



# IAM Term Definitions

## **Performance Bonus** – Company Incentive Award Plan

**Eligibility** - An Employee will be eligible to participate in the Plan with respect to incentive award amounts payable under the Plan (if any) for a Plan Year if the following condition precedents are satisfied: a) The employee is employed in the IAM bargaining unit as of December 31 of any Plan Year. b) Eligibility will be re-determined each Plan Year.

**Payout Amount** - If a target score of “1” is met, eligible employees will be paid a bonus equal to 2.0% of straight-time and overtime wages (“eligible wages”) for the Plan Year. If the score is greater than “1”, eligible employees will receive an equivalent percentage award. As long as a Target score of no less than 0.5 is achieved, a payment will be made to all eligible IAM Bargaining Unit members for that plan year. In Plan Years 2012, 2014, 2016, & 2018, a 1% Performance Bonus is guaranteed.

**Payout Date** - Payments shall be made within two and one half months of the end of the Plan Year.

*(Reference section 5.6)*

## **Gain Sharing Plan** – Localized to Facility

**Eligibility** - An employee will be eligible to participate in the plan if they are employed by the Company in a IAM bargaining unit position on December 31st of the particular calendar year for which the gain-share payment is being made.

**Payout Amount** - If the Target is met, employees will be paid a gain-sharing payment equal to one (1.0) percent of the employee’s straight-time and overtime wages (pay for hours worked) during the calendar year. If the Outstanding goal is met, employees will be paid a gain sharing payment equal to two (2.0) percent of the employee’s straight-time and overtime wages (pay for hours worked) during the calendar year.

**Payout Date** - On or before March 15<sup>th</sup> following the plan year.

*(Reference section 5.18 )*



# IAM Term Definitions

**LTI** – Long Term Incentive Award – Lump Sum

**Eligibility** - An employee will be eligible to participate in the plan if they are employed in the IAM bargaining unit and are on the active payroll November 30 of the respective year.  
(Payout years are 2011, 2013, 2015, 2017 & 2019)

**Payout Amount** - A lump sum equal to two percent (2%) of an employee's straight-time and overtime wages for hours worked in the preceding 12 months of November 30, shall be paid to all eligible employees.

**Payout Date** – December of respective year.

*(Reference section 5.8 B)*



# IAM Term Definitions

## **COLA** – Cost of Living Lump Sum Payment

**Eligibility** - An employee will be eligible to participate in the plan if they are employed in the IAM bargaining unit, active on the “date of potential adjustment” (November 30<sup>th</sup>), or on an approved LOA less than 90 days.

**Payout Amount** - The Cost of Living Lump Sum Payment for each eligible employee shall equal the cents per hour adjustment (the Annual Adjustment Multiplier) multiplied by the number of straight-time hours worked in the applicable year plus 1.5 times the cents per hour adjustment multiplied by the number of overtime hours worked in the applicable twelve month period (December 1 through November 30).

**Payout Date** - December of each year

*(Reference section 5.10)*

## **Rate Range and Wage Increases (formerly GWI)**

**Eligibility** – An employee will be eligible if they are employed in the IAM bargaining unit and have been on the active payroll.

**Payout Amount** - Employees at or above the maximum of the rate range, shall be paid a lump sum equal to the Market Base Pay Review percentage multiplied by the employee’s straight-time and overtime pay for hours worked during the previous twelve (12) months. If an employee is below the Rate Range Maximum, but at a rate less than the amount of the Review increase, the employee’s rate shall be increased to the new Rate Range Maximum and a proportionate lump sum payment made for the difference.

**Payout Date** – First full pay period following June 25<sup>th</sup> of that year.

*(Reference section 5.5)*



# IAM Contract on COLA

## **Section 5.10. Cost of Living Lump Sum Payment**

- A. Employees covered by this Agreement shall receive an annual Cost of Living Lump Sum Payment to the extent such Payments become effective under and in accordance with all of the terms, conditions and limitations stated in this Section 5.10.
- B. Determination of Cost of Living Lump Sum Payment
1. Determination of the potential Cost of Living Lump Sum Payment 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.
  2. During the life of this Agreement, subject to the provision stated below, an annual Cost of Living Lump Sum Payment shall be computed by using (1) 213.34 (the three-month average of the BLS Index for February, March, April, 2010) as the base and (2) an Annual Adjustment Multiplier using the formula 1 cent = .075 percent change in the appropriate average (May through October 2010, November through October thereafter), and (3) the Annual Adjustment Multiplier shall be capped at 1.5% of average base rate as of November 30 in 2010, and 2011, 1.75% of average base rate as of November 30 in 2012 and 2013, 2.0% of average base rate as of November 30 in 2014 and 2015, 2.5% of average base rate as of November 30 in 2016, 3.0% of average base rate as of November 30 in 2017, 4.0% of average base rate as of November 30 in 2018, 6.0% of average base rate as of November 30 in 2019, and (4) the Cost of Living Lump Sum Payment for each eligible employee shall equal the cents per hour adjustment (the Annual Adjustment Multiplier) multiplied by the number of straight-time hours worked in the applicable year plus 1.5 times the cents per hour adjustment multiplied by the number of overtime hours worked in the applicable twelve month period (December 1 through November 30). For 2010, the period will be straight-time and overtime hours worked between July 1 and November 30, 2010.
  3. Any Annual Adjustment Multiplier shall be cumulative up to the level of each year's cap and shall not decrease. A Cost of Living Lump Sum Payment in any particular year shall be payable only to those employees who, on a Date of Potential Adjustment, are on the active payroll or on leave of absence for less than ninety (90) days. The Date of Potential Adjustment shall be November 30th of each year. The payment will be made before December 31st of the same year.
  4. 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.



## Q. & A.

1. How will I know if I am eligible for the Performance Bonus and/or Gain Share Plan?

You are eligible if you are employed in the IAM bargaining unit as of December 31 of the plan year.

2. When will I receive the lump sum payments for Performance Bonus and/or Gain Share?

Payments will be made within two and one half months of the end of the plan year (March 15).

3. How will I know if I am eligible for Long Term Incentive Awards-Lump Sum?

You are eligible if you are an active IAM bargaining unit employee on November 30<sup>th</sup> of the respective year (2011, 2013, 2015, 2017 and 2019).



## Q & A's continued

4. When will I receive the lump sum payment?  
Please refer to the IAM Term Definitions slides for payout dates.
  
5. How do I defer my lump sum payments to my 401(k) Plan?  
Complete and return the Contribution Election Form for Lump Sum Payments from Spirit AeroSystems, Inc.
  
6. When is the Contribution Election Form for Lump Sum Payments due?  
The form must be returned on or before 5:00 p.m., February 3, 2012.
  
7. Can I change my mind after completing and returning the form?  
No.
  
8. Do I have to fill out a new form every year?  
Yes