

## EFFECTS AGREEMENT

This Effects Agreement (hereinafter "Agreement") is made and entered into this 29<sup>th</sup> day of April 2020, by and between Triumph Composite Systems (hereinafter "Employer") and the International Association of Machinists and Aerospace Workers, AFL-CIO District Lodge 751 and its Local Lodge 86 (hereinafter collectively the "Union").

WHEREAS, the Employer and the Union have negotiated a collective bargaining agreement ("CBA") dated May 11, 2016 to May 11, 2020, and the Union is the sole representative pursuant to the Recognition clause of the CBA and the Union has the legal right to enter into this Agreement on behalf of these employees; and

WHEREAS, the Employer and the Union have negotiated in good faith concerning the Employer's decision to reduce the workforce at the Employer's facility in Spokane, Washington (hereinafter "Plant"); and

WHEREAS, the Employer and the Union have negotiated in good faith the effects of the above-referenced decision upon the bargaining-unit employees represented by the Union; and

WHEREAS, after said negotiations, the Employer and the Union have agreed upon the settlement of all rights and liabilities each have to each other arising under applicable law as of the date of this Agreement relating to layoffs and the effect thereof; and

WHEREAS, the parties agree that the terms and conditions of this Effects Agreement, including but not limited to the payment of wages and benefits outlined below, are conditioned upon a smooth and orderly reduction of the Employer's above-referenced Spokane operations;

NOW THEREFORE, the Employer and the Union on behalf of itself and the members of the bargaining unit agree that the below terms set forth the full and final obligations of the parties:

**Severance Pay.** Bargaining-unit members who are voluntarily or involuntarily laid off during the month of April 2020 or at any time thereafter shall receive one hundred and sixty (160) hours of severance pay at the employee's current rate of pay excluding shift differential or other premiums:

Severance shall be paid in a one-time lump sum payment, less required withholding and other customary payroll deductions, payable no later than the second full payroll period after the employee's layoff.

Employees shall only be eligible for severance pay if they are active employees, including those on approved leaves of absence, during the month of April 2020 or at any time thereafter.

Employees who are voluntarily laid off and are subsequently recalled to active employment within thirty (30) days of layoff shall be required to reimburse the Company for any severance payment received under the instant Agreement in excess of the actual number of hours the employee was laid off. Reimbursement will be completed within (60) days of recall.

Employees are not eligible to receive severance as outlined herein more than one (1) time for the duration of their employment with the Employer except to the extent that any severance was reimbursed

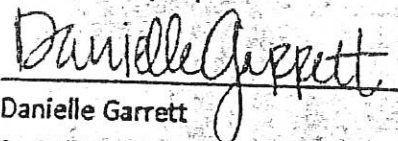
to the Company pursuant to the above provision, under the Instant Agreement within thirty (30) days of recall.

Continuation of Benefits. A bargaining-unit member who is voluntarily or involuntarily laid off during or after the month of April, 2020 shall be eligible to continue medical, dental and vision benefits, at the employee's elected coverage levels which were in effect immediately before the employee's date of layoff, through the end of the calendar month following the calendar month in which the employee is laid off (the employee's "Continuation of Benefits Period").

In order to have continued benefit coverage, a laid off employee must continue to pay the employee-portion of the premium cost for the employee's elected coverage levels. If the laid off employee's Continuation of Benefits Period bridges two calendar years, then beginning on January 1 of the second calendar year, the medical, dental and vision benefits available to the laid off employee, and the employee-portion of the premium cost for such benefits, will be the same as those available to members of the bargaining unit who are actively employed by the Company on such January 1, even if such benefits and premiums are different from those available to the laid off employee on the date of the employee's layoff.

Release of All Other Claims. The Union agrees that the Employer and the Union have bargained in good faith about the effects the Employer's decision to reduce operations on the bargaining unit. The Union agrees that it will not, on its own behalf or on behalf of the employees it represents, file any lawsuit, grievance, administrative charge, or make any other claim or demand, including with the NLRB or other governmental entity, against the Employer, its parents, subsidiaries, affiliates and related entities in any way concerning the decision to reduce operations, discontinue and replace product lines, close the facility or the resulting layoffs conducted in accordance with the CBA. This release also includes any and all claims which arose or could have arisen prior to the date of this Agreement, if related in any way to the decision to discontinue and replace product lines, wind down operations, transfer work, close the Plant or the resulting layoffs conducted in accordance with the CBA. Nothing in this Release or Effects Agreement shall constitute a waiver or reduction of any employee's right of recall under the CBA.

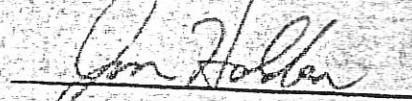
For the Company:



Danielle Garrett

Sr. Director, Human Resources & Labor Relations, TAS

For the Union:



Jon Holden

IAM District 751