lieu of PTO in one hour increments after PTO has been exhausted.

**9.2:** Increased payout of unused PTO for voluntary resignation with greater than 2-week notice from half to FULL payment.

### Bereavement

Bereavement leave must be taken on consecutive workdays as selected by the employee within thirty (30) calendar days following the death or evidence of belated notification of death (previously within 20 calendar days).

Also added: Employees shall be granted up to an additional two (2) days leave without pay providing evidence of additional time needed for memorial or death.

### Promotions, Employee Reviews, Temp Assignments

**PROMOTIONS:** Language added to remove any disciplinary action taken directly related to the failure to meet new job qualifications issued to employee during the 90-day evaluation period, if the member is moved back to the previously held classification.

**TRAINING:** Language added that bargaining unit employees assigned to train two or more employees will be promoted to the “A” classification during such training.

**Health Care/Dental (continued)**

<table>
<thead>
<tr>
<th></th>
<th>TCS Monthly</th>
<th>Employee Monthly</th>
<th>Employee Per Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>$35.00</td>
<td>$5.00</td>
<td>$2.31</td>
</tr>
<tr>
<td>1 thru 2 years</td>
<td>40 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 thru 4 years</td>
<td>80 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 thru 8 years (previously 9 years)</td>
<td>96 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 thru 11 years (previously 10 &amp; 11 years)</td>
<td>120 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 and 13 years</td>
<td>128 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 and 15 years</td>
<td>136 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 and 17 years</td>
<td>144 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 years or more</td>
<td>160 hours</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8.3(c): Vacation credits may be used in one (1) hour increments (previously had to be used in 2 hour increments).
VOTING THE PROPOSAL

WHEN: Monday, May 9, 2016
WHERE: Machinists Union Hall
TIME: Polls will be open between 7:00 a.m. and 7:00 p.m.

1 What Is on the Ballots
There are two separate ballots:
• One to accept or reject the contract.
• One to authorize a strike

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. on May 11, 2016.

Section 17.4: Changed preferred process for addressing health & safety matters from SHERP to Employee/Illness Reporting Form and the Safety Concerns/Ideals Reporting Form.
Moved 17.8(a) Wellness Programs into Medical Benefits attachment.

Art. 21 - Layoff, reclass & recall rights
Bump rights no longer limited to job held in previous 7 years.
For layoffs, Team Lead & Production Mechanic A are considered same classification.

cwa #37082 afl-cio

 Stunning changes to contract highlights:

- Increased safety shoe allowance from $75 per year to $100 per year.
- Increased prescription safety glasses allowance from $100 to $125 for every 24 months.
- Renamed Article 17 Environmental Safety & Health.

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

Voting YES to Strike is the only way to give your negotiators options to get a better contract and to support the majority. If 2/3’s do not vote to strike, even an overwhelming REJECT vote means you accept the contract.