

COLLECTIVE BARGAINING

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**COLLECTIVE BARGAINING Agreement of
Closing Date
Between
MID-WESTERN AIRCRAFT SYSTEMS, INC.
and
INTERNATIONAL ASSOCIATION OF
MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO and
DISTRICT LODGE 70 and LOCAL LODGE 839**

PREAMBLE

THIS AGREEMENT, dated as of the _____ day of _____ 2005, is made and entered into by and between MID-WESTERN AIRCRAFT SYSTEMS, INC, which shall adopt a new corporate name on or after the effective date of this agreement (hereinafter referred to as "the Company"), and the International Association of Machinists and Aerospace Workers, AFL-CIO and its District 70 and Local Lodge _____ (hereinafter referred to jointly as "the Union").

ARTICLE 1 BARGAINING UNIT

Section 1.1. Union Recognition

The Company recognizes the International Association of Machinists and Aerospace workers, AFL-CIO District 70 and Local Lodge 839 as the sole and exclusive bargaining agent for all employees working in the production and maintenance classifications, excluding classifications currently represented by other bargaining units, employed by the Company at its Wichita, Kansas facility.

Section 1.2 Employees Assigned Away From Primary Location-Unit Identification

It is recognized that the Company's business for the foreseeable future will require the establishment and maintenance, or continued maintenance of temporary or semi-permanent operations in various locations in North America and the islands related thereto and in each such instance where a designated Remote Location is involved, it is the intent of this Agreement that, subject to any further or supplemental agreement of the parties on the matter, employees that are assigned to work at such location shall be considered as remaining or being within the collective bargaining unit identified with the Primary Location of the Company that originally set up the work force identified with the business being conducted by the Company at such location; with the exception that in the case of employees at such location who are there by reason of temporary assignment from some Primary Location other than the one originally setting up such work force, the latter employees shall while on such temporary assignment continue to be identified with the collective bargaining unit at the Primary Location from which they were so assigned.

Section 1.3 Data Reports

The Company will provide those data reports to the Union as reflected in exhibit ___ subject to such revisions in the future as may be made by mutual agreement of the parties.

ARTICLE 2 PAYROLL DEDUCTION FOR UNION DUES AND INITIATION FEES

Section 2.1. Payroll Deduction for Union Dues and Initiation Fees

The Company shall make payroll deductions for the Union's initiation fee, and its regular and usual monthly dues, upon receipt by the office designated by the Company of a voluntary written assignment from the employee covering such deductions on a form mutually agreed to by the Union and the Company. The list of such deductions will be itemized to include each such employee's social security number or permanent employee number, name, and amount of deduction, and such itemization will be forwarded to the Union. The Union dues shall be collected bi-weekly. Such dues shall be remitted by the fifth (5) of each month. A list of the members from whom dues were collected shall be attached to the report given to the Union with the remittance. The initiation fee or regular and usual monthly dues shall either be in amounts that are specified on such assignments, or pursuant to a written formula, submitted by the Union to the Company which, in either case, the Company has approved in writing in advance as being administratively practicable. In no circumstances shall the Company be held liable for the payment of any dues to the Union. The Company agrees to recognize all current and new authorization cards on file.

Section 2.2. Contributions to Machinists; Nonpartisan Political League

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

Section 2.3. Contributions to Guide Dogs of America

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

Section 2.4. Employee Benefit Systems Agreement (EBS)

This Agreement acknowledges that the Company has agreed to allow the International Association of Machinist and Aerospace Workers to offer the Machinists Custom Choices Worksite Benefits program of supplemental insurance benefits to their employees in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Members will be given an opportunity to spend up to fifteen minutes with an EBS Counselor at the worksite during normal working hours, once per year. Further, the Company will honor payroll deduction requests and make payments to the underwriting insurance companies for supplemental life, cancer and long term disability insurance. All policyholder service will be provided by the underwriter and Employee Benefit Systems, Inc.

Section 2.5. Indemnity

The Union will indemnify and hold the Company harmless from and against any and all claims, demands, charges, complaints or suits instituted against the Company which are based on or arise out of any action taken by the Company in accordance with or arising out of the foregoing provisions of this Article 2.

ARTICLE 3 UNION OFFICIALS

Section 3.1. Union to Furnish List of Stewards

The Union may designate one (1) employee as a steward for each one hundred (100) employees, or fraction thereof, for each shift in each shop. In instances where a shop has a unit geographically separated from its main location, the Union may also designate a steward for each such separate unit for each shift provided that such unit consists of a minimum of four (4) employees, is not adjacent to the shop's main location and is not established on a temporary short-term basis; notwithstanding Section 3.6, when such unit drops below four (4) employees, no employee in such unit shall have steward status. If a geographically separated unit of a shop does not have a separate steward, arrangements will be made to permit employees in such unit to contact a steward upon request. In the absence of the regular steward for any reason, the Union may designate a temporary steward to act for the regular steward. Such designation shall be in writing. For the purpose of this Article 3, a shop shall be defined as any organization, geographically separated unit, or grouping of employees which the parties establish in advance by mutual agreement.

Section 3.2. Business Representatives – Access to Plants

The Company shall provide identification badges so that each business representative can have access during working hours to the area in which employees are assigned who are within the bargaining unit as defined in this agreement and for which area he is an accredited business representative, to the extent government or customer regulations will permit. The business representative may retain the badge affording such access during the period he is so assigned as a business representative.

Section 3.3. Grand Lodge Representatives – Access to Plants

Grand Lodge representatives will be permitted access during working hours to areas in the Company's facilities where employees in the bargaining unit defined in this agreement are assigned, for the purpose of conducting Union business to the extent government or customer regulations permit.

Section 3.4. Conditions Relating to Access to Plants

Access of Union representatives to Company facilities for the purpose of investigating complaints or claims of grievance on the part of employees or the Union shall be subject to the following:

A. The Company shall be required to admit only those accredited business representatives who are being admitted as of the effective date of this Agreement, and such other business representatives as may be accredited by the Union as provided in Section 3.2 above.

B. Business representatives and Grand Lodge representatives who are entitled under Sections 3.2 and 3.3 to admittance to the Company's facilities shall sign in where required through the Company-designated organization at the plant or facility they desire to enter. Upon being admitted, they shall proceed to the shop or organization they wish to visit, contact the supervisor then present, inform him of the purpose of their visit and obtain his permission prior to contacting any employee in such shop or organization. Such permission will be granted except where there is a substantial reason for delaying the contact due to safety conditions or the fact that a critical operation is in process. Upon leaving the plant or facility they shall sign out and return any temporary identification badges which were issued for the purpose of the specific visit.

C. Business representatives and Grand Lodge representatives granted admittance to the Company's facilities under this Article 3 shall not engage in organizing or campaigning for Union or political office on Company premises. This Section 3.4(c) will not be interpreted as preventing business representatives or Grand Lodge representatives from discussing, in non-work areas during non-work periods, matters of Union membership, fees or dues, with employees who are within one of the collective bargaining units described in this Agreement.

D. Union representatives who fail to comply with the provisions of Sections 3.2, 3.3, and 3.5 shall forfeit their admittance rights.

Section 3.5. Union Activity During Working Hours

Solicitation of Union membership or collection or checking of dues will not be conducted during working time. The Company agrees not to discriminate in any way against any employee for Union activity, but such activity shall not be carried on during working time, except as specifically allowed by the provisions of this Agreement.

Section 3.6. Union Officials – Status During Layoff

An employee while serving as a steward shall not be laid off, transferred or loaned from his job classification or his shift so long as other employees remain in his job classification, and on the shift for which he is designated as steward.

Section 3.7. Departure from Work Assignment by Stewards to Investigate Complaints or Claims of Grievance

Each steward shall notify and obtain permission from his supervisor before leaving his work assignment for the purpose of investigating complaints or claims of grievance on the part of employees or the Union or contacting the business representative in regard to such claim or grievance. Such permission shall be granted except where there is a substantial reason for delaying the contact or the investigation due to safety conditions or the fact that a critical operation is in process. The supervisor may be present during any discussion relating to any complaint or grievance. However, upon the request of an employee or steward,

the supervisor shall authorize a steward to participate in a private discussion with an employee or business representative, relating to a complaint or grievance. Discussions of the type described in this Section 3.7 shall be conducted without requiring the employee or steward to clock out provided the discussion does not extend beyond the time that the supervisor considers reasonable under the circumstances.

Section 3.8. Departure from Work for Union Business

Except as provided in Section 3.7 above, each steward, local lodge officer or district council delegate shall have authorization from the Union, give his supervisor at least twenty-four (24) hour advance notice if possible and clock out prior to departure from his work assignment to conduct Union business. If the work assignment given the steward, local lodge officer or district council delegate seriously interferes with the performance of his duties for the Union, or if Union business seriously interferes with his work assignment, the Company and the Union agree to cooperate in making arrangements to prevent such interference in the future. However, stewards, local lodge officers and district council delegates shall not be penalized for such Union business; provided, that nonpayment by the Company for time spent on Union business shall not be considered as a penalty. This Section 3.8 shall apply to cases of stewards who are designated to act for business representatives in accordance with Section 7.13 for the temporary period the steward is authorized as a designee.

Section 3.9 Union Interview of New Employees

It is recognized by the Company that the Union has an interest and responsibility in explaining the function of the Union in a collective bargaining relationship and the advantages of membership in the Union. The Union is also aware and has agreed that solicitation of membership cannot be conducted during working time due to the interference and disruption that could result in working schedules. To accommodate both viewpoints and assure that an ample opportunity exists for the Union to explain their role in the bargaining relationship while preserving minimal interference in the Company's working schedule the following procedure will be utilized:

1. At an appropriate time following the Company interview, all individuals employed into the IAM bargaining unit will be directed to an IAM&AW representative who is present in the Employment Office.
2. The following message will be used by the Company representative to introduce the IAM&AW representative: "The Union representative wishes to explain their designation as your bargaining agent, your opportunity for membership, and the payroll deduction of dues for members."
3. The Union representative will advise the employees that membership in the IAM&AW is voluntary and not a required condition of employment.

4. Both the Company and the Union agree to cooperate in the implementation and administration of this procedure. Neither party will interfere, restrain or coerce employees and both parties agree to use good judgment in all words and actions during this procedure.
5. The Union agrees to minimal interference with the new employee employment processing and the Company agrees to refrain from any actions or statements which could adversely reflect upon the Union.
6. The Union agrees to pay their representative's time allotted by this procedure and to have sufficient representatives present during normal working hours.
7. With the implementation of the procedure for the interview of new employees it is agreed that any existing or contemplated arrangements for permitting the Union to explain membership to applicants or hires is no longer valid and will be cancelled.

Section 3.10 Security Clearances.

If governmental regulations require special clearance to obtain access to certain areas where employees are assigned who are within a bargaining unit defined in Article 1, the Company will cooperate with the Union to obtain necessary clearance for one (1) representative designated by the Union. If this number is not adequate in view of the workload, the Company and the Union will discuss the possibility of attempting to obtain clearance for additional representatives.

ARTICLE 4
RIGHTS OF MANAGEMENT

Section 4.1. Management of Company

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

ARTICLE 5 JOB CLASSIFICATIONS AND WAGES

Section 5.1. Job Classifications

It is agreed that it is the right and responsibility of Management to establish new job classifications or eliminate existing classifications, and establish the appropriate pay rate for such classifications. Any such change in classifications will be reviewed and discussed with the Union at least thirty (30) days in advance of its establishment. Should a dispute arise concerning the pay rate, it shall be treated as a grievance and handled in accordance with Article 7 of this Agreement.

Section 5.2. Definitions

The meanings of certain terms used in this Article 5 and elsewhere in this Agreement are stated below:

A. Base Rate. An employee's hourly rate of pay, excluding all adjustments, allowances, awards, bonuses and premiums.

B. Base Rate Ranges. The minimum and maximum rates of base rate pay are established in Schedule A

Section 5.3 Jobs Committee

The purpose of this section is to define the objectives of the Joint Union/Company Jobs Committee.

A. The Jobs Committee shall consist of not more than two (2) representatives appointed in writing by the Union's President/DBR and not more than two (2) representatives appointed in writing by the Company's Senior Union Relations Official. The Union and the Company will each appoint a chair of its group. Recognizing that recommendations by the Committee can have a significant impact on the job classification structure throughout the location, it is expected that appointed members of the Committee are to participate fully in Committee activities as defined by the respective chairs.

A1. The Committee shall, as determined jointly by its chairs, study the job classification system established by Article 5 of the parties' Collective Bargaining Agreement in order to maintain the integrity of the system and to develop and implement plans for change that will provide enhancement, employment security and productivity improvements. Such activities may include but are not limited to:

- Developing innovative job structure proposals.
- Deactivating zero or minimally populated jobs.

- Combining job by placing similar work in similar job classifications.
- Developing new jobs and revisions to existing job to accurately reflect organization of tasks.

B. The Committee shall report to the Union and the Company on the job classification system, together with the suggestions of the Committee members for changes thereto. The results of the Committee's work will be available to the Union and the Company to facilitate future negotiations. Any changes to the job structure or descriptions will be discussed with the Committee.

C. The Chairs may, from time to time, jointly recommend the adoption by the Union and the Company of changes in the job classification system. Such recommendations, however, shall be wholly advisory and shall not reopen the Collective Bargaining Agreement or affect Article 4 thereof.

D. To create a proper environment for the Committee's work, the Committee's proceedings shall not be used as the basis for, nor as evidence in, any proceedings under Article 7 of the parties' Collective Bargaining Agreement.

E. The Committee shall function through the life of the Bargaining Agreement.

F. The Union and the Company chairs will establish the Committee meeting schedules, and procedures. The Union and the Company shall bear the expenses of their respective Committee members.

Section 5.4. Wages

A. Wages are set forth by job classification, levels and grades in Schedule A

B. All hired employees who are active with Boeing immediately prior to employment with the Company on the effective date of the contract, whether or not they take Boeing retirement, will have a starting wage equal to 90% of their current base rate.

Section 5.5. Rate Range and Wage Increases

Employee Base Rate and Rate Range maximums will be adjusted as follows: two (2) percent in 2007 (effective after 24 months from contract effective date), three (3) percent in 2008 (effective after 36 months from contract effective date), three (3) percent in 2009 (effective after 48 months from contract effective date). Increases reflected in 2008 and 2009 are a minimum subject to Section 5.10. All employees will be eligible for all base rate increases during the term of this contract.

Section 5.6. Performance Bonus

A. The Company intends to pay a performance bonus when financial performance equals or exceeds the established targets.

B. Employees in the bargaining unit will share, proportionately to their headcount relative to total Company headcount, in fifty (50) percent of the amount by which operating income (EBIT) in any year exceeds twelve (12) percent of revenues, as determined by the Company and its accountants and excluding unusual and non-cash items, to a maximum of three weeks pay.

C. The Company intends to make the first payout, assuming it is earned, not later than the first quarter of 2007 based on full year 2006 performance.

D. Nothing will prevent the Company from making payments in excess of those provided for in this section or improvements to the plan.

Section 5.7. Job Progression Increases

On each thirteen (13th) week anniversary of the date of hire, promotion in grade or level, or date of the last seniority progression increase, employees below the rate range maximum for their labor grade or level shall, subject to such maximum, will receive a job progression increase of twenty-five cents (\$.25) to be added to their Base Rate.

Section 5.8. Cost of Living Adjustment

A. Employees covered by this Agreement shall receive Cost of Living Adjustments to the extent such adjustments become effective under and in accordance with all of the terms, conditions and limitations stated in this Section 5.8.

B. Determination of Cost of Living Adjustments

i. Determination of the potential Cost of Living Adjustment 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.

ii. During the life of this Agreement, subject to the proviso stated below, a Cost of Living Adjustment shall be computed by using (1) 188.7 (the three-month average of the BLS Index for February, March, April, 2005) as the base and (2) growth in the index in excess of 0.75% (3% Annual) and (3) the formula 1 cent = .075 percent change in the appropriate three-month average of the BLS Index in excess of 0.75% per three-month period as shown in the table below:

Effective Date of Potential Adjustment	Based Upon the Average of the Three-Month BLS Consumer Price Indexes for
September 16, 2005	May, June, July 2005
December 16, 2005	August, September, October 2005
March 17, 2006	November, December, 2005, January 2006
June 16, 2006	February, March April 2006
September 15, 2006	May, June July 2006
December 15, 2006	August, September October 2006
March 16, 2007	November, December 2006 January 2007
June 15, 2007	February, March , April 2007
September 14, 2007	May, June July 2007
December 14, 2007	August, September, October 2007
March 14, 2008	November, December 2007, January 2008
June 13, 2008	February, March, April 2008
September 12, 2008	May, June July 2008
December 12, 2008	August, September October, 2008
March 13, 2009	November, December 2008 January 2009
June 12, 2009	February, March April, 2009
September 18, 2009	May, June July 2009
December 18, 2009	August, September October, 2009
March 19, 2010	November, December 2009, January, 2010

iii. Any quarterly Cost of Living Adjustment shall be added to or subtracted from any quarterly Cost of Living Adjustment already paid during the life of this Agreement, subject to Section 5.8(c), provided, however, a Cost of Living Adjustment generated in any particular quarter shall be payable only to those employees who, on an Effective Date of Potential Adjustment, are on the active payroll or on leave of absence for less than ninety (90) days.

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

C. Cost of Living Adjustments shall not be added to or subtracted from any employee's base rate, except as herein provided:

On June 16, 2006 the Cost of Living Adjustment being paid to employees on that date under Section 5.8 shall be added to the employees' base rates and made a part thereof. On June 15 2007, the Cost of Living Adjustment being paid to employees on that date under Section 5.8 shall be added to the employees' base rates and made a part thereof. On May 13, 2008, the Cost of Living Adjustment being paid to employees on that date under Section 5.8 shall be added to the employees' base rates and made a part thereof. On May 12, 2009, the Cost of Living Adjustment being paid to employees on that date under Section 5.8 shall be added to the employees' base rates and made a part thereof.

Any Cost of Living Adjustment payable during the life of this Agreement shall be added only to each employee's straight time hourly earnings. The applicable Cost of Living Adjustment shall be included in computing overtime payment, third-shift bonus, vacation and holiday payment, sick leave payment and report time payment.

Section 5.9. Team Leader

The selection of a team leader shall not be considered the establishment of a new job for the purposes of Article 5.

The assignment of an employee as a team leader shall be made at the discretion of the Company, utilizing a selection process developed by the Company. Employees may be assigned to such positions without regard to seniority. and the provisions of Article 9 shall not apply to such selection.

An employee assigned by the Company as a team leader shall be paid a premium of \$1.75 per hour above his/her current base rate.

Employees assigned as team leaders shall not make, as a result of solicitation by their supervisor, recommendations concerning employment, release, transfer, upgrade, or disciplinary action relative to other employees.

Section 5.10. Contract Review

The parties agree to reopen the collective bargaining agreement for the sole purpose of negotiating over a wage increase, health care, pension and/or other economic items for the contract years after the 36th month (estimated to be June 2008). The Parties will meet sixty (60) days prior to the contract's third anniversary date for this purpose. Even if the parties do not agree to the issues under negotiation for this period, the Union and the employees will not have the right to strike or otherwise disrupt the Company's business or operation.

Section 5.11 Garnishments.

In cases of dismissal or suspension of an employee because of writs of garnishment served upon the Company in litigation involving claims of third parties against such employee, such a dismissal or suspension will be treated as a dismissal or suspension under Section 7.3 and will be subject to the grievance procedure and other provisions of Article 7.

Section 5.12 Wage Payment Basis.

Employees shall be paid for time worked computed to the nearest one-tenth hour.

Section 5.13 New Assignments.

When employees are assigned to work in a higher or lower labor grade or level the new pay rate shall be effective in the employee's paycheck not later than the third payday subsequent to the date on which the new assignment is made.

Section 5.14 Base Rates After Reclassifications.

Subject to the base rate ranges provided for in Section 5.2(b), employees who are promoted will have their base rate increased by fifty-six (56) cents for each labor grade or level they are promoted and employees who are downgraded will have their base rate decreased by fifty-six (56) cents for each labor grade or level they are downgraded.

Section 5.15 Rate Retention.

The base rate of an employee who, under Article 16, accepts downgrade rather than electing layoff shall be, for the ninety (90) calendar-day-period after the downgrade, a rate that is not less than the rate he held immediately preceding the downgrade. However, this provision shall not apply to any period of employment within a bargaining unit covered by this Agreement after termination, layoff, employee-requested downgrade or transfer to a unit or group to which this Agreement does not apply within the ninety (90)-day period with the following exception: if such an individual is recalled from layoff to a job title classification to which he had been downgraded, and the recall occurs less than ninety (90)-calendar-days after such downgrade, he will receive rate retention prospectively for the portion of the ninety (90)-calendar-day period that remained at the time of layoff. If an employee receives a Temporary Promotion to the job classification from which he was most recently surplus and the employee is receiving rate retention pay as a result of such downgrade, the 90-calendar-day period will be extended one (1) day for each day of such Temporary Promotion.

5.16 Recalls from Layoff.

An employee who is recalled from layoff through the exercise of recall rights, will have the following base rate:

(a) If the employee is recalled to the same labor grade or level from which he was laid off, he will be paid the base rate and the cost of living adjustment in

effect on the date of his layoff, provided that, if cost of living adjustment has been added to base rates and made a part thereof since the employee's layoff, the cost of living adjustment in effect on the date of the employee's layoff shall be similarly added to his base rate.

(b) If the employee is recalled to either a higher or lower labor grade or level than the one from which he was laid off, his base rate will be determined first by treating him as though he had been recalled to the same labor grade or level under Section 5.16 (a) and then reclassified under Section 5.14.

5.17 Returns from Leaves of Absence.

An employee on approved leave of absence who returns to the active payroll will have the following base rate:

(a) If the leave of absence was granted due to industrial injury or industrial illness, military service, or to accept a full-time Union position, the employee's base rate will be equal to the base rate he would have had if he had not been on a leave of absence.

(b) If the leave of absence was granted for any other reason, his base rate will be determined as though he had been recalled from layoff under Section 5.17

ARTICLE 6 HOURS OF LABOR

Section 6.1. Regular Hours

A. **Workweek.** The normal work schedule shall consist of five (5) consecutive workdays, Monday through Friday, followed by two (2) days of rest (Saturday and Sunday), except for those employees designated in advance by mutual agreement between the Company and the Union who regularly work on Saturday and/or Sunday, whose normal work schedule shall consist of five (5) consecutive workdays, followed by two (2) days of rest, which shall be treated as their Saturday and Sunday, in that order. The Company will attempt to meet its non-regular workweek assignments on a voluntary basis among the employees. In the event there are insufficient volunteers to meet the requirement, the supervisor may designate and require the necessary number of employees to work the non-regular workweek. Such designation shall first affect the junior qualified employees in the classification. When reducing the number of non-regular workweek assignments, senior employees within each job will be given their preference to return to regular workweek schedules. The purpose of non-regular workweek assignments is to provide for those maintenance and service functions that are required on a continuing seven (7)-day per week basis. Such assignments will not be utilized for the purpose of providing maintenance or service in support of weekend production operations. It is mutually agreed that Maintenance employees and employees assigned to specific programs, employees assigned to specialized machinery and employees in organizations providing seven-day customer service may be assigned to a non-regular workweek. Employees assigned to a specific program will revert back to a regular workweek schedule upon first production delivery of product to customer.

B. **Short Workweek.** In the event the Company deems it advisable to work any number of the employees on a short workweek, the Union and the affected employees will be notified in advance which days are to be worked, and such days worked shall be consecutive.

C. **Shifts, Lunch Periods, Rest Periods.** Each employee shall be assigned to a definite shift with designated times of beginning and ending. The first and second shifts each shall be an eight (8) hour-and-thirty-minute period which shall include a thirty (30) minute unpaid lunch period. The third shift shall be a seven (7) hour period which shall include a thirty (30)-minute unpaid lunch period. The designated times of beginning each shift during the scheduled workweek shall be: first shift - between 5:00 A.M. and 8:30 A.M.; second shift between 1:30 P.M. and 6:00 P.M.; third shift - between 10:00 P.M. and 1:30 A.M. of the following day. Each employee shall be given a ten (10)-minute rest period in each half of the shift to which he is assigned, the time of starting each such rest period to be designated by the Company. Each employee who is required to report for work two (2) or more hours prior to the start of his regular shift shall receive a ten (10)-minute rest period prior to the start of his regular shift. Each employee who is

scheduled to work two (2) or more hours of overtime after his regular shift shall receive a ten (10)-minute rest period prior to the start of the overtime. Changes of shift assignments shall be made on the first day of a new workweek whenever practicable.

Section 6.2. Variable Work Schedules

A. Variable work schedules may be established to meet production or support services requirements. Any such change in work schedules will be by mutual agreement between the parties.

B. Management may allow employees to volunteer for variable work schedules (e.g., four (4) 10-hour days, Monday through Thursday workweek; three (3) 12-hour days, Friday through Sunday) as warranted by business need.

Section 6.3. Variable Work Schedule Procedures

A. 4x10 Work Weeks. The Company may transition work areas from the traditional eight (8) hour five (5) day schedule to a 4x10 schedule subject to the following:

i. Permanent assignment to any variable work schedule will be voluntary. Temporary assignment to an variable work schedule for the purpose of training may at times be necessary, temporary assignments shall not exceed ninety (90) work days.

ii. Areas being transitioned to 4x10 workweeks, the Union will conduct a vote of all eligible Union members to determine the acceptance of the proposed schedule change.

iii. The 4x10 workweek will be implemented with a vote of acceptance. The implementation will occur no sooner than thirty (30) calendar days after the vote, and the Company will accommodate employees, who choose not to go to the variable work schedule. In the event that the number of accommodations are such that the variable work schedule cannot be effective it will not be implemented.

iv. All time worked over ten (10) hours in one day will be paid at time and one-half.

v. All time worked on the fifth day will be paid at time and one-half.

vi. All time worked on the sixth (6th) and seventh (7th) days will be paid at double time.

vii. Hours for holidays not scheduled to be worked by an employee will be credited to the employee's vacation/holiday account.

viii. Employees assigned to the Variable Work Schedule whose workweek includes Saturday or Sunday shall observe the regular holiday.

ix. Sick Leave, vacations and holidays shall be paid at ten (10) hours per day off.

x. Employees on this schedule will be allowed to take two (2) weekends off during the Christmas holiday. Employees will also be given the opportunity to be off Easter Sunday. Employees may use vacation or Sick Leave to be compensated for this time off or without pay.

xi. Assignment to the variable shift will be accomplished by seniority for establishing employee preference for placement to the day or night shift.

xii. There will be two (2) breaks of ten (10) minutes each.

xiii. The Company may transition work areas from a 4x10 schedule to the traditional 3-shift five-day schedule with thirty (30) calendar days notice.

xiv. Should there not be enough transfer requests from the current work force to staff this schedule, the Company will hire from outside rather than permanently assign employees to this schedule.

B. 3x12 WORK WEEKS. The Company may transition work areas from the traditional eight (8) hour five-day schedule to a 3x12 schedule subject to the following:

i. Permanent assignment to any variable work schedule will be voluntary. Temporary assignment to an variable work schedule for the purpose of training may at times be necessary, temporary assignments shall not exceed ninety (90) days.

ii. Areas being transitioned to 3x12 workweeks, the Union will conduct a vote of all eligible Union members to determine the acceptance of the proposed schedule change.

iii. The 3x12 workweek will be implemented with a vote of acceptance. The implementation will occur no sooner than thirty (30) calendar days after the vote, and the Company will accommodate employees who choose not to go to the permanent variable work schedule. In the event that the number of accommodations are such that the variable work schedule cannot be effective, it will not be implemented. Permanent assignment to any variable work schedule will be voluntary. Temporary assignment to an variable work schedule for the purpose of training may at times be necessary, temporary assignments shall not exceed ninety (90) days.

iv. All time worked over twelve (12) hours in one day or thirty-six (36) hours in a workweek will be paid at one and one-half (1½) times.

v. All time worked on the fourth and fifth day will be paid at one and one-half (1½) times.

vi. All time worked on the sixth (6th) and seventh (7th) day will be paid at two (2) times.

vii. Hours for holidays not scheduled to be worked by an employee will be credited to the employee's vacation/holiday account.

viii. Sick Leave, vacations and holidays shall be paid at twelve (12) hours per day off.

ix. Employees assigned to the Variable Work Schedule whose workweek includes Saturday or Sunday shall observe the regular holiday.

x. Employees on this schedule will be allowed to take two (2) weekends off during the Christmas holiday. Employees will also be given the opportunity to be off Easter Sunday. Employees may use vacation or Sick Leave to be compensated for this time off or without pay.

xi. There will be two (2) breaks of ten (10) minutes each.

xii. Employees assigned to the 3x12 workweek will be paid for one (1) thirty (30) minute lunch period occurring during that shift.

xiii. Employees assigned to the 3x12 workweek will be paid forty (40) hours for thirty-six (36) hours worked. To establish an hourly rate, employees will be paid their individual hourly base rate times 1.111.

xiv. The Company may transition work areas from a 3x12 workweek to the traditional 3-shift five (5)-day schedule with thirty (30) days notice.

xv. Assignment to the variable shift will be accomplished by seniority for establishing employee preference for placement to the day or night shift.

xvi. Employees working a variable schedule will be guaranteed the same number of paid holidays each year as an employee working a regular work week schedule.

Section 6.4. Shift Premiums

The second shift shall be paid a shift premium of seventy-five cents (\$.75) and third shift shall be paid a shift premium of ten cents (\$.10) per hour which shall be added to Base Rate.

Section 6.5. Work Schedule Premiums

A. An employee assigned to either Saturday or Sunday as a regular day of work will receive two dollars and fifty cents (\$2.50) per hour in addition to his Base Rate of pay for hours worked on Saturday and Sunday.

B. An employee who works a third shift of six and one-half (6½) hours will receive a bonus equivalent to one and one-half (1½) hours pay at his base rate. A prorated portion of that bonus will be paid when the employee works less than six and one-half (6½) hours on a regular third shift.

Section 6.6. Shift Preference

A. In order to ensure operational efficiency, the Company shall have the right to assign employees to any shift. Subject to the foregoing, senior employees who have a shift preference on file shall be given preference over junior employees who are assigned to the same job classification, level and shift, junior returning non-bargaining unit employees, new hires, recalls from layoff, and promotional candidates for placement in openings in their job classification, level and organization. Shift preference rights are not applicable over employees being downgraded, laterally reclassified on their current shift, laterally transferred to the organization on their current shift or over senior employees who are in their labor grade or level. Employees who have requested downgrades will not be given preference over senior employees their organization who have shift preferences on file. Shift preferences must be filed more than three (3) working days prior to an organization effecting shift change or declaring a job opening by submission of a dated open requisition. If an employee does not file a shift preference, it shall be assumed that he is on his preferred shift. Under no circumstances will the provisions of this Section 6.6 be construed to enable an employee, at his instance and request, to displace a less senior employee from his job and shift.

i. As stated, shift preferences as defined will not apply in instances where the exercise of such rights would affect the efficiency of Company operations in any organization on any shift. When such instances arise, it shall be the responsibility of organizational management to prepare an exception request for transmittal to the organization's designated executive or delegate. Exception requests shall be discussed with the Union prior to submittal to the organization's senior Human Resources executive or designee for final approval. When senior employees are displaced from their shift of preference during a staffing exercise, the displaced employee shall be given, in writing, a date of return to the preferred shift he was on.

ii. The Company will de-staff a shift in the following order: first, by shift preference filings; and second, in reverse seniority order among remaining employees. In cases where the shift is to be eliminated, employees will be notified in advance and given the opportunity to file a timely shift preference.

Section 6.7. Overtime Rate

6.7(a) For time worked outside of his assigned shift, an employee shall be paid one and one-half (1 ½) times his base rate for the first two (2) hours, and double his base rate thereafter.

6.7(b) For the first eight (8) hours of work by an employee on the first day of his two (2) consecutive days of rest, who is assigned on that day to work the first or second shift, such employee shall be paid one and one-half times his base rate for that shift and double such base rate thereafter.

6.7(c) For the first six and one-half hours of work by an employee on the first day of his two (2) consecutive days of rest, who is assigned on that day to work the third shift, such employee shall be paid one and one-half times his base rate for that shift and double such base rate thereafter.

6.7(d) Any time worked on the second day of an employee's two (2) consecutive days of rest shall be paid for at double his base rate for such shift and such double time shall remain in effect for all hours continuously worked.

6.7(d)(1) Except if an employee is scheduled and does not work on first scheduled day of rest, but works on second scheduled day of rest, employee will be paid one and one-half (1½) times his Base Rate plus shift premium where applicable for time worked for first eight (8) hours worked, normal double time rates shall apply thereafter.

6.7(e) In lieu of the provisions in Sections 6, overtime worked in any of the following circumstances shall be paid at double the employee's base rate:

- (1) more than one hundred sixty (160) overtime hours in the budget quarter; or
- (2) on a weekend immediately following three (3) consecutive weekends worked by the employee.

Section 6.8. Reporting Pay

If an employee reports for work in accordance with instructions, he shall receive a minimum of eight (8) hours pay at his Base Rate plus shift premiums where applicable. This will not apply in case of emergency shutdowns arising out of any condition beyond the Company's control. An employee who leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of actual hours worked during the day. An employee who leaves work because of incapacity due to industrial injury or illness will be paid eight (8) hours pay at his Base Rate plus shift premiums where applicable.

Section 6.9. Call Back Pay

A minimum of four (4) hours pay at the applicable overtime rate will be paid for any call back work performed outside of one's regularly schedule hours. An employee who leaves work of his own volition, or because of incapacity (other than industrial injury or illness), or is discharged or suspended after beginning work, will be paid only for the number of hours actually worked during that day. An employee, who leaves work after call back, will be paid only for the number of hours actually worked unless authorized by management.

Section 6.10. Overtime Scheduling

It is the intent of the Company to distribute overtime as equally as reasonably practicable within the job classification, shop and shift. Both the Union and the Company recognize that the employees who are assigned the work must be qualified to perform the specific work. The Company will strive to meet its overtime requirements on a voluntary basis. In the event there are insufficient qualified volunteers to meet the requirement, management may designate and require the necessary number of employees to work the overtime.

A. Management may exclude an employee from overtime, even if the employee is in attendance when the overtime is being assigned, if:

i. The employee has been absent during the week, except for sick leave, jury duty, witness service, bereavement leave, military leave, authorized Union business, previously scheduled vacation or absence due to industrial injury or illness.

ii. An employee is asked to work overtime (Saturday and/or Sunday) and is subsequently absent due to illness or bereavement leave on the workday preceding the overtime day.

iii. Two (2) consecutive weekends have been worked by the employee.

iv. One hundred twenty-eight (128) overtime hours have been worked in the budget quarter.

v. Eight (8) overtime hours have been worked on the Saturday or the Sunday.

vi. An employee's schedule performance or work quality is currently documented as being deficient.

B. If the whole shift of a shop/functional area/crew or position is scheduled to work a six (6) or seven (7)-day week, all employees in the shop/functional area/crew or position will be required to report for weekend work, regardless of whether or not they were absent during the week, except when an employee has previously scheduled the use of vacation, bereavement leave or military leave on

Friday preceding the weekend, or unless Sections (A)(iii), (A)(iv) or (A)(v) of this Section 6.10(B) apply.

C. It is understood that the authority of the Company to require overtime work, established by Section 6.10 of the Collective Bargaining Agreement, is necessary for business planning and meeting operational objectives. The parties recognize, however, that the exercise of this authority may affect employee productivity.

Accordingly, the Company and the Union agree, subject to the exceptions noted below, that the authority conferred by Section 6.10 of the Agreement shall hereinafter be limited as follows. No employee shall be required, and need not be permitted, to work overtime in excess of the following limits:

Quarterly Limit

- The limit shall be one hundred twenty eight (128) overtime hours in any budget quarter;

Weekend Limit

- The limit shall be two (2) consecutive weekends;
- Employees who have worked two (2) consecutive weekends may volunteer to work overtime on the following weekend;
- Overtime work on either a Saturday and a Sunday, or on a Saturday or a Sunday, shall constitute a weekend worked;
- The limit for overtime on a Saturday or a Sunday shall be eight (8) hours.

Holidays

- All overtime on a holiday as set forth in Section 10.1 of the parties' Collective Bargaining Agreement or on the weekend which immediately precedes a Monday holiday or immediately follows a Friday holiday shall be voluntary. No employee will be scheduled for weekend overtime in conjunction with his or her vacation provided the vacation is scheduled three (3) or more days prior to the start of the vacation.

All overtime in excess of the above limits shall be strictly on a voluntary basis and no employee shall suffer retribution for his refusal or failure to volunteer. An employee may be required to perform overtime work beyond the above limits where necessary for delivery of an airplane which is on the field, for customer-requested emergency repair of delivered products, or for Government DX or Government DO rated orders. In addition, an employee may be required to perform overtime on a holiday or on the weekend which immediately precedes a Monday holiday or immediately follows a Friday holiday where necessary for facilities maintenance. The Company will brief the Union semi-annually of its anticipated program scheduling and its forecasted overtime requirements.

D. Overtime Notice: When required to work overtime, employees shall be notified in advance where possible. Four (4) hours notice shall be given for daily overtime and six (6) hours notice shall be given when employees are required to work any days of rest day of their normal work week, where possible.

E. This Section shall apply to continuous work periods (continuous except for lunch and rest periods) that begin at or after 6:01 P.M. Friday (or the day prior to the day treated as the employee's Saturday under Section 6.1) and prior to 10:00 P.M. Sunday (or the day treated as the employee's Sunday under Section 6.1):

F. In any continuous period of work (continuous except for lunch periods and rest periods) the work will be deemed to have been performed on the shift and day shown below:

If Work Period Starts	Shift	Day
6:01 P.M. Friday through 1:30 A.M. Saturday	3rd	Saturday
1:31 A.M. Saturday through 10:00 A.M. Saturday	1st	Saturday
10:01 A.M. Saturday through 6:00 P.M. Saturday	2nd	Saturday
6:01 P.M. Saturday through 1:30 A.M. Sunday	3rd	Sunday
1:31 A.M. Sunday through 10:00 A.M. Sunday	1st	Sunday
10:01 A.M. Sunday through 9:59 P.M. Sunday	2nd	Sunday

Section 6.11. Paydays

Employees will be paid Thursday of every second week, unless that day is a holiday. If that day is a holiday the Company will endeavor to make deposits on the prior business day.

ARTICLE 7

GRIEVANCE PROCEDURE AND ARBITRATION

Section 7.1. Establishment of Grievance and Arbitration Procedure

Grievances or complaints arising between the Company and its employees subject to this Agreement, or the Company and the Union, with respect to the interpretation or application of any of the terms of this Agreement, shall be settled according to the following procedure. Subject to the terms of this Article 7 relating to cases of dismissal or suspension for cause or of involuntary resignation, only matters dealing with the interpretation or application of terms of this Agreement shall be subject to this grievance machinery.

Section 7.2. Employee Grievances

In the case of grievances on behalf of employees and subject to the further provisions of Section 7.3 below, relating to cases of layoff or dismissal or suspension for cause or involuntary resignation:

STEP 1. Oral Discussion. The employee first shall notify his supervisor of his grievance and then, if he so desires, shall discuss his grievance with the steward or the Union business representative, and if the steward or the business representative considers the grievance to be valid, then the employee and the steward or business representative will contact the employee's supervisor and will attempt to effect a settlement of the complaint. This procedure, however, will not prevent an employee from contacting his supervisor if he so chooses. If the purpose of the employee's contacting his supervisor is to adjust the grievance, the steward or the business representative shall be given an opportunity to be present and such adjustment shall be in conformity with this Agreement.

STEP 2. Grievance Reduced to Writing - Handling at Supervisory Level. If no settlement is reached in Step I, the business representative, if he considers the grievance to be valid, may at any time reduce to writing a statement of the grievance or complaint which shall contain the following:

- (a) The facts upon which the grievance is based.
- (b) Reference to the section or sections of the Agreement alleged to have been violated (this will not be applicable in cases of dismissal or suspension for cause or of involuntary resignation).
- (c) The remedy sought.

The business representative shall submit the written statement of grievance to the supervisor for reconsideration, with a copy to the designated representative of the Company. After such submission the supervisor and the business representative may, within the next five (5) workdays (unless mutually extended), settle the written grievance and, over their signatures, indicate the disposition

made thereof. Otherwise, promptly after the expiration of such five (5)-day period (or agreed extension thereof) the supervisor and the business representative shall sign the grievance, with the supervisor indicating the basis for denying the grievance, and their signatures will indicate that the grievance has been discussed and reconsidered by them and that no settlement has been reached.

STEP 3. Written Grievance; Handling at Business Representative-Company Representative Level. If no settlement is reached in Step 2, within the specified or agreed time limits, the business representative may at any time thereafter submit the grievance to the designated representative of the Company. After such submission the designated representative of the Company and the business representative may, within the next ten (10) workdays (unless mutually extended), settle the grievance and, over their signatures, indicate the disposition made thereof. Otherwise, promptly after the expiration of such ten (10)-day period (or agreed extension thereof) the designated representative of the Company and the business representative shall sign the grievance, with the designated representative indicating the basis for denying the grievance, and their signatures will indicate that the grievance has been discussed and reconsidered by them and that no settlement has been reached.

STEP 4. Arbitration. If no settlement is reached in Step 3 within the specified or agreed time limits, then either party may in writing, within ten (10) workdays thereafter, request that the matter be submitted to an arbiter for a prompt hearing as hereinafter provided in Sections 7.6 to 7.9, inclusive.

Section 7.3. Dismissals, Suspensions, Layoffs, Etc.

In cases of layoff, or of dismissal or suspension for cause, or of involuntary resignation, the employee shall be given a copy of the layoff, suspension or termination of service slip, as the case may be, if he is available to be presented with such copy. If he is not available, copies of the slip will be sent to the employee and to the Union office. The employee shall have the right to appeal the action shown on the slip providing the business representative files a written grievance, beginning at Step 3, with the designated representative of the Company within seven (7) workdays after the date of layoff, dismissal, suspension for cause or involuntary resignation, or within seven (7) workdays after the date of the mailing of the copy of the slip, provided, however, that any dismissal or suspension of an employee who has committed a sex crime victimizing a child or children shall be deemed to be for cause and shall not be subject to the grievance and arbitration procedure of this Article 7. The written grievance then may be processed through subsequent steps.

Section 7.4. Union Versus Company and Company Versus Union Grievances

In the case of any grievance which the Union may have against the Company or the Company may have against the Union, the processing of such grievance shall begin with Step 3 and shall be limited to matters dealing with the

interpretation or application of terms of this Agreement. Such grievance shall be submitted in writing to the designated representative of the Company or the designated representative of the Union, and shall contain the following:

A. Statement of the grievance setting forth the facts upon which the grievance is based.

B. Reference to the section or sections of the Agreement alleged to have been violated.

C. The correction sought.

The grievance shall be signed by the designated representative of the Union or the designated representative of the Company. If no settlement is reached within ten (10) workdays (unless mutually extended) from the submission of the grievance to the designated representative of the Company or the designated representative of the Union, as the case may be, both shall sign the grievance and indicate that it has been discussed and reconsidered by them and that no settlement has been reached. Within ten (10) workdays thereafter either party may in writing request that the matter be submitted to an arbiter for a prompt hearing as hereinafter provided in Sections 7.6 to 7.9, inclusive.

Section 7.5. Retroactive Compensation

Grievance claims involving retroactive compensation shall be limited to thirty (30) calendar days prior to the written submission of the grievance to Company representatives, provided, however, that this thirty (30)-day limitation may be waived by mutual consent of the parties.

Section 7.6. Selection of Arbiter - By Agreement

In regard to each case reaching Step 4, the parties will attempt to agree on an arbiter to hear and decide the particular case. If the parties are unable to agree to an arbiter within ten (10) workdays after submission of the written request for arbitration, the provisions of Section 7.7 Selection of Arbiter - From Arbitration Panel shall apply to the selection of an arbiter.

Section 7.7. Selection of Arbiter - From Arbitration Panel

Immediately following execution of this Agreement the parties will proceed to compile a list and agree upon one (1) *permanent* panel of arbiters, for life of the agreement. Each panel shall be comprised of five (5) arbiters and, insofar as practicable, the arbiters on each panel shall be located in the general vicinity of the location identified with the title of their panel. If a case reaches Step 4, and the parties are unable to agree to an arbiter within the time limit specified in Section 7.6, the case shall be heard and settled by an arbiter on the panel geographically identified with the grievance, if available. An available arbiter is one who is available to conduct a hearing within sixty (60) days (unless mutually extended) after expiration of the time limit specified in Section 7.6. Assignment of

cases to arbiters on each panel shall be rotated in the alphabetical order of the last names of those available on the panel.

Section 7.8. Procedure Where *Permanent* Panel Arbiter Not Available

In the event, as to any case, that there is no available arbiter on the applicable *Permanent* Panel, the parties shall jointly request the American Arbitration Association to submit a panel of seven (7) arbiters. Such request shall state the general nature of the case and ask that the nominees be qualified to handle the type of cases involved. When notification of the names of the panel of seven (7) arbiters is received, the parties in turn shall have the right to strike a name from the panel until only one (1) name remains. The remaining person shall be the arbiter. The right to strike the first name from the panel shall be determined by lot.

Section 7.9. Arbitration - Rules of Procedure

Arbitration pursuant to Step 4 shall be conducted in accordance with the following:

A. The arbiter shall hear and accept pertinent evidence submitted by both parties and shall be empowered to request such data as he deems pertinent to the grievance and shall render a decision in writing to both parties within fifteen (15) days (unless mutually extended) of the completion of the hearing.

B. The arbiter shall be authorized to rule and issue a decision in writing on the issue presented for arbitration, which decision shall be final and binding on both parties.

C. The arbiter shall rule only on the basis of information presented in the hearing before him and shall refuse to receive any information after the hearing except when there is mutual agreement, in the presence of both parties.

D. Each party to the proceedings may call such witnesses as may be necessary in the order in which their testimony is to be heard. Such testimony shall be limited to the matters set forth in the written statement of grievance. The arguments of the parties may be supported by oral comment and rebuttal. Either or both parties may submit written briefs within a time period mutually agreed upon. Such arguments of the parties, whether oral or written, shall be confined to and directed at the matters set forth in the grievance.

E. Each party shall pay any compensation and expenses relating to its own witnesses or representatives.

F. The Company and the Union shall, by mutual consent, fix the amount of compensation to be paid for the services of the arbiter. The Union or the Company, whichever is ruled against by the arbiter, shall pay the compensation of the arbiter including his necessary expenses.

G. The total cost of the stenographic record (if requested) will be paid by the party requesting it. If the other party also requests a copy, that party will pay one-half of the stenographic costs.

Section 7.10. Extension of Time Limits by Agreement

Time limits designated in this Article 7 for processing grievances and for bringing a matter to arbitration may only be extended by mutual written consent.

Section 7.11. Agreement Not to be Altered

In arriving at any settlement or decision under the provisions of this Article 7, neither the parties nor the arbiter shall have the authority to alter this Agreement in whole or in part.

Section 7.12. Conferences During Working Hours

All conferences resulting from the application of provisions contained in this Article 7 shall be held during working hours.

Section 7.13. Business Representative, When Not Available, May Authorize Designee

For any period that the business representative is unavailable to serve in that capacity under this Article 7, he may designate an accredited steward or another accredited business representative to act for him, as his designee. As to each such period of unavailability, authorization of the designee will be accomplished by the business representative informing the appropriate Company representative of the expected period of the business representative's unavailability and naming the designee. When the business representative again is available to perform his duties under this Article 7, he shall promptly notify the Company representative of the fact and such notice will terminate the period during which the designee is authorized to act.

Section 7.14. Signing Grievance Does Not Concede Arbitrable Issue

The signing of any grievance by any employee or representative either of the Company or of the Union shall not be construed by either party as a concession or agreement that the grievance constitutes an arbitrable issue, that other claims or defenses may not be raised, or that the grievance is properly subject to the grievance machinery under the terms of this Article 7.

Section 7.15. Union Jurisdictional Claims

Union jurisdictional claims arising under the provisions of Section 1.1 of this Agreement, shall be handled pursuant to the provisions of Section 7.4 and Sections 7.6 through 7.14, inclusive, except that the following requirements shall apply:

A. The written statement of grievance shall identify the job involved, state the Union's contention or contentions in detail, and shall contain a detailed statement of the reasons for the position taken by the Union.

B. If the Company and the Union are unable to agree upon the contents and scope of the record to be presented to the arbiter, either party may present to the arbiter whatever evidence, testimony and written argument it deems relevant to the question to be submitted to the arbiter. A written summary such evidence, testimony and written argument will be submitted to the other side at least ten (10) days in advance of the hearing.

C. If the parties are unable to agree upon the question that it is to be submitted to the arbiter for decision, the question to be submitted to, and answered by, the arbiter shall be: "On the basis of the evidence, information, and arguments submitted by the parties in reference to the Union's contention in this case, is the Company violating Article 1, Section 1.1."

D. The arbiter shall answer the question submitted to him under Section 7.15(c) or the agreed statement of the issue presented by both parties. The arbiter's answer shall either be in the affirmative or the negative. The arbiter shall confine the proceedings before him to the questions presented to him in accordance with this Section 7.15 and he shall not have authority to specify any change in a job or any change in the work assignments under a job or the creation of a new job or any other remedy or type of award.

E. If the arbiter's answer sustains the Union's contention, the Company shall, within thirty (30) days (or any longer period to which the parties may mutually agree) after receiving the arbiter's decision, take whatever corrective action is necessary to eliminate the basis for the Union's jurisdictional claim in the particular case.

F. Any resolution of any claim or controversy under Section 1.1, whether by mutual agreement or by arbitration, that requires corrective action on the part of the Company shall be prospective in effect from the date of the corrective action taken by the Company.

ARTICLE 8

LEAVES OF ABSENT, BEREAVEMENT, JURY/WITNESS DUTY

Section 8.1. Authorized Leaves of Absence

Leaves of Absence will be granted in accordance with the Family and Medical Leave Act (FMLA) and the MID-WESTERN AIRCRAFT SYSTEMS, INC. local policy. Employees are required to use available vacation/sick leave concurrently with their FMLA absence. In such cases, all employees shall be entitled to retain up to eighty (80) hours of vacation. Falsification or misrepresentation of facts in connection with a FMLA request shall be cause for discharge. Where practical, a request for a leave of absence should be made in writing to the company five (5) working days prior to the beginning of the leave.

Section 8.2. Leave of Absence Condition

An employee accepting other employment or engaged in business for himself while on leave of absence shall be deemed to have voluntarily resigned from the company.

Section 8.3. Military Leave of Absence

An employee who is a member of a reserve component of the United States Armed Forces or a State's National Guard, who is absent due to required active annual training duty or temporary special services duty, shall be paid Base Rate plus shift premiums and cost of living adjustment where applicable, up to a maximum of ten (10) workdays each calendar year. An employee who, because of schedule adjustments by the reserve component, receives orders to report for two (2) training periods in one (1) calendar year may receive time off with pay in excess of the ten (10)-day annual maximum provided that the total time off with pay does not exceed twenty (20) workdays in a two (2) consecutive year period (either current and previous calendar years or current and following calendar years) and the employee was a member of the reserve component during both of the applicable consecutive years. Employees with military orders to serve additional days of duty will be placed on unpaid authorized leave of absence. The amount due the employee under this Section shall be reduced by the amount received from the government body identified with such training duty or services, for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, uniform and travel allowance shall not be included in determining pay received from state or federal government.

Section 8.4. Bereavement Leave

Up to three (3) days bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his immediate family, takes time off from work during his normal work schedule as such term is defined in Section 6.1 of this Agreement. Such pay shall be at the employee's straight time base rate, including shift differential and cost of living adjustment where applicable for each such day off; however, such pay will not be applicable if the employee receives pay for such days off under any other provision of this Agreement.

Bereavement leave must be taken on consecutive workdays as selected by the employee within twenty (20) calendar days following the death (or evidence of belated notification of death). For the purposes of this Section 8.4 the "immediate family" is defined as follows: spouse, mother, father, mother-in-law, father-in-law, children, brother, sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren, stepmother, stepfather, stepchildren, stepbrother, stepsister, half brother, half sister and spouse's grandparents. In addition, an employee will be granted bereavement leave for a stillborn child if the employee provides a certificate of fetal death, which has been certified by the attending physician.

Section 8.5. Jury/Witness Duty

An employee absent from work due to (1) required jury duty (including grand jury duty), (2) to testify as a witness for the Company, (3) to respond to a subpoena to appear as a witness in any legal proceeding, (4) to appear at an arbitration resulting from the referral, by a court, for a lawsuit that has been filed with the court (excluding arbitration pursuant to a Collective Bargaining Agreement or other contractual provisions) or (5) to respond to a subpoena to appear for a deposition will be paid for such lost hours at his current straight time rate, including any applicable cost of living adjustment, up to a maximum of eight (8) hours per day, for each regular work day of required jury or witness duty. Employees will be excused from their scheduled shift for each day they serve. Second and third shift employees or employees assigned to variable work schedules summoned to jury or witness duty will be temporarily assigned to first shift on a regular work week schedule on a weekly basis during the time required to serve. Fees received for jury or witness duty will not be deducted from such pay. To be eligible for time off with pay, the employee must furnish a copy of this summons or subpoena to management, before the appearance, to indicate that the absence from work as necessary to appear for a jury duty or to serve as a witness. In addition, management may require verification of such appearance. An employee is not entitled to pay under this Section 8.5 in circumstances where the employee (1) is called as a witness against the Company or its interests; or (2) is called as a witness on his own behalf in an action in which he is a party; or (3) voluntarily seeks to testify as a witness; or (4) is a witness in a case arising from or related to his outside employment or outside business activities; or (5) is subpoenaed as a witness while on leave of absence except when serving as a Company witness.

Section 8.6. Return from Leave of Absence

A. Where an employee returns from leave of absence that was granted due to industrial injury or illness and he is medically able to perform the job which he last held, he will be returned to it provided it does not conflict with seniority.

B. If leave was granted due to non industrial injury or illness and the period of leave is in excess of one year, the employee will be returned to last job providing it does not conflict with seniority.

C. If leave was granted to accept a full time position with the Union, the employee will be returned to the job which he last held if such job is then populated; if such job is not then populated he will be returned to one of equal grade or level .

ARTICLE 9 SENIORITY

Section 9.1. Accumulation of Seniority

The seniority of an individual at any time (subject to the other Sections of this Article 9) shall be:

A. For a Day One employee, the amount of seniority he had immediately prior to the effective date of this Agreement, calculated in accordance with the Collective Bargaining Agreement between the Boeing Company and the Union; plus

B. For a Day One employee and any other employee, the time after such effective date that he is on the active payroll of the Company within any bargaining unit to which this Agreement relates; plus

i. employees temporarily promoted to management payroll or promoted to individual contributors payroll for purposes of staffing a joint program (such employees to continue to accrue seniority in accordance with Section 9.1(B) above); plus time lost by reason of industrial injury, industrial illness, or jury duty; plus

ii. time on leave of absence granted for the purpose of serving in the Armed Forces of the United States; plus

iii. time spent on authorized leave of absence for Union business; plus

iv. time spent on leave of absence granted by the Company for the purpose of permitting an employee to engage in activities requested by the Company; plus

v. time spent on authorized leave of absence granted because of pregnancy or to cover periods of non-industrial injury or illness, not to exceed one (1) year during any such period; plus

vi. the first ninety (90) days of any other authorized leave of absence; plus

vii. time on disability retirement from any such unit provided the employee qualifies to return to the active payroll; plus

viii. time on layoff from any such unit not to exceed, in each instance: (a) a period of six (6) years for employees with five (5) or more years of seniority at time of layoff (less time on leave under Subparagraphs 9.1(B)(vii) and 9.1(B)(viii) where such leave immediately precedes such layoff); (b) a period of five (5) years for employees with three (3) or more but less than five (5) years seniority at time of layoff (less time on leave under Subparagraphs 9.1(B)(vii) and 9.1(B)(viii) where such leave immediately precedes such layoff); (c) a period of

three (3) years for employees with one (1) or more years but less than three (3) years seniority at time of layoff (less time on leave under Subparagraphs 9.1(B)(vii) and 9.1(B)(viii) where such leave immediately precedes such layoff); (d) a period of one (1) year for employees with less than one (1) year seniority at time of layoff (less time on leave under Subparagraphs 9.1(B)(vii) and 9.1(B)(viii) where such leave immediately precedes such layoff).

Section 9.2. Loss of Seniority

An individual shall lose seniority rights for the following reasons:

A. Voluntary Resignation.

B. Resignation. An individual who, while on leave of absence, engages in other employment or fails to report for work or to obtain renewal of his leave on or before its expiration, will be considered as having resigned.

C. Discharge for cause.

D. Failure to respond with his acceptance within seven (7) regular workdays after dispatch by certified mail, return receipt requested, of a recall from layoff unless such period is extended by the Company if such recall is to a job that he must accept under the applicable provisions of Article 9 or lose seniority. However, if such an employee, who otherwise would retain his seniority except for the provisions of this Section 9.2(D), contacts the Company in writing within thirty (30) calendar days of his seniority loss, his seniority will be reinstated and he will be placed on the roster in seniority order for prospective purposes.

E. Failure to report for work within five (5) workdays after acceptance or on such later date as may be designated by the Company. Layoff for a period in excess of six (6) years for employees with three (3) years or more seniority at time of layoff; layoff for a period in excess of three (3) years for employees with one (1) or more but less than three (3) years seniority at time of layoff; layoff for a period in excess of one (1) year for employees with less than one (1) year seniority at time of layoff.

F. Retirement (excludes those employees on disability retirement who may qualify to return to the active payroll).

G. Any employee of the Company outside of a collective bargaining unit covered by this Agreement who is discharged or quits shall be considered a new hire without seniority if subsequently employed within the bargaining unit.

Section 9.3. Reinstatement of Seniority Lost by Reason of Duration of Layoff

An employee laid off by Boeing on or after October 4, 1980 but before the effective date, who has lost his seniority solely because of the application of

Section 9.2,(f) shall, upon re-employment by the Company, have that seniority reinstated if the employee returns to the active payroll and his period of separation from the active payroll does not exceed the amount of seniority he had at the date of his layoff, plus the amount of seniority he accumulated under the applicable provisions of all Collective Bargaining Agreements between the parties and between the IAM and Boeing beginning October 4, 1980 and thereafter.

Section 9.4. Retentions

In the case of layoff within a job classification the Company may retain employees without regard to seniority and such retentions shall not be subject to challenge or to grievance procedure. For the purpose of determining the allowable number of retentions and using and applying such retentions, calendar six (6) month periods shall be used, the first period in each year to be from January 1 to June 30, inclusive, and the second period to be from July 1, to December 31, inclusive. For each such period, the number of allowable retentions for the applicable six (6)- month period will be four and one-half (4.5) percent of the bargaining unit head count at the beginning of the period

Section 9.5. Nature of Seniority Rights

Seniority rights are those specified by effective written agreement and shall not be deemed to exist independently of such agreement.

Section 9.6. Transfer to Management

The Company may transfer or promote employees from the collective bargaining unit covered by this Agreement to the management (supervisory) payroll. An employee, who has been or will be transferred from a job classification covered by this Agreement to a position within Management, will retain and accumulate his previous seniority for five (5) years and will resume accumulating such seniority in case he returns to the bargaining unit. An employee returning from the active management (supervisory) payroll of the Company, and who is accumulating seniority or who has accumulated seniority in accordance with Section 9.1 will be returned to the job last held (if populated) or another job of the same labor grade or level. In exceptional cases, he may be returned to a higher labor grade or level in the same job classification as the job he last held, but such exception shall require concurrence by the Union.

Section 9.7. Elected/Appointed to Union Office

An employee covered by this Agreement who is elected or appointed to one of the following Union Offices: President, Business Representative, In-Plant Representative, or other full time staff member, or becomes a Representative of the Grand Lodge shall be granted a leave of absence to serve in such office full time and will retain previous seniority and accumulate seniority while serving in these positions, for the purpose of reemployment and benefit eligibility and accrual levels, provided he notifies the Company of his intent to return to the bargaining unit at least ten (10) calendar days in advance of such intended

return. Upon return from leave of absence, the employee will be eligible to utilize any unused sick leave and vacation accruals accumulated by the employee at the time of his appointment to the Union position. Not more than fifteen (15) such leaves of absence may be in effect at one time.

Section 9.8 Employees on Overseas Assignment

Employees on overseas assignment who perform production work will continue to accumulate seniority during such period of assignment without regard to their payroll classification while on such assignment. If such an employee, at the time of such assignment, had on file with the Company an effective authorization for Union dues deduction, the Company will continue to make such Union dues deductions during such period, and the Union agrees to save the Company harmless from any claim for damages on the part of any employee so affected.

Section 9.9 Probationary Period

Employees hired after the Effective Date that do not have Boeing job rights, may be terminated within the first ninety (90) days for any reason deemed appropriate by management.

ARTICLE 10 HOLIDAYS

Section 10.1. Dates Observed

There will be twelve (12) scheduled paid holidays each calendar year. The following holidays shall be observed by the Company for the purpose set forth in this Article:

2005 Holidays	Day of Week	Date of Observance
Memorial Day	Monday	May 30, 2005
Independence Day	Monday	July 4, 2005
Labor Day	Monday	September 5, 2005
Thanksgiving Day	Thursday	November 24, 2005
Day following Thanksgiving	Friday	November 25, 2005
Christmas Break	Friday	December 23, 2005
Christmas Break	Monday	December 26, 2005
Christmas Break	Tuesday	December 27, 2005
Christmas Break	Wednesday	December 28, 2005
Christmas Break	Thursday	December 29, 2005
Christmas Break	Friday	December 30, 2005

2006 Holidays	Day of Week	Date of Observance
New Year's Day Observed	Monday	January 2, 2006
Memorial Day	Monday	May 29, 2006
Day before Independence Day	Monday	July 3, 2006
Independence Day	Tuesday	July 4, 2006
Labor Day	Monday	September 4, 2006
Thanksgiving Day	Thursday	November 23, 2006
Day following Thanksgiving	Friday	November 24, 2006

Christmas Day	Monday	December 25, 2006
Christmas Break	Tuesday	December 26, 2006
Christmas Break	Wednesday	December 27, 2006
Christmas Break	Thursday	December 28, 2006
Christmas Break	Friday	December 29, 2006

2007 Holidays	Day of Week	Date of Observance
New Year's Day	Monday	January 1, 2007
Memorial Day	Monday	May 28, 2007
Independence Day	Wednesday	July 4, 2007
Labor Day	Monday	September 3, 2007
Thanksgiving Day	Thursday	November 22, 2007
Day following Thanksgiving	Friday	November 23, 2007
Christmas Break	Monday	December 24, 2007
Christmas Day	Tuesday	December 25, 2007
Christmas Break	Wednesday	December 26, 2007
Christmas Break	Thursday	December 27, 2007
Christmas Break	Friday	December 28, 2007
Christmas Break	Monday	December 31, 2007

2008 Holidays	Day of Week	Date of Observance
New Year's Day	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
Day following Thanksgiving	Friday	November 28, 2008
Christmas Break	Wednesday	December 24, 2008
Christmas Day	Thursday	December 25, 2008
Christmas Break	Friday	December 26, 2008
Christmas Break	Monday	December 29, 2008
Christmas Break	Tuesday	December 30, 2008
Christmas Break	Wednesday	December 31, 2008

2009 Holidays	Day of Week	Date of Observance
New Year's Day	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
Day following Thanksgiving	Friday	November 27, 2009
Christmas Break	Thursday	December 24, 2009
Christmas Day	Friday	December 25, 2009
Christmas Break	Monday	December 28, 2009
Christmas Break	Tuesday	December 29, 2009
Christmas Break	Wednesday	December 30, 2009
Christmas Break	Thursday	December 31, 2009

2010 Holidays	Day of Week	Date of Observance
New Year's Day	Friday	January 1, 2010
Memorial Day	Monday	May 31, 2010
Independence Day Observed	Monday	July 5, 2010
Labor Day	Monday	September 6, 2010
Thanksgiving Day	Thursday	November 25, 2010
Day following Thanksgiving	Friday	November 26, 2010
Christmas Break	Friday	December 24, 2010
Christmas Break	Monday	December 27, 2010
Christmas Break	Tuesday	December 28, 2010
Christmas Break	Wednesday	December 29, 2010
Christmas Break	Thursday	December 30, 2010
Christmas Break	Friday	December 31, 2010

2011 Holidays	Day of Week	Date of Observance
New Year's Day Observed	Monday	January 3, 2011

Section 10.2 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 applicable shift differential and Cost of Living Adjustment, 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. Employees not on leave of absence who take leave without pay (LWOP) at the time the holiday occurs shall be eligible for holiday pay.

Section 10.3. 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 and Cost of Living Adjustment, if applicable, unless the employee starts to work at 10:00 P.M., or thereafter on that day.

Section 10.4. Holidays During Vacation

Should a holiday occur while an employee is on vacation, the employee shall be allowed to take one (1) extra day of vacation with pay in lieu of the holiday as such.

Section 10.5. Employees on Non-Regular Workweek

For those employees who regularly work on Saturday and/or Sunday, receiving two (2) consecutive days off during the week, the two (2) days off shall be treated as "Saturday" and "Sunday," in that order, for the purposes of this Article 10.

Should any of the holidays observed by the Company occur on such a "Sunday," the following day shall be considered as a holiday for such employees. Should any of the holidays observed by the Company occur on such a "Saturday," the preceding day shall be considered as a holiday for such employees.

Section 10.6. Employees on Third Shift

Those employees who are assigned to work on third shift shall observe holidays in accordance with Sections 10.1 through 10.6 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.

ARTICLE 11 VACATION AND SICK LEAVE

Section 11.1 General Description of Credit.

Upon reaching his first eligibility date with the Company and during each succeeding year, an employee subject to this Agreement shall be credited with a certain number of hours of credit for the purposes of this Article 11, based upon hours worked during his first year of service and each succeeding year, such credit to be earned and used as designated in this Article 11.

Section 11.2 Computation of Credit.

The credit to which an employee shall be entitled on his first eligibility date, and at any time thereafter, shall be computed in accordance with the following rules:

11.2(a) An employee with less than five (5) years of seniority will earn one (1) hour credit for each seventeen (17) hours worked.

11.2(b) An employee with five (5) or more but less than ten (10) years of seniority will earn one (1) hour credit for each sixteen (16) hours worked.

11.2(c) An employee with ten (10) or more but less than fifteen (15) years of seniority will earn one (1) hour credit for each thirteen (13) hours worked.

11.2(d) An employee with fifteen (15) or more but less than twenty (20) years of seniority will earn one (1) hour credit for each twelve (12) hours worked.

11.2(e) An employee with twenty (20) or more but less than twenty-five (25) years of seniority will earn one (1) hour credit for each eleven (11) hours worked.

11.2(f) An employee with twenty-five (25) or more years of seniority will earn one (1) hour credit for each ten (10) hours worked.

11.2(g) Seniority shall be the seniority as defined in Article 9.

11.2(h) Each hour worked on third shift shall be increased, at the ratio of eight (8) to six and one (6-1/2)-half for the purpose of computing credit.

11.2(i) Total credit for any period of service will be computed to the nearest tenth of an hour.

11.2(j) All hours for which an employee is paid will be counted as hours worked in the computation of credit and hours worked at premium rates shall be counted as straight time hours in such computation.

Section 11.3 Eligibility to Use Credit.

Eligibility for use of credit shall be determined as follows:

11.3(a) An employee becomes eligible to use his credit as provided in Section 11.4 after reaching his first eligibility date, except as provided in Subparagraph 11.4(c)(2).

11.3(b) The eligibility date of an employee newly hired or hired after termination of employment shall occur on the anniversary date of such hire.

11.3(c) An employee who had established an eligibility date prior to the effective date of this Agreement will retain such eligibility date so long as he remains in the continuous service of the Company.

11.3(d) Time on layoff and time on authorized leave of absence will be considered as continuous service for the purpose of establishing and retaining eligibility dates.

Section 11.4 Use of Credit.

Credit earned by any employee is to be used as follows:

11.4(a) Allocation of Portion of Credit to Sick Leave Credit and to Vacation Credit. The first forty (40) hours credited on an employee's first eligibility date and thereafter as earned during each succeeding year of service shall be allocated to the employee's Sick Leave Credit. The number of such hours that at any time are earned and unused shall be referred to as the employee's Sick Leave Credit. All hours credited on an employee's first eligibility date and as earned during each succeeding year of service, in excess of the number of hours to be allocated to the employee's Sick Leave Credit as aforesaid, shall be referred to as the employee's Vacation Credit.

11.4(b) Use of Vacation Credit as Vacation With Pay or Sick Leave.

Between eligibility dates, an employee shall use his unused Vacation Credit accumulated in the twelve (12)-month period preceding his last eligibility date as vacation with pay at the rate in effect for each day of the vacation period, including shift differential, if applicable, subject to the following conditions:

11.4(b)(1) He shall request vacation dates on forms provided by the Company and the Company will endeavor to schedule his vacation as requested. Generally, Vacation Credit will be used in units of eight (8) hours; however, Credit may be used in one tenth (.10) increments to cover partial days of absence, subject to advance approval by the employee's supervisor.

11.4(b)(2) In instances where Company management believes the awarding of vacations as requested would interfere seriously with production requirements, the scheduling of vacations shall be as near to the dates requested as possible.

11.4(b)(3) In scheduling vacations, the Company will attempt to meet its production requirements by use of employees on a voluntary basis and, failing in this, the seniors will be given their preference of available vacation dates when request is made thirty (30) or more days prior to the vacation dates requested to the extent established vacation schedules will permit.

11.4(b)(4) In the event an employee is temporarily laid off as provided in Section 16.6 or is on approved leave of absence, he may elect to take his vacation with pay, to the extent of his eligibility, during such layoff or leave.

11.4(b)(5) If an employee's Sick Leave Credit is exhausted, management may approve on a case-by-case basis an employee's request to use Vacation Credit as sick leave for legitimate reasons for absence under the same conditions as set forth in Subparagraph 11.4(c)(1). Such approval will not be unreasonably denied; however, requests will not normally be approved if the employee is then under a Corrective Action Memo for attendance.

11.4(c) Use of Sick Leave Credit as Sick Leave. Sick Leave Credit may be used as follows:

11.4(c)(1) General.

Between eligibility dates, an employee, including an employee on a leave of absence, may, at his option, use any part or all of his Sick Leave Credit as sick leave providing: (A) the employee is partially or wholly incapacitated by actual illness or injury on the days taken as sick leave, (B) an illness in the employee's immediate family requires the employee's presence or (C) the employee has a medical or dental appointment which can be scheduled only during working hours. The employee shall be paid for absence charged to sick leave and shall not be penalized for such absence providing the nature of the absence and anticipated length of absence is reported to his organization on the first day of such absence, or as soon thereafter as reasonably possible. As to possible rights after exhaustion of Sick Leave Credit, see Subparagraph 11.4(b)(5) and Section 11.5(a).

11.4(c)(2) Prior to First Eligibility Date.

Prior to his first eligibility date an employee may use in accordance with Subparagraph 11.4(c)(1) accumulated Sick Leave Credits anticipated to be allocated on his first eligibility date. Use of such credits will be considered to be an advance from the employees' Sick Leave Credits due on his first eligibility date and will reduce such allocation accordingly. Should the employee terminate for any reason other than layoff prior to completion of his first year of service, sick leave payment made to the employee may be deducted from the employee's final paycheck and any remaining amounts will be due the Company.

11.4(d) Unused Vacation Credit.

It is the intent of the parties that employees shall be required to use Vacation Credit as vacation. However, where an employee does not use all or part of such Vacation Credit as vacation with pay during the year between vacation eligibility dates, the employee shall receive pay in lieu of any remaining unused Vacation Credit after reaching his next eligibility date. An exception to the foregoing will be to allow employees to elect carryover of vacation credits in order to meet extended vacation needs, provided the employee makes such election in writing at least ten (10) working days before the employee's next eligibility date.

Vacation credits so carried over must be used during the next eligibility year and pay in lieu of vacation credits carried over will not be allowed until the end of the eligibility year following the eligibility year in which the carryover election is made. All payments in lieu of vacations shall be made at the employee's rate in effect on the employee's current vacation eligibility date, including shift differential where applicable.

11.4(e) Unused Sick Leave Credit.

An employee who, on any eligibility date, has more than forty (40) unused hours in his Sick Leave Credit, less the number of leave without pay hours taken during the eligibility year, will receive pay-in-lieu of those hours over forty (40) in accordance with the following table:

Hours of Unused Sick Leave Credit in Excess of 40 (Less Leave Without Pay Hours)	Percentage Payment
40 hours	160%
36 to 40 hours	150%
32 to 36 hours	140%
28 to 32 hours	130%
24 to 28 hours	120%
20 to 24 hours	110%
less than 20	100%

Such payments shall be made at the employee's rate in effect on that eligibility date, including shift differential where applicable. Notwithstanding the above, there will be no deduction for leave without pay hours taken for the following reasons: departure from work for Union business pursuant to Section 3.8; temporary layoff pursuant to Section 16.4; or emergency plant closure.

11.4(f) Effect of Termination.

Upon termination of an employee's employment for any reason on or after any eligibility date, such employee shall receive pay in lieu of his hours of Vacation Credit and Sick Leave Credit earned and unused up to and including the effective date of his termination of employment. For the purposes of this Section 11.4(f) only, an employee shall be deemed to have terminated on or after his first eligibility date if he worked on his last scheduled workday prior to that eligibility date.

11.4(g) Effect of Military Service on Credit.

Any employee who leaves to enter military service shall receive pay in lieu of his hours of Vacation Credit and Sick Leave Credit earned and unused up to the effective date of termination irrespective of whether he has been employed until his eligibility date. Such payment will be made when the employee furnishes proof, satisfactory to the Company, of his entry into military service within sixty (60) days after termination and without intervening employment elsewhere.

11.4(h) Effect of Layoff on Credit.

Any employee who is laid off (on other than a temporary layoff of twenty-one (21) calendar days or less) shall receive pay in lieu of all of his hours of Vacation Credit and Sick Leave Credit earned and unused up to the effective date of layoff irrespective of whether he has been employed until his eligibility date. Employees temporarily laid off shall not receive pay in lieu of unused Credit.

11.4(i) Use of Credit in Lieu of Working Short Workweek.

In the event the Company deems it advisable to work an employee on a short workweek as provided in Article 6, Section 6.1(B) the employee may:

11.4(i)(1) elect against working the short workweek in which case he may apply for and use his unused Credit accumulated in the twelve (12)-month period preceding his last eligibility date (to the extent that it is not allocated or required to be allocated to his Sick Leave Credit) as time off with pay at the rate in effect on the day(s) such credit is used, including shift differential if applicable, or

11.4(i)(2) elect to work the short workweek and apply for and use such unused Credit as time off with pay for the regular workdays that are not worked in the short workweek, or

11.4(i)(3) elect layoff, in which case the provisions of Section 11.4(h) above shall apply.

ARTICLE 12
GROUP INSURANCE AND RETIREMENT PLANS

Section 12.1. Benefit Summaries Attached

ARTICLE 13 HEALTH AND SAFETY

Section 13.1. Mutual Objective

It is the desire of both parties to this Agreement to maintain high standards of safety and health in order to eliminate, as far as possible, industrial accidents and illness. It is our intent that no employee shall be required to perform work that involves an imminent danger to health or physical safety. Imminent danger is defined as loss of life or limb. Both parties will continue to establish proactive, customer-driven programs and systems to support this mutual objective.

Section 13.2. Health and Safety in the Workplace

The Company is committed to a tobacco-free work environment based on the evidence that tobacco smoke and second-hand smoke is detrimental to employee health. Accordingly the interior spaces of all Company facilities are tobacco-free. The Company shall designate exterior spaces for smoking and use of other tobacco products. There shall be no use of tobacco products except in designated areas.

The Union and the Company are committed to working together to maintain a healthy and safe workplace. Both parties agree that all employees should be actively involved in creating a safe workplace and complying with all applicable safety and health policies and procedures. Both parties recognize that good physical health and being prepared to do physical work may reduce injuries. Together, the parties will explore methods to promote health programs.

Section 13.3. Joint Programs

Both parties agree to discuss the establishment of Joint Programs during the first six months following the contract effective date.

13.3.a. The Company will continue to utilize IAM Crest to facilitate employees returning to work from medical leave.

13.3.b. The Company will seek to establish an accredited apprentice program. Union and management will work together to secure appropriate state and federal funding in support of this effort.

Section 13.4. Drug and Alcohol-Free Workplace

The Union and the Company recognize the value of working together to maintain the Drug and Alcohol-Free Workplace Program. This program has been established to promote a safe, healthy, and productive work environment. This program is intended to help prevent substance abuse through drug and alcohol/drug testing and enhanced employee communication that emphasizes the importance of awareness and rehabilitation. By complying with state/federal laws, regulations and enforcing the Company prohibition against drugs and

alcohol in the workplace, public confidence in MID-WESTERN AIRCRAFT SYSTEMS, INC. products and services is maintained. Both parties commit to work together to create an environment which promotes a drug and alcohol-free workplace and adhere to the Company's established policy.

Section 13.5 First Aid /Personal Protective Equipment

A. The Company shall maintain first aid kits within a reasonable distance of all work areas.

B. The Company will furnish personal protective equipment as deemed necessary.

Section 13.6 Joint Committee on Health Care Costs & Quality

The Company and the Union are committed to ensuring that employees have access to cost effective, quality health care coverage. Because of their ongoing concern about the quality of health care and costs, the parties agree to a Joint Committee on Health Care Costs and Quality. The Committee will have an equal number of representatives, including a co-chair, from each party. When appropriate, health care experts and representatives from the Company's health plans will be invited to attend Committee meetings. Each party may have their benefits consultants and advisors attend Committee meetings. The Committee will meet at least twice each year to discuss issues related to the health care program. The Committee also will meet with health care providers to express the parties' interest in obtaining quality health care at affordable prices. Among the topics that the parties will consider and discuss are:

- Costs under the Company's medical plans.
- Overall plan design.
- Efficient use of health care resources by consumers.
- Cost management programs to address specific cost areas, including:
 - Disease management of selected high-cost chronic diseases.
 - Targeted health risk assessment.
 - Catastrophic case management.
 - Pharmaceutical management.
- Measurement tools for evaluating health plans' and providers' efficiency, including but not limited to programs of the National Academy of Sciences and National Quality Forum as well as accreditation from nationally recognized groups such as the National Committee for Quality Assurance (NCQA) or the Foundation for Accountability (FACCT).
- Benchmark data from other employers.
- Opportunities to work with other employers, unions or other parties interested in obtaining quality health care at affordable prices.

The Company and the Union also will undertake initiatives to expand health care plan accountability for quality. Among these initiatives will be:

- Provider performance reporting on quality and efficiency to encourage use of the highest quality providers, including those who meet the highest patient safety standards.
- Provider programs focused on specific high-yield quality innovations shown to substantially improve patient safety.
- Computerized physician order entry. Physicians will be required to enter prescriptions into a hospital database to screen for inappropriate medications and dosages and avoid potential adverse drug reactions/interactions.
- Evidence-based hospital referral. Physicians will be required, where practical, to guide patients to facilities with superior outcomes (linked to significantly lower patient mortality).
- ICU physician staffing. Where available, physicians who are critical care specialists will provide ICU care.

To encourage plan participants to use the highest quality health care available, it is the intent that the Company will provide education to employees regarding the effectiveness of physicians, hospitals and other health care providers as it becomes available. In recognition that reliable provider performance data is currently not collected and available, the Company will update the Committee from time to time on its progress in obtaining and sharing such data. The Company and the Union are committed through these and other initiatives to improve quality and maintain reasonable costs, and they will recognize and endorse contracting decisions with physicians, hospitals and health plans based on compliance with these joint initiatives.

ARTICLE 14 MISCELLANEOUS

Section 14.1. Inventions

Employees shall be permitted to retain ownership of an invention conceived or developed by them if the invention (a) was developed entirely on the employee's own time and the invention is one for which no equipment, supplies, facilities, or trade secret information of the Company was used; and (b) does not (i) relate directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employees for the Company. All other inventions shall be the property of the Company, and employees shall assist the Company in the protection of such inventions as directed by the Company. No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement, which contravenes these provisions.

Section 14.2. Sabotage

The Union agrees to report to the Company when it has knowledge of any acts of sabotage or damage to or the unauthorized or unlawful taking of company, government, customer, or any other person's or employee's property. The Union further agrees, if any such acts occur, to use its best efforts in assisting to identify and apprehend the guilty person or persons.

Section 14.3. Investigatory Interviews

Each employee has the right, during an investigatory interview, which the employee reasonably believes may result in discipline, to request the presence of his shop steward, if the shop steward is available. If his shop steward is not available, such employee may request the presence of another immediately available shop steward. If a shop steward, pursuant to the employee's request, is present during such an interview, the shop steward, in addition to acting as an observer, may, after the Company has completed its questioning of the employee, ask additional questions of the employee in an effort to provide information which is as complete and accurate as possible. The shop steward shall not obstruct or interfere with the interview.

Section 14.4. Bulletin Boards

The Company shall provide bulletin boards for the Union's use in areas conveniently accessible to bargaining unit employees. New and replacement boards will be at least three (3) feet by four (4) feet in size. The Union may maintain the boards for the purpose of notifying employees of matters pertaining to Union business. All notices shall be signed by a representative of the Union who is authorized by the Union to approve Union notices.

Section 14.5. No Discrimination

All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin,

status as a disabled or Vietnam era veteran, age, gender, or the presence of a disability, except in those instances where age, gender, or the absence of a disability may constitute a bona fide occupational qualification. If administration and application of the contract is not in contravention of federal or state law such administration or application shall not be considered discrimination under this Section 14.5. Notwithstanding any other provision of this Section 14.5 or of this Agreement, a grievance alleging a violation of this Section 14.5, shall be subject to the grievance procedure and arbitration of Article 7 only if it is filed on behalf of and pertains to a single employee. Class grievances based on alleged violation of this Section 14.5 shall not be subject to the grievance procedure and arbitration under Article 7 of this Agreement.

Section 14.6. Subcontracting

Anything in this Section 14.6 to the contrary notwithstanding, it is agreed that under and included within the meaning of Article 4 of this Agreement that the Company has the right to subcontract and offload work, to make and carry out decisions, and to designate the work to be performed by the Company and the places where it is to be performed...

A. The Company and Union agree that an increasingly productive workforce is critical to the continued success of the enterprise and that domestic and international sales represent opportunities for employment growth and stability. The parties also recognize that a variety of business factors, including the Company's ability to secure sales, may require offsets as part of such transactions. Given these conditions, and in acknowledgement of Company and Union concerns regarding employment stability, the parties agree to meet periodically to discuss offsets and the impact of subcontracting on bargaining unit jobs.

B. With respect to the subcontracting of work currently performed by bargaining unit employees, the parties recognize that from time to time such subcontracting may be necessary. To enable the Union to suggest competitive alternatives which might allow the retention of work within the bargaining unit, the Company will, at least sixty (60) days prior to signing any agreement to subcontract work currently being performed by bargaining unit employees, provide notice to the Union of its plans to subcontract work which would directly result in the displacement of twenty-five (25) or more bargaining unit positions. The Company will provide information related to the potential subcontracting other than information it considers to be confidential, proprietary or subject on nondisclosure provisions.

C. The parties recognize that some subcontracting decisions cannot be disclosed with the sixty (60)-day period referred to above, due to confidentiality concerns. In such circumstances, the Company will provide the Union as much notice as practicable.

D. Following notice of specific plans to subcontract work currently performed by the bargaining unit that would displace twenty-five (25) or more bargaining unit employees, the parties shall, upon the request of the Union, meet and discuss the impact on the bargaining unit. The Company agrees to consider any proposal the Union might make which would result in a materially less costly way to retain such work in the bargaining unit. The Union must present any such proposals within thirty (30) calendar days of receipt of the Company's plans. The parties will meet periodically to review the implementation of any such union proposals accepted by the Company. Should the Union's projected savings not be realized within any ninety (90) day review period during implementation, the Company will have the right to subcontract the work.

Section 14.8 Masculine - Feminine References.

In construing and interpreting the language of this Agreement, reference to the masculine, such as "he", "him", and "his", shall include reference to the feminine.

Section 14.9 Technology

As part of the Company's normal communication process it will endeavor to keep the union and employees informed of new technologies being considered for future application.

Section 14.10 High Performance Work Organization

Section 14.10 (a) MID-WESTERN AIRCRAFT SYSTEMS, INC. and the IAM, are committed to jointly develop a partnership that will accomplish goals of mutual benefit to all employees, customers, shareholders, suppliers, and the communities in which we function by developing a High Performance Work Organization (HPWO). This partnership is dedicated to improve quality, productivity, participation, organizational agility, and the financial performance while enhancing earning opportunities, long-term employment, job satisfaction, and safety for all employees.

Section 14.10 (b) The IAM and MID-WESTERN AIRCRAFT SYSTEMS, INC. recognize their collective responsibility to gain commitment from all employees, to contribute to the success of the MID-WESTERN AIRCRAFT SYSTEMS, INC. and the establishment of a positive work environment. This agreement will enable employees in all parts of the organization to participate in workplace change. They will share information, solve problems, and make decisions to a far greater extent than in the past.

Section 14.10 (c) Through this partnership and its commitment to positive workplace change, we intend to increase market share, expand workforces, better educate and train employees, increase profitability and return for shareholders, continue to provide competitive wages and benefits, and secure employment for all who participate. Using the principals established by the IAM as general guidelines the Company and the Union agree to develop a plan to

implement over time a full-partnership High Performance Work Organization which will cover all Wichita employees.

Section 14.10 (d) The Union and the Company leadership are specifically committed to initially taking the three following actions to begin joint development of a High Performance Work Organization: On-Site Familiarization with the IAM HPWO department staff; Partnership Planning Sessions; and, developing a Joint Communications Strategy.

Section 14.11 Annual Development Discussion

Subject to the terms and conditions of this Agreement, and to the extent not covered by such terms and conditions, the procedures and rules relating to employees shall be determined by the Company. At least annually, the employee's supervisor will discuss with him such things as his proficiency and growth potential.

ARTICLE 15 STRIKES AND LOCKOUTS

Section 15.1. Strikes and Lockouts

The Union agrees that during the term of this Agreement, and regardless of whether an unfair labor practice is alleged (a) there will be no strike, sit-down or walk-out and (b) the Union will not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location. Any employee who violates this clause shall be subject to discipline. The Company agrees that during the term of this Agreement there will be no lock-out of employees covered by this Agreement. Any claim by either party that the other party has violated this Article 15 shall not be subject to the grievance procedure or arbitration provisions of this Agreement, and either party shall have the right to submit such claim to the court.

ARTICLE 16 WORKFORCE

Section 16.1. Lateral Transfers And Change In Classifications.

A. The Company may make lateral reclassifications from one job classification to another, or may make downgrades from one job classification to another, except where individuals who have been laid off or downgraded and have previously held the job classification with seniority rights unless the job is of short term duration. Notwithstanding the above, at management discretion, senior active employees can be moved into the position.

B. Any employee who is laterally reclassified by the Company and is within the following ninety (90) days found by the Company to be unqualified (for reasons other than not being "physically qualified"), to perform his new assignment shall be (1) assigned to other work in the same labor grade or (2) given the opportunity of returning to his former job classification, providing, as to (2), that he worked in the former job classification and level for thirty (30) days or more within the year preceding the reclassification to the new job and his seniority will support his return to the former job classification.

NOTE: The foregoing paragraphs Section 16.1 A & B will not apply in instances where, following appropriate review, an employee was removed from his previous job classification due to medical limitations or lack of qualifications.

Section 16.2. Promotion

The Company shall promote within job classification by seniority provided the employee has met the criteria as described in the job description or can demonstrate the ability to perform the job. Employees will be considered for promotion in the following order:

1. Employees who have previously held the job.
2. Employees in the next lower job level within the classification.

Section 16.3. Layoff

When the Company determines it is necessary to reduce the number of positions in any job classification and level, shall be by reverse seniority order in such position, after the application of the retention provision in Section 9.4, will be declared surplus. Surplus employees will be laid off in the following order:

1. Volunteers considered and then approved, by management;
2. In reverse seniority order

Employees surplus in this manner will have the following rights in this order:

1. Fill other positions previously held at the same pay grade.

2. Displace a less senior employee in the same job classification at the next lower level.

Section 16.4. Temporary Layoffs.

Anything to the contrary in this Agreement notwithstanding, when the Company determines it is necessary to reduce the number of employees working within a job classification and level at a particular location, any employees in the organizations considered by the Company to have an excess number of employees, who are within such job classification and level, may be temporarily laid off for not more than twenty one (21) calendar days, with or without application of the procedures stated in this Agreement during such period of temporary layoff. The Company agrees that the Union will be notified whenever possible in advance.

Section 16.5 Recall

1. At the time of layoff, the Company automatically will place in the file for priority consideration return to active employment the names of all laid-off employees. In order to maintain such recall status, the employee must keep the Company informed of his or her interest in returning to active employment by submitting a letter or filling out the appropriate form so stating. Individuals on layoff who wish to be considered for recall for positions other than the job classification and level previously held must advise the Company of such interest.

2. The Company's sole obligation to provide notice of recall shall be to send a written notice to the last mailing address provided by the employee.

3. Before hiring new employees, laid off employees will be recalled in the following order

a. Employees laid off from the job classification and level in the reverse order of layoff.

b. Employees who have expressed interest in filling other positions shall be given preferential consideration, if qualified, when openings occur.

c. Individuals who have previously held Boeing jobs that mapped to a different job classification and who have expressed interest will be given preferential consideration, if qualified, when job openings occur. The process for determining what rights exist will be agreed to within the first 90 days of this agreement.

4. An individual on layoff who is offered recall to the job classification and level from which he was most recently laid off will lose his seniority if he declines such offer unless the job opening is deemed to be less than 90 days.

5. An individual on layoff who declines a job offer other than the one from which he was most recently laid off will not lose his seniority and will continue to be given consideration when openings occur.

Section 16.6. Layoff Notice

The Company will attempt to give at least two (2) weeks notice prior to layoff to the employees affected, except when the layoff is caused by unexpected events (WARN Act definition) termination of a Government or other production contract, temporary layoff or when the affected employees are absent.

Section 16.6(a) Accelerated Layoff

The Company and the Union agree that, employees who have been identified for and notified (either directly or to the Union) of potential layoff may request acceleration of the anticipated layoff date provided that management shall grant such a request when such employees have provided satisfactory proof that they have accepted a job offer from another employer. Employees whose requests are granted shall be given a release date of not more than two (2) weeks (fourteen (14) calendar days) following the date the request was granted. Employees granted an accelerated layoff date shall be regarded as having Recall Rights of recall as set forth in Section 16 of the parties' Collective Bargaining Agreement only upon receipt, following their layoff, of an effective application as described in Section 16. Employees granted an accelerated layoff date will be required to sign a form waiving any rights under the Worker Adjustment and Retraining Notification Act to a full sixty (60)-day period of employment prior to the layoff.

ARTICLE 17
EQUITY PARTICIPATION PROGRAM

The parties agree to establish an equity participation program for IAM-represented employees of Mid-Western Aircraft Systems, Inc. Stock appreciation rights will be contributed to the program representing a profit opportunity on 10% of the initial common stock of Mid-Western's parent company. The program will be able to distribute to participating employees cash or common stock following a substantial sale by the Onex investors, a change of control merger, or an initial public offering of the common stock.

ARTICLE 18 PENSIONS

A. The Employer shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour or portion thereof for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement, subject to a maximum of eighty (80) hours per bi-weekly pay period for each employee as follows: \$ 1.65 per hour, effective on the effective date of this Agreement.

B. The Employer shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays. Contributions shall not be made for sickness and injury time. The Employer shall also make contributions whenever an employee receives severance pay, vacation pay at termination, or vacation pay in lieu of time off.

C. Contributions for a new, temporary, probationary, part-time and full-time employee are payable from the first day of employment.

D. The I.A.M. Lodge and Employer adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

E. The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Employer in the Plan if the successor collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.

F. This Article and the Agreement signed on April 2 and 4, 2005 between the Company and the I.A.M. National Pension Fund contain the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provisions in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

ARTICLE 19
401(K) PLAN

A. The undersigned Employer wishes to become a Contributing Employer to the I.A.M. National 401(k) Plan for all its employees who are working under an I.A.M. Collective Bargaining Agreement effective from the effective date of this Agreement.

B. The Employer will make authorized weekly/biweekly pre-tax deductions of a percentage of the employee's current earnings for each pay period for any employee covered by this Agreement who has requested that such a payroll deduction be made.

C. All such deductions shall be remitted to the Fund two business days after the end of each pay period for which the deductions are made but in no event later than the tenth (10th) day of the month following the pay period for which the deductions are made.

D. Such deductions are required to be remitted to the Plan by the Employer and must be sent to:

I.A.M. National Pension Fund,
I.A.M. National 401(k) Plan
P.O. Box 64341
Baltimore, MD 21264-4341

or such other address as the Trustees may require.

E. The Employer agrees to make further deductions from the employee's wages of any monthly amount required by the Plan to pay back a loan taken from the Plan by the employee if applicable. Such amounts will be deducted and remitted to the Plan in accordance with paragraphs (A), (B) and (C).

F. The Employer agrees to maintain and abide by any deferral election form provided by the employee to the Employer and to provide the Trustees of the Fund with all compensation and other data needed for the Trustees to administer the Plan in accordance with the terms of the I.A.M. National 401(k) Plan and applicable law.

G. The Employer agrees to be bound by, and hereby assents to, the Amended and Restated Trust Agreement for the I.A.M. National Pension Fund and by the terms of the I.A.M. National 401(k) Plan currently in effect and as the Trust and Plan may be amended from time to time.

H. This Agreement contains the entire agreement between the Employer and the I.A.M. National Pension Fund, I.A.M. National 401(k) Plan for the participation of this group of employees. No oral or written modification of this agreement shall be binding unless agreed to in writing by the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement, or arbitration shall be binding on the Trustees of the I.A.M. National Pension Fund.

I. This Agreement shall become effective upon its acceptance by the Trustees of the I.A.M. National Pension Fund. No employee deductions shall be remitted until notification of acceptance by the Trustees of the I.A.M. National Pension Fund.

J. The Employer understands that the participation in the Plan of its employees is conditioned on their participation in a defined benefit pension plan and the Employer's compliance with Sections 401(a)(4), 410(b) and 401(k) of the Internal Revenue Code. Participation in the I.A.M. National 401(k) Plan is further conditioned upon the Plan not being a top-heavy Plan under Section 416 of the Internal Revenue Code with respect to the Employer's non-bargaining unit employees.

K. The Employer agrees to provide the information and certifications required by the Trustees to monitor compliance with the Plan and the Internal Revenue Code, including compensation and other information regarding all Bargaining Unit employees of the Employer. If the Employer fails to comply with Sections 401(a)(4), 410(b) or 401(k) of the Internal Revenue Code, or if the Plan is top-heavy with respect to the Employer's employees, or if the Employer fails to provide information, certifications or additional sums required by the Trustees, the participation of the Employer's employees shall terminate. In addition, the Trustees may in their discretion terminate this agreement at any time by 60 days' written notice.

ARTICLE 20 DURATION

Section 20.1. Duration/Notification

This Agreement shall be effective for a five (5) year period and shall become effective on the date of Closing under that certain Asset Purchase Agreement between the Company and The Boeing Company (the "Effective Date"), and shall remain in force through the fifth anniversary thereof. This Agreement shall remain in force from year to year thereafter, unless either party shall notify the other, in writing by registered mail, not more than ninety (90) calendar days nor less than sixty (60) calendar days prior to the anniversary of the Effective Date in the year in which contract termination is desired.

Notice under Section 20.1 duration, notification shall be served on the senior Human Resources Manager for the Company and the designated representative for the Union.

ARTICLE 21 SCOPE OF AGREEMENT

Section 21.1. Complete Agreement

This Article contains the entire agreement between the parties and any contrary provisions in any other document shall be void. No oral modification of this agreement shall be effective or binding on any party.

Section 21.2. Severability

If any term or provision of this Agreement is, at any time during the life of this Agreement, adjudged by a court or administrative body of competent jurisdiction to be in conflict with any law, such term or provision shall become invalid and unenforceable, but such invalidity or unenforceability shall not impair or affect any other term or provision of this Agreement.