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# **AGREEMENT**

This Agreement entered into this 18<sup>th</sup> day of May 2015, between HAMILTON SUNDSTRAND CORPORATION, Rockford, Illinois (hereinafter referred to as the "Company"), and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE, AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, U.A.W., and its Local Union No. 592 (hereinafter referred to collectively as the "Union"), on behalf of the employees covered by this Agreement;

## **WITNESSETH, THAT:**

**WHEREAS**, it is the general purpose of this Agreement between the Company and the Union to assure the continuous, harmonious, efficient, economical and profitable operations of the plants, to prevent strikes, slowdowns and other disturbances which interfere with production, and further setting forth the agreement covering rates of pay, hours of work and conditions of employment to be observed by the parties hereto.

## **ARTICLE 1 - Scope of Agreement Rockford Plants**

**Section 1.1** This Agreement is applicable to all Bargaining Unit Employees, as described in Section 2.1, in the Company's existing plants in Rockford, Illinois, and any additional plants established within 35 miles of Rockford.

**Section 1.2** The reference to “plants” or “groups” from time to time in this Agreement shall pertain to the various Enterprises, Operational Groups and/or Functional Areas, including for example, Rockford Electronics, Rockford Repair, Rockford Manufacturing, Maintenance and Test. The plant or group managers referred to are the respective managers of such “groups” or “plants.”

**Section 1.3** It is the purpose of this Agreement to provide autonomy for all designated Enterprises, Operational Groups and/or Functional Areas subject to this labor agreement.

## **ARTICLE 2 - Recognition**

**Section 2.1** In accordance with and subject to the provisions of the National Labor Relations Act, the Company recognizes the Union as the sole collective bargaining agent for all hourly paid production and maintenance employees in all Company plants as defined in Article 1, Section 1.1, and Section 1.2, excluding office and shop clerical employees, nurses, personnel department employees, engineering department employees, experimental engineers, salaried employees and all supervisory employees with the authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees or effectively recommend such action. Nothing contained in this Agreement shall be construed to preclude or limit the right of an individual employee or a group of employees to present grievances to the Company.



The Union agrees that it will not accept employees within the above excluded classifications into membership in the Union.

**Section 2.2** Employees in the Unit as defined in Section 2.1 shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement. Employees in said Unit who are not members of the Union at the time this Agreement becomes effective shall be required as a condition of continued employment to become members of the Union on or within three (3) days after the 30th day following such effective date. Employees hired, rehired, reinstated or transferred into said Unit after the effective date of this Agreement shall be required as a condition of continued employment to become members of the Union on or within three (3) days after the 60th day following the beginning of their employment in said Unit. An employee who shall tender the initiation fees (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet this condition.

**Section 2.3** Employees to whom membership in the Union is denied or whose membership is terminated by the Union by reason of the failure of the employee to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership, shall not be retained in the Unit as defined in Section 2.1. No employee shall be terminated under this Article, however, unless:

(A) The Union first has notified him by letter addressed to him at the address last known to the Union concerning his delinquency in not tendering the periodic dues and initiation fees required under this Article, and warning him that unless such dues and fees are tendered within seven (7) days, he will be reported to the Company for termination from employment as provided herein; and

(B) The Union has furnished the Company with written proof that the foregoing procedure has been followed but the employee has not complied, and on this basis, the Union has requested in writing that he be discharged.

**Section 2.4** On receipt from an employee covered by this Agreement of a voluntary written authorization form according to law, the Company will deduct initiation fees, monthly Union dues, equivalent dues and general assessments from the pay of an employee or from any Supplementary Unemployment Benefit payable to a laid off employee during the first week of each month provided that such authorization has been received seven (7) days prior to such pay day. The Company, within ten (10) days after such pay day, will remit all such deductions to the proper Officers of the Union as certified in writing to the Company by the Union. The amount of such initiation fees, dues and general assessments shall be certified in writing to the Company by the Union and shall not exceed the regular and official amounts as specified in the Union's Constitution and Bylaws.

All authorizations shall remain effective until revoked.

**Section 2.5** On receipt from a retiree covered by this Agreement of a voluntary written authorization in the lawful and appropriate form, the Company will deduct retired employee Union dues each month, provided that such authorization has been received by the 10th day of the month preceding the payment of the next pension benefit. The Company will remit all such deductions to the proper Officers of the Union as certified in writing to the Company by the Union and shall not exceed the regular and official amounts as specified in the Union's Constitution and Bylaws.

## **ARTICLE 3 - Grievance Procedure**

**Section 3.1** Any dispute as to the interpretation or application of this Agreement shall be considered a grievance and shall be resolved by the procedure set forth in this Article.

**Section 3.2** The Company agrees to recognize a Union Grievance Committee composed of the President, Vice President, Recording Secretary and the Chief Stewards, one from each designated district, for the purpose of negotiating and settling grievances with the Company in the Third Step of the grievance procedure.

DISTRICT	PLANT(S)
1	Plant 1
2	Plant 6 Campus – Customer Service & ESO
3	Plant 6 Campus – ASE, SLS & Facilities Engineering
4	Night Shifts

The members of the Grievance Committee shall be elected or selected by the Union.

The Company will also recognize Union Stewards elected or selected by the membership of the Union. Stewards must work in a part of the area in which they represent. The distribution of the Stewards among the plants shall be worked out by mutual agreement between the Company and the members of the Grievance Committee of the Union. Should there be a substantial change in the number or location of Bargaining Unit employees during the life of this Agreement, the parties shall meet for the purpose of working out a redistribution of the Stewards and Chief Stewards.

The Union shall certify to the Company from time to time the names of the Grievance Committee and Stewards. The Company shall not recognize any Union representative until his name has been certified.

**Section 3.3** Grievances may be presented at any time. Union Representatives shall not lose paid time in connection with the brief presentations of grievances in the first and second steps during working hours with the understanding that neither the grievant nor the Union Representative will abuse this procedure. When a Union Representative requests time off to handle a Labor/Management issue during working hours or to attend a meeting of the Grievance Committee with representatives of management during such hours, he shall request such time off from his supervisor and an earnest effort will be made for his release. It is the intent of the parties to

minimize any loss in production through application of this Article and the parties will cooperate to prevent abuse of this intent. An employee who has been discharged or given a disciplinary suspension shall, before leaving the plant, be permitted to see the Chief Steward or other Union designated Representative in their absence, at a location designated by the Company, if he requests this privilege of his supervisor.

**Section 3.4** The first step of the grievance procedure is for the employee and Steward or his designated representative if requested, to discuss the nature of the matter at issue with his supervisor. Any settlement agreed to at this step will be without precedent. Grievances will be presented within five (5) working days of the occurrence. The supervisor will respond within five (5) working days.

**Section 3.5** If the problem is not resolved following discussion with the supervisor, it will be presented in writing within five (5) working days to the appropriate Human Resource Representative by the employee and/or Union Representative, and it will be answered in writing within five (5) working days after the discussion. Any settlement agreed to at this step will be without precedent.

**Section 3.6** Third step grievances shall be presented to the Labor Relations Department in writing within five (5) working days of the second step answer. The Company will set a meeting to occur within ten (10) working days from the time the grievance is presented in writing unless agreed otherwise. The Company will respond in writing to the

office of the Union Recording Secretary within ten (10) working days after the third step meeting. Termination grievances shall be expedited to the third step of the grievance process.

**Section 3.7** If the Union wishes to submit a dispute to arbitration, it shall do so by filing with the Manager of Labor Relations within ten (10) working days of the receipt of the Company's written response, a written request for arbitration listing the particular grievance(s) to be arbitrated. Only one (1) grievance shall be arbitrated in any one proceeding before an arbitrator.

Following a request for arbitration, if agreed by both parties, a Joint Review Committee will review the matter(s) at issue to explore the possibility of resolution without arbitration. Such committee shall consist of not more than five (5) representatives designated by each party.

**Section 3.8** In the event arbitration is requested, a panel of five arbitrators shall be jointly requested from the Federal Mediation and Conciliation Service within thirty (30) working days of the Company's written response. After receipt of the panel, the parties shall meet within five (5) working days for the purpose of selecting an arbitrator. Beginning with the grieving party, the parties will alternate striking a name from the panel, and the remaining name shall be the arbitrator.

Failure by the Union to proceed within the time limits specified in this Article will result in the issue being dropped, unless mutually agreed otherwise in writing. Likewise, failure by the Company to proceed within the time

limits specified in this Article shall result in the issue being automatically taken to the next succeeding step.

The arbitrator selected shall have authority to decide the grievance at issue, including the right to amend or modify discharge or other disciplinary action, but shall have no authority to alter, add to or modify this Agreement in any way. The decision of the arbitrator on the issue submitted shall be final and binding. The expense of the arbitrator shall be shared equally by the Parties.

**Section 3.9** In the event of a grievance applicable in more than one designated district, the Union may file such at the third step of the grievance procedure with the Labor Relations Department. The Company shall have the right in its discretion, to remand a grievance within five (5) working days to the appropriate Operational Group for processing in accordance with the grievance procedure. If not remanded within five (5) working days, it will be processed through the remaining steps of the grievance procedure by the Labor Relations Department.

**Section 3.10** No grievance settlement or arbitration award shall be retroactive to a date more than ten (10) working days prior to the filing of the grievance. Errors in the computation of payments, however, shall be retroactive to the date of the error.

**Section 3.11** At the time a grievance is granted in any step, the Company will meet the demand and/or agreed to settlement of the grievance within thirty (30) calendar days unless mutually agreed otherwise.

## **ARTICLE 4 - Discharges**

**Section 4.1** No employee who has completed the probationary period will be discharged except with just cause. The Union will be advised prior to any such discharge, and if requested by either the employee or the Union, a Human Resource Representative will conduct an interview to discuss the reasons for the discharge. Such meeting will take place prior to discharge.

## **ARTICLE 5 - Seniority**

**Section 5.1** In all cases of increase or decrease in forces, the following factors as listed below shall be considered, with length of continuous service to be the determining factor where the employee has the ability and physical fitness to perform the work in a satisfactory manner:

- (a) Length of continuous service; when two (2) or more employees have the same seniority date, the employee having the higher Social Security number shall be deemed to have the higher seniority.
- (b) Ability to perform the work in a satisfactory manner.
- (c) Physical fitness to perform the work in a satisfactory manner.



In the case of a permanent reduction in the workforce, the Company shall notify the Union ten (10) working days prior to the effective date of the reduction, except in an emergency or for reasons or conditions over which the company has no control. The Company will provide the Union the classification(s) and department(s) being affected.

### **Section 5.2 Definitions:**

**Company Service** - Length of continuous service with the Company.

**Probationary Period** - A 120 day period of continuous service with the Company for new employees after which their seniority shall date from their hiring date. Grievances cannot be presented in connection with the discharge or layoff of probationary employees.

**Qualifying Period** - A ninety (90) day period served by employees who transfer to a job by posting, beginning with the date of transfer to the new job.

**Job Opening** - A job opening indicates a need for additional employee(s) in a job classification in a department. Such opening may occur as a result of expansion or need for replacement. Except for the application of Sections 5.5, 5.8 and 5.11, job openings shall be posted.

**Job Classification** - A particular job, the job duties and rates of pay of which are as set forth in the job classification book.

**Sub Classification** - A subdivision or bracket of a job classification; the subdivisions combined make up the complete job classification.

**Pool Jobs** - A number of relatively unskilled job classifications. Previous experience is not a requirement for eligibility to displace an employee from a classification in a pool job.

**Same Job Classification** - Same job description which is represented in multiple departments and noted as such in Article 18, Appendix "A". The work content of which is so similar that an employee should be able to move from one to the other and perform effectively without additional training.

### **Section 5.3 Table of Pool Jobs**

1. Janitor/Sweeper/Chip Hauler

### **Section 5.4 Transfers in Connection with Reduction of Forces**

- A. In any reduction or displacement of the working force in a job classification in a department:
  - (1) Probationary employees shall be removed or displaced.

- (2) Permanent employees shall next be offered a voluntary inverse layoff in the line of seniority.
  - (3) Employees who have not completed their qualifying period shall next be removed or displaced in order of their relative Company service, whether or not they have greater Company service than employees who have completed their qualifying period and who are retained or who displace them. Any employee thus removed or displaced shall return to his former job classification and thereafter be subject to all provisions of this section. An employee removed or displaced from his job due to a reduction of forces during his qualifying period on such job shall have posting rights restored in accordance with Article 6 effective on the date of his removal or displacement from such job. If such employee becomes a successful bidder on a job posting, he shall forfeit all rights to recall under Section 5.5 to the job from which he was removed or displaced during his qualifying period.
  - (4) Employees who have completed their qualifying period shall next be removed or displaced in order of their relative Company service.
- B. An employee removed or displaced from his job classification under A (4) above shall exercise his seniority rights for transfer in accordance with and in the order of the following paragraphs:
- (1) He shall transfer to the same job classification in another department.
  - (2) If he cannot be placed under B (1) above, he shall have the choice of the following options:

- (a) If he has previously completed the qualifying period in any other job classification, to return to such job classification. In such case, he will displace the least senior employee in such job classification, or
  - (b) To move to any of the pool jobs. In such case, he shall displace the least senior employee in the pool jobs.
  - (c) An employee entering the pool jobs pursuant to this Article shall receive the maximum of the rate range at the time of entry.
  - (d) An employee removed or displaced under this procedure may elect to take a voluntary layoff. An employee who elects a voluntary layoff shall have no rights to return to active employment except to be recalled to his permanent job, the last job held prior to layoff or a job pursuant to Article 6. In the event an employee is on voluntary layoff and the job(s) for which he is eligible for recall is/are eliminated, such that the employee has no opportunity for recall from said voluntary layoff, such employee shall be placed on involuntary layoff status and shall be eligible for recall under the provision of Section 5.5.
- (3) Bumping For Shift Preference During Reduction. Employees affected by a reduction in force will have the option of bumping the least senior employee of a shift vs. the classification as described in Section 5.4 of this Agreement. This will eliminate the need for employees to sign shift preference slips during a reduction. If the initial date of the reduction/transfer

of the affected employee has passed and the employee wishes to work other than their current shift, they are required to sign a shift preference slip per Section 5.12 of our current Labor Agreement. Upon recall, employees affected on the initial reduction date will return to their original shift. If they so opt to stay on their current shift, they are required to sign a shift preference slip per Section 5.12.

### **Section 5.5 Transfers and Recall**

- A. Recalls from Layoff. Employees who are laid off in a reduction of forces shall be recalled in order of their relative Company service for a job opening before any new employees are hired.
- B. Recalls from other job classifications.
  - (1) To job classification(s) from which transferred during qualifying period: An employee transferred from a job classification during his qualifying period in the job classification shall be recalled to said job classification only in the department from which he was so transferred.
  - (2) To job classifications outside the pool jobs: An employee transferred from such job classification in a reduction of forces shall be recalled in reverse order, to the job classification(s) held before such transfers and to his permanent job classification and department when an opening therein occurs.
  - (3) To job classification(s) within the pool jobs: An employee transferred from such job classification within the pool jobs in a reduction of forces shall be

recalled, in reverse order, to the job classification(s) within the pool jobs held before such transfer and to his permanent job classification and department when an opening therein occurs, subject to the following:

- (a) An employee working in a job classification outside the pool jobs shall not be recalled to a classification in the pool jobs unless such pool job classification is the employee's permanent job classification; and
  - (b) A recalled employee who is not transferred within twenty-one (21) days shall be paid the rate of the classification held at the time of recall, or the rate he would have received if transferred, whichever is higher. Payment shall commence with the start of the pay period following the twenty-first (21st) day and will be computed on the basis of forty (40) hours per week.
- (4) Right to refuse recalls: An employee shall have the right to refuse a recall to a job classification which is not his permanent job classification, provided he notifies the Company of such refusal immediately upon receiving notification of the recall; refusal of a recall shall terminate recall rights to the job classification in question.

Employees electing a voluntary inverse seniority layoff will be subject to the recall provisions of Section 5.4 B (2) (d), except the employee may refuse recall to the last job held prior to layoff and/or his permanent job and department until such time that there are no employees with less seniority

subject to recall to that classification. However, a voluntary inverse seniority layoff shall not exceed six (6) months under any circumstances. When an employee who elects a voluntary inverse seniority layoff has been on layoff status for six (6) months, he shall be returned to work and if a reduction in force continues to be necessary, it will be administered in accordance with Article 5, Section 5.4 (a), 2, 3, & 4. However, the Company has the right to retain in their current position an affected employee who will be displaced by the return of an inverse employee for up to five (5) days prior to determining if a RIF continues to be necessary in each subsequent classification.

**Section 5.6** Continuity of service and employment shall be broken and terminated when:

- A. An employee quits;
- B. An employee is discharged for just cause;
- C. An employee is absent for three (3) working days without contacting the absence call-in number, (888) 768 – 2781, except in case of emergency. The employee will be issued a log number at the time of call-in;
- D. An employee fails to report for work at the termination of a leave of absence or extension thereof, except in the case of an emergency;
- E. An employee who has been laid off fails to report for work or to make satisfactory explanation for such failure within three (3) days after being notified to report for work; or

F. If an employee is absent from work for any reason, on or prior to 12/31/2008, except written leave of absence or absence caused by occupational injury or disease compensable under the Illinois Worker's Compensation Law, from the Company for a period equal to his actual service with the Company or one (1) year, whichever is greater, provided that the seniority of an employee so absent from work shall terminate. Effective 01/01/2009, if an employee is absent from work for any reason, except written leave of absence or absence caused by occupational injury or disease compensable under the Illinois Worker's Compensation Law, from the Company for a period equal to his actual service with the Company, up to a maximum of twelve (12) years, their seniority shall terminate. Effective 01/01/2012, if an employee is absent from work for any reason, except written leave of absence or absence caused by occupational injury or disease compensable under the Illinois Worker's Compensation Law, from the Company for a period equal to his actual service with the Company, up to a maximum of ten (10) years, their seniority shall terminate. Further, if an employee fails to report any change in address to the Human Resource Department within ten (10) working days their seniority shall terminate, except in cases of emergency satisfactory to the Company. Such report may be in person or in writing and in either case the Company shall provide the employee with a receipt. Former employees employed after a termination of employment caused by any of the foregoing reasons shall be considered new employees, except that



- (1) if a probationary employee is released from employment and then re-employed within 120 calendar days, the period of employment prior to the break in employment shall be added to the employees length of service after completion of 120 calendar days following his re-employment; or
- (2) if an employee whose seniority has been terminated pursuant to paragraph (f) is re-employed in the Bargaining Unit within one year after such termination, his period of employment prior to the break in employment shall be added to the employee's length of service after completion of 120 calendar days following his re-employment.

**Section 5.7** This Article shall not apply to temporary layoffs due to shortage of material or work, breakdowns or interruptions beyond the Company's control.

- (a) of not more than two (2) weeks where the layoff affects more than half of the employees in a department or more than ten percent (10%) of all employees, or
- (b) of not more than five (5) working days in other cases. In such situations an effort will be made to find work for the employees involved.

**Section 5.8** The Company shall attempt to return employees who have suffered an occupational injury or disease to their permanent job classification. In so doing, the parties recognize that reasonable accommodations may be made in terms of job assignments in order that such

employees may be utilized efficiently and productively within the scope of their physical restrictions.

If said employee cannot be returned to his permanent job classification, the employee shall exercise seniority rights as provided in this Article to a job the employee can perform as if he were displaced or removed from his job classification pursuant to Section 5.4(B). If unsuccessful in the foregoing, the Company shall attempt to provide a job in which said employee can perform within the scope of the employee's physical restrictions. Said employee shall be returned to his permanent job classification, subject to seniority, when no longer disabled.

**Section 5.9** The Company shall make available to the Union copies of employee seniority lists and weekly transfer sheets and maintain them current in accordance with its present practice. In case of any dispute, the Company's records shall be conclusive.

**Section 5.10** In the event an employee has been transferred from production and maintenance work (included work) to an occupation of the type excluded from the production and maintenance unit prior to February 7, 1968, and is subsequently transferred back to included work, his length of service credit shall be his length of service in such excluded occupations plus his length of service in included work. Any employee who, after February 7, 1968, transfers from included work to an excluded occupation, shall continue to accumulate seniority in the excluded occupation for a period equal to  $\frac{1}{2}$  of his accumulated seniority in included work. If such employee

transfers back to included work before the expiration of this period (1/2 of his accumulated seniority to included work), his length of service credit shall be his length of service in such excluded occupations plus his length of service in included work. If such employee transfers back to included work after the expiration of this period (1/2 of his accumulated seniority in included work), his length of service credit shall be his length of service in the included work. In the event an employee is transferred from production and maintenance work (included work) after 5/19/2003, to an occupation of the type excluded from the production and maintenance unit and is subsequently transferred back to included work within one (1) year, his length of service credit shall be the same as if he were displaced or removed from a job classification pursuant to Section 5.4 (B) following a promotion from the last included work job classification he held. If such employee transfers back to included work after one (1) year, he will do so with one (1) day seniority and enjoy all the rights and benefits thereof. In either case, promptly upon transfer to included work, he shall again become eligible for membership in the Union and his name shall be included on the seniority lists provided for in this Article.

Prior to placement per 5.4 (B) above, the Company's first effort will be to place the returning employee into a previously held job classification that will have no displacement impact on incumbents in that classification.

In the event an employee has been transferred from production and maintenance work (included work) to an occupation of the type excluded from the production and maintenance unit, after June 1, 2008, he/she may be

returned to the bargaining unit to a job that has been posted per Article 6; section 6.2 and not filled from within the bargaining unit; provided, however that such employee will return to the bargaining unit without seniority for all purposes other than benefits.

**Section 5.11** If it becomes necessary to assign employees to establish or increase a shift, the Company will first offer the shift work to those employees in the classifications/sub-classifications involved based on relative Company service. To the extent the shift cannot be staffed in this way, the Company will then assign those employees in the classifications/sub-classifications involved who have the least relative Company service. In either case, after sixty (60) days employees shall have the right to file written transfer requests as outlined in Section 5.12. However, the twelve (12) month period mentioned in Section 5.12 (B) will not apply to these requests.

**Section 5.12**

A. Written requests for shift transfers to the same work in the same job classification/sub-classification and department by employees who have completed their qualifying period in that classification/sub-classification and have the necessary ability to perform the work shall be granted in accordance with the relative Company service of the employees involved. Where immediate transfer of the employee would adversely affect efficiency of operations, the transfer may be delayed until an adequate replacement for the transferring employee can be found. However, in no

case will the transfer be delayed more than twenty-one (21) days without agreement between the Company and the Union.

B. An employee, who has been transferred under the terms of (A) above, shall not request a transfer to another shift before completing twelve (12) months except:

(1) in case of emergency and with the approval of the Company and the Union, or

(2) when the employee leaves the shift to which transferred under the following circumstances, causing the shift transfer to be cancelled;

(a) being bumped by an employee with greater seniority,

(b) being reduced in a reduction of forces,

(c) being recalled per Section 5.5,

(d) transferring by posting to a different job classification or department or a different shift. In this case the cancellation shall be effective with completion of the qualifying period.

Or

(e) transferring under either case described in Section 5.11.

**Section 5.13** The following Union Officials shall have top seniority against layoff from all job classifications so long as work is available for which they are qualified: President, Vice President, Recording Secretary and Chief Stewards. If no work is available, they shall be reduced in accordance with Article 5, Section 5.4. All such employees

(except the Night Chief Steward) shall be assigned to day shift work.

## **ARTICLE 6 - Upgrading and Job Posting**

**Section 6.1** The Company shall post all job openings for the shift where the opening occurs for two (2) working days, except Saturdays, Sundays and holidays.

**Section 6.2** Bracketed jobs shall be down posted one level, except in situations whereby management opts to post one bracket lower initially, or unless circumstances make it impractical.

**Section 6.3** The following criteria shall be used in determining the successful bidder on a job posting. The points assigned to each criteria indicate the respective weighing to be given each bidder for that qualification:

- 30 Length of Service (1 pt. per year of service)
- 10 Outside Experience (1 pt. per year of direct experience)
- 30 Related Experience (1 pt. per year of internal Hamilton Sundstrand related experience)
- 10 Education (job related) (2 pts. per year of job related education in the form of certificate programs or per 12 credit hours of job related education meeting the criteria of the Employee Scholar Program)
- 5 Education (1 pt. per 6 credit hours of completed education for mid and lower bracketed jobs, and

the education must meet the criteria of the Employee Scholar Program)

If an employee wishes outside experience and education to be considered for a posting, written documentation of outside experience and/or education must be in the employee's personnel file before the job is posted.

In the event there are one or more bidders who have previously held the job classification, the above criteria shall not apply and seniority shall be the governing factor when physically able to perform the work. Employees who bid on posted jobs will be notified of the final bid status within five (5) working days of the posting being awarded.

Pool jobs shall be awarded on the basis of seniority when physically able to perform the work.

In the event of a dispute over the selection of a successful bidder under this section, a joint committee consisting of two Management and two Union Representatives shall meet within five working days of the occurrence to review the selection. A dispute not resolved through this procedure may be processed under Article 3, Section 3.7, of the grievance procedure.

**Section 6.4** The Company will transfer a successful bidder within forty-five (45) days of the employee's acceptance of the posting unless an extension is mutually agreed upon by the Company and the Union. A successful bidder not transferred to the new job within forty-five (45) days may reject the posting and have posting rights restored immediately.

An employee who is a successful bidder and not transferred within forty-five (45) days will have his qualifying period begin on the new job commencing on the forty-sixth (46<sup>th</sup>) day following his acceptance of said job, up to a maximum of 30 days of the 90 day qualifying period for the new job. For the duration an employee is held after forty-five (45) days, he or she will be paid whichever is higher, his/her current hourly rate or the rate of the new classification.

**Section 6.5** A successful bidder on a job opening who refuses to accept the job prior to the transfer shall be ineligible to bid for other job openings for a period of 180 days from the date of refusal.

**Section 6.6** If no employee bids for the job, or if no employee who bids for the job is qualified to perform the work, the Company may fill the job by offering it to an employee who did not bid or by hiring a new employee to fill it.

If the job opening has not been filled within a three (3) month period and provided the need still exists at the end of this period, the job opening will be re-posted.

**Section 6.7** If during the first forty-five (45) days in the new job, the employee wishes to discontinue in the new job, he/she will be returned to their former job and will not be considered for other job postings for one hundred eighty (180) days.

If during the qualifying period, the Company concludes the employee cannot perform the duties of the new job, the



Company will meet with the Union prior to the employee being returned to their former job. Any employee disqualified by the Company from his/her new classification and department, will have their posting rights restored immediately, except for the classification and department he/she was disqualified from.

If within the first forty-five (45) days on the new job an employee turns down the posting or the Company concludes during the qualifying period he/she cannot perform the job duties and wishes to return him/her to his/her former job, the Company will offer the job to the next highest bidder(s) on the original posting instead of re-posting the job. These time limits shall be strictly enforced unless mutually agreed otherwise by the Company and the Union.

**Section 6.8** Except with Management and Union approval, no employee is eligible to bid for a job opening until he has completed twelve (12) months of continuous service with the Company.

**Section 6.9** The Company will maintain the equitable application of starting rates for employees who are successful bidders on job postings. If an employee posts on a bracketed job, the agreed upon Inside Related Job Experience Posting Matrix will be used to determine what bracket the successful bidder will be placed in the job classification, if the job is not previously held. The Union and the Company will cooperate to prevent abuses of the job posting, bidding and transfer procedure.

**Section 6.10** Once a successful bidder has completed the qualifying period for the new job on a job posting, the employee is not eligible to post for at least twelve (12) months to another job. The twelve (12) months will include the qualifying period.

## **ARTICLE 7 - Leaves of Absence**

**Section 7.1** Leaves of absence for any reasons (but not to work at another company) may be granted by the Company for a maximum period of four years. An employee wishing such a leave shall apply in writing to his supervisor stating the reasons for the requested leave. The granting of leaves will be administered on a case by case basis depending on the circumstances and departmental workload. Nothing herein requires that an employee exhaust his vacation benefit before being granted a leave of absence. If approved, the approval shall be granted in writing.

**Section 7.2** Upon reasonable advance request, employees not exceeding ten (10) in number will be granted leaves of absence of not exceeding twenty (20) days (a) to attend Union Schools and Conferences, (b) to attend Union Conventions or (c) for attending Arbitrations, unless such employees cannot be excused for production reasons, in which case alternates will be granted the leave. Such leaves shall be in writing and for a stated period. Employees shall accumulate seniority while on such leave.

**Section 7.3** Not more than five (5) employees elected, selected or appointed to perform full time work for the Union, International Union or the U.A.W. shall be granted a leave of absence and shall accumulate seniority while on such leave.

**Section 7.4** Miscellaneous time off for Union business will be handled as follows:

- A. All requests will be made through the employee's supervisor.
- B. The request will provide a minimum of one business day's notice. This notice requirement will be waived in a bona fide emergency situation.
- C. If the request is received the same day time off is requested, the Company will make an earnest effort to release the employee.
- D. These provisions are intended for the release of one (1) or two (2) employees in addition to the Union Officers, not as a means of relieving a large group of employees or a significant part of a Department.

**Section 7.5** The parties will comply with the Family and Medical Leave Act (FMLA) of 1993, as stated in Appendix E.

**Section 7.6** Any and all leaves of absence granted under this article shall be unpaid.

## ARTICLE 8 – Vacations

**Section 8.1** Effective May 18, 2015, and for each succeeding year of this Agreement, all regular employees covered by this Agreement who on June 1, have worked at least 1,100 hours in a twelve (12) month period prior to June 1, shall be entitled to vacation time off and vacation pay in accordance with the following table:

Years of Service	Time Off	Vacation Hours of Pay	Pay for Employees Hired After Aug. 30, 1982
1100 hrs – 4 years	2 weeks	108	80
5 through – 14 years	3 weeks	162	120
15 through – 19 years	4 weeks	216	160
20 or more years	5 weeks	270	200

An employee who reaches one (1), five (5), fifteen (15) or twenty (20) years of service between June 1 and December 1 of a vacation year shall be eligible for an additional week(s) of vacation in that vacation year. Such additional week(s) may be taken upon reaching the first, fifth, fifteenth, or twentieth anniversary date and prior to the end of that vacation year. This additional week(s) shall be paid at the time it is taken.

In computing hours worked during the twelve (12) month period prior to June 1 for the above purpose, time lost because of an injury compensable under the Illinois Worker's Compensation Law, time not exceeding four (4) months lost as approved by the disability carrier or time not exceeding three (3) months lost because of layoff by the Company shall be allowed as time worked at the rate of forty (40) hours per week.

**Section 8.2** Hours of vacation pay during the term of this Agreement shall be paid on the basis of each employee's current hourly wage (including any night shift premium earned).

**Section 8.3** The vacation period shall begin June 1 of the vacation year and shall end the following May 31. A temporary vacation shutdown (one event) for any reason, may be designated by the Enterprise, Operational Group or Functional Area, as defined in Article 1.2, for up to one (1) week of vacation. Notice of the shutdown week shall be posted no later than April 1. Under no circumstances will an employee be required to take more than one (1) week of vacation in a vacation period for this purpose.

**Section 8.4** Subject to the designation of a temporary shutdown of up to one (1) week of vacation pursuant to Section 8.3 by any Enterprise, Operational Group or Functional Area, the vacation period allotted to each employee shall be determined so that it will cause minimum interference with plant operations, but every effort will be made to meet the wishes of the individual, so far as possible, based upon relative Company service, provided such wishes are made known by May 1 of the vacation year. The Company reserves the right to make changes in the dates of vacations at any time when it considers such action necessary and in such cases shall notify the employees involved of any such changes in vacation dates as far in advance as possible.

**Section 8.5** Vacations once determined may not be changed or postponed except with the approval of the Company and for reasons considered to be good and sufficient.

**Section 8.6** An employee who is entitled to three (3) or more weeks of earned vacation may, by written notice to the Company by April 1 of the vacation year, accumulate two (2) weeks of vacation for such year. He may similarly accumulate additional weeks until he has accumulated not more than six (6) weeks of paid vacation from prior years which may be taken in one (1) week increments with the first week banked to be the first week taken. The rate of pay for banked vacation will be the employee's hourly rate of pay at the time the vacation is banked. Such accumulated vacation pay will be paid at the time the employee takes his accumulated vacation. The Company shall annually advise each such employee in writing of the amount of vacation pay accumulated for him.

**Section 8.7** No vacation or vacation pay will be allowed any employee whose length of Company service has been broken prior to June 1 of the vacation year, except that such an employee shall promptly after such break be paid any vacation pay accumulated for him pursuant to Section 8.6. Should an employee who has completed the required 1,100 hours incur a break in seniority prior to June 1 because of retirement or death, vacation pay will be paid to the employee or his estate, as the case may be, on the following said June 1.

**Section 8.8** An employee eligible for two (2) week(s) of vacation must take his vacation time off before the end of the vacation period. An employee eligible for more than two (2) weeks of vacation may, by mutual agreement between the Company and the employee, work those weeks in excess of two (2) and receive his vacation pay in addition to pay for such time worked.

**Section 8.9**

- A. Employees may take vacation time off one half (1/2) day at a time. Such must be requested and approved by the employee's immediate supervisor at least twenty four (24) hours in advance of the start of the employee's next scheduled work shift.
  
- B. Effective June 1, 2016, employees will be permitted, with prior approval from the employee's immediate supervisor, to take up to sixteen (16) hours of vacation time per year in two (2) hour increments.

**Section 8.10** Upon completion of the probationary period, a rehired employee shall receive vacation pay and vacation time off based on the employee's years of continuous service including any periods of prior employment.

**Section 8.11** The Company and the Union agree that the winter holidays are a holiday period, and vacations may not be scheduled during this period. Likewise, the parties agree this period may not be designated as a week of

vacation shutdown as provided for in Section 8.3 of this Agreement.

## ARTICLE 9 - Holidays

**Section 9.1** For each day listed below (hereinafter referred to as "holidays") an employee shall be entitled to eight (8) hours pay at his hourly rate including the appropriate shift premium. Holidays to be observed during the term of the Agreement are as follows:

<u>Holiday</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Memorial Day	M 5/25/15	M 5/30/16	M 5/29/17
4th of July	F 7/3/15	M 7/4/16	T 7/4/17
Labor Day	M 9/7/15	M 9/5/16	M 9/4/17
Thanksgiving	Th 11/26/15	Th 11/24/16	Th 11/23/17
Day After	F 11/27/15	F 11/25/16	F 11/24/17
Winter Holiday	Th 12/24/15	M 12/26/16	M 12/25/17
	F 12/25/15	T 12/27/16	T 12/26/17
	M 12/28/15	W 12/28/16	W 12/27/17
	T 12/29/15	Th 12/29/16	Th 12/28/17
	W 12/30/15	F 12/30/16	F 12/29/17
	Th 12/31/15		
New Year's Day	F 1/1/16	M 1/2/17	M 1/1/18
Spring Break	F 3/25/16	F 4/14/17	F 3/30/18

To qualify for holiday pay, employees must have been on the active payroll in the pay period which includes the holiday.



**Section 9.2** If one of the holidays listed in Section 9.1 falls on Sunday, the following Monday shall be observed as the holiday.

**Section 9.3** If an employee is scheduled to work on a holiday and agrees to work but fails to report and perform such work without notifying the Company three (3) hours prior to the end of his shift on the workday preceding the holiday, no holiday pay shall be paid for that day.

**Section 9.4** In the event an employee decides not to work on Martin Luther King, Jr. Day and/or Veteran's Day, this decision shall not be considered an absence for the purposes of assessing the employee's overall attendance record.

## **ARTICLE 10 - Hours and Overtime**

**Section 10.1** This Article is intended only to provide the basis for calculating overtime and premium pay and shall not be construed as a guarantee of hours of work per day or per week. In addition, the Company shall continue to comply with Illinois Rev. Stat., Ch. 48, Subsections 8a - 8h.

**Section 10.2** Time and one-half shall be paid for all time worked in excess of eight (8) hours in any one (1) day.

**Section 10.3** Time and one-half shall be paid for all time worked on Saturday.

**Section 10.4** Double time shall be paid for all time worked on Sunday.

**Section 10.5** Double time shall be paid for all time worked on the holidays specified in Article 9.

**Section 10.6** A day shall be a 24 hour period and a week shall be the established work week of seven (7) consecutive days. The work week shall begin with the starting time of the 3rd shift on Sunday.

**Section 10.7 (FLEX SCHEDULE)** If it becomes necessary to establish a new schedule of regular work hours that deviates from other provisions of this Article, it is understood that such will be done only to accommodate a legitimate and pressing business need, and that the Company and the Union will meet to discuss reasons for such a schedule and possible impact upon the employees affected. It is further agreed by the parties that no Bargaining Unit Member will be negatively impacted in wages and benefits by said schedule, that said schedule will be manned first through volunteers, and that any dispute which might arise over this section shall be subject to resolution under the grievance procedure.

The parties mutually agree to benchmark best practices and establish a mutually acceptable alternate work week schedule to meet the legitimate business needs of our rapidly changing industry.

**Section 10.8** Employees who report for regular work (unless notified not to do so before they have left home) or

who are called back to work from off the Plant shall receive, in the discretion of the management, not less than four (4) hours of work or pay for four (4) hours at their regular rate of pay. An employee who reports for work on a scheduled extended hours shift (overtime hours) shall be guaranteed work or pay for the hours for which he was so scheduled on his work shift unless the employee is notified of a change in his scheduled hours prior to his reporting for work. The provisions of this section shall not apply if the failure to work is due to a fault or refusal of the employee, or in the case of strikes, stoppages of work in connection with labor disputes, power failure, breakdown of equipment, fire, act of God or similar interference's with production beyond the control of the Company. In cases of power failure, breakdown of equipment, fire, acts of God or similar interference with production, the Company will continue its practice of attempting to provide work for the employees affected.

**Section 10.9** All overtime work shall be distributed as equally as possible among those in the classification within a department/area involved capable of performing the work to be done. The Company may not unreasonably deny overtime opportunities to employees on the basis that they are not trained to perform such work. In order to have the same system of keeping and recording overtime on an accurate basis, the following system will apply:

A. Each supervisor shall maintain an accurate log book of overtime hours worked or offered to employees under his supervision, and make such records available to the Union Representative at all times.

- B. All overtime records will be recorded on the basis of pay received (i.e., 1 1/2 X hours offered on Saturday, or 2 X hours offered on Sunday).
- C. All overtime worked in a department/area shall be recorded on a continuing basis, and when every employee on the overtime list goes over the 100-hour mark, the first 100 hours shall be removed.
- D. An employee who posts out of a classification and/or a department will be carried in the old overtime book and charged as though he were there until his qualifying period is complete.
- E. An employee who is absent shall be charged with the overtime as though he was working.
- F. An employee who is asked to work overtime on the same day and because of previous commitments cannot, shall not be charged as working.
- G. If an employee is asked to work overtime twenty-four hours prior to the start of the shift which includes the overtime and refuses, he shall be charged as working.
- H. A probationary employee shall enter a classification within a department equal to the employee highest in overtime hours. Any permanent employee entering a classification within a department shall take the average overtime hours of the employees working in the classification at the time of entrance.
- I. Any employee(s) entering a classification and/or department because of an ADA (Americans with Disabilities Act) accommodation, shall take the average overtime hours of the employees working in the classification and/or department at the time of entrance. Said employee(s) shall be carried in the old overtime

book and charged as though they were there for the duration of the ADA accommodation.

- J. An employee who is medically restricted from working overtime by a physician will be charged all overtime per this Article. A forty (40) hour restriction shall not be construed as any particular day of the week.
- K. Employees on approved military leave, as outlined in Article 12, will not be charged for overtime.
- L. Any employee covered under Article 7, Sections 7.2 and 7.4, who is scheduled to work overtime in his department and cannot because he is on authorized Union business for the entire day, will not be charged for overtime.

The parties recognize that holiday weekends are designed to provide employees with an extended period away from the job. Likewise, the parties recognize that production requirements may dictate that some work be performed over such weekends. Therefore, the following rules will apply in scheduling hours of work for such time:

1. Any overtime work made available on a Saturday or a Sunday which immediately precedes a Monday or immediately follows a Friday will be voluntary.
2. Employees will not be required to work overtime at the end of the regularly scheduled workday immediately preceding a holiday or at the beginning of the regularly scheduled work day after the holiday.

It is recognized that workable arrangements have been agreed to by the Company and employees involved relative

to equalization of overtime. Nothing herein is intended to prevent such arrangements; however, in the filing of grievances or resolving disputes concerning departmental overtime agreements, the language in this Labor Agreement will supersede.

**Section 10.10** An employee working on other than a day shift shall receive a shift premium of one dollar (\$1.00) per hour. The practices set forth below with respect to shift premium for special or split shifts, doubled over shifts and specially assigned shifts, etc., shall be continued:

**Special or Split Shifts:** Shifts which start after 11:00 A.M. and no later than 3:00 A.M. are deemed "other than day shift" and one dollar (\$1.00) per hour is paid therefore. Employees who work other than day shift who are temporarily transferred to days for Company convenience will not lose their night bonus. Employees who are other than day shift who work any extension of that shift will receive their night shift premium.

**Doubled Over Shifts:** An employee who begins work on the day shift and works overtime is not paid shift premium for hours worked beyond his regular shift time unless he works a full second shift.

**Call Backs:** When a first shift employee is called back to work from off the plant after completing his regular shift, he shall receive not less than four (4) hours pay plus one dollar (\$1.00) per hour at the applicable overtime rate or pay for

actual hours worked plus one dollar (\$1.00) per hour at the applicable overtime rate, whichever is greater.

An employee called in on a Saturday, Sunday or a holiday shall receive not less than four (4) hours pay at the applicable overtime rate, or pay for actual hours worked at the applicable overtime rate, whichever is greater. If the call in is on the second or third shift, the employee will also receive the one dollar (\$1.00) per hour night shift premium.

**Other:** If an employee is a third shift worker and works beyond his regular shift, but not a full shift, he will receive one dollar (\$1.00) per hour shift premium.

If a first shift employee works before or after his regular shift because he is covering for another employee who is off due to illness, vacation, etc., he shall receive shift premium for those hours worked in excess of his regular first shift starting and/or quitting time.

If an employee is scheduled to report for work before his first shift starting time due to an added work schedule where another employee does not work (i.e., he is not covering for another employee), he will not receive the one dollar (\$1.00) per hour shift premium.

**Section 10.11** The Company and the Union recognize that some overtime is necessary during periods of reduction in force. Therefore, in cases where employees are on layoff from a classification within a department and the work in the department increases, at the request of the Union, the appropriate Company and Union representatives will meet to discuss the merits of recall versus continuing to work overtime.

**Section 10.12** Each employee shall be at his designated work place ready for work at his scheduled starting time at the beginning of his shift and after his lunch recess. Employees shall not leave their respective designated work places for the lunch recess or for the end of their respective shifts until their scheduled quitting times, except for a five (5) minute wash up period at the end of a shift (quitting time). Employees shall remain at their work places during their shift hours.

**Section 10.13** The Company will not change present regularly scheduled shift starting times without just cause, and will notify Labor Relations and the Chief Steward responsible for the employees affected prior to any such change and discuss the change and the reasons therefore.

## **ARTICLE 11 - Bulletin Boards**

**Section 11.1** The Company shall provide Union bulletin boards with glass doors with a locking device at prominent locations in the Plants for the posting of notices of Union Meetings, Union Appointments, results of Union Elections and other Local Union and International Union business. Such material shall be posted after approval by the Company.



## **ARTICLE 12 - Military Service**

**Section 12.1** The Company shall comply with the requirements of the Universal Military Training and Service Act, as amended from time to time, in the reinstatement of employees who have entered the Armed Services.

**Section 12.2** The Company will continue its present practice of paying employees for leave (not exceeding four (4) weeks during any calendar year) spent in armed services reserve encampments or cruises or any National emergency declared by the President or State emergency declared by the Governor the difference between their compensation therefore and their compensation for time so spent, computed at their regular hourly rate for forty (40) hours per week.

## **ARTICLE 13 - Safety and Health**

**Section 13.1** In case of injury resulting from an accident in the Plant, employees shall be compensated at their regular hourly rate for the time lost in visiting an approved treating provider, provided such employees report back to work as directed; if ordered not to return to work, such employees shall be so compensated for the balance of the shift on which the injury occurs. Employees shall be similarly compensated for any time lost from working hours, (a) in visits to an approved treating provider for treatment of a compensable injury and (b) in accordance with past practice, in visits to the Company's Medical Center. The

Company will give the Chief Steward responsible for each designated district copies of reports of all lost time accidents occurring in the enterprises, operational groups, and/or functional areas.

**Section 13.2** The Company agrees to maintain a Joint Company/Union Safety Committee in each Enterprise, Operational Group or Functional Area. The Committee will be comprised of representative(s) of the Operational Group Manager, a plant representative of the Union, the Chairman of the Union Safety Committee and a representative of Environmental Health and Safety. The Safety Committee will operate in accordance with procedure 37-446 and will periodically review its provisions and revise if appropriate. Unsafe conditions not remedied within a reasonable period as determined by the Safety Committee may be filed as a grievance in the second step of the grievance procedure.

The Company will compensate at their regular hourly rates members of the Safety Committee for regularly scheduled working time lost doing bona fide safety business.

**Section 13.3** There shall be an annual meeting of all plant site Safety Committees to review the Company's practices regarding the safety and health of employees and compliance with applicable laws. The Company shall supply necessary safety and protective devices or apparel for employees.

**Section 13.4** If the Company requires employees to wear safety glasses during working hours, it will supply

such glasses (including prescription glasses where necessary) subject to reasonable rules concerning care and replacement thereof. The Company will also continue its present practices of supplying non-prescription safety glasses and making payments toward the cost of prescription safety glasses where use thereof is not required.

**Section 13.5** In the event an employee is determined to be temporarily unable to work due to injury or illness on his regular job or any other open job in the Bargaining Unit due to medical restrictions, such employee may be assigned to available work within the Bargaining Unit consistent with his medical restrictions. If no such work is reasonably available, the employee will be considered to be in a period of disability and will be entitled to whatever benefit currently qualified for under a disability program. If a dispute arises as to the employee's medical condition or qualifications, a peer to peer discussion between the disability vendor's selected medical personnel and the treating physician shall take place, and as necessary, a subsequent IME or File Review shall be conducted. The decision of such provider shall be final.

In the event the IME or File Review finds that the employee has no medical restriction that would prevent the employee from performing his job, then the Company would return the employee to work as of the date the medical decision was determined and pay any difference between his rate and any disability benefits paid or accrued retroactive to the date the disagreement arose.

Nothing contained herein shall limit the Company's right to require medical examinations at any time. The Company shall pay the employee their regular hourly rate for time lost from their regularly scheduled shift attending the medical examination.

## **ARTICLE 14 – Wages**

**Section 14.1** Subject to other provisions of Article 14, the schedule of job classifications and wage rates as set forth in Appendix A of this Agreement shall remain in effect for the term of this Agreement.

**Section 14.2** The Annual Improvement Factor provided for in this Section recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective.

Accordingly, an improvement factor increase shall be made effective for each employee as an addition to the current regular hourly wage provided for in Section 14.1 as follows: Two and one half percent (2½%), May 18, 2015; Two and one half percent (2½%), May 16, 2016; Two and one half percent (2½%), May 15, 2017.

**Section 14.3** When the Company establishes a new occupational classification, or changes the job duties or

requirements of an occupational classification so that a change in the occupational description is necessary (by breaking out a portion of a classification, combining two or more classifications, or otherwise), it shall notify the Chief Steward responsible for the District involved and as soon as possible submit thereto the new or changed occupational description and rates of pay for the new or changed classification. The rates of pay shall be equitable in relation to the rates for other occupational classifications in the Rockford plants.

If the Union does not agree with the proposed occupational description or the rates therefore, it may, within twenty (20) working days, file a grievance with reference thereto in step three of the grievance procedure. In the event the grievance questions an occupational classification established by breaking out a portion of a classification or combining two or more classifications, in addition to issues as to the occupational description and the rates of pay therefore, the Company shall have the burden of justifying the reasonableness of breaking out the portion of the classification or combining the classifications.

If the Union believes that action by the Company has created a new or changed classification and the Company does not agree, the Union may, within twenty (20) working days after the action claimed to have created such new or changed classification, file grievance in step three of the grievance procedure requesting that the Company submit a new or changed occupational description for the classification in question and the rates of pay therefore.

**Section 14.4** Supervisors shall review an employee's performance every three (3) months beginning with the date they enter a classification. Using performance communication forms supplied by the Company, and the criteria contained therein, the supervisor shall rate an employee's overall performance in one of the following categories:

<b>Above Average</b>	50 cents increase
<b>Average</b>	25 cents increase
<b>Below Average</b>	0 increase

An employee shall receive the respective hourly increase, reflected by the above performance rating. Nothing herein contained shall prevent the Company from making merit increases more often than the regularly scheduled three (3) months reviews or in greater amounts than \$.50 per hour until such time as the employee has reached the maximum rate in the classification.

**Section 14.5** If an employee is temporarily transferred to work outside his regular occupational classification for the Company's convenience, he shall be paid whichever is higher, his current hourly rate or the maximum of the new classification. The Department Steward shall be notified unless time and circumstances prevent it. Such transfers will not be continued for more than two (2) weeks if the employee objects to such continuance.

**Section 14.6** The Company and the Union agree to cooperate in the prevention of abuses in temporary

transfers dealing with farm-outs, (e.g., farm-ins into areas where employees are reduced will not prevent a recall therein).

## **ARTICLE 15 – Prohibition of Strikes and Lockouts**

**Section 15.1** There shall be no interruption or impeding of the work, work stoppage, strike, slowdown or lockout during the term of this Agreement except that the Union shall have the right to strike only to resolve a grievance pursuant to Section 14.3 concerning an occupational description or hourly rate for a new or changed job classification, or in case the grievance involved an occupational classification created by breaking out a portion of a classification or combining two or more classifications, the reasonableness of the Company's taking such action, in the event it strictly complies with the following procedure:

- A. The grievance shall have been timely filed and processed through the third step of the grievance procedure in Article 3.
- B. Within sixty (60) days from receipt of the Company's answer in the third step (or, in case such answer is not rendered within the time limit, from the date such answer was due), the Union shall notify the Company in writing that Local 592 and the International Union have each authorized (as provided in the Union's Constitution) a strike of all employees in the Unit as defined in Section

2.1 hereof concerning such grievance and fixing a time not earlier than five (5) working days or later than ten (10) working days after the receipt by the Company of said notice on which said strike will begin.

- C. Said strike begins on the time so specified, or such other time within said period as is mutually agreed upon in writing by the Union and Company, it being understood that if the right to strike is not exercised before the end of said period, it shall terminate and the grievance shall be deemed to be abandoned and the same subject matter shall not be further considered nor made the subject of further grievances.
- D. Any strike permitted under this Section shall be a general strike requiring all employees within the Bargaining Unit defined in Section 2.1 to leave their work, and no grievances, disputes or demands other than the particular grievance involved shall be presented by the Union or discussed during the above period or the duration of any such strike.
- E. In the event of a strike pursuant to this Section, all employees outside the Bargaining Unit shall continue to work and employees within said Unit shall be subject to call to perform maintenance and other work necessary to prevent injury to buildings and equipment. The Union shall not interfere with entrance to or leaving the plant by any of such employees.

**Section 15.2** Any employee violating the provisions of Section 15.1 shall be subject to discharge or other discipline.



**Section 15.3** There shall be no lockout of employees by the Company except that, in the event of a violation of Section 15.1 hereof, the Company may close its plants to all employees within the Unit defined in Section 2.1.

## **ARTICLE 16 - Management**

**Section 16.1** The management of the business and the direction of the working forces including but not limited to the right to direct, plan and control plant operations and to establish and change work schedules; the right to hire, promote, demote, transfer, suspend, discipline or discharge employees for just cause, or to relieve employees because of lack of work or for other legitimate reasons, the right to sub-contract or transfer work; to introduce new and improved methods or facilities; to establish or combine job classifications or to change existing production methods or facilities; the right to make shop rules and regulations not inconsistent with this contract; and the right to manage the plant in the traditional manner is vested exclusively in the Company, unless restricted by an express provision of this Agreement. Nothing herein shall be used for the purpose of discrimination against employees because of membership in the Union.

## **ARTICLE 17 - General Provisions**

**Section 17.1** Time lost from their regular scheduled work by members of the Union Grievance Committee or the Union Executive Board in negotiating agreements with the

Company, attending grievance meetings or otherwise carrying on Union work will be counted as time worked in computing all service and attendance records, whether or not compensated by the Company.

**Section 17.2** When a new employee is hired, the Company shall furnish the Chief Steward responsible for the designated district involved and the Financial Secretary a notice containing the employee's name, rate of pay and occupational classification.

**Section 17.3** No supervisor, engineer, technician or other member of the office work force shall, on a regular basis perform production or maintenance work unrelated to their normal duties if such would result in the layoff of a member of the Bargaining Unit. The Company recognizes and is sensitive to the Union's concern over the possible abuse of this provision. Therefore, any grievance charging abuse may be advanced immediately to the third step of the grievance procedure.

**Section 17.4** The present practice of paying wages before noon on Friday shall be continued, and when possible, the night shift will be paid before the close of the shift on Thursday night. The pay period shall be Saturday – Friday.

**Section 17.5** There shall be no discrimination by the Company or the Union against any employee because of his race, color, sex, age, national origin, religious beliefs, handicap, Vietnam Era Veteran or disabled veteran status.

The parties further agree to comply with all state and federal laws enacted or amended as required (e.g., Americans with Disabilities Act, Family and Medical Leave Act). All references herein to either gender shall include both genders.

**Section 17.6** The Company shall allow a leave of absence for the period of jury service. The Company will pay the employee called for jury service up to eight (8) times the employee's regular hourly rate to compensate them for the time spent while on jury service. The employee shall not be entitled to receive such pay unless he has notified his supervisor promptly upon receipt of the jury summons and shall present to his supervisor a signed statement from the Jury Clerk documenting the days for which he was required to appear.

### **Pay Example**

Employee serves on jury duty four hours and returns to work for six hours. Pay:

4 hours straight pay coded 04 (jury duty/bereavement)

4 hours straight pay for hours worked

2 hours at time and one-half for time over 8 hours in the day

**Section 17.7** If the offense which is the subject of a conduct report is not repeated within three (3) years, the conduct report will not be used against him, and will be removed from his file.

An employee will be provided documentation of any written verbal warning issued. If the offense which is the subject of a verbal warning is not repeated within one year, that verbal warning will not be used against him and the verbal warning will be removed from the file.

**Section 17.8** An employee requiring time off due to the death of a friend or family member will request such time from his/her supervisor.

An employee will only be eligible for bereavement pay Monday through Friday, and will not exceed eight (8) hours straight time per day. Time lost by reason of such absence will be up to a maximum of three (3) days. Paid time in excess of three (3) days may be taken, but will require a written request. Written requests will be considered for approval by the Company on a case by case basis.

**Section 17.9** Both the Company and the Union recognize that a certain amount of contracting and/or sub-contracting is necessary. In an effort to be fair to both parties, it is agreed and understood that should the Company decide during the term of this Labor Agreement to contract and/or sub-contract Bargaining Unit work, that such will be done only to the extent that a Bargaining Unit employee with seniority and on the payroll at the signing date of this Labor Agreement, who is qualified and eligible to perform such work, will not be laid off. Any employee who is placed on involuntary layoff as a direct result of contracting or sub-contracting who is qualified and eligible to perform the work, will be paid by the Company for a

period of one (1) year the difference between the pay received by them while on layoff and the amount they would have earned in a forty (40) hour week had the layoff not occurred.

## **ARTICLE 18 - Appendices**

**Section 18.1** The following Appendices constitute a part of this Agreement:

Appendix A	Job Classifications and Rates
Appendix B	Insurance
	1. Medical and Dental
	2. Life
	3. Disability
	4. Transition & Bridge
	5. Reimbursement Accounts
Appendix C	Pension and Savings Plan
Appendix D	Supplemental Unemployment Benefits
Appendix E	Letters of Understanding & Statements of Agreement
Appendix F	Hamilton Sundstrand/UAW Rockford Factory Job Evaluation Plan
Appendix G	Apprenticeship Standards

## APPENDIX A – JOB CLASSIFICATIONS AND RATES

OCC.		EFF 5/18/15		EFF 5/16/16		EFF 5/15/17	
CODE	TITLE	MIN	MAX	MIN	MAX	MIN	MAX
020	EXP MATERIAL CLERK	24.03	27.53	24.63	28.22	25.25	28.93
021	MATERIAL CLERK	18.78	24.02	19.25	24.62	19.73	25.24
145	LUB/WASTE HANDLER A	27.25	30.31	27.93	31.07	28.63	31.85
149	LUB/WASTE HANDLER B	18.78	27.24	19.25	27.92	19.73	28.62
293	CERT TEST OPERATOR A*	31.22	35.37	32.00	36.25	32.80	37.16
294	CERT TEST OPERATOR B	28.05	31.21	28.75	31.99	29.47	32.79
295	TEST OPERATOR C	21.21	28.04	21.74	28.74	22.28	29.46
296	CERT FINISHER A	27.65	29.58	28.34	30.32	29.05	31.08
297	CERT FINISHER B	26.25	27.63	26.91	28.32	27.58	29.03
298	FINISHER C	22.22	26.24	22.78	26.90	23.35	27.57
310	MAINTENANCE DEPT SERV PERSON	18.78	24.34	19.25	24.95	19.73	25.57
324	JANITOR-SWEEPER-CHIP HAULER	18.78	22.67	19.25	23.24	19.73	23.82
325	TOOL GRINDER A*	30.67	34.94	31.44	35.81	32.23	36.71
326	TOOL GRINDER B	26.33	30.65	26.99	31.42	27.66	32.21
327	TOOL GRINDER C	18.78	26.32	19.25	26.98	19.73	27.65
410	JOURNEYMAN CARP/MILLWRIGHT *		35.37		36.25		37.16
411	CARP/MILLWRIGHT APPRENTICE**	22.99	33.61	23.56	34.45	24.15	35.31
412	MASTER TUBE FAB/WELDER*	35.48	35.93	36.37	36.83	37.28	37.75
413	TUBE FABRICATOR/WELDER A	31.96	35.47	32.76	36.36	33.58	37.27
414	TUBE FABRICATOR/WELDER B	28.40	31.95	29.11	32.75	29.84	33.57
415	TUBE FABRICATOR/WELDER C	21.21	28.39	21.74	29.10	22.28	29.83
430	JOURNEYMAN ELECTRICIAN*		36.35		37.26		38.19
433	ELECTRICIAN APPRENTICE**	23.64	34.54	24.23	35.40	24.84	36.29
451	CERT ASSEMBLY TECH A	30.28	34.14	31.04	34.99	31.82	35.86
452	CERT ASSEMBLY TECH B	26.51	30.27	27.17	31.03	27.85	31.81
453	ASSEMBLY TECH C	19.35	26.49	19.83	27.15	20.33	27.83
465	TOOL & GAGE INSPECTION 1	31.38	34.14	32.16	34.99	32.96	35.86
466	TOOL & GAGE INSPECTION 2	28.64	31.37	29.36	32.15	30.09	32.95
467	TOOL & GAGE INSPECTION 3	21.21	28.62	21.74	29.34	22.28	30.07
471	CERT PREC MACHINIST A*	31.22	35.37	32.00	36.25	32.80	37.16
472	CERT PREC MACHINIST B	28.05	31.21	28.75	31.99	29.47	32.79
473	PREC MACHINIST C	21.21	28.04	21.74	28.74	22.28	29.46
480	LINE & SURFACE PLATE INSP 1*	30.47	34.14	31.23	34.99	32.01	35.86
481	LINE & SURFACE PLATE INSP 2	27.49	30.46	28.18	31.22	28.88	32.00
482	LINE & SURFACE PLATE INSP 3	19.23	27.48	19.71	28.17	20.20	28.87
500	JOURNEYMAN MACHINE MAINTENANCE*		35.37		36.25		37.16
501	MACHINE MAINTENANCE APPRENTICE**	22.99	33.61	23.56	34.45	24.15	35.31
510	CERT JIG BORER A*	31.22	35.37	32.00	36.25	32.80	37.16
511	CERT JIG BORER B	28.05	31.21	28.75	31.99	29.47	32.79
512	JIG BORER C	21.21	28.04	21.74	28.74	22.28	29.46

OCC.	CODE	TITLE	EFF 5/18/15		EFF 5/16/16		EFF 5/15/17	
			MIN	MAX	MIN	MAX	MIN	MAX
	530	JOURNEYMAN TOOL MAKER*		36.00		36.90		37.82
	533	TOOL MAKER APPRENTICE**	23.43	34.22	24.02	35.08	24.62	35.96
	557	CERT ABRASIVE/DRILL A*	31.22	35.37	32.00	36.25	32.80	37.16
	558	CERT ABRASIVE/DRILL B	28.16	31.21	28.86	31.99	29.58	32.79
	559	ABRASIVE/DRILL C	21.21	28.15	21.74	28.85	22.28	29.57
	567	CERT LATHE/MILL A*	31.22	35.37	32.00	36.25	32.80	37.16
	568	CERT LATHE/MILL B	28.16	31.21	28.86	31.99	29.58	32.79
	569	LATHE/MILL C	21.21	28.15	21.74	28.85	22.28	29.57
	581	CERT SPECIALIST A*	31.22	35.37	32.00	36.25	32.80	37.16
	582	CERT SPECIALIST B	28.05	31.21	28.75	31.99	29.47	32.79
	583	SPECIALIST C	21.21	28.04	21.74	28.74	22.28	29.46
	655	BOILER & COMP MAINTENANCE A*	29.97	35.37	30.72	36.25	31.49	37.16
	656	BOILER & COMP MAINTENANCE B	21.21	29.96	21.74	30.71	22.28	31.48
	670	NDT INSPECTION 1	31.26	34.14	32.04	34.99	32.84	35.86
	671	NDT INSPECTION 2	28.43	31.25	29.14	32.03	29.87	32.83
	672	NDT INSPECTION 3	25.60	28.42	26.24	29.13	26.90	29.86
	673	NDT INSPECTION 4	18.81	25.59	19.28	26.23	19.76	26.89
	690	OVERHAUL & REPAIR MECHANIC A*	30.30	34.14	31.06	34.99	31.84	35.86
	691	OVERHAUL & REPAIR MECHANIC B	26.45	30.29	27.11	31.05	27.79	31.83
	692	OVERHAUL & REPAIR MECHANIC C	18.97	26.43	19.44	27.09	19.93	27.77
	693	PML/FMS CERT MACHINIST A*	31.22	35.37	32.00	36.25	32.80	37.16
	694	PML/FMS MACHINIST B	28.16	31.21	28.86	31.99	29.58	32.79
	695	PML/FMS MACHINIST C	21.21	28.15	21.74	28.85	22.28	29.57
	782	TOOLSETTER/CRIB ATTENDANT A	24.25	29.67	24.86	30.41	25.48	31.17
	783	TOOLSETTER/CRIB ATTENDANT B	18.78	24.24	19.25	24.85	19.73	25.47
	806	CERT ELECTRONIC ASSEMBLER A*	27.00	28.93	27.68	29.65	28.37	30.39
	807	CERT ELECTRONIC ASSEMBLER B	26.32	26.99	26.98	27.66	27.65	28.35
	808	ELECTRONIC ASSEMBLER C	19.03	26.31	19.51	26.97	20.00	27.64
	810	ELECTRONIC TEST/REPAIR A*	33.46	34.95	34.30	35.82	35.16	36.72
	811	ELECTRONIC TEST/REPAIR B	27.13	33.44	27.81	34.28	28.51	35.14
	820	ELECTRONIC PARTS HANDLER A	25.74	27.53	26.38	28.22	27.04	28.93
	821	ELECTRONIC PARTS HANDLER B	21.28	25.73	21.81	26.37	22.36	27.03
		* Denotes Skilled Trades Classification						
		**See Apprenticeship Standards						

## **Appendix B INSURANCE**

The following represents a summary of benefits and amendments to contractual provisions. For plan design detail, refer to the effective Summary Plan Description.

The Company and the Union have agreed that any employee covered by this Agreement may elect to enroll in the Company-sponsored plans or any one of the qualified alternate plans which the Company and the Union have accepted and which services the area in which the employee resides, provided:

- A. Except to the extent required by law, nothing herein shall be construed to require the Company to accept any particular alternate plan. Further, to the extent permitted by law, if the Company has accepted, or accepts in the future, any alternate, nothing herein shall be construed to require the Company to continue, extend or renew such plan nor to accept in the future any further notice from such plan and the Company reserves the right in its sole discretion to cancel any such alternate plan.
- B. Effective May 18, 2015 through December 31, 2015, the contributions for current medical and dental plans will continue at the levels in effect on May 17, 2015.
- C. Contributions for Company-sponsored plans are as follows:



**Current Contributions**

**2015 BYO Employee Weekly Contributions**

	<b>OPTION</b>	<b>EMPLOYEE ONLY</b>	<b>EMPLOYEE + SPOUSE</b>	<b>EMPLOYEE + CHILD(REN)</b>	<b>EMPLOYEE + FAMILY</b>
<b>MEDICAL</b>	1	\$30.40	\$75.60	\$58.80	\$104.20
	2	\$22.30	\$56.90	\$44.20	\$78.70
	3	\$14.90	\$37.90	\$29.30	\$52.30
<b>RX(Does not apply to HDHP with HSA)</b>	1	\$6.30	\$14.00	\$11.40	\$19.50
	2	\$0.00	\$4.40	\$3.20	\$7.50
<b>Total (1+1)</b>		\$36.70	\$89.60	\$70.20	\$123.70

**High Deductible Health Plan with Health Savings Account (HDHP with HSA)**

**HDHP with HSA #1 Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2015</b>
<b>EMPLOYEE ONLY</b>	\$6.70
<b>EMPLOYEE + SPOUSE</b>	\$18.40
<b>EMPLOYEE + CHILD(REN)</b>	\$13.90
<b>EMPLOYEE + FAMILY</b>	\$30.60

**HDHP with HSA #2 Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2015</b>
<b>EMPLOYEE ONLY</b>	\$0.00
<b>EMPLOYEE + SPOUSE</b>	\$6.30
<b>EMPLOYEE + CHILD(REN)</b>	\$4.90
<b>EMPLOYEE + FAMILY</b>	\$11.30

**Effective January 1, 2016 – Employee Weekly Contributions**

**2016 BYO Employee Weekly Contributions**

	<b>OPTION</b>	<b>EMPLOYEE ONLY</b>	<b>EMPLOYEE + SPOUSE</b>	<b>EMPLOYEE + CHILD(REN)</b>	<b>EMPLOYEE + FAMILY</b>
<b>MEDICAL</b>	1	\$34.00	\$84.70	\$65.90	\$116.70
	2	\$25.00	\$63.70	\$49.50	\$88.10
	3	\$16.70	\$42.40	\$32.80	\$58.60
<b>RX(Does not apply to HDHP with HSA)</b>	1	\$7.10	\$15.70	\$12.80	\$21.80
	2	\$0.00	\$4.90	\$3.60	\$8.40

**HDHP #1 with HSA, Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2016</b>
<b>EMPLOYEE ONLY</b>	\$7.80
<b>EMPLOYEE + SPOUSE</b>	\$21.50
<b>EMPLOYEE + CHILD(REN)</b>	\$16.30
<b>EMPLOYEE + FAMILY</b>	\$35.80

**HDHP #2 with HSA, Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2016</b>
<b>EMPLOYEE ONLY</b>	\$0.00
<b>EMPLOYEE + SPOUSE</b>	\$7.40
<b>EMPLOYEE + CHILD(REN)</b>	\$5.70
<b>EMPLOYEE + FAMILY</b>	\$13.20

**Effective January 1, 2017 – Employee Weekly Contributions**

**HDHP #1 with HSA, Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2017</b>	<b>EFFECTIVE 1/1/2018</b>
<b>EMPLOYEE ONLY</b>	\$19.40	\$21.30
<b>EMPLOYEE + SPOUSE</b>	\$60.30	\$66.10
<b>EMPLOYEE + CHILD(REN)</b>	\$44.80	\$49.10
<b>EMPLOYEE + FAMILY</b>	\$85.50	\$93.60

**HDHP #2 with HSA, Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2017</b>	<b>EFFECTIVE 1/1/2018</b>
<b>EMPLOYEE ONLY</b>	\$9.30	\$10.60
<b>EMPLOYEE + SPOUSE</b>	\$29.80	\$35.50
<b>EMPLOYEE + CHILD(REN)</b>	\$22.30	\$26.50
<b>EMPLOYEE + FAMILY</b>	\$46.60	\$54.60

**HDHP #3 with HSA, Employee Weekly Contributions**

	<b>EFFECTIVE 1/1/2017</b>	<b>EFFECTIVE 1/1/2018</b>
<b>EMPLOYEE ONLY</b>	\$0.00	\$0.00
<b>EMPLOYEE + SPOUSE</b>	\$11.10	\$13.50
<b>EMPLOYEE + CHILD(REN)</b>	\$8.70	\$10.60
<b>EMPLOYEE + FAMILY</b>	\$19.90	\$24.20

D. Dental care coverage will be provided by the Company. For plan design detail, refer to the effective Dental Care Summary

Plan Description. Dental Maintenance Organizations will not be offered.

Employees will pay a weekly flat rate according to the chart below for the duration of this Agreement for dental coverage.

**Employee Weekly Dental Contributions**

	<b>EFFECTIVE 1/1/2015</b>
<b>EMPLOYEE ONLY</b>	\$3.45
<b>EMPLOYEE + SPOUSE</b>	\$7.45
<b>EMPLOYEE+ CHILD(REN)</b>	\$8.36
<b>EMPLOYEE + FAMILY</b>	\$12.36

**Effective January 1, 2016 Employee Weekly Dental Contributions**

	<b>EFFECTIVE 1/1/2016</b>	<b>EFFECTIVE 1/1/2017</b>	<b>EFFECTIVE 1/1/2018</b>
<b>EMPLOYEE ONLY</b>	\$3.85	\$4.25	\$4.65
<b>EMPLOYEE + SPOUSE</b>	\$8.35	\$9.25	\$10.15
<b>EMPLOYEE+ CHILD(REN)</b>	\$9.46	\$10.56	\$11.66
<b>EMPLOYEE + FAMILY</b>	\$13.96	\$15.56	\$17.16

E. For new hires, medical and/or dental coverage will take effect 31 days after the employee’s hire date provided the employee has enrolled and is considered an active employee.

Coverage end dates for termination of medical and dental are the end of the pay period in which termination takes place.

Upon the death of an active employee, any medical benefits

that were in effect for the employee's covered dependents will be continued for up to 12 months after the date of the employee's death. In no event will medical coverage be continued beyond the date that a person ceases to qualify as a dependent.

Reasonable and customary data for medical and dental will reside with the medical and dental plan providers.

Reasonable and customary disputes will be handled under the claims appeal process of the provider.

F. There will be an open enrollment period once each year at which time eligible employees will be allowed a choice of the Company sponsored plan(s) or the qualified alternate plan(s) that has been accepted by the Company and that the Company, in its discretion, chooses to make available to employees. Employees may also elect not to have medical and/or dental coverage. With the exception of certain employee life status changes, once an election has been made or the open enrollment period has expired, no change may be made until the next open enrollment period.

G. If an employee's wages are insufficient to collect the required contributions, to include those referenced above, the uncollected contributions will be accumulated and contributions will be deducted from the employee's first paycheck after returning to work, unless other arrangements are made with the Payroll Department.

H. The Company and Union will meet on a regular basis to

discuss service issues for health care and disability providers.

- I. Retirees/spouses and surviving spouses already enrolled in an alternate plan can continue in that plan provided it continues to be offered as an alternate plan, until the retiree/spouse or surviving spouse is Medicare eligible.

Employees retiring prior to 1/1/2004, their spouses and surviving spouses will have the option of continuing on an alternate plan until Medicare eligible. The contribution amount for those retiring before 1/1/2004 will be the same amount as active employee alternate plan contributions. If the retiree/surviving spouse transfers out of the alternate plan into one of the Company-sponsored plans, before Medicare eligible, he will pay the contribution amount that was in effect for the Company-sponsored plan at the time the employee-retired.

Employees/spouses and surviving spouses retiring after 12/31/03 can only continue an alternate plan under the COBRA continuation for up to 18 months or according to COBRA eligibility. The retiree/spouse or surviving spouse will pay the entire COBRA cost and cannot transfer back to the Company-sponsored plan after taking the COBRA continuation.

- J. Effective 6/26/03, the Company will continue pre-65 retiree medical and dental for retirees who are currently enrolled.

For employees retiring 6/26/03 through 12/31/03, the

Company will continue the current (non-alternate plan) pre-65 retiree medical and dental plan. The retiree contribution will be the active employee contribution in effect at the time of termination.

For employees retiring 1/1/04 through 5/18/08, the Company will provide a choice of the active bargaining unit employee ECOH or CIGNA plan for pre-65 retiree medical for these employees. The medical plan design for these employees will not change prior to 05/22/11, but can change annually after 05/22/11. The parties have agreed that any changes to the medical plan design for these employees after 05/22/11 will be a mandatory subject of bargaining. For employees retiring between 1/1/04 and 12/31/07, the retiree contribution will be the active employee contributions at the time of termination.

For employees retiring after 12/31/07 the Company will provide access to pre-65 retiree medical, as indicated above and will eliminate the Company subsidy. Effective 1/1/08, the pre-65 retiree contributions for these employees will be the full cost at the group rate and are subject to change on an annual basis.

For employees retiring 5/19/08 to 12/31/08, the company will offer the ECOH or CIGNA Plan for 2008 pre-65 medical for these employees. As of 1/1/09, these retirees will transition to the Build Your Own (BYO 1+1, without vision) plan design for pre-65 retiree medical. All employees retiring on or after 01/01/09 will be offered the Build Your Own (BYO 1+1, without vision) plan design for pre-65 retiree medical. The contributions for BYO will be at the full cost of the group rate

and are subject to change on an annual basis. Plan design can change annually beginning 01/01/09.

For employees retiring 1/1/04 through 12/31/07, the Company will also provide pre-65 retiree dental under the active bargaining employee CIGNA plan. The dental plan design will change when the active plan design changes. From 1/1/04 through 12/31/07 the retiree dental contribution will be the active employee contribution at the time of termination. Effective 1/1/08, the pre-65 retiree dental plan and subsidy will be eliminated. Dental will be available under the COBRA continuation for up to 18 months or according to COBRA eligibility.

Employees retiring after 12/31/03, can no longer have retiree medical and/or dental contributions deducted from pension checks. Retirees can elect to have monthly Electronic Fund Transfer from their checking or savings account.

Pension check health care deductions for retirees who started health care deductions prior to 12/31/03 will continue.

- K. Effective 6/26/03, the Company will continue post-65 retiree medical and dental for retirees who are currently enrolled.

Effective 6/26/03 through 12/31/03, the Company will continue the current post-65 retiree medical and dental plan. The retiree contribution will be the active employee contribution at the time of termination.

Effective 1/1/04 through 12/31/07 the Company will provide post-65 retiree medical under the 627 plan. The plan design



can change annually; however, the parties have agreed that any changes will be a mandatory subject of bargaining. The retiree contribution will be the active employee contribution in effect at the time of termination. The Company will also provide post-65 retiree dental under the active bargaining employee CIGNA plan. The dental plan design will change when the active plan design changes. The retiree dental contributions will be the active employee contribution at the time of termination.

The post-65 retiree medical and dental plans will not be available to employees retiring after 12/31/07.

Employees retiring after 12/31/03 can no longer have retiree medical and/or dental contributions deducted from pension checks. Retirees can elect to have monthly Electronic Fund Transfer from their checking or savings account.

Pension check health care deductions for retirees who started pension check health care deductions prior to 12/31/03 will continue.

### LIFE INSURANCE BENEFITS AND CONTRIBUTIONS

The Company will provide basic life insurance coverage for employees at one times hourly straight-time rate times 2080 rounded up to the next \$1,000.

The Company will provide accidental death insurance for employees at one times hourly straight-time rate times 2080 rounded up to the next \$1,000. Dismemberment

insurance will remain at the current schedule (\$12,500 to \$16,500) in accordance with the Summary Plan Description.

For employees eligible to receive a normal, early, or disability retirement benefit and terminate on or prior to 12/31/10, the Company will provide retiree life insurance coverage in the amount of \$5,000.

For new hires, life insurance coverage will take effect 31 days after the employee's hire date provided the employee is actively at work.

Effective 7/1/2003, optional Group Universal Life (GUL) through an independent carrier will no longer be offered to new employees.

Effective 12/31/03, payroll deduction support for optional Group Universal Life (GUL) will cease.

For Optional Supplementary Life, the employee pays the cost at group rates through after-tax payroll deductions as follows:

Optional Supplementary Life Amount	Monthly Payroll Deductions
\$5,000	\$2.10
\$10,000	\$4.20
\$15,000	\$6.30
\$20,000	\$8.40

Current employees who do not elect to enroll at open enrollment, effective date 01/01/09, must provide proof of good health for late enrollment and coverage cannot be guaranteed. New hires must elect coverage within 30 days of the date of hire or must provide proof of good health. After the initial enrollment period, an employee who wants to enroll or increase their level of coverage must provide proof of good health.

### DISABILITY BENEFITS

The Company will continue to provide short term disability benefits for employees based on 60% of the hourly base rate in effect on the last day worked before the disability. Disability benefits are based on 40 hours per week and include any night shift premium. Short term disability benefits are payable for up to 52 weeks in accordance with the Summary Plan Description.

The Company will continue to provide extended disability benefits for employees based on 60% of hourly base rate in effect on the last day worked before the disability until 12/31/2008. Any employee that initiates extended disability benefits on or before 12/31/2008 will continue to receive 60% of their hourly base rate, which is in effect on the last day worked before the disability. The length of time of the extended disability benefits is described in the summary plan description. Any employee that commences a short term disability benefit prior to 12/31/2008, will be eligible to apply for extended disability benefits described above (60% of the hourly base rate) at

the end of their short term disability, provided they are continuously disabled for the 52 week short term disability benefit period.

The above disability benefits are based on 40 hours per week and include any night shift premium. Extended disability benefits are payable for a period up to the employee's years of service with the Company minus one year, in accordance with the Summary Plan Description.

Effective 01/01/09 any employee that initiates extended disability benefits will continue to receive 60% of their hourly base rate, which is in effect on the last day worked before the disability. The length of time of the extended disability benefits will not exceed three years.

For new hires, disability coverage starts 31 days after the employee's hire date provided the employee is actively at work on that date otherwise it is the date the employee returns to work.

### TRANSITION AND BRIDGE BENEFIT

Effective 01/01/2016 the Company will continue to provide transition survivor and bridge survivor benefits at the level of \$600 per month to newly eligible survivors in accordance with the Summary Plan Description.

For new hires, the transition and bridge benefit will take effect 31 days after the employee's hire date provided the employee is actively at work.

## SPENDING ACCOUNTS

The Company agrees to offer a Health Care Spending Account effective 05/18/2015. Employees can set aside between \$120 and \$2,500 each year, before taxes, to pay for eligible health or dental care expenses that are not reimbursed or covered by the medical or dental plan for themselves or eligible dependents.

The Company agrees to offer the Dependent Day Care Spending Account where employees can set aside between \$120 and \$5,000 each year, before taxes, to pay for eligible dependent day care expenses

### **Appendix C PENSION**

The following changes are to be considered as part of the final contract settlement with the understanding that appropriate language covering these items will be incorporated into the pension plan document as soon as possible.

- A. Increase the basic benefit for future retirees to \$57 per month effective May 31, 2015.
- B. Employees will earn 1.33 pension credits for each year of service over thirty (30) years.
- C. Effective 1/1/08, extend the Supplemental Benefit from age 62 to age 65 for employees who retire after 12/31/07, but prior to age 62, and are eligible for a Regular Early Retirement benefit

in accordance with the Summary Plan Description.

Effective 05/31/2015 increase the Supplemental Benefit Schedule as indicated below, for employees who retire on or after 05/30/2015 and who are at least age 60 and have 10 or more, but less than 30 years of service, or whose combined total of age and years of service is 85 or more.

Monthly Amounts Per Year of Credited Service for Retirements On or After May 30, 2015	
Age at Retirement	Rate
55	\$16.00
56	\$17.00
57	\$18.00
58	\$19.00
59	\$20.00
60	\$21.00
61 – 64	\$22.00

Effective 05/31/2015, increase the Supplemental Benefit by \$300 for an employee who has 30 or more years of service and retires on or after 05/30/2015, so that this benefit when added to the employee's Early Retirement Benefit (based on the assumption it is being paid in the Ordinary Life Annuity form) will equal \$3,800.

### SAVINGS PLAN

The company will continue to offer the UTC Represented Employee Savings Plan to bargaining unit employees. The parties recognize that the Summary Plan Description (SPD) is the governing document for the Savings Plan.

- A. Employees can elect to save between 2% and 40% of pay on a pre-tax and/or after tax basis through payroll deductions. This includes:

Participating (matched) contributions from 2% to 3% of pay, plus additional (unmatched) contributions from 1% to 37% of pay.

- B. New hires become eligible to participate in the plan and receive the Company matching contributions after one year of continuous service.
- C. Employees become vested in the Company matching contributions at completion of two years of participation in the Savings Plan or three years of continuous service with UTC. Prior Rockford Savings Plan participation and prior Sundstrand/Hamilton Sundstrand service counts toward vesting in accordance with ERISA.
- D. Employees may invest money in the funds available under the UTC Represented Employee Savings Plan.
- E. Employees may transact exchanges of part or all of their account values, in 1% increments, from one investment fund to another. For details on excessive trading restrictions, refer to the Summary Plan Description. Contributions into accounts (funds) may be directed in 1% increments.
- F. Account balances can be paid in monthly, quarterly or annual installments that will be paid over a period of 2 to 20 years after retirement. Once installments start, the amount

of each installment payment is determined by the size of the account balance divided by the number of annual installment payments remaining to be paid.

- G. Retirees may leave balances in the Savings Plan and take partial withdrawals. These partial withdrawals can occur in conjunction with installment payments.
- H. Former employees and retirees may leave account balances of \$1,000 or more in the plan until April 1 following the calendar year in which they reach age 70 ½ at which time the minimum required distribution must start.
- I. Active Savings Plan members may transfer the taxable portion of their distribution from a qualified Savings Plan of a former employer into the UTC Represented Savings Plan, provided that a lump sum distribution is the normal form of distribution under such other plan.
- J. An employee can take a loan from his/her vested Participant Contributions Account and his/her Employer Contributions Account balances. The minimum amount that can be borrowed is \$1,000 and the maximum loan amount is the lesser of \$50,000 or 50% of vested account balance. Loans involve no tax penalty or suspension of savings, as long as it is paid back. Payment is by payroll deduction or direct payment if payroll deduction is not possible. The loan period is 1, 2, 3, 4, or 5 years with monthly increments. Full or partial prepayment can be made at any time. The interest paid on the loan is the prime rate as published in the Wall Street Journal plus 1%, fixed for the term of the loan. All payments, including interest, go into the employee's account.



A loan processing fee will be charged. Employees may have only one loan open at a time.

- K. Employees will have the ability to call AccessDirect or log onto the Your Gateway web site, both of which require a user ID and password to gain access. Once accessed, employees may obtain Savings Plan account balances, current investment fund balances, fund performance, amounts available for withdrawal, general plan information and the ability to process Savings Plan loans, interfund transfers, and payroll deduction amounts.

## **APPENDIX E – Supplemental Letters of Agreement**

The parties have agreed to maintain a separate document that will include all Supplemental Letters of Agreement and understanding. They will remain in effect for the duration of this Agreement and shall be binding upon all parties.

### **ARTICLE 19 - World Class Commitments**

**Section 19.1 Introduction:** The Company's key business initiatives will evolve the current Aerospace organization into focused business Units. Simplified processes and new manufacturing methodologies such as demand flow and cellular manufacturing are being implemented as we continue to improve our capabilities towards being a world class manufacturer.

Both parties agree that in order to maintain our world class status, the Company and the Union will need to continue to work together in a full and equal partnership. Our success depends not only on the partnership between the Union and the Company, but also the involvement and commitment of all employees.

**Section 19.2 Purpose:** The purpose of this document is to outline the working relationship and processes the Company and the Union will use as we go forward. To maintain a working relationship based on mutual trust and respect, achieved through common goals, shared responsibility, open communications and a high level of cooperation.

It has been a long-standing general purpose between the Company and the Union to assure the continuous, harmonious, efficient, economical and profitable operations of the plants. It is with these precepts in mind that we move forward toward new goals and initiatives that will further enhance customer satisfaction, employment security, product quality, meaningful worker participation and decision making on the shop floor and improved manufacturing processes that will result in Hamilton Sundstrand becoming a World Class business.

### **Section 19.3 Commitments and Responsibilities:**

#### 1. Management

Management will:

- Commit to a philosophy of joint decision-making

- Support employee involvement
- Allocate resources required
- Monitor progress and take corrective measures
- Fully provide the training necessary to maintain a highly skilled and highly committed work force empowered to make meaningful shop floor decisions

## 2. The Union

The Union will:

- Commit to a philosophy of joint decision making
- Support employee involvement
- Maintain a Union presence in the design and implementation of the World Class Commitments

## 3. The Employees

Employees will:

- Participate in the World Class Commitments
- Participate in training
- Accept responsibilities assigned

## 4. Common Commitments

- Maintain a prosperous business operation necessary to maintain fair wages and benefits that will assure a satisfactory standard of living and provide secure jobs with the opportunity for advancement
- Provide workers a voice in shop floor decisions

- Provide that the plant is operated under methods which will promote, to the fullest extent possible, economy of operation, quality and quantity of output
- Work together
- Build the highest quality products in the world
- Promote fair and equitable treatment
- Maintain a safe working environment
- Recognize the full worth and dignity of all employees and treat each other with respect
- Constantly seek improvement in quality, efficiency and work environment
- Recognize and respect each other's rights and perform all responsibilities sincerely

### **Section 19.4 Employee Involvement:**

- A. Employees that produce the products and/or services of an organization, have an untapped value. That value is the knowledge, experience, insight and motivation which should be called upon in the normal course of business. Decision making, problem solving and overall performance will be greatly enhanced by involving employees in the decision making process.

Employees have a right to participate in making decisions which affect them. Failure to allow them to participate, results in frustration and alienation. On the other hand, involvement provides an opportunity for greater job satisfaction and self esteem.

The business goals of both the Company and the Union will be achieved more completely with a well designed and jointly administered process of employee involvement.

B. The primary objectives of a jointly administered employee involvement process are:

- (1) To provide an opportunity for employees to be involved in making decisions which affect them.
- (2) To develop and maintain an effective and meaningful process for joint problem solving at all levels of the organization.
- (3) To fully support the commitment to employee involvement by allocating the resources required to design, establish and maintain the process.
- (4) To create a working relationship based on mutual trust and respect, achieved through common goals, shared responsibility, open communications and a high level of cooperation.

C. Company and Union representatives will jointly participate in training. Additional training specific to an individual or team's needs will be provided where applicable.

**Section 19.5 Joint Involvement/Job Security:** The Company and the Union recognize that Job Security can only be enhanced when we work together to improve quality, productivity, customer satisfaction and gain competitive advantage. In this regard, the following will be in effect:

- A. The Union/Management Sub-Contracting Committee(s), established in 1991, will continue to monitor contracting and sub-contracting and service agreements in an attempt to keep work in-house wherever possible and return work that has previously been sub-contracted out. The Company will notify the said committee(s) prior to contracting, sub-contracting or the initiation/renewal of service agreements.
- B. A Union representative will be appointed to the Rockford Sourcing Board to offer input on make-versus-buy decisions, as well as where work is to be performed.
- C. In areas where the workload decreases, the Company will make an earnest effort to find work for affected employees by assigning them to work historically performed by non-Bargaining Unit employees.

The intent of assigning Bargaining Unit employees to non-traditional work is to prevent and/or minimize layoffs in the Bargaining Unit. In an attempt to further enhance the effectiveness of the concept, the following is agreed to:

- (1) Unless time and circumstances prevent it, the Company will notify the recording secretary on a weekly basis of all Unit employees assigned to non-traditional work and the approximate duration of each assignment.
- (2) Non-traditional work shall be offered in accordance with seniority in the classification and department affected by a reduction in work force provided they have the ability to perform the non-traditional work.

(3) The parties recognize that in isolated cases, it may not be practical to assign by seniority. In those cases, discussion with the respective Chief Steward will take place prior to the assignment. These assignments shall be limited to a maximum of not longer than 30 calendar days unless mutually agreed to by the Union and Company and shall not result in an employee being reduced or laid off out of line of seniority.

- D. The Company will continue to carefully monitor attrition, particularly during periods of reduction in force.
- E. The parties will utilize a Joint Education Committee approach to address education and training requirements and/or apprenticeship programs within the Bargaining Unit. Joint Education Committees will be formed by the Plant Manager and Chief Steward within their respective area/districts utilizing employees from the area where education and/or training needs exist.
- F. The Company will continue its current initiatives to level load the factory (e.g. better scheduling and improved processes, etc.) thereby, reducing overtime requirements, particularly during periods of reduction in forces.
- G. The Company and the Union will meet for the purpose of forming a Joint Work Simplification Committee. The purpose of this committee will be to participate in simplifying the current business processes and operations.
- H. Prior to a final decision to relocate work out of Rockford, the Company will notify the Union of the

relocation and the number of employees being reduced by classification and department affected. The Union will be given the opportunity to provide input to the Company and the Company will seriously consider alternatives offered by the Union regarding the relocation of work. The parties will meet to discuss details as to relocation of work for a period not to exceed 45 days.

In the event the work relocating out of Rockford or the selling of a product line results in employee(s) being laid off, the Company will offer an early retirement incentive. Retirement eligible employees in the affected classification(s) within the affected department(s) may volunteer to participate in the early retirement option at the time they are affected. Eligible employees who volunteer to accept the early retirement incentive will be eligible for voluntary inverse seniority layoff and the appropriate S.U.B. plus a \$5000 retirement incentive paid upon retirement. Employees who opt to participate in the voluntary inverse seniority layoff per this Article will be subject to recall per Article 5; section 5.5. At that point, if a recall occurs, the employee must either retire or accept the recall and return to work. In addition, the Company and Union will meet to discuss options available to minimize the impact to affected employees.

Those options may include, but are not limited to, the following:

- a. Non-traditional work.
- b. Retraining employees to fill open positions requiring



higher skill levels.

c. Redeployment/reassignment opportunities.

d. Opportunity to transfer with the work to the new location.

e. Expand retirement incentive beyond the affected department.

The Company agrees, upon the request of the union, to bargain the effects of the decision in accordance with applicable law.

**Section 19.6 Job Classification Combination/ Operator Certification/ Changing Job Duties:** The Company and the Union will meet to review all proposed classification changes. The purpose will be to come to agreement to the best method for implementing the new classification to minimize potential employee impacts. The issues to be addressed will include:

- A. The rationale for the change.
- B. Analyze the staffing impact.
- C. Identify employees who may be reduced and/or have previously held any part of the newly combined classification since they have bumping rights by virtue of previously held status.
- D. Assess the job posting impact.
- E. Identify the training required and estimate the time it will take to implement and complete.
- F. Submit proposal to Joint Bargaining Committee for review and agreement.
- G. Submit per Article 14, Section 14.3.

**Section 19.7 Training:** The Company and the Union agree to provide resources necessary to assure that employees receive training and development opportunities in order to produce a highly motivated, capable work force. Both parties agree to collaborate on and jointly provide employees a diverse range of opportunities for technical training and other skills such as problem solving, interpersonal skills and techniques for increasing the effectiveness of participation.

**Section 19.8 Resources:** The parties agree to jointly participate in continuing our knowledge and awareness of best practices in the area of world class manufacturing and employee empowerment. The intent of the parties is to continue to adopt emerging best practices which may require, but are not limited to:

- Visits to other world class manufacturing facilities
- Attendance at seminars and workshops
- The use of outside consultants, as appropriate
- The use of other resources (U.A.W., academic, etc.), as appropriate

**Section 19.9 Education/Retraining Allowance for Bargaining Unit Employees:** Employees who are laid off will be eligible to receive education and retraining assistance per the following guidelines:

- A. The allowance can be used during period(s) of time an employee is laid off, up to two years after the date of their last layoff.

- B. The cap limit for reimbursement is \$4500.
- C. Employees will not be reimbursed if they are eligible for some other form of reimbursement or started classes after acquiring a new job with another employer. Employees who are re-employed will be reimbursed only for the courses they are taking at the time of re-employment or recall.
- D. Education/Retraining Allowance can be used to acquire education or new skills to enhance current career or begin a new career. Certain tax liabilities may exist.
- E. Reimbursement is made upon completion of the course/program. Exceptions (hardship cases) will be evaluated on a case-by-case basis.
- F. The payment, by nature, is educational reimbursement. Reimbursement is received by following the procedure as outlined in the layoff material.
- G. If a laid off employee is recalled at the time he is taking a class, the Company and Union will meet to discuss reasonable accommodations for the employee to complete the class.
- H. Employees, when recalled, will again be eligible for Education Assistance per the Company policy.
- I. Laid off employees will have access to outplacement assistance as provided.

**Section 19.10 New Bargaining Unit Work and Shared Work:** In the event the Company would pursue new operator certification opportunities in the future, the parties will meet to discuss opportunities for new work and shared work for the affected classification.

## **ARTICLE 20 - Termination**

**Section 20.1** This Agreement shall be effective as of the date hereof, and shall remain in full force and effect until midnight, May 20, 2018, and shall be automatically renewed under the same terms and conditions from year to year thereafter, unless between sixty (60) and ninety (90) days prior to the expiration of the contract period either party shall give to the other written notice of its desire to terminate this Agreement.

If notice to terminate is given, this Agreement shall terminate at the end of the contract period in which said notice is given.

Within fifteen (15) days after the receipt of notice to terminate, the parties shall meet for the purpose of discussing provisions of a new Agreement.

**Section 20.2** Notice hereunder shall be given by registered mail, and if by the Company shall be addressed to the Union at 112 North Second Street, Rockford, Illinois 61107; and if by the Union to the Company at 4747 Harrison Avenue, Rockford, Illinois 61108. Either party may by like written notice change the address to which registered mail notices to it shall be given.