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Title: United Technologies Corporation (Pratt & Whitney) and International Association of Machinists and Aerospace Workers (IAM) Lodges 700, 707, 1746 and 1746A (2001)
K#: 4096
Employer Name: United Technologies Corporation (Pratt & Whitney)
Location: CT
Union: International Association of Machinists and Aerospace Workers (IAM)
Local: Lodges 700, 707, 1746 and 1746A
SIC: 3724  NAICS: 336412
Sector: P  Number of Workers: 4900
Effective Date: 12/03/01  Expiration Date: 12/05/04
Number of Pages: 206  Other Years Available: Y

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AGREEMENT BETWEEN
AERONAUTICAL-INDUSTRIAL DISTRICT 91
I.A.M.A.W., AFL-CIO
AND
AFFILIATED LODGES 700, 707, 1746, AND 1746-A
AND
PRATT & WHITNEY

Effective 12/3/01 - 12/2/04
AGREEMENT

BETWEEN

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO
AERONAUTICAL INDUSTRIAL DISTRICT LODGE 91
AND
AFFILIATED LOCALS 700, 707, 1746 AND 1746-A

AND

PRATT & WHITNEY
(CONNECTICUT FACILITIES)

United Technologies

EFFECTIVE DECEMBER 3, 2001
UNTIL DECEMBER 2, 2004
This contract is dedicated to

Paul Kelly
1941 - 2001

IAM Grand Lodge Representative
And life-long member of
Local 1746 and District 91.

More than anyone else, Brother Kelly had the vision of coordinated planning and action needed to win this contract – one of the best in aerospace today.
TABLE OF CONTENTS

AGREEMENT AND PURPOSE ................................................................................. 1
Article 1 MANAGEMENT FUNCTIONS ................................................................. 1
Article 2 COVERAGE ......................................................................................... 2
Article 3 RECOGNITION .................................................................................. 2
Article 4 NONDISCRIMINATION ...................................................................... 2
Article 5 UNION SECURITY
  Section 1 -- Current members maintain membership .................................... 3
  Section 2 -- Agency Shop ............................................................................. 3
  Section 3 -- Condition of employment .......................................................... 3
  Section 4 -- Agreement to deduct dues and fees ............................................. 3
  Section 5 -- Pay period and time of deduction ................................................. 4
  Section 6 -- Remittance to Union ................................................................. 4
  Section 7 -- Effect of termination, transfer or layoff ....................................... 4
  Section 8 -- Indemnification of Company ....................................................... 4
  Section 9 -- Union responsibilities for distribution of assignment cards and no solicitation ................................................................. 4
Seps 10-17 -- Checkoff procedure ..................................................................... 5
Section 18 -- Effect of applicable law ............................................................... 6
Article 6 UNION REPRESENTATION
  Section 1(a) -- Number and assignment of Shop Stewards ........................... 6
  Section 1(b) -- Reduction in number of Shop Stewards ................................. 7
  Section 1(c) -- Steward allocations in outlying areas ..................................... 7
  Section 2 -- Number of Committeepersons ................................................... 7
  Section 3 -- Seniority required of Union officials ........................................... 7
  Section 4 -- Notice of appointment of Union representatives and Company recognition of Union representatives ............................................... 7
  Section 5 -- Access to plants by Union officials ............................................. 8
<table>
<thead>
<tr>
<th>Article 7</th>
<th>GRIEVANCE PROCEDURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>-- Earnest effort requirement ........................................... 8</td>
</tr>
<tr>
<td></td>
<td>-- Oral Step ................................................................. 8</td>
</tr>
<tr>
<td></td>
<td>-- Written Step 1 .................................................................. 9</td>
</tr>
<tr>
<td></td>
<td>-- Written Step 2 .................................................................. 10</td>
</tr>
<tr>
<td></td>
<td>-- No precedent clause ............................................................. 11</td>
</tr>
<tr>
<td>Section 2</td>
<td>-- Job evaluation grievances .................................................... 11</td>
</tr>
<tr>
<td>Section 3(a)</td>
<td>-- Grievances appealed to arbitration by either party .................. 12</td>
</tr>
<tr>
<td>Section 3(b)</td>
<td>-- Arbitration by mutual agreement ........................................ 12</td>
</tr>
<tr>
<td>Section 3(c)</td>
<td>-- Limit on issues which may be arbitrated .................................. 12</td>
</tr>
<tr>
<td>Section 3(d)</td>
<td>-- Decision of Arbitrator ......................................................... 13</td>
</tr>
<tr>
<td>Section 3(e)</td>
<td>-- Limitations on Arbitrator ..................................................... 13</td>
</tr>
<tr>
<td>Section 3(f)</td>
<td>-- Order of appearances at arbitration hearing .......................... 13</td>
</tr>
<tr>
<td>Section 3(g)</td>
<td>-- Fixed panel of arbitrators .................................................... 13</td>
</tr>
<tr>
<td>Section 3(h)</td>
<td>-- Payment of Arbitrator’s fee and expenses .............................. 13</td>
</tr>
<tr>
<td>Section 3(i)</td>
<td>-- Time limits for arbitrator’s award; use of written briefs and transcripts .......................................................... 13</td>
</tr>
<tr>
<td>Section 3(j)</td>
<td>-- Types of grievances expedited at arbitration .......................... 14</td>
</tr>
<tr>
<td>Section 4</td>
<td>-- Definition of misclassification .............................................. 14</td>
</tr>
<tr>
<td>Section 5</td>
<td>-- Time limit on grievance appeals ............................................ 14</td>
</tr>
<tr>
<td>Section 6</td>
<td>-- Time limit on filing grievances ............................................. 14</td>
</tr>
<tr>
<td>Section 7</td>
<td>-- Limitation on retroactive grievance settlements ........................ 14</td>
</tr>
<tr>
<td>Section 8</td>
<td>-- Duties and limitations of Shop Stewards .................................. 15</td>
</tr>
<tr>
<td>Section 9</td>
<td>-- Time spent by Shop Stewards and Committeepersons at steps of the procedure and special meetings .................................................. 15</td>
</tr>
<tr>
<td></td>
<td>-- Frequency of Step Two meetings and agenda requirements ........ 15</td>
</tr>
<tr>
<td></td>
<td>-- Payment of Shop Stewards and Committeepersons ..................... 15</td>
</tr>
<tr>
<td>Section 10</td>
<td>-- Time limit on filing discharge or suspension grievances ............ 16</td>
</tr>
</tbody>
</table>
Article 8 SENIORITY

Section 1(a) -- Basis for layoff and recall ......................................................... 16
Section 1(b) -- Transfer or recall to non-layoff-impacted jobs ......................... 17
Section 2 -- Occupational groups, job families and seniority areas ................ 17
Section 3(a) -- Recall and restoration rights ..................................................... 17
Section 3(b) -- Recall rights are Connops-wide ............................................... 17
Section 4(a) -- Readjustment following layoff ................................................. 18
Section 4(b) -- Method of wage reduction for demotions ................................. 18
Section 4(c) -- Correcting shift imbalances ...................................................... 18
Section 5 -- Layoff notification ........................................................................... 18
Section 6 -- Probationary employees ................................................................. 18
Section 7(a) -- Exercise of seniority for recall to a higher-rated job is not prohibited ........................................................................................................... 19
Section 7(b) -- Recall rights to former job ......................................................... 19
Section 7(c) -- Prohibits exercise of seniority for transfer to a higher-rated job as a result of layoff ................................................................. 19
Section 8 -- Promotions ....................................................................................... 19
Section 9 -- Temporary layoffs ........................................................................... 20
Section 10 -- Shift transfers ................................................................................. 21
Section 11(a) -- Seniority after transfer ............................................................ 21
Section 11(b) -- Ninety day clause ...................................................................... 21
Section 12 -- Leaves of absence for Union representatives ................................ 21
Section 13 -- Seniority restrictions for employees transferred outside the bargaining unit ........................................................................................................ 22
Section 14 -- Loss of seniority ............................................................................. 22
Section 15 -- Seniority rights of Union officials ................................................. 23
Section 16 -- Severance pay ................................................................................ 24
Section 17 -- Transfer of any part of an operation, cell or department within coverage of this Agreement .......................................................... 26
Article 9  HOURLY JOB RATING PLAN
Section 1  -- Plan included as Appendix G ........................................... 26
-- Change to Plan requires mutual agreement .................................. 26
Section 2  -- Job descriptions furnished to the Union ....................... 26
Section 3  -- Mutual agreement to support activities which increase productivity .............................................................. 26
Section 4  -- Designation of Union Job Evaluation Specialists .......... 27
-- Definition of a new job ................................................................. 27
Section 5  -- Information to Union for new or revised jobs ............... 27
Section 6  -- On-site reviews after submission of HHJR grievance .... 27
Sections 7-8 -- HHJR arbitration procedure .................................... 28

Article 10  WAGE RATE PROGRESSION
Section 1  -- Progression to Standard Rate ....................................... 28
Section 2  -- Automatic progression .................................................. 28
-- Promotion or job upgrade hourly increases ................................ 29

Article 11  WAGES
Section 1  -- Increase and new rate schedule effective December 3,
           2001 after inclusion of COLA .................................................... 30
Section 2  -- Increase and new rate schedule effective
           December 2, 2002 ................................................................. 30
Section 3  -- Increase and new rate schedule effective
           December 1, 2003 ................................................................. 30
Section 4(a) -- Cost-of-living allowance ........................................ 30
Section 4(b) -- Determination of cost-of-living allowance .............. 31
Section 4(c) -- Method of computation .......................................... 31
Section 5  -- No change in adjustment resulting from revised Index 31
Section 6  -- Publication of the Index ............................................. 31
Section 7  -- No adjustment until Index is issued ........................... 32
Section 8  -- Shift premiums ......................................................... 32

Article 12  OVERTIME
Section 1(a) -- Time and one-half ............................................... 32
Section 1(b) -- Double time ............................................................ 33
Article 12  OVERTIME (co-nt)

Section 2(a)  -- Time and one-half for 4x10 alternative workweek schedules ................................................................. 33
Section 2(b)  -- Double time for 4x10 alternative workweek schedules . 33
Section 3(a)  -- Time and one-half for 3x12 alternative workweek schedules ........................................................................... 34
Section 3(b)  -- Double time for 3x12 alternative workweek schedules . 34
Section 4(a)  -- Overtime distribution ................................................................................................................................. 34
Section 4(b)  -- Grievance over substantial inequality ........................................................................................................ 34
Section 5  -- No duplicating or pyramiding of overtime pay .......... 34

Article 13  VACATIONS

Section 1  -- Eligibility requirements for vacation time and pay...... 35
Section 2  -- Requirements and limitations for vacation time ......... 35
Section 3  -- Vacation pay provisions for terminated employees ..... 35
Section 4  -- Vacation pay received when it is taken....................... 36
Section 5  -- Vacation pay computation ................................................. 36
Section 6(a)  -- Vacation pay computation for rotating shifts......... 36
Section 6(b)  -- Vacation pay computation for Power House employees 36
Section 6(c)  -- Excused Union absences by Company treated as time worked for purposes of vacation pay computation .......... 37
Section 7  -- Pro-rata vacation pay computation ................................. 37
Section 8  -- Company decision to have vacations or pay in lieu of vacations........................................................................... 37
Section 9  -- Incentive Vacation ............................................................... 37
Section 10  -- Vacation time taken in day or one-half day increments 38

Article 14  HOLIDAYS

Section 1  -- Recognized holidays.................................................... 38
Section 2  -- Payment and eligibility .................................................. 39
Section 3  -- Holiday occurring during military training duty ........... 39
Section 4  -- Holiday occurring on a Saturday or Sunday ............... 39
Section 5  -- Holiday occurring during scheduled vacation ........... 39
Section 6  -- Management option to observe holidays .................... 40

-- Failure to report for scheduled work on holiday .......... 40
Article 14  HOLIDAYS (con't)
- Advanced notice to employees scheduled to work
- Payment for working on a holiday

Article 15  SICK AND PERSONAL LEAVE
Section 1 - Period of eligibility
Section 2 - Eligibility requirement for three days' sick or personal leave allowance
Section 3 - Eligibility requirement for five days' sick or personal leave allowance
Section 4 - Sick or personal leave pay computation
Section 5 - Unused sick or personal leave pay
Section 6 - Part-day absence
Section 7 - Eligibility requirement for unused sick or personal leave allowance
Section 8 - Termination of employment
Section 9 - Verification of absence
Section 10 - Notification of absence
Section 11 - Method of payment

Article 16  REPORTING PAY - CALL-BACK PAY
Section 1 - Reporting pay
Section 2 - Call-back pay

Article 17  BEREAVEMENT LEAVE

Article 18  JURY DUTY
Section 1 - Jury duty examination allowance
Section 2 - Jury duty allowance
Section 3 - Limitations on jury examination/duty allowance
Section 4 - Eligibility for jury examination/duty allowance

Article 19  REST PERIOD

Article 20  MILITARY SERVICE
Section 1 - Annual training or temporary emergency duty allowance
Section 2 - Reemployment of veterans
Article 21 PENSIONS
Section 1 -- Pension plan included as Appendix C
Section 2(a) -- Pension benefit not reduced because of fees received from jury or military duties
Section 2(b) -- Pension benefit not reduced because of excused Union time
Section 3 -- Required changes for changes in Pension Plan

Article 22 GROUP INSURANCE AND SAVINGS PLAN

Article 23 GENERAL PROVISIONS
Section 1 -- Bulletin boards
Section 2 -- Distribution, posting and solicitation restrictions
Section 3 -- Locations for distribution of Union literature
Section 4(a) -- Leave of absence
Section 4(b) -- Employee responsibilities during leave of absence
Section 5 -- Family and Medical Leave of Absence
Section 6 -- Discharge for security reasons
Section 7 -- Union representatives - excused absence from work
Section 8 -- Travel and relocation expense
Section 9 -- Direct deposit of paychecks
Section 10 -- Union notification of shift changes

Article 24 STRIKE OR LOCKOUT

Article 25 EMPLOYEE ASSISTANCE PROGRAM

Article 26 ENVIRONMENTAL, HEALTH & SAFETY
Section 1(a) -- Formula for determining number of Union EHS Representatives
Section 1(b) -- Reduction in number of Union EHS Representatives
Section 1(c) -- Assignments and shifts of Union EHS Representatives
Section 1(d) -- Seniority requirements of Union EHS Representatives
Section 2 -- Environmental Health & Safety complaint procedure
-- Level One Meeting
-- Level Two Meeting
Section 3 -- Observation of conditions giving rise to a health and safety problem
### Article 26  ENVIRONMENTAL, HEALTH & SAFETY (con’t)

<table>
<thead>
<tr>
<th>Section 4</th>
<th>Company-Union meetings to discuss general EHS issues</th>
<th>55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 5</td>
<td>Plant walk-around tours</td>
<td>56</td>
</tr>
<tr>
<td>Section 6</td>
<td>Semi-annual Company-Union meetings to discuss items of mutual concern</td>
<td>56</td>
</tr>
<tr>
<td>Section 7</td>
<td>Company-Union meetings to discuss strategy, planning and pro-active issues</td>
<td>56</td>
</tr>
<tr>
<td>Section 8</td>
<td>Safety training courses for Union EHS Representatives</td>
<td>56</td>
</tr>
<tr>
<td>Section 9</td>
<td>Union representatives indemnified by Company</td>
<td>56</td>
</tr>
<tr>
<td>Section 10</td>
<td>Spill/accident notification procedure</td>
<td>57</td>
</tr>
</tbody>
</table>

### Article 27  TRANSFER OF ONGOING PRODUCTION/ NON-PRODUCTION WORK

<table>
<thead>
<tr>
<th>Section 1</th>
<th>Six months notice to Union (production work)</th>
<th>57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2</td>
<td>Requirement to meet and confer (production work)</td>
<td>57</td>
</tr>
<tr>
<td>Section 3</td>
<td>Requests for information (production work)</td>
<td>58</td>
</tr>
<tr>
<td>Section 4</td>
<td>Six months notice to Union (non-production work)</td>
<td>58</td>
</tr>
<tr>
<td>Section 5</td>
<td>Requirement to meet and confer (non-production work)</td>
<td>58</td>
</tr>
<tr>
<td>Section 6</td>
<td>Requests for information (non-production work)</td>
<td>58</td>
</tr>
</tbody>
</table>

### Article 28  M.N.P.L. CHECK-OFF

### Article 29  JOB POSTING AND BIDDING

<table>
<thead>
<tr>
<th>Section 1(a)</th>
<th>Openings to be posted</th>
<th>59</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1(b)</td>
<td>Employee eligibility to bid</td>
<td>60</td>
</tr>
<tr>
<td>Section 1(c)</td>
<td>Requirement to repost jobs</td>
<td>60</td>
</tr>
<tr>
<td>Section 2</td>
<td>Conditions in which jobs may be filled without posting</td>
<td>60</td>
</tr>
<tr>
<td>Section 3(a)</td>
<td>Requirements to bid for active employees</td>
<td>60</td>
</tr>
<tr>
<td>Section 3(b)</td>
<td>Application form</td>
<td>60</td>
</tr>
<tr>
<td>Section 3(c)</td>
<td>Selection criteria for posted jobs</td>
<td>61</td>
</tr>
<tr>
<td>Section 3(d)</td>
<td>Notification period for employees selected</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Process for employee who is not released</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Union provided with names of successful applicants</td>
<td>61</td>
</tr>
<tr>
<td>Section 4</td>
<td>Information to Union</td>
<td>61</td>
</tr>
</tbody>
</table>
LETTERS OF AGREEMENT (con't)

Letter 14 -- Technical Training ........................................... 114
Letter 15 -- Non-discrimination and Equal Employment Opportunity 117
Letter 16 -- Shop Steward and Committeepersons Union Time .......... 113
Letter 17 -- Reallocation of Employees ..................................... 119
Letter 18 -- High Performance Work Organization ...................... 122
Letter 19 -- Martin Luther King Jr. Day and Veterans Day .......... 124
Letter 20 -- Indirect Subcontracting ....................................... 125
Letter 21 -- Executive Steering Committee ................................ 127
Letter 22 -- Workplace Guarantees and Subcontracting ................. 129
Letter 22A -- Modification to Letter 22 (Repair Work and Cheshire) 134
Letter 22B -- Modification to Letter 22 (New Work) .................. 137
     -- Attachment to Letter 22B ............................................ 139
Letter 23 -- Joint Apprenticeship Program ................................ 141
Letter 24 -- Connecticut Workshare Program ............................ 142
Letter 25 -- Administrator for Hourly Benefits ......................... 143
Letter 26 -- Joint Health Care Committee ................................ 144
Letter 27 -- VER Medical Coverage ...................................... 146
Letter 28 -- Overtime Pay and Temporary Shift Changes .............. 148
Letter 29 -- Environmental, Health & Safety ........................... 149
Letter 30 -- Alternative Workweek Schedules ............................ 153
Letter 31 -- HJRP Challenges ............................................... 158
Letter 32 -- Interpretation and Administration of Article 8, Sections 8(a) and 8(b) and Article 29, Section 3(c) ................... 159
Letter 33 -- Advanced Refurbishment Operation ......................... 167
Letter 34 -- VER Programs/Voluntary Separation Option .......... 168
Letter 35 -- Placement of North Haven Employees ..................... 172
Letter 36 -- Periods of Transition ........................................ 174
This Agreement made and entered into this 3rd day of December 2001, by and between UNITED TECHNOLOGIES CORPORATION for and on behalf of PRATT & WHITNEY (CONNECTICUT FACILITIES), hereinafter called the "Company," and AERONAUTICAL INDUSTRIAL DISTRICT LODGE 91 of the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, and its affiliated Local Lodges 700, 707, 1746 and 1746-A, hereinafter called the "Union."

PURPOSE

It is the intent and purpose of the parties hereto that this Agreement promote and improve the industrial and economic status of the parties, provide orderly collective bargaining relations between the Company and the Union, and secure a prompt and fair disposition of grievances so as to eliminate interruptions of work and interference with the efficient operation of the Company's business.

ARTICLE 1
Management Functions

It is recognized that in addition to other functions and responsibilities, the Company has and will retain the sole right and responsibility to direct the operations of the Company and in this connection to determine the number and location of its plants; the product to be manufactured; the types of work to be performed; the assignment of all work to employees or other persons; the schedules of production; shift schedules and hours of work; the methods, processes and means of manufacturing; and to select, hire, and demote employees, including the right to make and apply rules and regulations for production, discipline, efficiency, and safety unless otherwise hereinafter provided.

It shall also have the right and responsibility to discharge or otherwise discipline any employee for just cause, to promote and transfer, and to lay off because of lack of work or other cause, unless otherwise hereinafter provided.
ARTICLE 2
Coverage

For the purpose of this Agreement, the term "employee" as used herein shall apply to and include all production and maintenance employees of the United Technologies Corporation, Pratt & Whitney (Connecticut Facilities) at their facilities in and around East Hartford, Middletown, North Haven, Cheshire, and Rocky Hill, (including the DE Lab, the Willgoos Lab) and other Connecticut locations including inspectors, crib attendants, material handlers, factory clerks (or plant clericals), trainees, apprentices, expeditors and working leaders, but excluding timekeepers, engineering and technical employees, laboratory technicians, foremen's clerks, salaried office and clerical employees, medical department employees, plant protection employees, executives, plant superintendents, division superintendents, general foremen; foremen, assistant foremen, group supervisors, watch engineers, and all other supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees, or effectively recommend such action.

ARTICLE 3
Recognition

The Company recognizes Aeronautical Industrial District Lodge No. 91 of the International Association of Machinists and Aerospace Workers and its affiliated Local Lodges 700, 707, 1746 and 1746-A as the sole and exclusive collective bargaining agency for the employees defined above for the purposes set forth in the National Labor Relations Act, as amended.

ARTICLE 4
Nondiscrimination

The Company and the Union recognize that employees covered by this Agreement may not be discriminated against in violation of the provisions of the Labor Management Relations Act, 1947, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967, as amended; the Vocational Rehabilitation Act of 1973; and the Americans with Disabilities Act of 1992; or any other state or federal statute which affects the employment of employees covered by this Agreement.
ARTICLE 5
Union Security

Section 1. Any employee who is a member of the Union on the day of the signing of this Agreement shall, as a condition of employment, maintain his or her membership in the Union thereafter for the duration of this Agreement, or tender to the Union a monthly agency or service fee for the duration of this Agreement.

Section 2. Any employee who is not a member of the Union on the day of the signing of this Agreement shall, as a condition of employment, commencing no later than the thirtieth calendar day following the execution of this Agreement, or the thirtieth calendar day following the beginning of his or her employment, whichever is later, either (1) become a member of the Union and maintain his or her membership in the Union thereafter for the duration of this Agreement, or (2) tender to the Union a monthly agency or service fee (hereinafter "service fee") in an amount permitted by law, not in excess of the monthly membership dues of Union members.

Section 3. Upon written request from the Union, the Company shall terminate the employment of an employee who fails to comply with the requirements of Sections 1 or 2 of this Article; provided a copy of the Union's request has been sent via certified mail, return receipt requested, to both the Company and the delinquent employee at least fifteen (15) days prior to the date on which the employee is to be terminated; and further provided that the delinquent employee has not cured his or her delinquency prior to the date proposed for his or her termination.

Section 4. The Company agrees to deduct monthly, Union dues in whatever sum is established by the local Union as the regular monthly dues uniformly required as a condition of retaining membership therein upon the receipt of an assignment. The Company also agrees to deduct from the earnings of an employee one (1) initiation fee in whatever amount is authorized by such employee on a properly executed assignment card which is delivered to the Company. The Company also agrees to deduct a monthly service fee, in whatever sum permitted by law is established by the local Union, not in excess of the monthly membership dues of Union members, upon the receipt of a properly executed assignment card.

The sum which represents such monthly Union dues or service fees shall be certified to the Company as constituting such by the duly authorized financial officer of the local Union. If the sum once certified is changed, the amount deducted from the earnings of an employee who has authorized such deduction shall not be increased or decreased until 30 days' written notice of
such change has been received by the Company from the duly authorized financial officer of Lodge 700/707/1746/1746-A.

Section 5. The deduction of the monthly dues and the initiation fee, or service fee shall be made from the earnings received by the employee on the fourth payday of the month in which a properly executed assignment is received by the Company. Union dues or a service fee will be deducted monthly thereafter from the earnings received by the employee on the fourth payday of each month.

Section 6. Deductions provided for in Section 4 shall be remitted to the Secretary-Treasurer of the local Union by the last day of the month in which the deduction is made whenever practicable. The Company shall furnish the Secretary-Treasurer of the local Union on or about the 5th day of the month following the month in which the deduction is made a record of the employees from whose earnings deductions have been made and the amounts of the deductions.

Section 7. The Company’s obligation to make such deductions shall terminate automatically upon termination of the employee who signed the authorization or upon his transfer to a plant (other than another plant of the Company covered by an effective contract with the I.A.M.A.W. which provides for check-off of dues or a service fee), department, or job not covered by this Agreement, except that deductions shall be resumed if an employee, terminated by layoff, is rehired with seniority rights and no period of revocation intervened during his layoff period.

Section 8. The Union agrees that it will indemnify and save the Company harmless from any and all liability, claim, responsibility, damage, or suit which may arise out of any action taken by the Company in accordance with the terms of this Article or in reliance upon the authorization described herein, in an amount not to exceed the sum received by the Union on account of the deductions made from the earnings of such employee or employees.

Section 9. A Company orientation program is normally held for new, recalled or rehired employees on their first day of employment. Concurrent with the orientation, newly hired/reinstated employees will be afforded an opportunity to meet with a Union official to receive payroll deduction assignment cards for Union dues and the initiation fee, or agency or service fee. The Union shall assume all responsibility for the distribution and collection of payroll deduction assignment cards for Union dues and the initiation fee, or agency/service fees. There shall be no solicitation of employees for Union membership, dues or service fees conducted upon the premises of the Company during working time by the Union, its
representatives or by employees; nor shall there by any distribution or collection of payroll deduction assignment cards for Union dues, the initiation fee, or service fees conducted upon the premises of the Company during working time by the Union, its representatives or by employees.

Section 10. The check-off assignment cards herein provided shall be submitted by the local Union to the office of the appropriate Manager, Human Resources of the respective plant not later than the first day of the month in which deduction of Union dues or service fees is first made.

Section 11. Check-off assignments shall be submitted with a letter of transmittal signed by an authorized officer of the local Union listing in duplicate the name, department number, clock number, and the amount of dues and the initiation fee, or service fee, to be deducted from the earnings of the employees who signed such assignments.

Section 12. The Company shall forward to the local Union each month the following information listed in alphabetical order:

(a) The names, departments, clock numbers and social security numbers of employees who authorized deduction of Union dues and the initiation fee, or service fee and from whose wages such a deduction has been made during the current month.

(b) The names of employees who authorized the deduction of Union dues and the initiation fee, or service fee and from whose wages no such deduction was made because of insufficient earnings during the pay period for which the deduction was authorized.

(c) The names of employees who authorized such deduction but whose assignment became ineffective pursuant to Section 7 of this Article by reason of the termination of their employment or transfer to a job not covered by this Agreement.

Section 13. If in the third payweek of any month the earnings of any employee who authorized such deductions are insufficient to permit deductions to be made, the Company will make the appropriate deductions from the employee’s earnings in the following week’s pay; providing, however, if there are still insufficient funds, the Company will make the appropriate deductions in the next succeeding week’s pay, for that month, up to the third payweek of the next succeeding month.

Section 14. If, by the second pay period of the succeeding month in which deductions were to be made, the earnings of an employee who authorized
such deductions are insufficient to permit such deductions to be made, the obligation of the Company to deduct Union dues or a service fee will then revert to a current basis, and it is understood that the Company will have no further obligation for the collection of past dues or fees in such cases.

Section 15. A check in the total amount of dues and initiation fees and service fees deducted by the Company shall be drawn each month by the Company to the order of Lodge 700/707/1746/1746-A, International Association of Machinists and Aerospace Workers, as appropriate, and shall be sent by registered mail, return receipt, to the Secretary-Treasurers thereof.

Section 16. The Company’s obligations set forth in this Article of the contract shall terminate automatically in the event of any strike, sympathy strike, sit-down, slowdown, concerted stoppage of work, or picketing of the Company’s plant by employees of the Company; provided, however, that said obligations shall not terminate if the Union has complied with the provisions of Article 24 of this Agreement.

Section 17. It is agreed that the Company shall honor check-off assignment cards only when such cards are properly executed in the form, basic color, paper stock and size of the samples attached hereto and made a part of this Agreement.

Section 18. All of the provisions of this Article shall be effective to the extent permitted by applicable law.

ARTICLE 6
Union Representation

Section 1.
(a) The total number of Shop Stewards shall be determined by applying a formula of one (1) Shop Steward for every seventy-five (75) employees in the bargaining unit as set forth in Article 2. The area of the shop which each Shop Steward shall represent for the purpose of adjusting grievances or complaints under Article 7 shall be mutually agreed upon by the Company and the Union. The number of Shop Stewards assigned to any one Shop Steward area shall not exceed a ratio of one (1) Shop Steward for each fifty (50) bargaining unit employees in that area, subject to the overall limitation of one (1) Shop Steward per seventy-five (75) employees set forth above. The number of Shop Stewards and the areas which they represent shall be subject to review upon the request of either the Company or the Union.
(b) Should the number of Shop Stewards exceed the limitations set forth in Section 1(a) above, the Company shall so inform the Union in writing. The Union shall thereupon promptly notify the Company in writing of the revisions in Shop Steward assignments required by such limitation. Failure of the Union to so notify the Company within ten (10) days (excluding Saturdays, Sundays, and holidays) shall automatically reduce the number of Shop Stewards to the required level, by cancelling Shop Steward appointments on the basis of seniority as defined in Article 8, starting with the least senior Shop Steward.

(c) In outlying areas where the employee complement would not allow for the recognition of a Shop Steward under the provisions of Section 1(a), of this Article, exceptions may be made if it is mutually agreed by the parties.

Section 2. The number of Shop Committeepersons shall be five (5) for the bargaining unit as set forth in Article 2, except for cases in which the individual bargaining unit exceeds 2,100, the number of Shop Committeepersons may be increased to a total of six (6). In the event that the number of bargaining unit employees decreases during the term of office, such additional Shop Committeeperson shall be permitted to complete his or her term of office before being removed. The Shop Committee shall meet with the Committee of Management as provided in Article 7.

Section 3. Shop Committeepersons (except the Chairperson) and Shop Stewards shall be active employees of the Company. No employee shall act as a Shop Committeeperson or Shop Steward unless at the time of his or her selection he or she has not less than six (6) months' seniority as defined in Article 8, provided however, those selected with less than twelve (12) months seniority will not be afforded the provisions of Article 8, Section 15 until they attain twelve (12) months seniority.

The six (6) month seniority requirement shall not apply in those cases where the employee selected to be a Shop Committeeperson or Shop Steward previously held one of these positions within District 91.

Section 4. The Union shall furnish the Company with a list of its officers, Shop Committee members, and Shop Stewards, and shall as soon as possible notify the Company of any changes therein. No officer, Committeeperson, or Shop Steward shall be recognized by the Company until such written notification of his or her appointment shall have been received by the Company from a duly authorized officer of the Union. Subject to the limitations of this Article, the Company shall recognize Shop Steward
appointments within five (5) days (excluding Saturdays, Sundays, and holidays) after receipt of notification from the Union.

Section 5. The Company will provide Company badges for entrance into the plants and facilities to the Directing Business Representative, the Assistant Directing Business Representative, Business Representatives of District 91, the Grand Lodge Representative and full-time officers of local Unions which represent employees covered under Article 2. The Union Representatives stated above will have access to the plants and facilities to address specific problems at the request of the Directing Business Representative and concurrence of the Company. However, none of these visits to the Company's plants or facilities will result in a meeting with any employee who is clocked in on Company time, except by mutual agreement of the Company and Union.

ARTICLE 7
Grievance Procedure

Grievance Procedure Review. At the request of either party, there will be a meeting between the Directing Business Representative or his or her designee, and appropriate Union representatives and the Vice President, Human Resources or his or her designee, and appropriate Company representatives, to discuss problems of significant magnitude which impede the grievance procedure from functioning in an effective fashion, including earnest effort issues. The purpose of this meeting shall not be to resolve particular grievances.

Section 1. In the event that a difference arises between the Company, the Union or any employee concerning the interpretation, application, or compliance with the provisions of this Agreement, an earnest effort will be made to resolve such differences in accordance with the following procedure which must be followed.

Oral Step. An employee having a grievance or complaint pertaining to his or her wages, hours, or working conditions may, after notice to his or her immediate supervisor, take it up either directly with his or her supervisor or with the Shop Steward who shall take it up with the employee's supervisor. If the employee's grievance concerns disciplinary action administered by another supervisor, then the supervisor who administered the disciplinary action will be present with the immediate supervisor in the grievance procedure, provided he or she is still a supervisor of bargaining unit employees. Such grievance shall be presented orally at this step of the
grievance procedure. Any such discussion shall be as brief as possible and
the employee may be present at this discussion.

The supervisor will produce at this step of the procedure, at no cost to
the Union, the records the supervisor has available to him or her and which
the Company relied upon to reach the conclusion or make the decision which
resulted in the instant grievance.

No Steward shall be called in the case of a grievance involving any
disciplinary action until the administration of such action shall have been
completed nor shall a Steward be called for an employee who alleges he or
she is being improperly laid off. In the case of a grievance concerning the
discharge or suspension of an employee, the Steward will be given the
opportunity to meet with the supervisor who issued the discipline.

The Shop Steward shall be given an opportunity to be present at the
adjustment of a grievance arising under the terms of this Agreement which is
presented to the supervisor directly by an employee.

If the grievance is not satisfactorily settled at the Oral Step, it must
within five (5) working days, excluding Saturdays, Sundays, and holidays of
the supervisor's disposition be reduced to writing on the form provided. All
grievances which affect the wages, hours, or working conditions of any
employee shall, when reduced to writing in Written Step 1, be signed by that
employee. The dispositions given at Written Steps 1 and 2 of this procedure,
together with the dates thereof, must be noted on the form and signed by the
respective representatives of the Company and the Union.

Grievance forms shall be obtainable from the supervisor.

When the grievance is reduced to writing, there must be set forth in
the spaces provided all of the following:

(a) A statement of the grievance and the facts involved;
(b) The remedy requested; and
(c) The violation, if any, of the Agreement which is claimed.

Written Step 1. When reduced to writing, the grievance shall be taken up,
as soon as possible, but no more than seven (7) working days by the Shop
Steward within whose area the grievance arose together with the employee
(except in cases of discharge or indefinite suspension where a Shop
Committeeperson may attend in place of the employee) with the grieving
employee's supervisor and the Unit Manager of record. (In the case of a
grievant assigned to a three day week, twelve hour per day alternative
workweek schedule, the grievance will be taken up as soon as possible, but no
more than seven [7] calendar days.) In the event that the Unit Manager of
record is not available, the Company may substitute another management
representative in his or her place. The Unit Manager or designated
management representative may substitute a Human Resources
Representative for the employee's supervisor. The answer of the Unit
Manager or designated management representative will be given in writing
on the form provided within five (5) working days, excluding Saturdays,
Sundays, and holidays after its presentation. In cases where the employee
has filed multiple grievances pertaining to the same issue, all cited issues
will be discussed together. However, the Unit Manager or designated
management representative will give a written disposition on each grievance.

The Company will produce at this step of the grievance procedure at
its own cost and without the need of a request by the Union the records it
relied upon to reach the conclusion or make the decision which resulted in the
instant grievance. If the Steward considers other relevant records to be
necessary to the resolution of the grievance, the Company will produce such
additional records, without cost, if it does not impose an unreasonable burden
on the Company to obtain such records. Where the Steward's request for
additional records does impose an unreasonable burden on the Company, the
Union agrees to reimburse the Company for the actual cost incurred by the
Company in locating and procuring such additional records.

If the Company fails to produce records at the Oral Step or Written
Step 1 which the Steward considers to be necessary to the resolution of a
grievance, the Steward will promptly notify the Shop Chairperson. Within
twenty-four (24) hours the Shop Chairperson or his or her designee will notify
the Manager, Human Resources to provide the necessary records. The
Manager, Human Resources or his or her designee will have forty-eight (48)
hours to decide whether or not to produce the requested records. The
Company will have a reasonable amount of time to produce the records
agreed to by the Manager, Human Resources or his or her designee. The
Shop Steward will have the option of placing the original grievance on hold
until either the Manager, Human Resources or his or her designee has
decided not to produce the requested records or until the requested records
are provided.

Written Step 2.

(a) If the grievance is not satisfactorily settled at Written Step 1, an
appeal therefrom may be taken by the Shop Steward to the Committee
of Management. The appeal by the Shop Steward shall be considered to be taken if the Shop Steward so marks the grievance form within the time limit provided in Section 5 of this Article. In addition, such appeal shall be included on an agenda letter (filed as provided in Section 9(1) of this Article) for the first regularly scheduled meeting of the Committee of Management following the date of the Unit Manager or designated management representative’s decision; provided, however, that if this is not done, the grievance shall be included on an agenda letter for the second regularly scheduled meeting of the Committee of Management following the date of the Unit Manager or designated management representative’s decision. If the grievance is not included in such an agenda letter, the decision of the Unit Manager or designated management representative shall be final and conclusive and binding upon all employees, the Company, and the Union.

(b) The following types of grievances shall be presented initially at this step of the grievance procedure: grievances which affect a substantial number of employees (five or more), other than job rating grievances, earnest effort grievances, record request grievances, grievances which the Unit Manager or designated management representative at Written Step 1 of this procedure lacks authority to settle, and grievances filed by the Company or the Union.

(c) The Committee of Management shall meet with the Union Shop Committee and Business Representative whenever necessary but not more frequently than every two weeks to hear grievances and complaints properly before it as set forth in Written Step 2(a) and (b) of this Article.

(d) The Committee of Management will render a disposition on a grievance so presented to it upon completion of the Union’s presentation at the Written Step 2 meeting. However, it is understood and agreed that either party may, at any step of the procedure, place a grievance on hold. In such cases, the disposition will not be given until the regularly scheduled meeting in which the grievance is no longer on hold by either party.

It is agreed that in the interest of encouraging the settlement of grievances, no decision or resolution of a grievance at the Oral Step or at Written Steps 1 and 2 shall be cited by either party as a precedent in any subsequent grievance.

Section 2. A claim that under the Hourly Job Rating Plan a job has been improperly assigned or evaluated to a labor grade shall first be taken up by
either the Union Job Evaluation Specialist or the Shop Committeeperson for the area with the designated management representative. If such claim involves a new job or a changed job as defined herein, it must be presented to the designated management representative by either the Union Job Evaluation Specialist or the Shop Committeeperson within sixty (60) days of the assignment or evaluation of the new or changed job to a labor grade. Either the Union Job Evaluation Specialist or the Shop Committeeperson shall complete his or her presentation of the facts relating to the claim within sixty (60) days after the original presentation. The designated management representative shall render his or her decision on such claim within sixty (60) days after either the Union Job Evaluation Specialist or the Shop Committeeperson has notified him or her in writing that the Union has completed its submission of facts relating to the claim.

If no satisfactory adjustment of the matter is reached by either the Union Job Evaluation Specialist or the Shop Committeeperson and designated management representative, any aggrieved employee or the Union Job Evaluation Specialist or Shop Committeeperson may then file a grievance as hereinbefore provided. Such grievance shall be processed beginning with Written Step 2 of the grievance procedure provided that it is included in an agenda letter as provided for in Written Step 2 (a) herein, after the decision given by the designated management representative. Such written grievance shall state in detail the specific facts upon which the Union bases its claim that the job has been improperly evaluated and shall set forth the specific factors of the evaluation which it claims are incorrect giving specific and detailed reasons for such claim.

Section 3.

(a) Any contractual grievance not settled at Written Step 2 of Section 1 of this Article shall be submitted to arbitration upon the request of either party hereto filed in accordance with the provisions of this Article with the exception of Articles 1 and 27.

(b) Other grievances arising under this contract which are not settled at Written Step 2 of Section 1 of this Article may be referred to arbitration if the Company and the Union mutually agree in writing. The Company will respond to the Union within ten (10) working days of receipt of an appeal letter under (a) and (b) of this Section.

(c) Except for the grievances which can be arbitrated under Section 3(a) and 3(b) of this Article, no disputes, misunderstandings, differences, or grievances arising between the parties as to the meaning, interpretation, or application of the provisions of this Agreement shall
be submitted to any Arbitrator for decision. It is further understood and agreed that no grievance, dispute, misunderstanding, or difference between the parties arising out of events which occurred prior to the execution of this Agreement shall be submitted to arbitration under the provisions of this Agreement.

(d) The decision of the Arbitrator shall be supported by substantial evidence on the record as a whole and shall be final and conclusive and binding upon all employees, the Company, and the Union.

(e) The Arbitrator shall have no power to add to or subtract from or modify in any way any of the terms of this Agreement; nor shall the Arbitrator have jurisdiction in any case submitted to arbitration to affect in any way, directly or indirectly, by any decision or in any other manner, the right and responsibility of the Company to direct its operations; to determine the number and location of its plants; the product to be manufactured; the types of work to be performed; the assignment of all work to employees or other persons; the schedules of production; shift schedules and hours of work; the methods, processes and means of manufacturing; or the rules and regulations to be made or applied for production, discipline, efficiency, and safety.

(f) The party referring a grievance to arbitration shall have the obligation of going forward with its case before the other party shall be required to present its case or adduce any testimony; provided, however, that in cases involving discharge, suspensions, final warnings or promotions based upon “most senior qualified”, the Company shall first present to the Arbitrator its case in support of such action.

(g) Grievances subject to arbitration under this Section shall be referred for a decision to one of the members of a fixed panel of arbitrators which consists of: Richard I. Bloch, Arthur Stark, Arvid Anderson, Timothy Bornstein, Mark L. Irving, Dana E. Eischen, Michael W. Stutz, and Joan Parker. The designation of the Arbitrator shall be made either by mutual agreement of the parties hereto; or in the absence of such agreement, the Arbitrator shall be alternated with each case.

(h) The fee and expenses of the Arbitrator shall be divided equally between the Company and the Union.

(i) The Company and the Union agree that in grievance arbitrations pertaining to terminations for attendance, sleeping, theft, and fighting, as well as suspensions for any reasons or final warning grievances, the
Arbitrator will render his or her oral decision within seven (7) days of the close of the hearing, followed by a written award. This shall not apply if the parties mutually agree to have transcripts and submit briefs to the Arbitrator. The Company and the Union further agree in all other cases the Arbitrator will render his or her decision within sixty (60) days of the filing of the briefs.

(j) Arbitrations involving discharge, suspension, and final warnings grievances and grievances alleging unfair labor practices shall be expedited to the fixed panel ahead of all other arbitrations not as yet scheduled for hearing.

Section 4. An employee may file a grievance alleging that he or she is not properly classified in his or her assigned job code because he or she has performed the essential duties of a different job code within the bargaining unit (at least one labor grade higher than his or her assigned code) for a practicable majority of the time during a period of ninety (90) continuous working days. If such a grievance is found to have merit, the award of the Arbitrator is limited to an adjustment in pay equal to the difference between the employee's actual earnings and the earnings he or she would have received had he or she been properly classified during the ninety (90) continuous working days immediately preceding the filing of the grievance.

Section 5. Should any appeal from the disposition of a grievance given at the Oral Step or at Written Steps 1 and 2 of Section 1 not be taken within five (5) working days, excluding Saturdays, Sundays, and holidays, from the date of such decision, then the decision on such grievance shall be final and conclusive and shall not be reopened for discussion. Any disposition of a grievance accepted by the Union or by the Company in the case of a grievance filed by the Company, or from which no appeal has been taken, shall be final and conclusive and binding upon all employees, the Company, and the Union.

Section 6. Any grievance not presented for disposition through the grievance procedure described herein within five (5) working days, excluding Saturdays, Sundays, and holidays, from the date it was found to exist by the employee, shall not thereafter be considered a grievance under this Agreement unless a reason satisfactory to the Company in explanation of the failure to present the grievance within such time is given.

Section 7. In no event shall any disposition or award upon any grievance be made retroactive for any period prior to the date the grievance was first filed in writing; provided that in cases involving discharge and suspension, retroactivity will begin with the date the discipline was taken.
Section 8. It is agreed that each Shop Steward has assigned work to perform in the plant and the interests of production and efficiency require that interruptions of the Shop Stewards' work assignments be as infrequent and of as short duration as the grievance or complaint reasonably requires. Shop Stewards shall first request permission from their supervisor before leaving their jobs. Such request shall not unreasonably be denied.

Upon entering a department other than his own, a Shop Steward shall first report to the supervisor in charge of the new department and make known the purpose of his or her being there.

Section 9. A member of the Shop Committee or a Shop Steward shall, after notice to his or her supervisor, be allowed to leave his or her job for attendance at the following meetings, where necessary and as indicated. Time spent in attendance at such meetings during his or her scheduled working hours shall be recorded and paid as provided in subsections 3 or 4 below.

(a) For a member of the Shop Committee to attend a regular Written Step 2 meeting to be held whenever necessary, but not more frequently than once every two (2) weeks, and for not exceeding three (3) hours. Before the holding of such meeting, the Chairperson of the Shop Committee must have presented to the Manager, Human Resources an agenda in writing by the close of business, at least three (3) working days, excluding Saturdays, Sundays, and holidays, previous to the time of the meeting. Such agenda shall state fully the specific grievances or complaints which the Union wishes to discuss at such meeting. There shall be no obligation on the part of management representatives to discuss any matter which does not appear on such agenda.

(b) For a member of the Shop Committee to attend any special meeting not exceeding three (3) hours relating to discharge or other matters which cannot reasonably be delayed until the next regular meeting of the Shop Committee and the Committee of Management; or to attend a Written Step 1 meeting involving a discharge or indefinite suspension.

(c) Shop Stewards will receive pay for grievance or complaint handling as described in Article 7, Section 1, Oral Step, and Written Step 1 herein at their regular base rate plus cost-of-living allowance exclusive of overtime allowances, but including shift premium, if any, not exceeding three (3) hours in any workweek.

(d) Shop Committee persons will receive pay for time spent at regular meetings as described in Article 7, Section 1, Written Step 2 herein at
their regular base rate plus cost-of-living allowance exclusive of overtime allowances, but including shift premium, if any, not exceeding three (3) hours in any workweek. Shop Committeepersons will also receive pay for time spent at any special meetings or Written Step 1 meetings as described in Article 7, Section 9, subsection (b) above at their regular base rate plus cost-of-living allowance exclusive of overtime allowances, but including shift premium, if any, not exceeding three (3) hours in any workweek.

(e) The Company will pay up to eight (8) hours lost time for two (2) members of the Shop Committee to audit Company layoff lists involving any layoff of 50 or more employees at a single site.

Section 10. Any employee shall have the right to appeal his or her discharge or suspension through the grievance procedure within five (5) working days from the date thereof. Failure to file such an appeal within five (5) working days shall prohibit any further consideration of such discharge or suspension. If as a result of such appeal the employee is found to have been discharged or suspended without just cause, he or she shall receive pay at his or her regular rate for the time he or she would have otherwise normally worked, including overtime, less any income he or she may have received from any other source. An employee who has been discharged or given a disciplinary suspension shall, before leaving the plant, be permitted to see the Shop Steward for the area in which he or she worked at a location designated by the Company if he or she requests this privilege of his or her supervisor. Any grievance filed concerning the discharge or indefinite suspension of an employee shall be presented initially at Written Step 1 of the grievance procedure.

ARTICLE 8
Seniority

Section 1.

(a) In case of an indefinite layoff for lack of work, employees shall be laid off and recalled by noninterchangeable occupational groups within specified seniority areas in accordance with their seniority (length of continuous service with the Company since the most recent date of hire); provided, however, the employees in job grade-levels designated as "I" (interchangeable) within a job family and seniority area shall be laid off and recalled in accordance with their seniority within such job family.
(b) Pursuant to Letter 17, nothing herein shall preclude the Company from transferring an employee scheduled to be laid off from a job in one occupational group, job family and seniority area to a job in a different occupational group, job family or seniority area in which no laid-off employee retains seniority, nor from recalling without loss of seniority an employee laid off from one occupational group, job family or seniority area to a job in a different occupational group, job family or seniority area in which no laid-off employee retains seniority. If the employee is transferred or recalled, his or her seniority thereafter shall be in the occupational group, job family and seniority area to which he or she transferred or to which he or she was recalled and he or she shall have no seniority in his or her former occupational group, job family or seniority area.

Section 2. The noninterchangeable occupational groups, the job families (including job grades designated as Level "I"), and the seniority areas mentioned in Section 1 have been mutually agreed upon and are incorporated and made part of this Agreement as Appendices "A" and "B" attached hereto.

Section 3.

(a) Before new employees are hired in a given occupational group in a particular seniority area, the employees with seniority who are still laid off from that occupational group or job family in the area shall first be offered employment in that occupational group from which they were laid off or job family in jobs included in the "I" level at the then existing rate of pay for the job to which they were recalled in accordance with seniority. Employees who remain in the same job family and were demoted as a result of a reallocation of employees in the presence or absence of a layoff and employees who were recalled to a lower grade job in the same job family shall be considered to be on the recall list for their former job as though they had been laid off at the time of their demotion for the period of seniority retention provided in Section 14 of this Article. Demoted employees with seniority retention rights will be given the opportunity to return to their former job as openings become available in accordance with their seniority and before promotions are made to that job within their seniority area.

(b) Employees on layoff will have Connops-wide recall rights by occupational group and job family. Recall shall be made in order of seniority from the pool of such employees on layoff without regard to the seniority area from which they were laid off.
Section 4.

(a) When it is necessary to readjust personnel in conjunction with a layoff, employees shall be demoted as required in accordance with their seniority within each noninterchangeable occupational group; provided, however, that such demotions or lateral transfers to job grade level "I" shall be made within the employee's job family in their seniority area without regard to the noninterchangeable occupational groups within such job family.

(b) Any employee who suffers a demotion and who is currently paid at a rate above the maximum for the labor grade to which he or she is demoted shall have his or her wages frozen for a period of six (6) months from the effective date of the demotion before suffering any actual loss in wages. Any subsequent reduction in wages shall be at the rate of $.10 per hour every sixteen (16) weeks until such time as the employee reaches the maximum rate of the lower labor grade. Any employee who is demoted, but at the time of the demotion is paid at a rate less than the maximum rate of the lower labor grade, shall continue with his or her automatic progression until such time as he or she attains maximum rate.

(c) Any shift imbalance in specific departments and ensuing reallocation of employees will be done in a manner which permits the more senior employees to be assigned to the shift of their preference.

Section 5. Except in an emergency or for reasons or conditions over which the Company has no control, where there are general layoffs for an indefinite period, as much notice as is practicable, but not less than ten (10) days, shall be given in writing to the Shop Committee before the layoff. A list will be supplied indicating the names of the employees scheduled to be laid off and their seniority status in relation to the remaining employees in the occupational group. The Company on a monthly basis will provide to the Chairperson of the Shop Committee a list of the names of laid-off employees who exercised their right of recall.

Section 6.

(a) An employee shall be considered a probationary employee for the first ninety (90) days of his or her employment, and thereafter his or her seniority shall be from his or her most recent date of hire. In the case of probationary employees, there shall be no seniority rating nor responsibility upon the part of the Company for continuous employment nor for reemployment if laid off before the completion of
their continuous probationary period. It is understood and agreed that during such probationary period, layoff or discharge shall be left to the discretion of the Company.

(b) In the case of an indefinite layoff for lack of work, probationary employees in the occupational group or job family in the seniority area affected by the layoff shall first be terminated.

Section 7.

(a) No employee shall be eligible by reason of his or her seniority to be recalled to a higher-rated job as a result of layoff except where the job held by the employee at the time of layoff has been upgraded or where the essential elements of that job have been combined with another and the resulting job is of a higher labor grade. In all such cases, the employee shall have recall rights to the higher-rated job. However, nothing shall preclude the Company from offering an employee the opportunity to be recalled to a higher-rated job.

(b) Laid-off employees who were previously demoted under the conditions defined in Section 4(a) of this Article and who would have been considered to be on the recall list for their former job, as defined in Section 3 of this Article, may be offered recall to their former job in accordance with their seniority retention, as provided in Section 14(c) of this Article.

(c) No employee shall be eligible by reason of his or her seniority to be transferred to a higher-rated job as a result of layoff.

Section 8. Whenever promotions are made to higher-rated jobs other than to supervisory jobs, they shall be made as follows:

(a) Whenever promotions are made to higher-rated jobs, except as provided in 8(b) below, they shall be made on the basis of the most senior qualified employee in the line of progression in the occupational group in which the promotion is made.

(b) Whenever promotions are made to the highest labor grade in the occupational group and all working leader positions, they shall be made on the basis of the coequal standards of seniority, ability and fitness of the employee.

(c) It is understood that the employees who may file a grievance concerning such a promotion, as defined within this Section, are those
assigned to the business unit in which the promotion occurs, or in the business unit from which the promotee was transferred.

(d) All promotions will be made on shift. In the event that such promotions create an imbalance, the resulting imbalance will be adjusted as provided by Letter 17 of this Agreement. This provision shall not apply for promotions to working leader or promotions resulting from job posting.

Section 9.

(a) Temporary layoffs due to lack of work not to exceed thirty (30) days may be made by the Company irrespective of any provisions of this Agreement. In such cases the Company will, in lieu of layoff whenever possible, reassign employees to other jobs during the period of such layoff.

(b) Selection of employees for such temporary layoffs will be made by taking volunteers in seniority order, beginning with the most senior employee in the affected classifications by department by shift. In the event that an insufficient number of employees volunteer, then in reverse order of seniority in the affected classifications by department, by shift, the Company will notify the least senior employees that they will be temporarily laid off. An employee shall not be temporarily laid off under this Section more than once in any contract year until all other employees in the same classification in the department affected shall have been temporarily laid off once under this Section.

(c) If there is a series of such temporary layoffs, the Company will so far as it is practicable make an equal distribution of such lost time computed upon a contract yearly basis.

(d) While on such temporary layoff, employees shall continue to accrue their seniority, pension credits, and the Company shall continue to provide coverage for their health and dental insurance. In addition, it is agreed that such layoffs will not affect vacation pay, sick pay, service awards, incentive vacation, life insurance coverage, automatic wage rate progression increases, eligibility for job posting or apprenticeship programs, educational assistance and Employee Assistance Programs. It is further understood that employees affected by temporary layoffs will not be denied any of the contractual benefits provided under the terms of this Agreement. Upon return to work, the employees shall be returned to the job they held at the appropriate rate of pay and on the shift where they worked at the start of such temporary layoff.
Section 10. The Company will survey employees for transfer to a preferred shift. Such transfers will be made on a seniority basis within a business unit. However, it is recognized that operation of the plant with all the more senior employees on any one shift, may not always be possible; this must also be considered when honoring such requests.

Section 11.

(a) If any person is transferred from any plant or facility operated by Pratt & Whitney (Commercial Engine Business, Operations, or Government Engine Business) or by UTC Fuel Cells or any Hamilton Sundstrand unit represented by Local Lodge No. 743 of the I.A.M.A.W. into the bargaining unit covered by this Agreement, or from one noninterchangeable occupational group or from one seniority area to another noninterchangeable occupational group or area within the bargaining unit, his or her seniority in the bargaining unit shall include his or her total length of continuous service with Pratt & Whitney or UTC Fuel Cells or any Hamilton Sundstrand unit represented by Local Lodge No. 743 of the I.A.M.A.W. except as provided in (b) of this Section.

(b) For the purposes of layoff only, and except as provided in Sections 1(b) and 4(a) of this Article, an employee promoted, demoted or laterally transferred from one noninterchangeable occupational group or from one seniority area to another shall have his or her seniority transferred to the noninterchangeable occupational group and seniority area to which he or she is transferred ninety (90) calendar days after the date on which the transfer becomes effective.

Section 12.

(a) Upon written application by the Union, the Company will grant a leave of absence of not less than one (1) year to any employee who enters the employ of either the local Union or the International Association of Machinists and Aerospace Workers. Such leave of absence shall terminate automatically if the employee's assignment by the local Union or the International Association of Machinists and Aerospace Workers is to any organization other than a local Union which represents the employees of a plant of the Company. This provision shall not prevent a necessary and temporary short-term assignment to a local Union which does not represent employees of the Company,
where advance notice of such assignment is given to the Company. The resultant reassignment shall not, absent mutual agreement, exceed twelve (12) calendar weeks in any contract year. An extension of such leave for an additional period shall be granted upon written application made prior to the expiration of such leave of absence.

During such leave of absence such employee shall be considered to head the seniority list in the occupational group in which he or she worked immediately before the beginning of his or her leave for the purpose of layoff consideration. It is understood and agreed that such an employee will not accumulate Continuous Service Credits for the purpose of computing Pension benefits under the Company's applicable Plan during such a leave of absence or any extension.

(b) If an employee who has been granted such leave of absence reports for work at the beginning of the first regular workday after the termination of such leave, he or she shall be reemployed on the same general type of work which he or she did last prior to his or her leave at the wage rate existing in the plant at the time of his or her return for the job on which he or she is reemployed.

(c) During such leave of absence, such employee shall accumulate his or her seniority. His or her reemployment shall be subject to the condition that he or she is able to perform the duties required of him or her and that he or she would have retained his or her seniority under this Article had he or she been in the employ of the Company during the period of his or her leave of absence.

Section 13. A salaried employee who once held a bargaining unit position may be returned to the bargaining unit to a job that has been posted 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 14. An employee shall lose his or her seniority rights under any one of the following circumstances:

(a) If he or she resigns.

(b) If he or she is discharged for just cause.

(c) If the employee is laid off or continuously absent from work for any other reason, he or she shall retain seniority rights as follows:
Seniority at the Time of
Layoff or Absence

<table>
<thead>
<tr>
<th>Period of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>91 days up to 2 years</td>
</tr>
<tr>
<td>2 years up to 5 years</td>
</tr>
<tr>
<td>5 years or over</td>
</tr>
</tbody>
</table>

(d) If he or she fails to report to work within five (5) working days after due notice by the Company to the employee's last known address to return to work after layoff, or fails to give reasons satisfactory to the Company within such five (5) days for not reporting to work.

Section 15. For all purposes, other than layoff, the seniority rights of the members of the Union Shop Committee, President, Vice President, if employees, and Shop Stewards, Union EAP Coordinator, Union Training Coordinator, Union Job Evaluation Specialist, Chief EHS Representative, and Union EHS Representatives shall be exactly the same as the seniority rights of all other employees except as provided below:

(a) In the case of layoff, and for the sole purpose of maintaining Union representation at the time of layoff, members of the Union Shop Committee, the President, Vice President, Union EAP Coordinator, Union Training Coordinator, Union Job Evaluation Specialist, and Chief EHS Representative, if employees, shall, during their term of office, head the seniority list in their occupational group and job family, and will not be laid off until all other employees in their labor grade (or lower labor grade) in their respective occupational group and job family have been laid off.

(b) In the case of layoff, and for the sole purpose of maintaining Union representation at the time of layoff, Shop Stewards shall, during their term of office, head the seniority list in their occupational group and job family, in their steward area, and on their respective shift, or in the case of Union EHS Representatives in the area for which they are responsible, and will not be laid off until all other employees in their labor grade (or lower labor grades) in their occupational group and job family, in their steward area, or in the case of Union EHS Representatives in the area for which they are responsible, and on their shift, have been laid off.

(c) A Shop Committeeperson or a Shop Steward will not be transferred or promoted to a job outside of his or her Committeeperson or Steward
area unless he or she notifies the Company in writing that he or she wishes to be considered for such a job during which time he or she shall maintain his or her position as a Committeeperson or Shop Steward; or unless there is no job of the same or lower labor grade in his or her occupational group in such area which he or she is qualified to perform; or except in the case of an emergency; or unless his or her department is being transferred to another location outside such area.

Section 16.

(a) Severance pay allowances shall be paid to employees who are laid off for an indefinite period. To be eligible for any severance pay allowance, an employee must have at least ninety (90) days seniority as of the day preceding the layoff.

(b) Severance pay allowance shall be calculated on a weekly basis (the employee’s normal workweek at the time of the layoff) and each week’s pay allowance shall consist of forty (40) times the employee’s base hourly wage plus cost-of-living allowance (excluding any shift or other premium pay) which the employee was paid for the last day of work preceding layoff.

(c) Severance pay allowance shall be paid weekly to an eligible, laid off employee beginning on the second payday following the date the employee is laid off.

(d) The number of weeks for which an employee shall receive severance pay allowance shall be governed by the employee’s seniority on the day preceding layoff as follows:

<table>
<thead>
<tr>
<th>SENIORITY (COMPLETE YEARS)</th>
<th>SEVERANCE WEEKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 90 days to one (1) year</td>
<td>Two (2) weeks</td>
</tr>
<tr>
<td>From One (1) to Two (2) Years</td>
<td>Four (4) weeks</td>
</tr>
<tr>
<td>Three (3) years</td>
<td>Four (4) weeks</td>
</tr>
<tr>
<td>Four (4) years</td>
<td>Four (4) weeks</td>
</tr>
<tr>
<td>Five (5) years</td>
<td>Five (5) weeks</td>
</tr>
<tr>
<td>Six (6) years</td>
<td>Six (6) weeks</td>
</tr>
<tr>
<td>Seven (7) through Nine (9) years</td>
<td>Seven (7) weeks</td>
</tr>
<tr>
<td>Ten (10) through Twelve (12) years</td>
<td>Nine (9) weeks</td>
</tr>
</tbody>
</table>
Thirteen (13) and Fourteen (14) years .............................................. Ten (10) weeks
Fifteen (15) and Sixteen (16) years .............................................. Twelve (12) weeks
Seventeen (17) and Eighteen (18) years ....................................... Fourteen (14) weeks
Nineteen (19) and Twenty (20) years .......................................... Sixteen (16) weeks
Twenty-one (21) and Twenty-two (22) years ............................... Eighteen (18) weeks
Twenty-three (23) and Twenty-four (24) years ............................ Twenty (20) weeks
Twenty-five (25) or more years ..................................................... Twenty-four (24) weeks

(e) No employee, however, shall be paid a severance pay allowance for any week following the date the employee is recalled to work from a layoff.

(f) No employee shall be paid the severance pay allowance more than once during this contract period; provided, however, if the total severance pay allowance to which the employee was entitled under (d) above was not paid him or her during this contract period because of his or her recall from layoff, such employee who is again laid off during this contract period shall again be eligible for severance pay allowance but only for the number of weeks for which his or her total severance pay allowance was not paid because of his or her recall from layoff.

(g) No severance pay allowance will be paid to any employee who is laid off because of an act of God or a natural emergency or because of a strike at a facility of a major supplier of necessary parts.

(h) Medical and dental insurance coverage will be provided at no cost to eligible laid off employees for the same number of weeks they are eligible to receive severance pay, except that all employees eligible for severance pay will receive at least one (1) month of paid medical/dental insurance coverage.

(i) The Company, in conjunction with the Union, will provide services designed to assist employees who are scheduled to be laid off such as: outplacement counseling, unemployment counseling, etc.

(j) The Company agrees to make available Employment Retraining Assistance to employees who are laid off. To be eligible, employees must have at least one (1) year of continuous and active service at the time of layoff. Retraining may not extend beyond two (2) years following the date of layoff. Participants shall be compensated 100% of all tuition and academic fees, not to exceed a maximum of $2,500. This program shall cease immediately upon full-time employment with
another employer. However, the Company agrees to pay for any course in progress at the time of such reemployment, subject to the conditions outlined above.

Section 17.

(a) In the event the Company transfers any part of an operation, cell, or department between plants or within a plant covered by this Agreement, the affected employees in the affected operation, cell, or department where the work was being performed for 90 calendar days prior to the initial transfer of employees, equipment, or work, will be given the opportunity to move with that work pursuant to Letter 36.

(b) In the event that such affected employees decline to exercise an offer to move with the transferred work, any resulting imbalance in the work force shall be adjusted as provided elsewhere in this Article.

ARTICLE 9
Hourly Job Rating Plan

Section 1. The Hourly Job Rating Plan currently in effect has been mutually agreed to and has been made a part of this Agreement as Appendix "G". Changes may be made to the plan during the life of this Agreement but such changes require mutual agreement between the parties.

Section 2. The Company has furnished the Union with copies of the current plan and job descriptions for all jobs currently within the bargaining unit and will provide the Union with detailed job description sheets covering new or changed hourly-rated jobs included in the bargaining unit as set forth in Article 2 hereof within thirty (30) days following final approval of such jobs. Draft copies will be made available to the designated Union Job Evaluation Specialist upon request.

Section 3. The Company and Union agree to mutually support activities which increase productivity. This will include, where appropriate, multiple machine operations, performance of indirect tasks by direct employees and vice versa, decentralization of core functions (for example, machine repair) and absorption of work currently performed by salaried employees. The intent of encouraging absorption of indirect and salaried tasks by direct employees is specifically and solely to improve productivity and reduce cost.
It is not intended to create assignments which employees are not qualified to perform.

Section 4.
(a) The parties agree to work cooperatively in the development of new jobs and the re-evaluation of existing jobs dictated by changes in the business and/or production processes. Proposals for any new job design activities will first be reviewed by the Director, Labor Relations, and the Directing Business Representative of District 91.

(b) The Union may designate one Union Job Evaluation Specialist from each Local Lodge or a Shop Committeeperson to act as an alternate for the purpose of reviewing new jobs and handling the job rating complaint procedure as specified in Article 7 and this Article. It is understood the Union Job Evaluation Specialist, along with the Human Resources Representative, may participate at Written Step 2 of the grievance procedure concerning job rating complaints. However, such complaints presented at this step of the grievance procedure must be properly signed and dated by an employee classified on the job being challenged or the Union Job Evaluation Specialist or Shop Committeeperson. The Union Job Evaluation Specialist shall, after notice to his or her supervisor, be allowed to leave his or her job for presentation of job rating complaints. All time so spent shall be paid in full by the Company.

(c) During the term of this Agreement, the Company agrees the definition of a new job will be one in which the Company makes any changes to either the description or scoring portions of a job classification or job description.

Section 5. The Union Job Evaluation Specialist will be advised of new or revised job description sheets and be given the opportunity to receive information concerning the job classification and job description sheet prior to or at the time of implementation. Such review will include information used to form the basis for decision regarding the scoring of all job rating factors. The Company shall retain the exclusive right to implement any new or revised job classification or job description sheet.

Section 6. The Union Job Evaluation Specialist or Shop Committeeperson will be granted an on-site inspection of a new or revised job, accompanied by a Human Resource Representative prior to or after submission of a job evaluation complaint at a mutually agreed time. During such reviews,
questions may be directed to any employee performing the work covered by the classification being challenged.

Section 7. Arbitration of jobs which exist in more than one plant/department and are identical in occupational group and scoring of all factors may be heard simultaneously provided, however, any decision of the Arbitrator which is in variance to the existing scoring shall apply only to departments or plants where such variance is found to exist. In such cases, a separate job description sheet and job classification would be provided.

Section 8. In order to facilitate timely resolution, the parties agree briefs will only be submitted upon mutual agreement or at the request of the Arbitrator. If briefs are agreed upon, then the parties agree they will be filed no later than ten (10) days from receipt of the transcript. There is no obligation upon either party to submit a brief. The ten (10) day period may be extended by mutual agreement. The Arbitrator will be expected to render a decision as soon as possible, but not later than thirty (30) days from receipt of the parties’ briefs if so provided.

ARTICLE 10
Wage Rate Progression

Section 1. An employee classified on a job for which the minimum experience requirement is less than twelve (12) months shall receive the Standard Rate of his or her job classification as soon as qualified and not later than six (6) months from the date he or she starts on such classification, provided he or she has worked continuously on such classification. An employee classified on a job for which the minimum experience requirement is twelve (12) or more months shall receive the Standard Rate of his or her job classification as soon as qualified and not later than twelve (12) months from the date he or she starts on such classification, provided he or she has worked continuously on such classification. Nothing herein shall prevent an employee from receiving at any time more than Standard Rate, provided he or she is qualified.

Section 2.

(a) Wage rate progression from Standard Rate up to but not in excess of Maximum Rate within an employee’s labor grade will be automatic at
Automatic increases for any employee who is being paid Standard Rate or above but less than Maximum Rate will continue to be scheduled at sixteen (16) week intervals from the date the employee attained Standard Rate or the date the employee last received an automatic increase in the present labor grade, whichever is later.

(c) Automatic increases for an employee attaining Standard Rate under Section 1 above will be scheduled at sixteen (16) week intervals from the date of attainment of Standard Rate.

(d) Ingrade transfers will not affect the scheduling of an employee's next automatic increase.

(e) Effective the same date as a promotion or a job upgrade, the employee will receive an increase of at least thirty cents (30¢) per hour.

(f) Employees who are demoted as a result of the conditions of Article 8 Section 4(a) or employees who are demoted for reasons other than at the employees' request shall be placed in such lower rated job at the maximum base hourly rate of the lower rated job or at the base hourly rate the employee is being paid immediately prior to the demotion, whichever is the lower; provided, however, that any resultant reduction in the employee's base hourly rate shall not occur until six (6) months after the effective date of the demotion and any subsequent reduction in wages shall not be more than ten cents (10¢) per hour at each subsequent sixteen-week interval. Employees who request demotion to a lower rated job will be paid the maximum rate of the lower grade or retain the rate then being paid, whichever is the lower.

(g) Automatic increases for an employee hired or transferred into the bargaining unit at a rate at or above Standard Rate will be scheduled at sixteen (16) week intervals from the beginning of the next pay period after date of hire or transfer.

(h) Automatic increases for an employee promoted will be scheduled at sixteen (16) week intervals from the effective date of such change in grade if the employee's rate is at or above Standard Rate but below the Maximum Rate on the new grade.

(i) Automatic increases for an employee demoted, who is at or above Standard Rate but below the Maximum Rate of the lower labor grade,
will be scheduled at sixteen (16) weeks from the employee’s last increase in the higher grade before demotion and at sixteen (16) week intervals thereafter until at Maximum Rate of the lower labor grade.

(j) An employee paid eleven cents (11¢) to nineteen cents (19¢) below the Maximum Rate shall be given an increase to the Maximum Rate on his or her next automatic increase date.

(k) Nothing in this Agreement shall be construed to prevent the Company at its discretion from advancing an employee within the rate range more rapidly than the specified intervals shown above or giving increases larger than those provided in this Section.

ARTICLE II
Wages

Section 1. On December 3, 2001, the base hourly wage rate of each employee covered by this Agreement will be increased by the $0.49 cost-of-living allowance in effect on December 2, 2001, and this new base hourly wage rate will be further increased by three and one-half (3 1/2) percent. Schedule A shows the hourly rate schedule which will be effective December 3, 2001.

Section 2. On December 2, 2002, the base hourly wage rate of each employee covered by this Agreement will be increased by three and one-half (3 1/2) percent. Schedule B shows the hourly rate schedule which will be effective December 2, 2002.

Section 3. On December 1, 2003, the base hourly wage rate of each employee covered by this Agreement will be increased three (3) percent. Schedule C shows the hourly rate schedule which will be effective December 1, 2003.

Section 4.

(a) An hourly cost-of-living allowance, which starts at $.00 on December 3, 2001, shall be determined semiannually based upon the conditions and provisions set forth in this Section and shall be paid to each employee covered by this Agreement in addition to his base hourly wage rate.
The cost-of-living allowance, if any, shall be determined on the basis of changes in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), United States City Average, All Items (1982-84 = 100) published by the United States Bureau of Labor Statistics, hereafter referred to as the "Index".

Adjustments in the cost-of-living allowance shall be effective on all five of the following dates in the amount of one cent (1¢) per hour for each full fifteen hundredths of one percent (0.15%) change in the Index for the months indicated below. Each semiannual adjustment (increase or decrease) in the cost-of-living allowance shall not exceed a maximum of eighteen cents (18¢) per hour.

<table>
<thead>
<tr>
<th>Effective Date of Adjustment</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 3, 2002</td>
<td>October 2001</td>
<td>April 2002</td>
</tr>
<tr>
<td>December 2, 2002</td>
<td>April 2002</td>
<td>October 2002</td>
</tr>
<tr>
<td>June 2, 2003</td>
<td>October 2002</td>
<td>April 2003</td>
</tr>
<tr>
<td>December 1, 2003</td>
<td>April 2003</td>
<td>October 2003</td>
</tr>
<tr>
<td>June 7, 2004</td>
<td>October 2003</td>
<td>April 2004</td>
</tr>
</tbody>
</table>

In calculating the percentage change in the Index, the result shall be rounded to the nearest one hundredth of one percent (i.e., .005 and higher rounded upward, and less than .005 rounded downward). For example, if the October 2001 Index is 151.0 and the April 2002 Index is 153.7 the calculation is:

Step 1  153.7 - 151.0 = 2.7
Step 2  Divide 2.7 by 151.0 x 100 = 1.7881
Step 3  Round to 1.79% and divide by .15% = 11¢ per hour.

Section 5. No change will be made in a cost-of-living adjustment as a result of any revision made in the published figures for the Index after the effective date of the cost-of-living adjustment.

Section 6. The continuance of cost-of-living adjustments is dependent upon the continued monthly publication of the Index in its present form and calculated on the same basis as at the time of the execution of this Agreement. For any month in which the Bureau of Labor Statistics publishes the Index on both an official (revised) basis and the present (old series) basis, the official (revised) basis will be used.
Section 7. In the event the Bureau of Labor Statistics does not issue the Consumer Price Index for the appropriate month before one of the effective dates referred to in Section 4 above, any cost-of-living adjustment required by such monthly Index shall be effective at the beginning of the first pay period after receipt of such Index.

Section 8.

(a) All hourly-rated employees on the second shift will be paid, in addition to their base hourly wage rate plus cost-of-living allowance, a shift premium equal to ten percent (10%) of such hourly wage rate plus cost-of-living allowance for each hour worked.

(b) The Company shall pay to all hourly-rated employees on the third shift seven and one-half cents (7-1/2¢) per hour in addition to their base hourly wage rate plus cost-of-living allowance. Hourly-rated employees on the third shift whose regular shift comprises not more than six and one-half (6-1/2) working hours and who work a full six and one-half (6-1/2) hours on that shift shall receive therefore eight (8) hours pay including cost-of-living allowance. All work performed on the third shift over six and one-half (6 1/2) hours or all work performed in excess of six and one-half (6 1/2) hours by any employee who is assigned to a six and one-half (6 1/2) hour shift shall be considered overtime and shall be paid for at time and one half.

(c) Lateness of not more than eighteen (18) minutes or permission granted by the supervisor to leave prior to the end of the shift of not more than eighteen (18) minutes, or a combination of lateness and permission to leave early totaling not more than eighteen (18) minutes shall not disqualify the employee for the third shift premium.

ARTICLE 12
Overtime

Section 1. Overtime rates will be paid as follows for employees assigned to a traditional Monday through Friday, eight (8) hour day, workweek schedule:

(a) Time and one-half will be paid for:

1. All time worked in excess of eight (8) hours in any one day, and for employees who worked in excess of a six and one-half hour scheduled shift.
2. All time worked in excess of forty (40) hours in one workweek for which overtime has not already been earned.

3. All work performed on Saturday, except for the first eight (8) hours of any scheduled shift which begins on Friday and continues into Saturday.

4. All work performed outside of regularly scheduled shift hours.

(b) Double time will be paid for:

1. All work performed on Sunday, except for the first eight (8) hours of any scheduled shift beginning the preceding day and continuing into the Sunday.

2. All work performed on each of the holidays listed in Article 14.

Section 2. For employees working an alternative workweek schedule which contains a fixed workweek consisting of four (4) day, ten (10) hour shifts, overtime will be paid as follows:

(a) Time and one-half will be paid for:

1. All time worked in excess of the scheduled work hours in any one day.

2. All work performed outside of regularly scheduled shift hours.

3. All work performed on the fifth (5th) or sixth (6th) workday of a workweek.

(b) Double time will be paid for:

1. All work performed on the seventh (7th) workday of a workweek.

2. All work performed on each of the holidays listed in Article 14.

In the event the alternative workweek schedule is not fixed on a weekly basis, the Company and Union will agree on appropriate time and a half and double time pay.
Section 3. For employees working an alternative workweek schedule which contains a fixed workweek consisting of three (3) day, twelve (12) hour shifts, overtime will be paid as follows:

(a) Time and one-half will be paid for:

1. All time worked in excess of the scheduled work hours in any one day.
2. All work performed outside of regularly scheduled shift hours.
3. All work performed on the fourth (4th), fifth (5th) or sixth (6th) workday of a workweek.

(b) Double time will be paid for:

1. All work performed on the seventh (7th) workday of a workweek.
2. All work performed on each of the holidays listed in Article 14.

Section 4.

(a) For the sole purpose of preventing favoritism or discrimination in the distribution of overtime, the Company will distribute overtime work equally among the qualified employees under the jurisdiction of each supervisor who are regularly employed on such work, insofar as it may be practicable to do so, so as to equalize, among such employees hours paid at time and one-half or double time (e.g., four [4] hours at time and one-half shall be the equivalent of three [3] hours at double time). Such overtime distribution shall be made on the respective shifts on which the overtime work occurs. There is no obligation on the part of the Company to distribute overtime equally between shifts nor between employees under the jurisdiction of different supervisors. Where it is mutually agreed between the Company and the Union other supervisory titles may be substituted for the supervisory title "supervisor" in this Section.

(b) A grievance alleging failure of the Company to comply with subsection (a) above must show a substantial inequality in such overtime distribution during the 13-week period immediately preceding the filing of such grievance.

Section 5. When two or more types of overtime or premium compensation are applicable to the same hours of work, only the higher rate of
compensation shall be paid. In no case shall overtime or premium compensation be duplicated or pyramided.

ARTICLE 13
Vacations

Section 1. A vacation will be allowed to an employee who in the anniversary year, which begins on January 1, will have been continuously and actively in the employ of the Company for the period shown below:

<table>
<thead>
<tr>
<th>Completed Period of Employment</th>
<th>Vacation Time (Working Days)</th>
<th>Hours Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>One (1) year</td>
<td>Five (5)</td>
<td>40</td>
</tr>
<tr>
<td>Two (2) years</td>
<td>Ten (10)</td>
<td>80</td>
</tr>
<tr>
<td>Eight (8) years</td>
<td>Fifteen (15)</td>
<td>120</td>
</tr>
<tr>
<td>Eighteen (18) years</td>
<td>Twenty (20)</td>
<td>160</td>
</tr>
<tr>
<td>Twenty-five (25) years</td>
<td>Twenty-five (25)</td>
<td>200</td>
</tr>
</tbody>
</table>

A vacation of three (3) working days will be allowed to an hourly-rated employee who was hired between January 1st and June 30th of any year. No employee will be eligible for any vacation until the completion of his or her probationary period.

Section 2. An hourly-rated employee who does not meet the requirements of Section 1 of this Article shall receive no vacation, and every employee who does meet the requirements of Section 1 shall receive only the vacation specified in that Section which gives him or her the longest vacation.

Section 3.

(a) Any employee who is eligible for a vacation under this Article shall receive a vacation or vacation pay even if he or she is not actively in the employ of the Company on the day preceding the start of his or her scheduled vacation. Should an employee die, or should the employment of an employee be terminated because of resignation, retirement, or layoff during the vacation year, prior to taking the vacation he or she was eligible for in the anniversary year, or at the completion of the ninety (90) day probationary period as noted in Section 1 of this Article, the vacation pay allowance will be paid;
provided, however, that this Section shall not apply in the case of any employee who is discharged except for those cases involving attendance, sleeping and poor performance.

(b) Any employee whose employment is terminated by reason of death, retirement, entry into the military service, or layoff, and who at the time of such termination is eligible to receive, or had received during the calendar year of termination, vacation pay pursuant to Section 1 of this Article shall upon such termination also receive pro-rata vacation pay for each month, or part thereof, in which such employee worked during the calendar year in which such termination occurred; provided that any employee who is eligible for, or had received, vacation pay pursuant to Section 1 of this Article shall not receive pro-rata vacation pay until the employee has completed his or her ninety (90) day probationary period. Any such pro-rata payment will be deducted from any vacation pay to which the employee may subsequently become entitled for the calendar year in which the termination occurs.

Section 4. An employee will receive vacation pay as it is taken during the year. The vacation pay will be based on his or her then effective base hourly rate plus cost-of-living allowance and shift premium. In those instances in which an employee does not utilize all of his or her vacation at the Company's request, the employee will be paid for the unused vacation days at his or her effective base hourly rate, plus cost-of-living allowance and shift premium, if any, at the end of the eligibility year.

Section 5. The vacation pay allowance of an employee who receives a vacation pay allowance pursuant to Section 3(a) of this Article shall be computed on the basis of the employee's hourly base rate plus cost-of-living allowance and shift premium in effect at the time of such employee's termination.

Section 6.

(a) Employees who are assigned to the regular rotating shifts on which they work alternate weeks on first shift and alternate weeks on second shift will, for the purpose of vacation pay computation, be credited with a 5% shift premium.

(b) Employees of the Power House who regularly work an eight hour shift: one-third of the time on first shift, one-third of the time on second shift, and one-third of the time on third shift will, for the purpose of vacation pay computation, be credited with a 6.67% shift premium.
(c) Employees who are absent from work because they were excused by the Company from this work to attend to Union business during regularly scheduled work hours shall be treated as if they had actually worked during such absence.

Section 7. The pro-rata vacation pay mentioned in Section 3(b) of this Article shall be computed by multiplying the vacation pay received by the terminated employee pursuant to Section 3(a) of this Article by one-twelfth (1/12) for each month in which such employee worked in the calendar year in which such termination occurs, but not including the employee's ninety (90) day probationary period with the Company.

Section 8. The determination of whether there shall be a vacation or vacation pay in lieu of a vacation shall be solely at the discretion of the Company.

Section 9.

(a) An employee shall be credited with four (4) hours extra vacation time for each three (3) consecutive calendar months (non-pyramided), in which such employee demonstrates a perfect attendance record. Employees credited with four (4) hours incentive vacation time will be allowed to use such incentive vacation time (or pay in lieu thereof) immediately following the period during which it was earned or at any time thereafter but the time must be taken within the next twelve (12) months. Employees requesting incentive vacation time (or pay in lieu thereof) will be required to receive the approval of their supervisor.

(b) Perfect attendance is defined as having worked a full eight (8) hours or a full, regular six and one-half (6-1/2) hours, during each of an employee's regularly scheduled workdays during such three (3) consecutive months. Absence caused by jury duty, military service, bereavement leave, authorized family medical leave, Workers' Compensation doctor visits or attendance at a Workers' Compensation hearing during part, but not all of said three (3) consecutive calendar months, or any absence concurrent with a contract ratification meeting between the parties shall not be considered an absence for the purposes of this Section.

(c) Regularly scheduled workdays shall include all days of an employee's normal workweek, which excludes vacation days.
Section 10. Employees who are entitled to three (3) or more weeks of vacation will be allowed to take their third, fourth and/or fifth week of vacation in individual days, which includes taking ten (10) days in half day increments, provided they make the request of their supervision for each day or part day requested prior to the time off and such approval is granted.

**ARTICLE 14**

**Holidays**

Section 1. Hourly-rated employees who meet all of the following eligibility rules and conditions shall be paid for:

**2001 HOLIDAYS**

Monday, December 24, 2001  
Tuesday, December 25, 2001  
Wednesday, December 26, 2001  
Thursday, December 27, 2001  
Friday, December 28, 2001  
Monday, December 31, 2001

**2002 HOLIDAYS**

Tuesday, January 1, 2002  
Friday, March 29, 2002  
Monday, May 27, 2002  
Thursday, July 4, 2002  
Monday, September 2, 2002  
Thursday, November 28, 2002  
Friday, November 29, 2002  
Wednesday, December 25, 2002  
Thursday, December 26, 2002  
Friday, December 27, 2002  
Monday, December 30, 2002

**2003 HOLIDAYS**

Wednesday, January 1, 2003  
Friday, April 18, 2003  
Monday, May 26, 2003  
Friday, July 4, 2003  
Monday, September 1, 2003  
Thursday, November 27, 2003  
Friday, November 28, 2003  
Thursday, December 25, 2003  
Friday, December 26, 2003  
Monday, December 29, 2003  
Tuesday, December 30, 2003  
Wednesday, December 31, 2003

**2004 HOLIDAYS**

Thursday, January 1, 2004  
Friday, April 9, 2004  
Monday, May 31, 2004  
Monday, July 5, 2004  
Monday, September 6, 2004
Section 2. An employee shall receive eight (8) hours pay at his or her regular base hourly rate plus cost-of-living allowance exclusive of all premiums, bonuses or overtime allowances for each such holiday not worked provided he or she meets all of the following provisions:

(a) The employee has at least 30 days of continuous service as of the day preceding the holiday, except in the case of recall from layoff.

(b) The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

(c) The employee was not absent on both the day before and the day after the holiday, nor was the employee absent for more than five (5) days on either the day before or the day after the holiday unless the employee's absence is excused for an emergent reason satisfactory to the Company.

Section 3. An employee who would have been eligible for holiday pay under these provisions except that he or she failed to meet the rules and conditions set forth in Section 2 solely because he or she was required, as a member of the National Guard or as a reserve member of one of the United States Armed Forces, to be absent from work for the purpose of actual annual training duty or encampment for a period of not more than fifteen (15) days in a military fiscal year nevertheless shall be entitled to the holiday pay which he or she would have received had he or she been working on his or her regularly scheduled job during such absence. The provisions of this section shall also be applicable with respect to an employee who is required, as a member of the National Guard or as a reserve member of one of the United States Armed Forces, to be absent from work for temporary emergency duty for a period of not more than fifteen (15) days in a calendar year.

Section 4. When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday and shall be paid as such holiday.

When a holiday falls on Sunday, the following Monday shall be observed as the holiday and shall be paid as such holiday.

Section 5. When any of the above holidays falls within an eligible employee's scheduled vacation period, such holidays will not be considered to be vacation days.
Section 6. The Company may, at its option, observe the holidays listed in this Article by not operating its plants, departments, or sections thereof or it may schedule such holidays as regular workdays. An employee who is scheduled for work or who agreed to work on any holiday and who fails to report for and perform such work shall not receive pay for the holiday. An employee who is scheduled to work on a holiday will receive forty-eight (48) hours advance notice thereof if possible; but if such notice is not possible, he or she shall receive as much notice as is possible.

Section 7. Employees eligible for holiday pay under these provisions who are scheduled to work and who perform on any of the above-named holidays shall be paid in accordance with Section 2 above; and in addition, twice their regular base hourly wage rates plus cost-of-living allowance for all hours worked on such holiday.

ARTICLE 15
Sick and Personal Leave

In the event of an eligible employee's absence from work because of nonoccupational sickness or injury, he or she shall be entitled to leave with pay during each year of continuous and active service as provided below. Such leave with pay may also be used for personal reasons, once the employee has received his or her supervisor's prior approval.

Section 1. For the purposes of this Article, the period during which an employee shall be eligible for leave with pay because of nonoccupational sickness or injury or personal reasons shall begin on January 1 of each year and end on December 31 of that year. However, employees recalled from layoff during the first quarter of the year will be treated as though they were continuously and actively in the employ of the Company on January 1 of the year of recall for the purpose of determining sick and personal leave eligibility.

Section 2. An employee who on January 1 of any year during the term of this Agreement has been continuously and actively in the employ of the Company for at least six (6) months prior thereto shall be eligible for three (3) days' leave with pay during the following year.

Section 3. An employee who on January 1 of any year during the term of this Agreement has been continuously and actively in the employ of the
Company for at least one (1) year prior thereto shall be eligible for five (5) days' leave with pay during the following year.

Section 4. Pay for one (1) day of sick and injury or personal leave means pay for eight (8) hours at the employee’s regular base rate of pay plus cost-of-living allowance exclusive of all premiums, bonuses, or overtime payments.

Section 5. Each eligible employee shall be entitled to pay for the balance of the days of sick or personal leave for which he or she was eligible that remain unused at the end of the sick or personal leave eligibility year. Pay for the unused days of such leave shall be at the employee’s regular base rate of pay plus cost-of-living allowance exclusive of all premiums, bonuses, or overtime payments.

Section 6. Sick and personal leave days may be taken in full days consisting of eight (8) hours or half-days consisting of four (4) consecutive hours.

Section 7. To be eligible for pay for unused leave, an employee must be employed on December 31 of the sick or personal leave year. There shall be no prorated payment to terminating or laid-off employees for unused leave; except employees who are laid off or retire will be eligible for any unused sick or personal leave.

Section 8. Time spent by an employee after having been terminated from active employment for any reason, including discharge, resignation, layoff, leave of absence, or for the purpose of entering the Armed Services, shall not be considered as service time for the purpose of acquiring sick and injury or personal leave benefits.

Section 9. The Company may require verification acceptable to it in any case for which an employee requests payment for an absence due to sickness or injury.

Section 10. Payment shall not be made for an absence due to illness or injury unless the employee claiming such payment shall have notified the Company within two (2) hours of the start of his or her shift on the first day of his or her absence.

Section 11. When the reported reason for absence of an employee is illness or injury or personal reasons and the Company does not require verification, the employee shall be considered as applying for a day of paid sick or personal leave. If he or she is entitled to such a paid day, it will be included in his or her paycheck for the affected week whenever practicable.
ARTICLE 16
Reporting Pay - Call-Back Pay

Section 1. Any employee reporting for work who has been working on the previous workday and has not been notified that there will be no work, shall receive one-half (1/2) shift consisting of four (4) hours pay (or in the case of Alternative Workweek Schedules, five (5) hours for the 4x10 or six (6) hours for the 3x12) at the rate of pay applicable for such hours. The posting of a notice on the bulletin boards two (2) hours before the completion of the shift of the affected employee shall be sufficient and proper notice. This provision shall not apply in the case of any stoppage of work, strike, or slowdown or in any other case or condition beyond the control of the Company.

Section 2. An employee, who is not scheduled to work, and who, after completing his regularly scheduled shift or extension thereof, is called back for emergency work after he has left the premises, or an employee who is called in for emergency work on Saturday or Sunday, and who reports for work after such call-back or call-in time at a time which is more than four (4) hours prior to the beginning of his regularly scheduled shift, shall receive not less than four (4) hours work at the rate of pay applicable for such hours of work. This provision shall not apply if four (4) hours of work is not available because of any stoppage of work, strike, or slowdown or in any other case beyond the control of the Company.

ARTICLE 17
Bereavement Leave

Section 1.

(a) An employee who is absent from work on a scheduled workday (excluding Saturdays, Sundays, holidays, vacations, and authorized leaves of absence) for the purpose of attending the funeral of a member of his immediate family will be compensated for time necessarily lost by reason of such absence up to a maximum of three (3) days. For the purpose of this subsection, immediate family is defined as spouse, father, mother, grandparents, grandchildren, sister, brother, child, parent of current spouse, stepparents, brother-in-law, sister-in-law, son-in-law, daughter-in-law, and stepchild if brought up and supported as though a natural child. Compensation for such absence will be made for not more than eight (8) hours on any one day of absence at
the employee's regular base hourly wage rate plus cost-of-living allowance exclusive of all premiums, bonuses, or overtime allowances.

(b) Payment shall not be made for such absences unless the employee claiming such payment shall have notified his supervisor promptly upon learning of the death of his relative. Verification acceptable to the Company of the death of and relationship of the relative of the employee claiming such payment shall be given the Company upon request. Payment shall be made in the pay period immediately following the date(s) the employee was absent for the purposes of attending the funeral.

ARTICLE 18
Jury Duty

Section 1. A first shift employee who is required to be absent from work in order to report for jury examination on a regularly scheduled workday will receive a jury duty allowance in an amount not to exceed four (4) hours' pay at his or her regular base hourly wage rate plus cost-of-living allowance.

Section 2.

(a) When an employee is required to be absent from work on a regularly scheduled workday in order to serve as a juror, he or she shall be granted pay for those hours for which he or she is absent from work for this reason at his or her regular base hourly rate plus cost-of-living allowance. Such payment shall not exceed eight (8) hours for any full day of absence.

(b) Pay for such work time lost shall in no event exceed a total of thirty (30) regular eight (8) hour workdays or part days in any calendar year.

(c) Second or third shift employees who are ordered to serve as jurors and who are excused from jury service prior to 2:00 p.m. (or prior to 1:30 p.m. in the case of employees whose shift begins at 3:00 p.m.) on any regularly scheduled workday shall report for work at the beginning of their regularly scheduled shift on such day. They shall not be eligible for jury service pay in such case.

Section 3. The provisions of Section 1 and Section 2 shall not apply in any case of jury examination or jury duty on any day during which an employee is not scheduled to work nor on holidays, vacation periods, or authorized leaves.
of absence, nor shall such provision apply to employees who have volunteered for jury duty.

Section 4. To be eligible to receive pay for time lost from work because of jury examination or jury duty, an employee must notify his or her supervisor not later than forty-eight (48) hours after he or she receives notice to report for such examination or duty and must provide the Company within one (1) week, whenever practicable, of the completion of jury service with a statement filed by an official of the court showing the time of reporting and the time of dismissal from jury service.

ARTICLE 19
Rest Period

Employees who are required to work more than two (2) hours overtime in a day shall be given an 18-minute lunch and rest period prior to the commencement of the overtime, on Company time.

ARTICLE 20.
Military Service

Section 1. An employee who is required, as a member of the National Guard or as a reserve member of one of the United States Armed Forces, to be absent from work for the purpose of actual annual training duty or encampment duty for a period of not more than fifteen (15) days in a military fiscal year shall be granted pay for those hours for which he or she is absent from work for this reason at his or her regular base hourly rate plus cost-of-living allowance less the compensation paid him or her with respect to such military service; provided, the employee would otherwise be scheduled to work on each such day; and provided further the employee has at least one (1) year of continuous service with the Company at the date he or she is called for such service. Such payment by the Company shall not exceed eight (8) hours for any full day of absence. The provisions of this Section shall also be applicable with respect to an employee who is required, as a member of the National Guard or as a reserve member of one of the United States Armed Forces, to be absent from work for temporary emergency duty for a period of not more than fifteen (15) days in a calendar year.

Section 2. An employee (other than a temporary employee) who leaves the employment of the Company for the purpose of entering the Armed Forces of the United States shall be reemployed by the Company in accordance with
the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994. The seniority of such employee shall accumulate during the time spent in the Armed Forces of the United States.

**ARTICLE 21**

**Pensions**

Section 1. The Pension Plan of United Technologies Corporation as it applies to the employee described in Article 2 of this Agreement is set out in a booklet entitled “Summary Plan Description - Employee Retirement Plan for Hourly Paid Represented Employees”, which is attached to and made part of this Agreement as Appendix C.

Section 2.

(a) That solely for the purpose of calculating an employee’s pension benefits, the employee’s earnings shall not be reduced because of fees or other compensation paid such employee by the civil authorities for the jury, duty referred to in Article 18 nor by the military for the employee’s military service referred to in Section 1 of Article 20.

(b) That for the sole purpose of calculating an employee’s pension benefits, an employee’s earnings shall not be reduced because of excused Union time.

Section 3. The changes and amendments in the Pension Plan agreed upon by the parties to this Agreement will, after approval by the Pension Administration and Investment Committee of the Company and the U.S. Internal Revenue Service, be attached to and made part of this Agreement.

**ARTICLE 22**

**Group Insurance and Savings Plan**

The United Technologies Group Health Insurance Plan as it applies to employees described in Article 2 of this Agreement is set out in the following booklet: “Summary Plan Description – Medical Benefits for Hourly Paid Represented Employees”, which is attached to and made part of this Agreement as Appendix D.

The United Technologies Group Dental Plan, Life Insurance Plan and Disability Plan as it applies to employees described in Article 2 of this Agreement is set out in a booklet entitled “Summary Plan Description – Dental, Life Insurance and Disability Benefits for Hourly Paid Represented...
Employees”, which is attached to and made part of this Agreement as Appendix E.

The United Technologies Savings Plan as it applies to employees described in Article 2 of this Agreement is set out in the booklet captioned, “Summary Plan Description and Prospectus – Employee Savings Plan for Hourly Paid Represented Employees”, which is attached to and made a part of this Agreement as Appendix F.

The changes and amendments in the Savings Plan agreed upon by the parties to this Agreement will, after approval by the Pension Administration and Investment Committee of the Company and the U.S. Internal Revenue Service, be attached to and made part of this Agreement.

ARTICLE 23
General Provisions

Section 1. The Company shall furnish bulletin boards in conspicuous places to be used solely for the posting of the following Union notices:

(a) Union meeting notices.

(b) Union election notices and notices of the results of Union elections.

(c) Notices of appointments to Union offices.

(d) Notices of Union social and recreational affairs.

No notice shall be posted unless it has been approved for posting by the signature of the proper executive of the Company.

Section 2. There shall be no distribution or posting by employees or by the Union of any notices, pamphlets or literature of any kind containing advertisements, solicitations for funds, or solicitation for votes for political candidates or parties on Company property except as otherwise provided in Section 1 above.

Section 3. The Company shall, after discussion with the Union, designate the locations on its property where the Union may station employees to distribute Union flyers, leaflets or other Union literature to employees and others. It is understood and agreed that locations so designated shall provide the Union with full opportunity to place its literature into the hands of employees coming to or leaving work; provided, however, that such locations
shall be those which will not result in any impediment to employees entering or leaving the plant buildings.

Section 4.

(a) A leave of absence not exceeding ninety (90) days may be granted by the Company to an employee for good cause upon the written request of such employee. An extension of such leave may be granted by the Company upon application of the employee made not less than ten (10) days prior to the expiration of the original leave of absence. If a leave of absence is granted, the seniority of such employee shall accumulate during the period of the leave of absence.

(b) An employee who has been granted such leave of absence shall be considered as having quit without notice and shall be terminated from employment by the Company, if while on such leave of absence he engages in or applies for other employment without the consent of the Company. If an employee on such leave fails to report for work at the beginning of his first regular shift after the termination of such leave, he shall be subject to discharge.

Section 5: The Company and Union both recognize that it is sometimes necessary for employees to take leaves of absence because of family reasons. Knowing that these circumstances arise, it has been agreed that the following policies and procedures for such leave of absence apply and are in compliance with the Federal Family and Medical Leave Act of 1993 and the Connecticut Family and Medical Leave Act effective 1990. Eligible employees will be granted job protected leaves of absence for the birth or adoption of a child or the serious illness of a child, spouse, parent or employee. This policy covers eligible employees (with one year of service and 1,000 hours of work in the preceding 12 calendar months), and provides for unpaid family leave for the following reasons:

(a) birth/adoptive of a child

(b) serious illness of a child, spouse, parent or employee

1. Definitions:

(a) A child is a natural, adopted, foster, stepchild or a legal ward, provided such child is under the age of 18 or 18 years of age or older and unable to care for themselves because of mental or physical disability.
(b) A parent is the biological parent, foster parent, stepparent, adoptive parent, or legal guardian of an eligible employee. This definition also includes a parent-in-law of the employee and a parent in "loco parentis." (Parent-in-law only included under Connecticut State Law.)

(c) A spouse includes spouses recognized under applicable state law, including common law marriages where recognized.

(d) An employee (defined above).

(e) Serious illness is a disabling physical or mental illness, injury, impairment or condition that involves: inpatient care in a hospital, residential medical care facility, or hospice, or outpatient care requiring continuous treatment or supervision by a health care provider.

2. Procedures:

(a) **Description of Family and Medical Leave of Absence**

(b) Employees will be granted job protected family medical leaves of absence for the birth or adoption of a child or upon the serious illness of a child, spouse, parent or self. Family and Medical Leaves of Absence up to sixteen (16) weeks during any one (1) year period of time will not be denied by the Company upon written request by the employee. Furthermore, an employee may, upon approval of department management, extend this family leave up to twenty-six (26) weeks during any one (1) year period including sick/family illness days. When practicable, the employee will give two (2) weeks notice prior to commencement of the leave of absence. The employee will give the Company a ten (10) day notice in advance of his or her return to work date. Upon completion of such leave, the employee will be returned to the same or equivalent job at the same grade, pay and shift.

(c) **Seniority:**

The seniority of an employee shall accumulate during an authorized leave.

No employee shall be disciplined or discriminated against because the employee has utilized the leave provision set forth above.
(d) Attendance:

The employee's attendance record shall reflect the full period of absence resulting from a properly authorized leave.

Absences due to family leave will not be counted as absences for the purpose of determining incentive vacation or vacation pay.

(e) Insurance:

The medical, dental, life, OSLI insurance and health care reimbursement account may be continued while on Family and Medical Leave. The employee is responsible for the employee contributions, if any, to these plans. Employees may waive the continuation of their insurance benefits. If employees are required to contribute to any part of their insurance, appropriate deductions will be made when the employee returns to work.

The parties agree that if applicable laws change during the life of this Agreement, revision to the Family and Medical Leave of Absence provisions will not be implemented until the parties meet and discuss any changes.

Section 6. Nothing contained in this Agreement shall in any way limit the right of the Company to discharge any employee in order to comply with its obligations to the Government under any security agreement, under any security provisions of its Government contracts, or under any law, regulation, or direction of the Government. The Company will notify the Union prior to or immediately following such a discharge, and if permitted, will disclose to the Union the reasons or basis for its action.

Section 7. Union representatives and delegates shall be excused from work for no less than a full shift or half shift (unless otherwise agreed to), upon written application received by the Company not less than one (1) day prior to such contemplated absence to attend the following Union functions:

(a) Monthly meetings of District 91 not to exceed a total of five (5) employee-delegates.

(b) Meetings of Shop Committee in preparation for Committee of Management meetings.
National, state or regional I.A.M.A.W. conferences or conventions not to exceed fifteen (15) employee-delegates.

(d) AFL-CIO state or regional meetings or conferences not to exceed fifteen (15) employee-delegates.

(e) Annual I.A.M.A.W. school or courses [ten (10) working days maximum] not to exceed five (5) employees per course with a maximum of fifteen (15) employees per year.

(f) Local Union executive board meetings (limited to executive board members) limited to two (2) meetings per month.

(g) It is agreed that a reasonable number of employees will be excused for the express purpose of serving as tellers when elections or referendums at the International, District or Local level are held. It is understood that the Union will request excusal for as few employees as possible in consideration of the need to carry on the Company’s business.

(h) It is agreed upon the request of the Directing Business Representative of District 91, a total of five (5) employees, covered by the Pratt & Whitney Agreement, may each be excused for up to a total of five (5) days a year to attend political meetings.

(i) Any grievance alleging a violation of this Section shall be submitted at Step 2 of the grievance procedure.

Section 8. The Company will inform the Union of any revisions in travel and relocation expense allowances throughout the life of this Agreement and will provide the Union with a copy of the plan and revisions to the plan.

Section 9. Employees will continue to have the option to direct deposit their weekly paycheck to a bank or an institution of the employee’s choice.

Section 10. The Company agrees to meet with the Union and discuss any shift changes prior to implementation.
ARTICLE 24
Strike or Lockout

The Union will not call or sanction any strike, sympathy strike, sitdown, slowdown, other concerted stoppage of work, or picketing of the Company's plant by employees of the Company during the period of this Agreement. The Company agrees that there will not be a lockout of employees.

Should a strike, sympathy strike, sitdown, slowdown, other concerted stoppage of work, or picketing of the Company's plant by employees of the Company occur not called or sanctioned directly or indirectly by the Union, the Union, acting through all of its officials identified in Section 16 of Article 8, upon request of the Company shall:

(a) publicly disavow such action by the employees within forty-eight (48) hours of the Company's request;

(b) advise the Company in writing that such action by employees has not been called or sanctioned by the Union; and

(c) post notices on Union bulletin boards advising employees that it disapproves such action and instructing employees to return to work immediately.

The obligation of the Union and its officials identified above to the Company is limited to the performance of the foregoing without further responsibility or liability for loss from such action by employees.

Employees participating in any strike, sympathy strike, sitdown, slowdown, other concerted stoppage of work, or picketing of the Company's plant by employees of the Company shall be subject to discharge by the Company without recourse to the grievance procedure or arbitration; provided, however, that an employee who alleges that he or she did not participate in a strike, sympathy strike, sitdown, slowdown, other concerted stoppage of work, or picketing of the Company's plant by employees of the Company may have recourse to the grievance procedure and arbitration for the sole purpose of ascertaining whether he or she did so participate.
ARTICLE 25
Employee Assistance Program

The Company and the Union agree to cooperate in encouraging employees suffering from the illness of alcoholism or from drug dependency to undergo a coordinated program directed to their rehabilitation.

It is agreed the Company and the Union will recognize the District 91 Senior Union Employee Assistance Coordinator who will serve as the bargaining unit coordinator for EAP services. The Company and the Union will also recognize one Union Coordinator from each Local Lodge affiliated with District 91 for the purpose of discussion and consultation with the Manager, Union Relations regarding items of mutual concern.

The parties agree that in order to advance the goals of this program that there will be regularly scheduled meetings between the Local Lodge Coordinators and the Senior Union EAP Coordinator. Local Lodge EAP Coordinators who must absence themselves from work for attendance at such meetings will be paid at their regular base hourly rate, plus cost-in-living allowance and shift premium, if any, up to four (4) hours per month.

Each Union Coordinator, shall, after notice to and permission from the supervisor, be allowed to leave his or her job to attend meetings with the Manager, Union Relations or the District 91 Coordinator at a time mutually agreed upon. These meetings may include the Union Coordinator's participation in the counseling of employees he or she has referred to the Employee Assistance Program, providing the employer requests and gives permission to have the Union Coordinator present at such counseling sessions. Time spent in attendance at such meetings during scheduled work hours shall be recorded and paid for, not exceeding two (2) hours in any workweek. The Company and the Union recognize the sensitivity and confidentiality of the information concerning employees seeking assistance and agree to protect those rights afforded all employees for privacy and confidentiality of all information regarding their treatment.

As employees of Pratt & Whitney, Hamilton Sundstrand or UTC Fuel Cells, the Senior Union EAP Coordinator and as employees of Pratt & Whitney, each Local Lodge Union EAP Coordinator will be indemnified by United Technologies Corporation when acting lawfully; in the scope of his or her employment; in good faith; and in a manner he or she reasonably believes to be in, or not opposed to, the best interests of the Corporation.
ARTICLE 26
Environmental, Health & Safety

Section 1.
(a) The total number of Union EHS Representatives shall be determined by applying a formula of one (1) Union EHS Representative for every one hundred and forty (140) employees in the bargaining unit by site, as set forth in Article 2. The number of Union EHS Representatives assigned to any site shall not exceed a ratio of one (1) Union EHS Representative for each one hundred and twenty (120) bargaining unit employees at that site, subject to the overall limitation of one Union EHS Representative per one hundred and forty (140) employees set forth above.

(b) Should the number of Union EHS Representatives exceed the limitation set forth in Paragraph above, the Company shall so inform the Union in writing. The Union shall thereupon promptly notify the Company, in writing, of the revisions in Union EHS Representative assignments required by such limitation. Failure of the Union to so notify the Company within ten (10) days (excluding Saturdays, Sundays and holidays) shall automatically reduce the number of Union EHS Representatives to the required level by canceling Union EHS Representative appointments on the basis of seniority as defined in Article 8, starting with the least senior Union EHS Representative. However, if the requirement to reduce the number of Union EHS Representatives is caused by a reduction in the workforce, the Company agrees the affected Union EHS Representatives will remain in their position for the duration of their appointment.

(c) The Union will notify the Company of the assignments and shifts of the Union EHS Representatives and, upon request of the Company, will discuss these assignments and shifts to ensure coverage for all shifts and areas.

(d) Union EHS Representatives shall be active employees of the Company. No employee shall act as a Union EHS Representative unless at the time of his or her selection he or she has not less than twelve (12) months' seniority as defined in Article 8.

Section 2.
(a) Employees are expected to routinely take up with their supervisor any safety issues which may arise in the immediate work area.
(b) Any employee recognizing an environmental, health or safety hazard or a situation which the employee reasonably believes has the potential of causing serious physical harm or injury, may request the services of a Union EHS Representative from his or her supervisor. Under normal conditions and subject to the availability of the Union EHS Representative, the employee's request will be given to the appropriate Union EHS Representative within two (2) hours from the request. In the event that an employee or Union EHS Representative reasonably believes that he or she is in imminent danger of serious injury or death from a hazardous condition in the workplace, the employee or Union EHS Representative shall remove him or herself from harm and have the rights afforded to him or her under federal and state law. Further, subject to a review by a Union EHS Representative and a Company Environmental Health & Safety professional or supervisor, appropriate steps will be taken to eliminate the hazard including, if necessary, shutting down the job.

(c) Any EHS issue which the supervisor of the area has no authority to settle will be reduced to writing and submitted to EHS Site Manager, who will assign the written complaint to the proper Module Center General Manager. Such EHS issues will be discussed at Level Two, as provided for below, and within five (5) days of submission.

(d) The supervisor will give his or her answer at this oral level to the Union EHS Representative, within three (3) working days. Any unresolved environmental health and safety issues will be reduced to writing by the Union EHS Representative on the form provided by the Company. The following procedure will be followed.

Level One Meeting:

Within five (5) working days of receipt of a written Environmental Health & Safety (hereafter referred to as “EHS”) complaint, a meeting will be convened between the Union EHS Representative, the employee, the responsible business unit manager and the supervisor to discuss the issue. At the request of either party, a representative of the EHS organization may be present at this meeting. The answer to the complaint will be given by the responsible business unit manager within five (5) working days of the meeting. The Union EHS Representative will have five (5) working days to accept or appeal the answer.
Level Two Meeting:

Within five (5) working days of the Union EHS Representative's appeal, a meeting will be held between the Chief Union EHS Representative, the Union EHS Representative, the manager EHS (or his or her designee) and the module center general manager (or his or her designee) to discuss the issue. The answer to the complaint will be given within five (5) working days of the meeting. The Union may process unresolved issues to the Committee of Management in accordance with Article 7, Written Step 2, paragraph (a).

(e) Any disposition of an EHS complaint accepted by the Union or from which no appeal has been taken, is final, conclusive and binding upon all employees, the Company and the Union.

(f) Time spent in attendance at meetings covered by Section 2 during the Chief Union EHS Representative's scheduled working hours shall be recorded and paid for not exceeding three (3) hours in any workweek. Time spent in attendance at meetings covered by Section 2 during the Union EHS Representative's scheduled working hours shall be recorded and paid for not exceeding four (4) hours in any workweek.

(g) The following type of EHS complaints shall be presented initially at this step of the complaint procedure: an EHS complaint which is individually submitted by five or more employees; EHS complaints that the business unit manager at the Level One Meeting of the complaint procedure lack the authority to settle; and non-compliance over previous dispositions in the complaint procedure.

Section 3. When the Company and a Union EHS Representative mutually agree, a Union EHS Representative will be allowed to observe the conditions giving rise to a problem in the presence of management representatives where such observations are essential to the evaluation of a problem. No reasonable requests will be refused.

Section 4. As necessary, but not more frequently than once a month, the Chief Union EHS Representative will, upon request, meet with the Manager EHS, or his or her designated representative, to discuss general environmental, health and safety issues. The Chief Union EHS Representative will be paid at his or her base hourly rate plus cost-of-living allowance and shift premium, if any, up to three (3) hours for his or her attendance.
Section 5. No less than quarterly the Chief Union EHS Representative; upon request, will be provided a walk-around tour by the Module Center General Manager (or an individual in a similar management position), the appropriate Manager, Human Resources or designee, and a representative of the EHS organization. If so desired, the Chief Union EHS Representative may request a reasonable number of Union officials be permitted to accompany the tour. Such requests, made to the appropriate manager, human resources, will not be unreasonably refused. Of the four quarterly meetings, two (2) will be conducted on first shift, one (1) will be conducted on second shift and one (1) will be conducted on third shift. All Union EHS Representatives and Union officials, if employees, will be paid up to eight (8) hours at their base hourly rate plus cost-of-living allowance and shift premium, if any, for their attendance. Thirty days following the walk-around, the Chief EHS Representative will be permitted to review open items from the walk-around with the appropriate management representative.

Section 6. Semiannually, upon request, meetings will take place between the Union EHS Representatives and representatives of EHS to discuss items of mutual concern. Union EHS Representatives will be paid at their base hourly rate plus cost-of-living allowance and shift premium, if any, for their attendance. It is also agreed the Union EHS Representatives will be paid up to four (4) hours at their base hourly rate plus cost-of-living allowance and shift premium, if any, to attend a meeting among themselves prior to the semiannual meetings.

Section 7. Quarterly meetings will be held between representatives of the Company's site EHS organization and the District 91 Union EHS Coordinator and the Chief Union EHS Representatives to discuss strategy, planning and pro-active issues. All Chief Union EHS Representatives and Union officials, if employees, will be paid up to four (4) hours at their base hourly rate plus cost-of-living allowance and shift premium, if any, for their attendance. It is also agreed the Chief Union EHS Representatives and Union officials, if employees, will be paid up to four (4) hours at their base hourly rate, plus cost-of-living allowance and shift premium, if any, to attend a meeting among themselves prior to such meetings.

Section 8. The Union may present to the Company for its review and approval, appropriate safety training courses, sponsored by the IAM or other organizations, for employees serving as Union EHS Representatives. The Company, upon its approval, will pay for the affected employees' lost time for attendance at such courses.

Section 9. As employees of Pratt & Whitney, the Chief Union EHS Representative and Union EHS Representatives from each Local Lodge will
be indemnified by United Technologies Corporation when acting lawfully; in the scope of his or her employment as EHS Representative; in good faith; and in a manner he or she reasonably believes to be in, or not opposed to, the best interests of the Corporation.

Section 10. In the event that a spill or accident occurs on Company property, the Union will be notified in accordance with the following procedure:

(a) For Class 1 incidents (minor spills that can be immediately cleaned up and pose no damage to any worker, equipment or the environment) the appropriate Union EHS Representative will be directly notified within twenty-four (24) hours.

(b) For Class 2, 3, and 4 incidents and/or serious injuries/fatalities, the appropriate Union EHS Representative will be notified immediately in accordance with emergency notification procedures. In the event the incident occurs during the weekend or on holidays, the Company will make every effort to contact the covering Union EHS Representative.

A copy of all accident and/or spill reports will be submitted to the applicable Chief EHS Representative or Union EHS Representative within twenty-four (24) hours of occurrence. The applicable Union EHS Representative may investigate the accident and time spent will be paid for by the Company.

ARTICLE 27
Transfer of Ongoing Production/Non-Production Work

Section 1. The Company will give notice of its intent to close a plant or transfer a business unit, department, cell, or any part of an operation a minimum of six (6) months in advance of any movement of employees resulting from such intent. Such notice will include identification of the work to be transferred, the expected decrease in the number of represented employees as a direct consequence of the transfer of work and the anticipated date of the transfer of work. With the mutual consent of the Union (only for extreme business conditions) in the event the Company cannot meet its obligation of the six (6) month notice, the Company will provide the affected employees with either alternate work or pay and benefits for part or all of the six (6) month notice period. However, the Company will still be required to comply with Sections 2 and 3 of this Article.

Section 2. If the Union requests to meet and confer within ten (10) working days following the notice set forth above, the Company will be available to
meet and confer with the Union within five (5) working days of such request. The period for meeting and conferring shall not exceed forty-five (45) days except by mutual agreement. The final decision regarding closing a plant or transferring a business unit rests solely with the Company.

Section 3. If information is requested by the Union for the meet and confer session(s), the Company will promptly make the following information available to the Union: the express reason(s) for intending to transfer the work and, where employment cost is a significant factor, comparative related wages, payroll allowances and employee benefit expenses of represented employees for the work intended to be transferred and of their counterparts who would be assigned the work. This information will be treated as confidential by the Union.

Section 4. The Company will give notice of its intent to transfer or subcontract non-production work a minimum of six (6) months in advance of any movement of employees resulting from such intent. Such notice will include identification of work to be transferred or subcontracted, the expected decrease in the number of represented employees as a direct consequence of the transfer or subcontracting of work, and the anticipated date of the transfer or subcontracting of work. In the event the Company cannot meet its obligation of the six (6) month notice, the Company will provide the affected employees with either alternate work or pay and benefits for part or all of the six (6) month notice period. However, the Company will still be required to comply with Sections 5 and 6 of this Article.

Section 5. If the Union requests to meet and confer within ten (10) working days following the notice set forth above, the Company will be available to meet and confer with the Union within five (5) working days of such request. The period for meeting and conferring shall not exceed forty-five (45) days except by mutual agreement. The final decision regarding closing a plant or transferring a business unit rests solely with the Company.

Section 6. If information is requested by the Union for the meet and confer session(s), the Company will promptly make the following information available to the Union. The information will specifically include express reason(s) for intending to subcontract or transfer the work and where employment cost is a significant factor, comparative related wages, payroll allowances and employee benefit expenses of represented employees for the work intended to be subcontracted or transferred and of their counterparts who would be assigned the work. This information will be treated as confidential by the Union.
ARTICLE 28
M.N.P.L. Check-Off

(a) The Company agrees to deduct on a monthly basis voluntary donations to the Machinists Nonpartisan Political League upon receipt of a signed voluntary authorization card by an employee requesting that deductions be made from his or her wages in a monthly amount designated by the employee provided that the minimum deduction is not less than $1.00. The Company will thereafter make such deductions on a monthly basis and forward them on a monthly basis to the Treasurer of the Machinists Nonpartisan Political League at 9000 Machinists Place, Upper Marlboro, MD 20772-2687, together with the names, social security numbers, departments, clock numbers, and amounts deducted from all employees who authorized such deductions. Such authorization for deductions will remain in effect for the duration of this Agreement unless cancelled in writing by the employee.

(b) The monthly deductions authorized by an employee who has properly executed the authorization card will be deducted from the employee’s pay during the first pay period of each month. Authorizations for deduction received prior to the fifteenth of each month will be effective the first pay period the following month.

(c) The Union agrees that it will indemnify and save the Company harmless from any and all liability, claim, responsibility, damage, or suit which may arise out of any action taken by the Company in accordance with the terms of this Article or in reliance upon the authorization described herein, in an amount not to exceed the sum received by the Union on account of the deductions made from the earnings of such employee or employees.

(d) A sample of the Machinists Nonpartisan Political League check-off card shall be attached hereto and made part of this Agreement.

ARTICLE 29
Job Posting and Bidding

Section 1.

(a) Openings in bargaining unit positions, not subject to the provisions of Article 8, Section 8, shall be posted in all facilities covered by this Agreement. Such postings will be placed on designated bulletin boards in the applicable Human Resources Offices, select cafeterias and plant entrances for a period of not less than five (5) working days.
(b) Employees eligible to bid for such openings shall be restricted to bargaining unit employees currently active with the Company and those on layoff who retain recall rights. Any employee with recall rights may bid for a higher job. Rates of pay for successful bidders will be determined by the Company within the provisions of this Agreement.

(c) If any posted job is not filled and remains open for three (3) months, it will be reposted.

Section 2. Under the conditions outlined below, the Company may transfer or place employees into positions without having first posted the opening. The Company agrees that prior to making such placement, it will notify the appropriate Chairperson of the Shop Committee of the move.

(a) Manpower surplus
(b) Employee physical conditions
(c) Transfer of work
(d) Interpersonal conflicts
(e) Training placement
(f) Placement deficiency
(g) Preferred transfer to former location
(h) Restoration to former occupational group or skill as defined by Article 8
(i) All other cases of mutual agreement between the parties

Section 3.

(a) Active employees who are eligible to bid on posted jobs are those who have a minimum of six (6) months of seniority with the Company, except that any employee who successfully obtains a position via this method may not apply again for a period of one (1) year.

(b) Any eligible employee interested in bidding on a posted job may obtain an application from his or her supervisor or from the Human Resources Office. Such application must be submitted by the employee no later than the “Respond By” date indicated on the posting.
(c) Selections for promotion shall be made in accordance with Article 8, Sections 8(a) and 8(b). Selections for lateral moves and demotions will be made on the basis of the most senior qualified applicant. Any qualified employee who applies and is not selected may file a grievance which must be presented at Written Step 2 of the grievance procedure.

(d) Active employees who are selected must be notified not later than ten (10) working days of the decision. If any active employee selected for a position cannot be released due to work requirements, an employee memorandum will be issued releasing the employee on the individual's next selection after ninety (90) calendar days. Any active employee who applies and is not selected will be notified within ten (10) days of the date the job is filled. Anyone not selected may request career counseling. On a monthly basis the Company will notify the Union with the names of the successful applicants.

Section 4. The Company agrees to provide the Union with copies of all postings as they are generated and, on a monthly basis, will provide a listing of all successful bidders.

ARTICLE 30
Duration

Section 1. This Agreement shall be in full force and effect until midnight, December 5, 2004, and for additional periods of one (1) year thereafter unless either party hereto shall give written notice of its intent to terminate the Agreement or modify any portion or any of the terms hereof by registered mail to the other party not less than sixty (60) nor more than seventy (70) days prior to December 5, 2004, or prior to the end of any yearly period subsequent thereto.

Section 2. The parties in consideration of the benefits, privileges, and advantages provided in this Agreement and as a condition to the execution of this Agreement suspend meetings in collective bargaining negotiations during the life of this Agreement with respect to any further demands, including pensions or insurance for employees or with respect to any questions of wages, hours, or working conditions, except as may be dealt with as a grievance under Article 7 hereof.

Section 3. Should notice of termination or modification be given by either party as provided in Section 1 of this Article, this contract shall terminate as of its expiration date unless specifically extended by written agreement, and,
upon such termination, any and all obligations of either party to continue to maintain the grievance procedure provided by the contract shall immediately terminate and become unenforceable; provided, however, that any grievance which has, prior to the termination of the contract, been appealed to arbitration will be processed under the terms of this contract.

Section 4. Notices shall be in writing and shall be sent by registered mail addressed, if to the Union, to Aeronautical Industrial District Lodge 91, International Association of Machinists and Aerospace Workers, care of the Directing Business Representative, 49 Connecticut Boulevard, East Hartford, Connecticut; and if to the Company, to United Technologies Corporation, care of Vice President for Industrial Relations, Hartford, Connecticut.

It is understood and agreed that this Agreement has been ratified by the membership of District Lodge 91 and its affiliated Local Lodges 700, 707, 1746 and 1746-A.

FOR THE UNION:

[Signatures]

FOR THE COMPANY:

[Signatures]
### SCHEDULE A

*Effective December 3, 2001*

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An applicant may be hired at a rate below, at, or above any Standard Rate shown in the above Schedule A which is determined by the company to be in accordance with the applicant’s qualifications and experience.
## SCHEDULE B

**Effective December 2, 2002**

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*An applicant may be hired at a rate below, at, or above any Standard Rate shown in the above Schedule B which is determined by the company to be in accordance with the applicant's qualifications and experience.*
# SCHEDULE C

**Effective December 1, 2003**

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An applicant may be hired at a rate below, at, or above any Standard Rate shown in the above Schedule C which is determined by the company to be in accordance with the applicant's qualifications and experience.
APPENDIX A

OCCUPATIONAL GROUPS AND FAMILIES FOR
THE PURPOSES OF LAYOFF, AND RECALL
AFTER LAYOFF FOR
EAST HARTFORD, MIDDLETOWN, NORTH
HAVEN, CHESHIRE

Interchangeable job
grades are equal to or
lower than grade shown

In the event an individual Product Center or similar organization
decides to combine an occupational group in one Job Family with an
occupational group in another Job Family, such changes will be mutually
agreed upon prior to implementation.

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<td>MACHINIST, DEVELOPMENT &amp; PRODUCTION</td>
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(Combine Occupational Group 560 with Occupational Group 562)

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APPENDIX B

EAST HARTFORD, NORTH HAVEN, MIDDLETOWN AND CHESHIRE

SENIORITY AREAS FOR THE
PURPOSES OF LAYOFF

During the life of this Agreement, if new business units are created, the Company will meet with the Union to discuss the seniority impact, if any, of such changes.

### Seniority Area

| Engineering | 01 | DEVELOPMENT OPERATIONS SHOP
| | | DEVELOPMENT OPERATIONS FOUNDRY
| | | ENGINEERING TEST
| | | ENGINEERING LABORATORIES
| Turbine Module Center | 02 | BU's 231, 241, 242, 251, 252, 253, 261, 262, 263, 264, 272, ART, MATERIALS, QUALITY ASSURANCE
| Can Module Center | 04 | BU's 20, 41, 42, 43, 149, 122, 123, 136, 151, 152, 153, 154, 158, 401, 406, 430
| Disks, Hubs & Shafts | 05 | BU's 310, 320, 330, 340
| Drum Rotor | 06 | BU's 360, 380
| Hollow Fan Blade | 07 | BU 15
| Cases & Composites | 09 | BU's 431, 432, 436, 437, 439, 713
| Engine Center | 10 | PRODUCTION ASSEMBLY & TEST
| | | EXPERIMENTAL ASSEMBLY & TEST - MIDD.
| Engine Services | 11 | CHESHIRE
| Aftermarket Services | 13 | EAST HARTFORD
| Item Repair | | 02 | JOB FAMILY 10, 11 & 12 - NH
| North Haven Site | | 44 | JOB FAMILY 9*, 10, 11, 12 & 16 - MIDD
| Middletown Site | | 90 | JOB FAMILY 9*, 10, 11, 12 & 16 - EH
| East Hartford Site | | 95 | WII. GOOS SITE

* Except that such employees must have certifications, training and skills necessary to do the relevant work after a brief familiarization period.
This assignment is for: UNION MEMBERSHIP SERVICE FEE (SIGNIFY BY INITIALS)

To: PRATT & WHITNEY, MIDDLETOWN
LOCAL LODGE 700, DISTRICT #91, I.A.M.A.W., MIDDLETOWN

I hereby assign to Lodge 700 of the International Association of Machinists and Aerospace Workers, AFL-CIO, from the third pay earned by me (paid on the fourth Thursday) each month the sum that is hereafter established by the Local Lodge as the monthly dues uniformly required as a condition of retaining membership therein or the monthly service fee established by the Local Lodge, not in excess of the monthly membership dues of union members, and as has been certified as constituting such to the company by the duly authorized Financial Officer of Local Lodge 700, District 91, I.A.M.A.W., AFL-CIO.

This assignment shall be effective and irrevocable for periods of one (1) year subsequent to the effective date or subsequent to the anniversary of the effective date of any year thereafter, provided, that there is an agreement in effect between the Company and the Union, and provided further that no written notice of cancellation of this assignment is given by me to the Company and the Union, simultaneously within ten (10) days prior to the effective date, or within ten (10) days prior to the anniversary of the effective date, of any year thereafter.

Signed by me before the undersigned witness on this _______ day of ___________________________ 20__

Signature ___________________________ Witness ___________________________

I further assign from the third pay of the month following the receipt by you of this authorization one (1) initiation fee in whatever sum is established as such by the Local Lodge and has been certified as constituting such initiation fee to the Company by the duly authorized Financial Officer of Local Lodge 700, District 91, I.A.M.A.W., AFL-CIO.

Signed by me before the undersigned witness on this _______ day of ___________________________ 20__

Signature ___________________________ Witness ___________________________
This assignment is for: UNION MEMBERSHIP _______ SERVICE FEE _______ (SIGNIFY BY INITIALS)

To: PRATT & WHITNEY, NORTH HAVEN
LOCAL LODGE 707, DISTRICT #91, I.A.M.A.W., NORTH HAVEN

I hereby assign to Lodge 707 of the International Association of Machinists and Aerospace Workers, AFL-CIO, from the third pay earned by me (paid on the fourth Thursday) each month the sum that is hereafter established by the Local Lodge as the monthly dues uniformly required as a condition of retaining membership therein or the monthly service fee established by the Local Lodge, not in excess of the monthly membership dues of union members, and as has been certified as constituting such to the company by the duly authorized Financial Officer of Local Lodge 707, District 91, I.A.M.A.W., AFL-CIO.

This assignment shall be effective and irrevocable for periods of one (1) year subsequent to the effective date or subsequent to the anniversary of the effective date of any year thereafter, provided, that there is an agreement in effect between the Company and the Union, and provided further that no written notice of cancellation of this assignment is given by me to the Company and the Union, simultaneously within ten (10) days prior to the effective date, or within ten (10) days prior to the anniversary of the effective date, of any year thereafter.

Signed by me before the undersigned witness on this _________ day of ____________________________ 20_______

Signature ____________________________ Witness ____________________________

I further assign from the third pay of the month following the receipt by you of this authorization one (1) initiation fee in whatever sum is established as such by the Local Lodge and has been certified as constituting such initiation fee to the Company by the duly authorized Financial Officer of Local Lodge 707, District 91, I.A.M.A.W., AFL-CIO.

Signed by me before the undersigned witness on this _________ day of ____________________________ 20_______

Signature ____________________________ Witness ____________________________
This assignment is for: UNION MEMBERSHIP SERVICE FEE (SIGNIFY BY INITIALS)

To: PRATT & WHITNEY, EAST HARTFORD
LOCAL LODGE 1746, DISTRICT #91, I.A.M.A.W., EAST HARTFORD

I hereby assign to Lodge 1746 of the International Association of Machinists and Aerospace Workers, AFL-CIO, from the third pay earned by me (paid on the fourth Thursday) each month the sum that is hereafter established by the Local Lodge as the monthly dues uniformly required as a condition of retaining membership therein or the monthly service fee established by the Local Lodge, not in excess of the monthly membership dues of union members, and as has been certified as constituting such to the company by the duly authorized Financial Officer of Local Lodge 1746, District 91, I.A.M.A.W., AFL-CIO.

This assignment shall be effective and irrevocable for periods of one (1) year subsequent to the effective date or subsequent to the anniversary of the effective date of any year thereafter, provided, that there is an agreement in effect between the Company and the Union, and provided further that no written notice of cancellation of this assignment is given by me to the Company and the Union, simultaneously within ten (10) days prior to the effective date, or within ten (10) days prior to the anniversary of the effective date, of any year thereafter.

Signed by me before the undersigned witness on this ____________ day of ______________, 20___

Signature ___________________________ Witness ___________________________

I further assign from the third pay of the month following the receipt by you of this authorization one (1) initiation fee in whatever sum is established as such by the Local Lodge and has been certified as constituting such initiation fee to the Company by the duly authorized Financial Officer of Local Lodge 1746, I.A.M.A.W., AFL-CIO.

Signed by me before the undersigned witness on this ____________ day of ______________, 20___

Signature ___________________________ Witness ___________________________
This assignment is for: UNION MEMBERSHIP SERVICE FEE (SIGNIFY BY INITIALS)

To: PRATT & WHITNEY, CHESHIRE
LOCAL LODGE 1746-A, DISTRICT #91, I.A.M.A.W., CHESHIRE

I hereby assign to Lodge 1746-A of the International Association of Machinists and Aerospace Workers, AFL-CIO, from the third pay earned by me (paid on the fourth Thursday) each month the sum that is hereafter established by the Local Lodge as the monthly dues uniformly required as a condition of retaining membership therein or the monthly service fee established by the Local Lodge, not in excess of the monthly membership dues of union members, and as has been certified as constituting such to the company by the duly authorized Financial Officer of Local Lodge 1746-A, District 91, I.A.M.A.W., AFL-CIO.

This assignment shall be effective and irrevocable for periods of one (1) year subsequent to the effective date or subsequent to the anniversary of the effective date of any year thereafter, provided, that there is an agreement in effect between the Company and the Union, and provided further that no written notice of cancellation of this assignment is given by me to the Company and the Union, simultaneously within ten (10) days prior to the effective date, or within ten (10) days prior to the anniversary of the effective date, of any year thereafter.

Signed by me before the undersigned witness on this day of ____________________________ 20______

Signature ____________________________ Witness ____________________________

I further assign from the third pay of the month following the receipt by you of this authorization one (1) initiation fee in whatever sum is established as such by the Local Lodge and has been certified as constituting such initiation fee to the Company by the duly authorized Financial Officer of Local Lodge 1746-A, District 91, I.A.M.A.W., AFL-CIO.

Signed by me before the undersigned witness on this day of ____________________________ 20______

Signature ____________________________ Witness ____________________________
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO
MEMBERSHIP APPLICATION AND/OR CHECK-OFF AUTHORIZATION

Name ___________________________________________ Date ______________ Card No. ______________
Address ___________________________________________ M □ F □ Date of birth ____________________________
SS No. ___________________________ Email ___________________________ Phone ___________________________ Hire date ______________
Employer __________________________________________________________________________________________
Class of work ___________________________________________ Years experience _______ Shift: 1 [ ] 2 [ ] 3 [ ]

Membership Application. Check here: □ To the Officers and Members of Lodge No. _______ (the "Lodge" or "Union"), I hereby tender my application for membership in the International Association of Machinists and Aerospace Workers, AFL-CIO (IAM). I understand that while I may be required to tender monthly fees to the Union, I am not required to sign a membership application as a condition of employment and that this application for membership is voluntary. I agree to obey the laws of the IAM and to support the principles of trade unionism, and I authorize the IAM and/or its designated affiliate to act as my representative for collective bargaining.

If former member of IAM: Card No. _______ Lodge No. _______ Location _______ Last dues paid ______________

Check-Off Authorization. Check here: □ I authorize my Employer to deduct from my wages and forward to the Union: (1) monthly membership dues or an equivalent service fee; and (2) any required initiation or reinstatement fees as set forth in the collective bargaining agreement between the Employer and the Union and the by-laws of the Lodge. This authorization shall be irrevocable for one (1) year or until the termination of the collective bargaining agreement between my Employer and the Union, whichever occurs sooner. I agree that this authorization shall be automatically renewed for successive 1-year periods or until the termination of the collective bargaining agreement, whichever is the lesser, unless I revoke it by giving written notice to my Employer and Union not more than twenty (20) and not less than five (5) days prior to the expiration of the appropriate yearly period or contract term. I expressly agree that this authorization is independent of, and not a quid pro quo for, union membership, but recognizes the value of the services provided to me by the Union. It shall continue in full force and effect even if I resign my Union membership, except if properly revoked in the manner prescribed above.

The following information is strictly voluntary and is requested for the sole purpose of providing improved services to our membership:

I am □ Caucasian □ African American □ Asian □ Hispanic □ Pacific Islander □ Native American □ Other.

Important Notice. I have examined and acknowledge receipt of the attached "Notice to Employees Subject to Union Security Clauses" (on back of pink sheet). I also understand that IAM members have certain rights and privileges as set forth in the IAM Constitution and in various Federal laws, like the Labor Management Reporting and Disclosure Act (LMRDA). Copies of the IAM Constitution and the LMRDA may be obtained by contacting the IAM General Secretary-Treasurer, 9000 Machinists Place, Upper Marlboro, MD 20772. Union membership dues and agency fees are not deductible as charitable contributions for Federal income tax purposes. Dues and agency fees, however, may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

__________________________________________ (Your signature) ____________________________ (Date)

FORM NO. MR01 This copy to be retained by Local Union No. _______
MACHINISTS NON-PARTISAN POLITICAL LEAGUE
Political Action Wage Deduction Authorization Card

I, ________________________________________________________, hereby
(NAME OF EMPLOYEE) (CLOCK/SOC.SEC. NO.)

authorize and direct__Pratt & Whitney_____ to deduct monthly from my wages the
(NAME OF EMPLOYER)
sum of $________ and forward the amount monthly to the Treasurer of the Machinists Non-Partisan
League at 9000 Machinists Place, Upper Marlboro, Maryland 20772-2687.

I have executed this wage deduction authorization voluntarily without any coercion, duress, or
intimidation and none of the monies deducted are a part of my dues of membership fees to the local
union. This authorization and the making of payments to MNPL arc not conditions of membership in
the Union or of employment with the Company and I understand that the money will be used by
MNPL to make contributions and expenditures in connection with Federal Elections.

_________________________________________ (EMPLOYEE SIGNATURE) ___________ DATE
LETTER 1
Information to be provided to the Union

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning information to be provided to the Union. Whenever possible, the following will be provided electronically.

1. (a) The Company agrees to furnish the Union quarterly each year during the life of the Agreement referred to above, with a list in alphabetical order containing the name, clock number, and home address and telephone number (when provided to the Company) of each employee covered by this Agreement;

(b) The Company will furnish to the Union at monthly intervals the home addresses of employees who have been transferred from jobs outside the bargaining unit into jobs within the bargaining unit;

(c) The Company will furnish to the Union at monthly intervals a list by seniority area showing the seniority of the employees covered by this Agreement. The list shall include job family, occupational group, department, shift, job code, labor grade and birth date.

(d) The Company will furnish to the Union at monthly intervals a report entitled "Pratt & Whitney Employee Recall Rights Report". This report is sorted by job family and includes employee name, plant, grade, occupational group, employee clock number, seniority date, layoff date, expiration date, seniority days accrued at the time of layoff, and the employee's age. It also identifies the employees in one of four categories: (1) eligible for recall; (2) rights expired; (3) refused recall; and (4) rehired.
(2) The Company agrees to furnish to the Union copies of the following Company records on the second Monday of each month:

(a) A copy of the "employee service record" compiled for the preceding month covering all bargaining unit employees, but having excised therefrom all information contained therein concerning employees not included in the bargaining unit;

(b) A copy of the New Hire/Rehire Form for each employee hired in the bargaining unit during the preceding month;

(c) Copies of all Personnel Action Forms reflecting any changes in the status of employees during the preceding month (including employment terminations), but having excised therefrom information or data, if any, which discloses the details, but not the fact, of employment in jobs not included within the bargaining unit.

(3) In consideration of the above, it is understood and agreed that, except as otherwise provided for in the aforesaid Agreement, the Union shall not request nor receive during the life of that said Agreement any other information, data, or listings related to the wages, hours, or working conditions of employees covered by this Agreement. This waiver, however, shall not affect any right the Union may have with respect to information concerning pensions, gross hourly earnings or insurance necessary to bargaining for agreements in the future.

It is further agreed that a grievance alleging a violation of the above shall be submitted at Step 2 of the grievance procedure. Any such grievance, if not settled at Step 2 of the grievance procedure, may be submitted to arbitration in accordance with the provisions of Section 3(a) of Article 7.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning Health Maintenance Organizations.

There are a number of Health Maintenance Organizations (hereinafter "HMOs") located in areas in and around Connecticut and Massachusetts where the employees covered by our labor Agreement reside which have qualified under the terms of the federal Health Maintenance Organization Act of 1973. Some of these HMOs have notified the Company, pursuant to Section 1310 of the Act, that they wish to serve the Company's employees who reside in the areas served by such HMOs.

Accordingly, the Company and the Union have agreed that, notwithstanding the provisions of Article 22 of the Agreement, any employee covered by that Agreement may elect to enroll in any one of the qualified HMOs which, during the life of this contract, has given the Company and the Company has accepted the notice referred to above 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 HMO, or any particular HMO. Further, to the extent permitted by law, if the Company has accepted, or accepts in the future, any HMO or any particular HMO, nothing herein shall be construed to require the Company to continue, extend or renew such HMO nor to accept in the future any further notice from such HMO.
(b) Contributions for HMOs will be determined annually as follows:

The contribution level for all qualified HMOs will be equal to the Company sponsored plan (CIGNA) contribution level, plus the third-party valuation of any benefit differential between the HMO and the Company sponsored plan, plus any incremental HMO administrative charges over the level of the administrative charges for the Company sponsored plan.

Total employee HMO contributions shall not increase more than 10% each year.

(c) Employees will pay the following minimum weekly contributions for the duration of this Agreement toward HMO provided health care coverage.

Effective 4/1/02

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$5.50</td>
</tr>
<tr>
<td>Employee plus One Dependent</td>
<td>$11.00</td>
</tr>
<tr>
<td>Employee plus Family</td>
<td>$16.50</td>
</tr>
</tbody>
</table>

(d) Effective December 3, 2001 to March 31, 2002 the contributions for HMOs will continue at the levels established on January 1, 2001.

(e) If any employee's wages are insufficient to collect the required contributions, the uncollected contribution will be accumulated and an extra weeks' contributions will be deducted from future wages until they have been fully collected.

(f) There will be an open enrollment period once each year at which time eligible employees will be allowed a choice of the Company health benefits programs or a qualified HMO that has been accepted by the Company and that the Company, in its sole discretion, chooses to make available to employees. 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.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 3
Employee Assistance Program

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning the Employee Assistance Program.

On an as needed basis, the Directing Business Representative or his or her designee will meet with the Vice President, Human Resources or his or her designee and other Union and Company representatives to discuss training programs/courses in support of the Employee Assistance Program. Any Union Coordinator, who must absent himself or herself from his or her work for attendance at any Company provided training sessions, will be paid at his or her regular base hourly rate, plus cost-of-living allowance and shift premium, if any, for such attendance. In addition, the Company will pay any Union Coordinator who must absent himself or herself from work for attendance at additional training, for up to two weeks per year, which would lead to the employee's CEAP certification. Further, the Company agrees that all recognized Union EAP Coordinators will annually be afforded the opportunity to attend a one week training program at the Company's expense. The parties will mutually agree on the content and location of this training.

Union Coordinators recognized by the Company and the Union, who attend and successfully complete accredited substance abuse courses, will be reimbursed in full for the tuition of such courses. These courses must be taken outside of regular working hours.

During the life of the contract, the full-time position of Senior Union Coordinator will be maintained and appointed by the Directing Business Representative of District 91, subject to the approval of the Company. This employee may be selected from the bargaining unit of any one of the affiliated Local Lodges 700, 707, 743, 1746 or 1746-A. The selected employee will be
paid his or her regular hourly base rate plus cost-of-living allowance during the period of his or her appointment. In addition, overtime authorized by the Directing Business Representative and approved by the Vice President - Human Resources will be paid at the applicable rate. It is anticipated the Senior Union EAP Coordinator will support the delivery of EAP services; work with the Company on treatment, referral, documentation, and insurance issues; participate jointly in the training of counselors, including presentations to supervisors of bargaining unit employees.

The Senior Union Coordinator will maintain his or her office within District 91. In case of any performance deficiencies, the matter will be reviewed between the Vice President - Human Resources and the Directing Business Representative, District 91 and, if necessary, the employee will be returned to his or her former bargaining unit position if the matter cannot be resolved.

The Company will reimburse travel mileage that may be incurred by any recognized Union EAP Coordinator in the course of providing emergency treatment or admission, subject to the review and approval of the appropriate Manager, Human Resources.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001.
LETTER 4
Overtime Records

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning overtime records.

Overtime will be recorded on a standard form provided by the Company. A sample of the form to be used is attached. It is further agreed that the Company will keep posted in each department a copy of the form showing overtime hours paid to employees in each department. The distribution of overtime will be made in accordance to the guidelines on the attached form.

The Company also agrees to conduct a training session for supervision concerning the Company's intent to distribute and record overtime in accordance with this Agreement. This training will occur during the first quarter of 2002. Shop Stewards will be offered the opportunity to attend this training session. It is further agreed that if new supervisors are hired by the Company, the Company agrees that training sessions for such new supervisors will occur within the first ninety (90) days and the Shop Steward of the area will be offered the opportunity to attend these training sessions.

A committee will be established to review those cases that show a substantial inequality in the distribution of overtime during the last 13 weeks. This committee will consist of the Business Unit Manager (or similar position), Manager, Human Resources, the Shop Chairperson or his or her designee and the affected employee. The purpose of this committee will be to develop an agreement which allows the inequality to be reduced. If, in the
succeeding 13 weeks, the inequality is not addressed satisfactorily the matter will be referred to the Product Center General Manager (or similar position) for his or her review and disposition.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001
GUIDELINES FOR OVERTIME

1. Overtime will be recorded on PWA Form #4791, Hours Paid for Overtime Worked.

2. A copy of the Hours Paid for Overtime Worked Form will be posted in each department on a weekly basis showing overtime worked under the supervision of each supervisor or "other supervisory title."

3. All overtime worked will be charged in terms of hours paid for overtime worked.

4. All overtime refused will be charged in terms of hours paid had the overtime been worked.

5. Employees who are scheduled for overtime and fail to report will be charged in terms of hours paid had they worked.

6. At the start of each year, overtime records will be adjusted to reflect the differential in paid overtime hours between the employee with the highest number of paid overtime hours and the employee with the lowest number of paid overtime hours.

7. If practicable, employees with the least amount of overtime will be selected.

8. Whenever overtime involves priority or emergency work, or requires special knowledge or skill, selection will be made to meet these requirements. Any resulting disparity will be offset as soon as practicable.

9. To be scheduled for overtime work, employees must be qualified to perform the work. If not, they will be charged.

10. An employee on loan will be scheduled for overtime in the group to which he or she is loaned only after employees who normally perform the work in that department have been asked for overtime.

11. All overtime worked while on loan will be charged to the employee’s record in the parent department with the letter “L.”

12. An employee on protracted absence exceeding one week will be credited with equivalent hours after all other employees in his or her job code
have been charged with equivalent hours overtime and every time thereafter until he or she is capable of performing the job.

13. For record keeping purposes only, an employee who enters a group will be charged the average overtime for the group.

14. Employees out on Military Leave will not be charged for overtime during such absence.

15. Employees who are asked and refuse overtime because of weekend duty in the Military Reserve or National Guard will be charged with the appropriate number of overtime hours offered which will be reflected on the overtime record together with the letter "I."

The following explanation is given regarding the various keys which are located on the top of the form to be used for the recording of overtime.

1. **V** - Vacation - To be used whenever an employee is on vacation.

2. **E** - Emergency or Special Job - To be used when a hot or new job needs to be done which only one or two employees under the foreman are qualified to perform. Therefore, the qualified employee would be scheduled for overtime, while others in the same job code were excluded. This particular situation might prevail for two or three weeks, but should not occur over a prolonged period and other employees in the job code should be trained to perform the operation. This should not be used to bring in a working leader-specialist to perform work normally done by other employees.

3. **S** - Scheduled, Did Not Report - This key should be counted as a day worked and the hours the employee would have been paid should be entered into the total. The reason for absences would also be recorded on the attendance and lateness record.

4. **R** - Offered, But Refused - This key is used for an employee who is offered overtime work but refused and the employee would be charged in terms of hours paid had he or she worked the overtime.

5. **I** - Ill Or Otherwise Unavailable - This key should be used for an employee, who on the day overtime was scheduled, was absent because of illness or was otherwise unavailable. An employee on protracted absence exceeding one week will be credited with equivalent hours after all other employees in his or her job code have been charged with equivalent hours.
overtime and every time thereafter until he or she is capable of performing the job.

6. *NQ - Not Qualified* - This key would be applicable for a probationary employee or individual recently promoted and who has not received sufficient training on the job and therefore, cannot perform the work without close supervision. Such an employee should be offered every opportunity to become qualified and share in the overtime offered to those in his or her job code. To be scheduled for overtime, employees must be fully qualified to perform the work, if not, they will be charged.

7. *L - Loaned.* This key will be used to record overtime of an employee who is loaned into another department. The “L” will be recorded in his or her parent department.
<table>
<thead>
<tr>
<th>Hours Paid for Overtime Worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>Month</td>
</tr>
</tbody>
</table>

| V Vacation           |           |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| E Emergency or Special Job |         |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| S Scheduled, did not report |         |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| R Overtime but related |           |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| J 5 or 6 or otherwise unavailable |          |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| VQ Other |           |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
| L Leave |           |       |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |   |   |   |   |   |      |
LETTER 5
National Health Insurance

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and between the Company and the Union concerning National Health Insurance.

It is recognized that without any specific details of Federal legislation on National Health Insurance which could be enacted, it is not possible at this time to envision implications of such legislation on the Group Health, Dental and Life Insurance Plans. It is mutually recognized the Plans should not duplicate the benefits of a national health insurance program.

It is further agreed that in no case will the Company's total liability for costs for the Plans plus any tax or premium contribution required from the Company by legislation or regulation exceed that in effect immediately prior to the implementation of such Federal legislation or regulation.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 6
Hourly Employee Recognition Program

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This will confirm the understanding and agreement between the Company and the Union with respect to an Hourly Employee Recognition Program.

The purpose of this program is to provide supervision with the means to recognize various levels of group and individual accomplishments. The program consists of the following Awards.

Group Events are to reinforce group morale and accomplishments and will result in activities such as a luncheon or pizza party.

Appreciation Awards are for recognition of superior performance and normally should be awarded shortly after the completion of a task. The award would consist of either a dinner for two, or as available, a pair of tickets for local theater or sporting event.

Recognition awards are available for group or individual outstanding effort on a major project or task associated with continuous improvement within the organization. Prior to announcing these awards, the Company will notify the appropriate Union official.
The parties agree such awards will be made wholly at the Company's discretion and will not be subject to the grievance procedure.

Sincerely,

[Signature]

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
LETTER 7
Group Insurance Plans

Mr. James M. Parent
Directing Business Representative
International Association of Machinists
and Aerospace Workers, AFL-CIO
Aeronautical Industrial District Lodge #91
49 Connecticut Blvd.
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning amendments to the group health insurance, life insurance, disability insurance and the group dental plan referred to in Article 22. The following represents a summary of benefits and amendments to contractual provisions.

Reimbursement Accounts – Effective December 3, 2001:

<table>
<thead>
<tr>
<th>Health Care Reimbursement Account</th>
<th>$120 to $2,000 per year, pre-tax for eligible medical and dental expenses. $120 to $3,000 per year, pre-tax, effective January 1, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Day Care Reimbursement Account</td>
<td>$120 to $5,000 per year, pre-tax for eligible child and/or adult/elder day care expenses.</td>
</tr>
</tbody>
</table>

Life/Accidental Death & Dismemberment/Weekly Disability and Total and Permanent Disability Table – Effective January 1, 2002:

<table>
<thead>
<tr>
<th>Base Rate Wage Class</th>
<th>Life &amp; AD&amp;D</th>
<th>Weekly Disability</th>
<th>TPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17.00 and Under</td>
<td>$52,500</td>
<td>$350</td>
<td>$951.30</td>
</tr>
<tr>
<td>$17.01 - $17.50</td>
<td>$54,000</td>
<td>$360</td>
<td>$978.48</td>
</tr>
<tr>
<td>$17.51 - $18.00</td>
<td>$55,500</td>
<td>$370</td>
<td>$1,005.66</td>
</tr>
<tr>
<td>$18.01 - $18.50</td>
<td>$57,000</td>
<td>$380</td>
<td>$1,032.84</td>
</tr>
<tr>
<td>$18.51 - $19.00</td>
<td>$58,500</td>
<td>$390</td>
<td>$1,060.02</td>
</tr>
<tr>
<td>$19.01 - $19.50</td>
<td>$60,000</td>
<td>$400</td>
<td>$1,087.20</td>
</tr>
<tr>
<td>$19.51 - $20.00</td>
<td>$61,500</td>
<td>$410</td>
<td>$1,114.38</td>
</tr>
</tbody>
</table>
Survivor Income – Effective January 1, 2002:

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Survivor Income</th>
<th>GIS</th>
<th>FICA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.01 - $20.50</td>
<td>$63,000</td>
<td></td>
<td>$420</td>
<td>$1,141.56</td>
</tr>
<tr>
<td>$20.51 - $21.00</td>
<td>$64,500</td>
<td></td>
<td>$430</td>
<td>$1,168.74</td>
</tr>
<tr>
<td>$21.01 - $21.50</td>
<td>$66,000</td>
<td></td>
<td>$440</td>
<td>$1,195.92</td>
</tr>
<tr>
<td>$21.51 - $22.00</td>
<td>$67,500</td>
<td></td>
<td>$450</td>
<td>$1,223.10</td>
</tr>
<tr>
<td>$22.01 - $22.50</td>
<td>$69,000</td>
<td></td>
<td>$460</td>
<td>$1,250.38</td>
</tr>
<tr>
<td>$22.51 - $23.00</td>
<td>$70,500</td>
<td></td>
<td>$470</td>
<td>$1,277.46</td>
</tr>
<tr>
<td>$23.01 - $23.50</td>
<td>$72,000</td>
<td></td>
<td>$480</td>
<td>$1,304.64</td>
</tr>
<tr>
<td>$23.51 - $24.00</td>
<td>$73,500</td>
<td></td>
<td>$490</td>
<td>$1,331.82</td>
</tr>
<tr>
<td>$24.01 - $25.00</td>
<td>$75,000</td>
<td></td>
<td>$500</td>
<td>$1,359.00</td>
</tr>
<tr>
<td>$25.01 - $26.00</td>
<td>$78,000</td>
<td></td>
<td>$520</td>
<td>$1,413.36</td>
</tr>
<tr>
<td>$26.01 and Above</td>
<td>$81,000</td>
<td></td>
<td>$540</td>
<td>$1,467.72</td>
</tr>
</tbody>
</table>

Medical Contributions – Effective December 3, 2001:

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Weekly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$4.50</td>
</tr>
<tr>
<td>Employee plus One</td>
<td>$9.00</td>
</tr>
<tr>
<td>Employee plus Family</td>
<td>$13.50</td>
</tr>
</tbody>
</table>

Medical Contributions – Effective April 1, 2002:

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Weekly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$5.50</td>
</tr>
<tr>
<td>Employee plus One</td>
<td>$11.00</td>
</tr>
<tr>
<td>Employee plus Family</td>
<td>$16.50</td>
</tr>
</tbody>
</table>

Special Open Enrollment; Effective April 1, 2002

During the first quarter of 2002 a special open enrollment will be scheduled during which employees may choose either the Company’s Managed Care Plan (if in the health plan area), an indemnity out-of-area plan (if out of the health plan area), or a qualified HMO. Election will be effective April 1, 2002. During this special open enrollment employees will not be able to change their medical flexible spending account election since federal regulations allow mid-year changes only for life status changes.
**Plan Provisions - Effective April 1, 2002:**

R&C = Reasonable and Customary  
PCP = Primary Care Physician

<table>
<thead>
<tr>
<th>Service</th>
<th>CIGNA Point of Service (POS)</th>
<th>CIGNA Preferred Provider Organization (PPO)</th>
<th>CIGNA Medical (Out-of-Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulance Service, if medically necessary</td>
<td>In-Network: Covered at 100%</td>
<td>In-Network: 60% of R&amp;C after deductible</td>
<td>In-Network: 60% of R&amp;C after deductible</td>
</tr>
<tr>
<td></td>
<td>Out-of-Network: 60% of R&amp;C after deductible</td>
<td>Out-of-Network: 80% of charges</td>
<td>Out-of-Network: 80% of R&amp;C after deductible</td>
</tr>
<tr>
<td>Deductible</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$600/$1,200/$1,200</td>
<td>$600/$1,200/$1,200</td>
<td>$600/$1,200/$1,200</td>
</tr>
<tr>
<td>Dependents, Adding of Emergency Hospital</td>
<td>Within 30 days</td>
<td>Within 48 hours or the next business day</td>
<td>Within 30 days</td>
</tr>
<tr>
<td>Notification</td>
<td></td>
<td>Within 48 hours or the next business day</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$600/$1,200/$1,200</td>
<td></td>
</tr>
<tr>
<td>Emergency Room</td>
<td>100% after $50 copay (waived if admitted)</td>
<td>60% of R&amp;C after deductible</td>
<td>60% of R&amp;C after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80% of charges</td>
<td>80% of R&amp;C after deductible</td>
</tr>
<tr>
<td>Hearing Aids, Initial, purchase, fitting,</td>
<td>100% when authorized by PCP</td>
<td>80% of charges when authorized by physician</td>
<td>80% of R&amp;C, when authorized by physician</td>
</tr>
<tr>
<td>maintenance and repairs. Expenses must be</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>over $200 and pre-authorized by CIGNA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Health Care</td>
<td>100% with authorization</td>
<td>60% of R&amp;C after deductible (80 visits per year combined with in-network)</td>
<td>80% of R&amp;C after deductible (80 visits per year combined with in-network)</td>
</tr>
<tr>
<td>Hospice</td>
<td>100% with prior approval</td>
<td>100% with prior approval (no deductible); otherwise 80% of R&amp;C after deductible, up to $5,000</td>
<td>100% with prior approval (no deductible); otherwise $5,000 of R&amp;C up to $5,000</td>
</tr>
<tr>
<td>Hospitalization</td>
<td>100% after $300/day for 3 days maximum per admission. Copay waived under certain conditions.</td>
<td>60% of R&amp;C after deductible. Pre-certification required. Must be medically necessary.</td>
<td>60% of R&amp;C after deductible. Pre-certification required. Must be medically necessary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80% of charges. Pre-certification required. Must be medically necessary.</td>
<td></td>
</tr>
<tr>
<td>Laboratory Tests</td>
<td>100% with PCP approval</td>
<td>60% of R&amp;C after deductible</td>
<td>60% of R&amp;C after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80% of charges</td>
<td>80% of R&amp;C after deductible</td>
</tr>
<tr>
<td>Service</td>
<td>CIGNA Point of Service (POS)</td>
<td>CIGNA Preferred Provider Organization (PPO)</td>
<td>CIGNA Medical (Out-of-Area)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>In-Network</td>
<td>Out-of-Network</td>
<td>In-Network</td>
</tr>
<tr>
<td>Maternity, Inpatient Services</td>
<td>100% after $300/day up to 3 day maximum hospital fee. Covers birth and newborn until Mother’s discharge.</td>
<td>60% of R&amp;C after deductible (CIGNA certification required). Covers birth and newborn until Mother’s discharge.</td>
<td>80% of charges. Covers birth and newborn until Mother’s discharge.</td>
</tr>
<tr>
<td>Medical Equipment, Durable</td>
<td>100% from network provider with PCP approval</td>
<td>60% of R&amp;C after deductible ($10,000. annual maximum combined w/in-network)</td>
<td>80% of charges</td>
</tr>
<tr>
<td>Medical Supplies, Consumable</td>
<td>100% from network provider for up to 30 day supply</td>
<td>60% of R&amp;C after deductible (up to 30 day supply)</td>
<td>80% of charges (up to 30 year supply)</td>
</tr>
<tr>
<td>Mental Health and Substance Abuse:</td>
<td>Must call ValueOptions. Must call ValueOptions. Must call ValueOptions.</td>
<td>Must call ValueOptions. 50% of ValueOptions' program cost. 30 visits per plan year for in-network and out-of-network combined.</td>
<td>Same as In-Network or Out-of-Network coverage.</td>
</tr>
<tr>
<td>- Outpatient</td>
<td>100% after $10 copay for visits 1 - 10 and $25 copay for visits 11 - 50. 50 visits per plan year for in-network and out-of-network combined.</td>
<td>50% of ValueOptions' program cost. 30 visits per plan year for in-network and out-of-network combined.</td>
<td>100% after $10 copay for visits 1 - 10 and $25 copay for visits 11 - 50. 50 visits per plan year for in-network and out-of-network combined.</td>
</tr>
<tr>
<td>- Inpatient</td>
<td>80% of network fee. Admission limits apply.</td>
<td>50% of ValueOptions' program cost. Admission limits apply.</td>
<td>80% of network fee. Admission limits apply.</td>
</tr>
<tr>
<td>OB/GYN Services</td>
<td>100% after $10 copay by network provider</td>
<td>60% of R&amp;C after deductible</td>
<td>100% after $15 copay by network provider</td>
</tr>
<tr>
<td>Office Visits, PCP</td>
<td>100% after $10 copay by network provider</td>
<td>60% of R&amp;C after deductible</td>
<td>100% after $15 copay by network provider</td>
</tr>
<tr>
<td>Office Visits, Specialist</td>
<td>100% after $10 copay with referral</td>
<td>60% of R&amp;C after deductible</td>
<td>100% after $15 copay</td>
</tr>
<tr>
<td>PCP Referrals</td>
<td>Yes, but not for OB/GYN Network services</td>
<td>No, but services must be medically necessary.</td>
<td>No, but services must be medically necessary.</td>
</tr>
<tr>
<td>Service</td>
<td>CIGNA Point of Service (POS)</td>
<td>CIGNA Preferred Provider Organization (PPO)</td>
<td>CIGNA Medical (Out-of-Area)</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>In-Network</td>
<td>Out-of-Network</td>
<td>In-Network</td>
</tr>
<tr>
<td>PCP Selection</td>
<td>Mandatory</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Physical Therapy and Rehabilitative Services</td>
<td>100% after $10 copay per visit (Up to a max of 30 treatment days per calendar year combined w/out-network)</td>
<td>60% of R&amp;C after deductible (Up to a max of 30 treatment days per calendar year combined w/out-network)</td>
<td>No</td>
</tr>
<tr>
<td>Pre-admission Certification and Utilization Review</td>
<td>PCP responsibility</td>
<td>Employee responsibility. 10 days prior to hospital admission and surgery not performed in doctor’s office</td>
<td>Employee responsibility. Must get approval from Intracorp 10 days prior to hospital admission and surgery not performed in doctor's office</td>
</tr>
<tr>
<td>Pre-certification Penalties</td>
<td>NA</td>
<td>$500 in-hospital/50% of facility fee for outpatient surgery. 100% denial for days or services deemed medically unnecessary.</td>
<td>$500 in-hospital/50% of facility fee for outpatient surgery. 100% denial for days or services deemed medically unnecessary.</td>
</tr>
<tr>
<td>Prenatal Maternity Care</td>
<td>100% after $10 copay for initial visit</td>
<td>40% of R&amp;C after deductible.</td>
<td>80% of charges after $15 copay for initial office visit</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>Retail $7 generic, $15 brand name on PCS Preferred Drug List (PDL): $25 brand name not on PCS PDL: max 34 day supply retail.</td>
<td>Reimbursement for the price that would have been charged at a participating pharmacy, less the applicable copay.</td>
<td>Retail $7 generic, $15 brand name on PCS Preferred Drug List (PDL): $25 brand name not on PCS PDL: max 34 day supply retail.</td>
</tr>
<tr>
<td>(PCS provides prescription drug benefits)</td>
<td>Mail order 30 - 90 day supply: $7 generic, $30 brand name on PCS PDL: $50 brand name not on PCS PDL.</td>
<td>No mail order benefit.</td>
<td>Mail order 30 - 90 day supply: $7 generic, $30 brand name on PCS PDL: $50 brand name not on PCS PDL.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>CIGNA Point of Service (POS)</td>
<td>CIGNA Preferred Provider Organization (PPO)</td>
<td>CIGNA Medical (Out-of-Area)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>In-Network</td>
<td>Out-of-Network</td>
<td>In-Network</td>
</tr>
<tr>
<td>Prosthetic Devices</td>
<td>100% up to $10,000 annual maximum (combined with out-of-network)</td>
<td>60% of R&amp;C after deductible (up to $10,000 annual maximum combined with in-network)</td>
<td>80% of charges up to $10,000 annual maximum (combined with out-of-network)</td>
</tr>
<tr>
<td>R &amp; C Limits</td>
<td>None</td>
<td>Yes, Employee responsible for costs over R&amp;C</td>
<td>None</td>
</tr>
<tr>
<td>Second Opinion (Voluntary)</td>
<td>100% after $10 copay with referral for office visit; 100% for x-ray/lab</td>
<td>60% of R&amp;C after deductible</td>
<td>No charge after $15 copay for office visit; 80% for x-ray/lab</td>
</tr>
<tr>
<td>Stop-Loss Provision</td>
<td>$900/$1,800/$1,800</td>
<td>$3,000/$6,000/$6,000</td>
<td>$1,000/$2,000/$2,000</td>
</tr>
<tr>
<td>Surgery, Inpatient</td>
<td>See Hospitalization</td>
<td>See Hospitalization</td>
<td>See Hospitalization</td>
</tr>
<tr>
<td>Surgery, Outpatient; Not in Doctor's Office</td>
<td>100% of negotiated rate after $100 copay</td>
<td>60% of R&amp;C after deductible, Pre-certification required. Paid at 50% of facility fee when not certified.</td>
<td>80% of charges. Pre-certification required. Paid at 50% of facility fee when not certified.</td>
</tr>
<tr>
<td>Surgery, Outpatient; In Doctor's Office</td>
<td>100% of negotiated rates</td>
<td>60% of R&amp;C after deductible</td>
<td>80% of charges</td>
</tr>
<tr>
<td>Urgent Care Centers</td>
<td>100% after $50 copay</td>
<td>60% of R&amp;C after deductible</td>
<td>80% of charges</td>
</tr>
<tr>
<td>Service</td>
<td>CIGNA Point of Service (POS)</td>
<td>CIGNA Preferred Provider Organization (PPO)</td>
<td>CIGNA Medical (Out-of-Area)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------------------------</td>
<td>-------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>In-Network</td>
<td>Out-of-Network</td>
<td>In-Network</td>
</tr>
<tr>
<td>Vision, Eye Exams</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Routine</td>
<td>100% after $10 copay once per 12 months</td>
<td>Reimbursed at $20 once per 12 months. No deductible.</td>
<td>100% after $15 copay once per 12 months</td>
</tr>
<tr>
<td>- Non-Routine</td>
<td>Non-routine exams for treatment of injury or disease 100% after $10 copay</td>
<td>60% of R&amp;C after deductible for non-routine exams for treatment of injury or disease</td>
<td>Non-routine exams for treatment of injury or disease 100% after $15 copay</td>
</tr>
<tr>
<td>Vision Care Items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Single vision lenses</td>
<td>$15</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>- Bifocal Lenses</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>- Trifocal lenses</td>
<td>$42</td>
<td>$42</td>
<td>$42</td>
</tr>
<tr>
<td>- Lenticular lens</td>
<td>$54</td>
<td>$54</td>
<td>$54</td>
</tr>
<tr>
<td>- Contact lens (if needed following cataract surgery or if conventional lenses cannot bring the better eye to 20/70)</td>
<td>$72</td>
<td>$72</td>
<td>$72</td>
</tr>
<tr>
<td>- Other Contact lens (no more than one pair of lenses every 12 months)</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>- Frames (no more than one frame every 24 months)</td>
<td>$15</td>
<td>$15</td>
<td>$15</td>
</tr>
</tbody>
</table>
Administrative Items - Effective December 3, 2001:

<table>
<thead>
<tr>
<th>COBRA</th>
<th>Continue health and dental after termination as provided under COBRA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical and Dental Dependent Eligibility</td>
<td>Spouse and unmarried dependent children to age 19 (to age 23 if full-time student); and totally disabled dependent children who meet eligibility requirements.</td>
</tr>
<tr>
<td>Dental Coverage</td>
<td>Continue services for accidental injury to sound, natural teeth, tempromandibular joint disorder, routine and complex oral surgery. Complex oral surgery may require use of medical plan and adherence to plan procedures, either in-network or out-of-network. Hospitalization, if required, is covered under the medical plan.</td>
</tr>
<tr>
<td>Coordination of Benefits</td>
<td>Maintenance of benefits for medical plan benefits. Full dental coordination. No coordination of managed care fees or HMO fees or benefits. No coordination for prescription drugs. Effective 4/1/02, change dental coordination so that the dental plan will pay only the difference, if any, between the benefit from a spouse's plan and the employee's normal dental plan payment.</td>
</tr>
<tr>
<td>Medical Plan Maximum</td>
<td>$1,000,000 in- and out-of-network, out-of-area and mental health/substance abuse combined. $5,000 automatic restoration of medical on January 1. Effective 4/1/02, increase lifetime maximum for in-network covered services under Managed Care Plans and Medical Plan from $1,000,000 to $1,500,000. Eliminate automatic annual $5,000 restoration.</td>
</tr>
</tbody>
</table>

Dental Contribution - Effective April 1, 2002:

<table>
<thead>
<tr>
<th></th>
<th>Employee Only</th>
<th>Employee + One</th>
<th>Employee + Family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 0.50</td>
<td>$ 1.00</td>
<td>$ 1.50</td>
</tr>
</tbody>
</table>

Dental Plan Schedule -- Effective January 1, 2003

<table>
<thead>
<tr>
<th>Class I Schedule</th>
<th>100% of reasonable and customary charges.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II Schedule</td>
<td>80% reimbursement level, not to exceed an actual 25% increase in schedule.</td>
</tr>
<tr>
<td>Class III Schedule</td>
<td>50% reimbursement level, not to exceed an actual 25% increase in schedule.</td>
</tr>
</tbody>
</table>
This benefit summary is intended to provide an easy-to-understand benefits guide. If any conflict arises between this summary and the official plan documents, the official plan documents will always govern. Employees do not gain any new rights because of a misstatement in or omission from these summaries.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
LETTER 8
Pension Plan

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Blvd.
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning amendments to be made to the Pension Plan referred to in Article 21.

Effective January 1, 2002:

(a) The monthly retirement benefits are increased as follows:

<table>
<thead>
<tr>
<th>Final Average Earnings</th>
<th>Monthly Pension Per Year of Credited Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $26,000</td>
<td>27.00</td>
</tr>
<tr>
<td>$26,000 to $26,999</td>
<td>27.50</td>
</tr>
<tr>
<td>$27,000 to $27,999</td>
<td>28.00</td>
</tr>
<tr>
<td>$28,000 to $28,999</td>
<td>28.50</td>
</tr>
<tr>
<td>$29,000 to $29,999</td>
<td>29.00</td>
</tr>
<tr>
<td>$30,000 to $30,999</td>
<td>30.00</td>
</tr>
<tr>
<td>$31,000 to $31,999</td>
<td>31.00</td>
</tr>
<tr>
<td>$32,000 to $32,999</td>
<td>32.00</td>
</tr>
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$43,000 to $43,999  43.00
$44,000 and over  44.00

(b) The eligibility requirements for a disability pension are continued with at least five (5) years of continuous service. In addition, the other two requirements of becoming permanently and totally disabled and receiving social security disability benefits remain. The method of calculation and payment of the benefit remain the same as in the current retirement plan.

c) If a vested employee retires or otherwise terminates employment after becoming age 50, but before age 55, and his/her age and service total 65, they are eligible to receive a pension as early as age 55 as though they had retired at age 55 which entitles them to the .2% per month reduction in pension benefit for every month of retirement prior to age 62 rather than the 5% per year reduction for every year of retirement prior to the normal retirement age of 65 which applies under the current pension plan.

Sincerely,

James T. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Blvd.  
East Hartford, Connecticut 06108  

Dear Mr. Parent:  

This is to confirm the understanding and agreement between the Company and the Union concerning amendments to be made to the Savings Plan referred to in Article 22.  

Effective December 3, 2001:  

Continue Savings Plan provisions as follows:  

a) Employees may elect to put all or part (in whole dollar amounts) of their contributions into the plan on a before-tax basis in accordance with Section 401(k) of the Internal Revenue Code.  

b) Employees may transfer their savings plan account balances only out of the UTC Represented Employee Savings Plan (and only if they do not participate in the Individual Medical Account - IMA) into the salary savings plan if they are transferred out of the bargaining unit (because salary match is an ESOP).  

c) Employees may continue to invest money in the funds available under the UTC Represented Employee Savings Plan.  

d) Employees may transact unlimited plan transfers of part or all of their account values, in one percent (1%) increments (with a $250 minimum), from one investment fund to another. Contributions into accounts (funds) may be directed in one percent (1%) increments.  

e) Account balances can be paid in monthly, quarterly or annual installments which will be paid over a period of two (2) to twenty (20) years after retirement. Once installments start, the amount of each payment is determined by the size of the account balance divided by
the number of annual installments remaining to be paid. Subject to the following limitations:

<table>
<thead>
<tr>
<th>Age of Member</th>
<th>Maximum Number of Installment Payments</th>
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<tr>
<td>55-65</td>
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<td>71</td>
<td>15</td>
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<td>72</td>
<td>14</td>
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</tbody>
</table>

d) Eligible Rule of 65 participants and retirees may leave balances in the UTC Represented Employee Savings Plan and take partial withdrawals. These partial withdrawals can occur in conjunction with installment payments.

g) Former employees and retirees, may leave account balances over $5,000 in the plan until April 1 following the calendar year in which they reach age 70-1/2 at which time payments must start.

h) 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 Employee Savings Plan provided that a lump sum distribution is the normal form of distribution under such other plan.

i) The UTC Represented Employee Savings Plan loan feature will continue. Employees may borrow up to 50% of their savings plan balance if they have been a plan participant for two (2) years and have a savings plan balance of at least $2,000. The minimum amount which can be borrowed is $1,000 and the maximum loan amount is $50,000. 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 one percent (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.
j) Employees will have the ability to use the touchtone telephone information system. The system requires every employee to select a confidential personal identification number (PIN). The use of this PIN and social security number (SSN) will allow employees to obtain savings plan account balances, current investment fund balances and fund performance, amounts available for withdrawal, general plan information and to process savings plan loans, inter fund transfers, and payroll deduction amounts.

Effective January 1, 2002:

a) The maximum employee matched contribution shall be increased to $48 per week.

b) Employees may contribute $1-$70 per week, unmatched, to the Savings Plan in addition to their matched contribution.

c) Former employees and retirees, may leave account balances over $5,000 in the plan until April 1 following the calendar year in which they reach age 70-1/2 at which time payments must start.

Effective January 1, 2003:

a) The maximum employee matched contribution shall be increased to $50 per week.

b) Employees may contribute $1-$72 per week, unmatched, to the Savings Plan in addition to their matched contribution.

Effective January 1, 2004:

a) The maximum employee matched contribution shall be increased to $52 per week.
b) Employees may contribute $1-$74 per week, unmatched, to the Savings Plan in addition to their matched contribution.

Sincerely,

[Signature]

James B. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning the Individual Medical Account.

Effective December 3, 2001:

a) Continue the Individual Medical Account for the accumulation of funds to help offset medical costs for retirees.

b) Contributions remain from $1 to $4 per week, in whole dollar amounts, which will be matched by the Company at 75%.

c) Employees in the following age categories may contribute additional amounts, each week and matched at 75%, as indicated below.

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Additional Matched Contribution Per Week</th>
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<tbody>
<tr>
<td>50 - 54</td>
<td>$1 - $2</td>
</tr>
<tr>
<td>55 - 59</td>
<td>$1 - $3</td>
</tr>
<tr>
<td>60+</td>
<td>$1 - $4</td>
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</tbody>
</table>

d) Employees may put part (in whole dollar amounts) or all of their contributions into the account on a before-tax basis in accordance with Section 401(k) of the Internal Revenue Code.

e) All contributions will be invested in the Income Fund.

f) No in-service withdrawals are permitted.

g) No loans are permitted.
h) Employees are immediately vested in Company contributions if currently vested in the Savings Plan, or when they become vested in the Savings Plan, but in no more than two (2) years from start of their participation in the Individual Medical Account.

i) Upon termination prior to retirement, employees may leave their funds in the Individual Medical Account if the combined total of Savings Plan and IMA funds is at least $5000.

j) Employees who are suspended from the Employee Savings Plan will not be suspended from the Individual Medical Account.

k) The payout is limited to a two (2) to twenty (20) year payment plan similar to the same option in the Savings Plan; except if the account balance at retirement is less than $5000, a lump sum payment must be taken.

Sincerely,

[Signature]

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
LETTER 11
Ratification Bonus

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This letter will confirm the understanding and agreement between the Company and the Union concerning the payment of a $1,000 ratification bonus.

Following the ratification of this Agreement, employees who are both on the payroll of the Company and covered by this Agreement as of December 3, 2001, shall receive a $1,000 cash bonus. No other employee or former employee shall be eligible for this bonus. The cash bonus will be paid under the following guidelines:

1. Employees will be given the opportunity to place some or all of this bonus in the Savings Plan.
2. Employees must elect in writing to put some, or all, of their bonus, in $250 increments, into the Savings Plan no later than December 18, 2001.
3. The Company will match at 50% any of the ratification bonus placed in the Savings Plan.
4. Employees who do not make such election will be paid a ratification bonus of $1,000 (Gross) no later than December 27, 2001.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 12
Technological Changes

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning technological changes.

It is understood and agreed by the parties that technological changes will help the Company be more competitive in the marketplace, thereby providing enhanced job security. Therefore, the parties will cooperate to minimize the effect that these changes will have on employees.

There will be a joint Union/Management Committee established within the first quarter of the signing of this Agreement. The committee will be comprised of four (4) representatives from the Union plus the Directing Business Representative and/or his or her designee and four (4) representatives from the Company plus the Vice President, Human Resources, and/or his or her designee to study the problems arising from technological changes in relation to its effect on employees in the bargaining unit. The joint committee will meet on a quarterly basis.

The Company will meet and discuss with the Union any major technological changes that will be introduced in any plant at least one (1) month prior to instituting technological changes with the intent of minimizing the impact on the bargaining unit. The Union and its representatives will protect the confidentiality of any Company sensitive and proprietary information that might be disclosed in such briefings. In the unforeseeable event that the introduction of new technology will result in the Company’s intention to close a plant or eliminate a business unit, the terms of Article 27 will apply, including non-arbitrability.
If as a result of technological changes training is required, the Company will provide the training it determines to be necessary to the affected employees on Company time in accordance with the Joint Company-Union Training Agreement referenced in Letter 14 of this Agreement.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
LETTER 13
Trades Subcontracting

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union regarding Trades subcontracting.

Both the Company and the Union acknowledge a substantial portion of the work has and will continue to be performed by subcontractors.

The Company intends, insofar as competitive forces permit, that the present number of tradesmen employed in Plant Engineering for work on the premises not be reduced through subcontracting. Furthermore, insofar as competitive forces permit, the Company does not intend to use subcontractors on an ongoing basis to perform work traditionally performed by trades employees if the Company has layoff liability. This expression of intent is no promise or guarantee to maintain any number of jobs in the workforce nor a restriction in any sense of the Company's right and need to subcontract. Rather it is intended to convey the Company's good faith desire to prefer its own employees in these trades to those of subcontractors insofar as that desire is compatible with good business judgment.

Further, representatives of the Human Resources Department and the applicable Facilities & Services site manager will meet no less than twice a year with the applicable Union President, Vice President, and the Shop Committee to discuss subcontracting as it pertains to Facilities & Services.

A joint committee consisting of the Directing Business Representative of District 91, the Assistant Directing Business Representative, the Grand Lodge Representative, the Presidents of each Local Lodge and the Vice President, Human Resources and other Company representatives will continue to meet after the signing of this Agreement to expand a process, if
feasible, that will allow the Union to bid on non-production work that the Company intends to subcontract or transfer.

The Union and its representatives will protect the confidentiality of any Company sensitive and proprietary information that might be disclosed in such briefings or meetings.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning the necessity of providing job-based training to bargaining unit employees.

The Company and the Union both recognize that a trained workforce is the most important ingredient to any successful business and that our future depends on being able to deliver technical skills to our current and future workforce.

The Company will continue its commitment to develop a highly trained workforce. Job-based training will be assigned to bargaining unit employees consistent with business needs and the individual development needs of the employee in support of those business needs. The Joint Company-Union Training Agreement, which is made an amendment to this Agreement as Appendix H, will be reviewed and modified, as provided in this Letter.

The parties agree to continue the full-time position of Senior Union Training Coordinator, to be filled by the Directing Business Representative of District 91, subject to approval by the Company. The employee may be selected from any one of the Local Lodges covered by this Agreement or from the staff of District 91. The selected employee will serve as the bargaining unit coordinator for apprentice and training services and will be paid at his or her regular base hourly rate plus cost-of-living and shift premium if any. In case of any performance deficiencies, the matter will be reviewed by the Director, Human Resources and Directing Business Representative of District 91. If the problem cannot be resolved and if necessary, the employee will be returned to his or her bargaining unit position.
During the first quarter of 2002, the parties agree to establish a joint committee consisting of five Union and five Company members under the direction of the Director of Human Resources or designee and the Senior Union Training Coordinator.

The joint committee will review and modify the joint Company-Union Training Agreement with respect to the following items:

- Determination of critical training needs in accordance with business requirements;
- Implementation and delivery of training;
- Documentation and recording of training;
- Reporting training results;
- Communication of training process;
- Apprentice and certificate programs;
- Other items may be addressed upon mutual agreement.

The committee's report and recommendations will be due no later than April 1, 2002, and will be presented for final approval to the Executive Steering Committee. The parties agree that all side agreements related to training, which are not contained in the Agreement will become null and void with the committee's presentation to the Executive Steering Committee. Implementation of the training process will begin once approved by the Executive Steering Committee. Time spent by the five bargaining unit employees who are members of the joint committee during the review and modification process will be paid for by the Company.

The Company intends to assign training on the basis of seniority, except where it is not practicable to do so; for example, where (1) an employee, with the approval of management, requests not to take the training; (2) an employee is absent due to illness; (3) physical or other restrictions, which prohibit an employee from engaging in the training; or (4) critical production requirements.

The parties will continue the collaboration between the Manager of the Pratt & Whitney Employee Training Center and the Senior Union Training Coordinator to optimize the utilization of the Pratt & Whitney Employee Training Center.
Issues of significant magnitude associated with the training of bargaining unit employees may be brought to the attention of the Executive Steering Committee.

The Company agrees that it will designate a Director, Human Resources, to work with the Senior Union Training Coordinator to resolve significant problems, which negatively impact the integrity of the process for training bargaining unit employees.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
LETTER 16

Non-Discrimination and Equal Employment Opportunity

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union regarding non-discrimination and equal employment opportunity.

The Company and the Union recognize that a harmonious and productive workplace is enhanced through policies and practices which encourage non-discrimination and equal employment opportunity.

In order to advance this goal, the Manager, Equal Employment Opportunity Programs and the appropriate Manager, Human Resources, will meet with the applicable Local Lodge President and the Chairman of the Union Human Rights Committee to discuss equal employment opportunity and affirmative action issues of mutual concern. The Company commits that such meetings will be scheduled at the request of either party.

Sincerely,

[Signature]

James R. Miller
Vice President, Human Resources

Accepted this __, 2001 day of December 2001

[Signature]
LETTER 16
Shop Steward and Committeepersons Union Time

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning excess Union time of Shop Stewards and Shop Committeepersons.

It is agreed that if time spent by Shop Stewards and Shop Committeepersons in the grievance procedure exceeds that amount allowed under Article 7, Section 9, the excess time will be billed to the appropriate Local Lodge on a monthly basis. Remittance for such time shall be made payable to the Company not later than thirty (30) days following the submission of said bill.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 17

Reallocation of Employees

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Blvd.
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning the interpretation and application of Article 8, Sections 4(c) and 10 as they pertain to the reallocation of employees in the presence or absence of a layoff.

The parties agree that seniority shall be the governing factor for the purpose of selecting for a preferred shift. For the purpose of surveys, a preferred shift is the first shift or the third shift; there is no obligation on the part of the Company to survey an employee for preference for the second shift, however, any employee desiring placement on the second shift may make this fact known to the Company and such a request will not be unreasonably denied.

In addition, and for surplus to need situations only, it is agreed that whenever an employee is required to change his or her shift, either in the business unit where he or she resides or in the business unit to where he or she will be transferred, he or she shall be entitled to displace a less senior employee in his or her code who resides on a shift preferred by the displaced employee.

(a) Whenever the Company determines that in a business unit a surplus exists on a given shift and it intends to reallocate within the business unit, then:

(1) The Company shall determine the number of employees surplus and the shift or shifts to which it intends to transfer those positions. Employees who are declared surplus shall be the least senior employees on the shift in the job code.
(2) If any of the openings in (1) above are intended for the first or third shift, the Company will survey by seniority on the off shifts for preference to fill such openings.

(3) Once preferred shift openings are filled, the Company will then move the remaining surplus employees to the shift where the need remains and such employees may opt to displace other less senior employees under the shift bumping provision outlined above.

(b) In the event that it becomes necessary to adjust employees between business units within a seniority area, then:

(1) The Company shall determine the business units and job codes where such surplus and need situations exist. Employees declared surplus shall be the least senior in the job code, without regard to shift.

(2) Survey for shift preference in the “need” business unit as outlined in (a) (2) above.

(3) Transfer surplus employees to where the need now exists, again with shift bumping an option for employees who meet the requirements for this option.

(4) In the event that there is more than one (1) “need” business unit, the determination of which business unit an employee is transferred to will be left to the discretion of the Company.

(c) In the event there is a “need” situation in one seniority area, which could be filled by a “surplus” situation in a second seniority area, the following process will be followed in an attempt to use volunteers to resolve both situations in the most efficient manner possible:

(1) The business unit with the “need” will define the “need” in terms of job code(s) and occupational group(s) and the number of openings.

(2) The business unit with the “surplus” will define the “surplus” in terms of job code(s) and occupational group(s) and the number of surplus positions.

(3) The business unit with the “surplus” will post a notice of openings from the second business unit in an announced location within the business unit. This posting will contain the following information:
a. The number of positions and business unit where the needs exist, expressed in terms of labor grade, job code, and occupational group;

b. The identification of those employees by grade, job code and occupational group who may wish to volunteer to transfer to these openings. The eligible group of employees is limited to the affected job codes and occupational groups where the surplus exist and if applicable, the amount of seniority an employee will be required to have to be eligible to fill the opening;

c. The effective date when the employee(s) selected to fill the openings will be transferred.

(4) Eligible employees would have a period of three working days to sign up for transfer to the openings in the second business unit.

(5) Following the three days, supervision would review the list of volunteers and the most senior employees would be transferred to the openings, in accordance with the effective date contained in the posted notice of openings.

(6) Employees who volunteer and are transferred to the openings in the other business unit may be required to take a demotion. If that is the case, their hourly rate of pay will be reduced in accordance to Article 8, Section 4(b).

If there were an insufficient number of volunteers to fill the openings, the business with the surplus would then readjust the least senior employee(s) in the seniority area in which the business unit with the surplus resides.

Sincerely,

James R. Millor
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
   Lodge No. 91  
International Association of Machinists  
   and Aerospace Workers, AFL-CIO  
49 Connecticut Blvd.  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning familiarization with High Performance Work Organization (HPWO) concept of the International Association of Machinists and Aerospace Workers.

It is in the mutual interest of both parties for the Company to be more competitive in the global marketplace; thereby providing enhanced job security for bargaining unit employees. The Union has developed and implemented with other employers a program known as “High Performance Work Organization Partnerships” or HPWO.

While making no commitment to implement or to consider implementing HPWO, the Company agrees that a familiarity with the HWPO concept and its implementation has the potential for advancing cooperation between the Company and the Union.

Therefore, the parties agree that Company and Union representatives will attend an HPWO training session, the purpose of which will be to familiarize Company representatives with the HPWO program.
The parties agree to meet no later than March 31, 2002, to make arrangements for Company participation in an HWPO training session.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 19
Martin Luther King Jr. Day and Veterans Day

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This will confirm the understanding and agreement between the Company and the Union concerning absence on Martin Luther King Jr. Day and Veterans Day.

In the event an employee decides not to work on Martin Luther King Jr. Day and/or Veterans Day, this decision shall not disqualify him or her from incentive vacation and shall not be considered an absence for purposes of assessing the employee's overall attendance record.

Sincerely,

James J. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]

James M. Parent
LETTER 20
Indirect Subcontracting

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning subcontracting of Facilities, Machine Tool Services, Tool Die & Gage, and Materials work.

Both the Company and the Union acknowledge a substantial portion of the work has been and will continue to be performed by subcontractors.

Within the first quarter of 2002, a joint committee consisting of the Directing Business Representative of District 91, the Assistant Directing Business Representative, the Grand Lodge Representative, the President of each Local Lodge and the Vice President, Human Resources or a designee, and other Company representatives will be formed.

This committee will review the current Facilities, Machine Tool Services, Tool Die & Gage, and Materials contractors and the duties they perform for the Company. The Company will discuss with the Union whether it is compatible with good business judgment to have any of that work performed by current bargaining unit employees and/or employees on layoff with recall rights. As part of this review the committee will:

- Examine whether a process can be developed that will allow the Union to bid on non-production work that the Company may intend to subcontract in the near future.
- Assess the availability of qualified and qualifiable employees to enter training programs that may be required.
Pertinent information necessary for the Committee to perform its review will be shared with the Union members of the Committee. The Union and its representatives will protect the confidentiality of any Company sensitive and proprietary information that might be disclosed during the Committee’s review.

Any decision to subcontract work remains within the sole discretion of the Company.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
LETTER 21
Executive Steering Committee

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning the Executive Steering Committee.

The parties agree to continue the Executive Steering Committee to communicate with each other concerning the issues of job security, productivity, workforce flexibility, training and cost reduction. The Executive Steering Committee will meet not less frequently than once per month.

The Union members of the Executive Steering Committee shall be the Directing Business Representative, the Assistant Directing Business Representative of District 91 and the Presidents of Local Lodges 700, 707, 1746 and 1746A. The Company members of the Executive Steering Committee shall be Pratt & Whitney's Executive Vice-President for Operations, and the Vice-President of Human Resources for Operations.

The Executive Steering Committee shall have access to information concerning financial results, partnership and offset agreements, part manufacture authorizations, scheduling, staffing plans affecting the bargaining unit and other such information, as mutually deemed relevant by the parties. The Union members of the committee agree to keep the above information confidential and if the Company has reasonable cause to determine a breach of confidentiality has occurred, access to such information may be withdrawn.

The Executive Steering Committee shall meet on a monthly basis to review issues related to job security, productivity, cost reduction, workforce flexibility and training and other issues relative to the Letter of Agreement signed by the parties concerning the investigation of the I.A.M.A.W.'s High Performance Work Organization. The Committee shall be responsible for
overseeing joint efforts in all areas and may create other committees with management and Union representatives to develop and implement programs to achieve the above objectives.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 22
Workplace Guarantees and Subcontracting

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District Lodge No. 91
International Association of Machinists and
Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, CT 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning workplace guarantees and subcontracting. This letter and Letter 22A supersede and replace all previous agreements on this subject, including the Memorandum of Agreement dated February 15, 2001. The parties agree that the division of this Letter 22 into separate sections is for ease of reference only. No substantive change to Letter 22 is intended by such division or by the labeling of the sections.

Section 1. Workplace Guarantees:

The Company agrees during the life of this Agreement that it will continue to employ bargaining unit members at its facilities in East Hartford, Middletown, and Cheshire.

Section 2. Subcontracting and Transfer of Work

(A) Except under the circumstances described in Section 3 hereof, the Company will make every reasonable effort to preserve the work presently and normally manufactured by employees covered by Article 2 of this Agreement. Therefore, it is not the intent of the Company to use subcontractors for the purpose of reducing or transferring work that is presently and normally manufactured by employees in the bargaining unit nor to place such work in Maine or Georgia, except in those circumstances.

(B) The following definitions apply to the interpretation and administration of this Section 2:
(1) “Work” means activities directly related to the manufacture, assembly, test, repair, overhaul, development or inspection of aircraft engines and parts. It does not include activities performed by indirect bargaining unit employees.

(2) (a) “presently and normally manufactured,” when applied to original equipment aircraft engines or parts (whether experimental or production), refers to machine operations, assembly, test and similar activities associated with specific products (commonly identified by part numbers) and/or operations for which a sourcing decision has been made by the Company that placed those products and/or operations (or a certain volume thereof) in the Company’s Connecticut facilities prior to the effective date of this Agreement;

(b) “presently and normally manufactured,” when applied to aftermarket services, refers generally to aircraft engine overhauls and repairs of airfoils, combustors, cases, stators and rotating parts, without regard to specific engine models nor specific parts.

(3) “to preserve” means to refrain from transferring out of the bargaining unit work presently and normally manufactured by employees covered by Article 2. To transfer work out of the bargaining unit means discontinuing work presently and normally manufactured within the facilities identified in Article 2 where that discontinuance is coupled with the assignment by the Company of the same work to a facility not identified in Article 2 (including subcontracting the same work to another employer) if such assignment of work is not simply a change in the work mix and as a result causes a layoff of bargaining unit employees in conjunction with that assignment of work.

(4) “every reasonable effort” means pursuing actively and in good faith the goal of preserving the work presently and normally manufactured by employees covered by Article 2, while giving reasonable consideration to the Company’s own interests, including the profitability of its operations. The Company will assign extra value in its decision-making to choices that preserve such work in the bargaining unit. As part of any “meet and confer” process undertaken pursuant to Article 27, the Company will describe the efforts made to comply with this Letter and will provide the Union the opportunity to propose other reasonable efforts, including modifications to the collective bargaining agreement, which the Company will consider in good faith. In no event will “every reasonable effort” require the
Company to make a capital investment, increase the size of the workforce, or require lower profits.

Section 3. Exceptions

The Company is not required to comply with Section 2(A) when:

(A) Vendor assistance is required to meet schedule demands. Thirty (30) days, or as soon as practicable, prior to any involuntary reduction in the workforce covered by this Agreement, the Company will meet with the Union and will review the work of the affected facility currently on vendor assistance to discuss the opportunity to return that work to the facility.

(B) A particular skill and/or specialized equipment is required and not available within the Company. The Company will also fully explore the availability of the particular skills and/or specialized equipment in other facilities before this decision is made.

(C) The work is placed outside Pratt & Whitney as a result of partnership agreements, offsets, PMA requirements or joint ventures.

(D) A product center or similar organization fails to meet Company established productivity and cost reduction goals for two (2) consecutive calendar quarters. Failure to meet a quarterly productivity or cost reduction goal shall substitute for the notice provided for in Article 27. Prior to implementation and within 90 days of the signing of this Agreement, the parties will form a joint committee to review productivity measures, goals and implementation plans. It is agreed the productivity goals will be monitored for a six month period before full implementation. During that period, the parties will have an opportunity to review and modify the measurements.

Section 4. Additional Severance

In the event an employee is laid off as a direct result of work placed outside Pratt & Whitney to satisfy partnership agreements, offset, PMA requirements and/or joint ventures, the employee will receive the following benefits: contractual severance pay, a $5,000 lump sum payment and six (6) months of medical and dental insurance coverage for the employee and his or her dependents (one year coverage if the employee is retirement eligible); however, the insurance coverage shall not be additive.
Section 5. Product Center Joint Committees

(A) The parties agree that a four member joint committee will be established for each product center or similar organization. The membership of this joint committee will consist of the Product Center General Manager, the Manager, Human Resources, a Business Representative, and the President of the applicable Local Lodge or their designee. The committee will meet on a monthly basis (subject to mutual agreement to cancel) to review any issues arising out of the above, in addition to productivity, training and cost reduction.

(B) Prior to each such meeting, the Company will provide the Union a list of all covered work being subcontracted pursuant to the "vendor assistance" exception. This list will specify the part and part number, the date the part was sent out to the vendor, the reason the part was sent out to the vendor, the work being done on the part by the vendor and the date the part is scheduled to return to the Product Center. At the meeting, the Company will be prepared to review and discuss all information provided to the Union.

(C) To facilitate the Product Center review meetings, the parties agree to the following guidelines for discussing temporary vendor assistance:

1. If parts are to be subcontracted for a period longer than ninety (90) days, the Company will advise the Union at a meeting of the Product Center joint committee and will explain the reasons therefore and the expected duration. Where business conditions permit, the Company will provide the Union this notice prior to subcontracting.

2. The parties recognize that where a part or parts are subcontracted for more than ninety (90) days, there may be disagreements about whether or not such subcontracting should come within the "vendor assistance" exception. However, the parties further recognize from experience that it is in their mutual interest to resolve such disagreements through the joint committee process and will continue to do so.

(D) At these meetings, the Company will also discuss with the Union any plans to off load existing work as the result of any partnership agreements, offsets, PMA requirements or joint ventures.

Section 6. Structure of the Business

Nothing in this Letter shall require the Company to increase its manufacturing, overhaul or repair capacity in Connecticut nor limit the right of the Company to change the business structure of its operations, including,
without limitation, the sale or purchase of assets, mergers, joint ventures, partnerships and the like.

Section 7. Dispute Resolution

Any disputes concerning workplace guarantees and subcontracting are not subject to the grievance procedure, including arbitration. If a difference arises over the issues of subcontracting/workplace guarantees, productivity, training or cost reduction, it will be referred to and discussed by the Executive Steering Committee at their next regularly scheduled meeting.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
LETTER 22A
Modification to Letter 22
Repair Work and Cheshire

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District Lodge No. 91
International Association of Machinists and
Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, CT 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning a modification to Letter of Agreement 22 (Workplace Guarantees and Subcontracting) and other, related, matters. This letter and Letter 22 supersede and replace all previous agreements on this subject, including the Memorandum of Agreement dated February 15, 2001 ("MOA").

Section 1. Repair Work

(A) In August 1999, the Company announced plans to move production work related to the repair of parts for aircraft engines to locations outside Connecticut, namely the turbine airfoil repair work performed by employees working in the ART operations located in the North Haven plant and the parts repair work performed by employees located in what is known as M Building in the East Hartford plant. The litigation known as Aeronautical Industrial District Lodge 91 v. United Technologies Corp., 87 F. Supp 116 (D. Conn.), aff'd 230 F.3d 569 (2d Cir. 2000) resulted in a court ruling that prevented that move unless "Pratt makes every reasonable effort to preserve that work within the ... bargaining unit...." Pursuant to the court's ruling, the Company was free to carry out its plans, as long as the "every reasonable effort" standard was satisfied. Instead of pursuing that option the Company agreed in the MOA to forego its right to move the work out of the bargaining unit during the term of the last Agreement and expressed its intent to extend that commitment for the life of this Agreement, subject to certain safeguards relating to the possibility of unanticipated changes in business conditions.

(B) In accordance with that expression of intent, in the absence of unanticipated changes in business conditions (including, but not limited to, an increase in competition, a significant reduction in commercial aerospace business, contract losses, customer dissatisfaction, business combinations,
Section 2. Cheshire

(A) In the absence of unanticipated changes in business conditions (including, but not limited to, an increase in competition, a significant reduction in commercial aerospace business, contract losses, customer dissatisfaction, business combinations, new technologies) the Company agrees to continue to employ at its facilities in Cheshire, Connecticut at least the same number of bargaining unit employees as it did on September 6, 2001. The Company agrees it will not apply “grade protection” in the Cheshire facility to those employees with less than one year seniority as of the signing of this Agreement.

(B) The parties agree that the anticipated relocation of the V2500 line will not be subject to the restrictions of Article 27 or Letter 22. It is further agreed, however, that the Company will be subject to those same restrictions in the event it intends to move any other product lines from the Cheshire facility.

Section 3. Business Structure/Scope and Type of Work

The Union acknowledges that in implementing this agreement, the Company, within the limitations imposed by Section 1(B) hereof, may change the scope and type of overhaul and repair work it makes available in Connecticut to its customers and potential customers and that any such changes are outside the scope of Section 2 of Letter of Agreement 22. The Union further acknowledges that this agreement is no restriction on the Company’s right to change the business structure of its operations, including, without limitation, the sale of assets, mergers, joint ventures, partnerships and the like.
Section 4. Dispute Resolution

Any disputes arising under this Letter of Agreement are not subject to the grievance procedure including arbitration. If a difference arises over an issue arising under this Letter of Agreement, it will be referred to and discussed by the Executive Steering Committee at its next regularly scheduled meeting.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 22B
Supplement to Letter 22
New Work

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District Lodge No. 91
International Association of Machinists and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, CT 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning certain issues relating to the placement of “new work” within facilities identified in Article 2 of this Agreement.

1. Letter 22 of this Agreement provides certain protections for work presently and normally manufactured by employees covered by Article 2 of this Agreement (hereinafter “Letter 22 work”). Those protections do not apply to any work not presently manufactured by employees covered by Article 2. Thus, they do not apply to work which, during the term of this Agreement, may be placed for the first time within facilities identified in Article 2 of this Agreement (hereinafter “new work”).

2. In order to encourage the placement and retention of higher value, more modern work in the Company’s Connecticut facilities, the parties agree that for any “new work” which is placed in the Company’s Connecticut facilities during the term of this Agreement, said new work will be deemed “presently and normally manufactured” within the meaning of Section 2(A) of Letter 22 under the following circumstances: after “new work” has been placed in the Company’s Connecticut facilities, the Company will be free to transfer out of those facilities a like amount (measured in standard hours of work) of “Letter 22 work” without complying with Article 27 or Letter 22 of this Agreement and, upon doing so, the “new work” will be deemed “presently and normally manufactured” within the meaning of Section 2(A) of Letter 22 on a pro rata basis.
3. Dispute Resolution

Any disputes arising under this Letter of Agreement are not subject to the grievance procedure including arbitration. If a difference arises over an issue arising under this Letter of Agreement, it will be referred to and discussed by the Executive Steering Committee at its next regularly scheduled meeting.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District Lodge No. 91  
International Association of Machinists and  
Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, CT 06108

Dear Mr. Parent:

The Company expects that additional new production work associated with the F119 nozzle will be placed in its Connecticut facilities on or after December 3, 2001. If, after such placement, the Company elects, pursuant to Letter 22B, to transfer production work associated with tubes, seals, and/or V2500 diffuser cases, the Company agrees:

1. No transfer pursuant to Letter 22B of production work associated with tubes, seals, and/or V2500 diffuser cases will occur unless an equal or greater amount of new production work associated with the F119 nozzle has first been placed in the Company's Connecticut facilities.

2. No incumbent employee will be laid off as a result of the transfer.

3. Rather, any affected employee will be transferred in accordance with Letter 17 of this Agreement and will be trained to perform new production work associated with the F119 nozzle.

4. The obligations of Article 27 will apply to the anticipated movement of work referenced in the first paragraph of this letter. In addition, the Company will share with the Union on a confidential basis information not required by Article 27 that is pertinent to the decision. The final decision to transfer the work rests solely with the Company.
Nothing herein affects the Company’s rights under Letter 22B or otherwise.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Mr. James M. Parent  
Directing Business Representative  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
Aeronautical Industrial District Lodge #91  
49 Connecticut Blvd.  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement reached between the Company and the Union concerning the development and implementation of a joint apprenticeship program.

The Company and the Union agree an apprenticeship program is an important ingredient in a trained workforce. Accordingly, the responsibilities for the development of an apprentice program will be assigned to the joint committee established in Letter 14, Technical Training. Specific details concerning the apprenticeship program will be presented to the Executive Steering Committee no later than July 1, 2002. The apprenticeship program will be implemented during 2002 and will include an initial class of at least ten (10) employees.

The parties further agree that the Company will fund the program.

Issues of significant magnitude associated with the joint apprenticeship will be brought to the attention of the Executive Steering Committee.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning the Connecticut Workshare Program.

The Company and Union recognize that in some instances the Connecticut Workshare Program offers an alternative method to resolving surplus situations of a temporary nature. Therefore, the Company agrees to discuss with the Union the possibility of utilizing the Connecticut Workshare Program in those instances involving temporary surplus situations, which may also be addressed by implementation of the temporary layoff procedure, under Article 8, Section 9 of the Agreement.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001.

James M. Parent
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning the assignment of an administrator for hourly benefit issues.

The Company agrees it will designate an administrator who will be assigned responsibility for the investigation and resolution of hourly benefit questions raised by the bargaining unit employees throughout ConnOps. This individual will be assigned to the staff of the Vice President, Human Resources and will work with members of the District 91 staff to resolve such employee benefit issues which may occur over the life of the Agreement.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 26
Joint Health Care Committee

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning a joint committee on health care issues.

The Company and Union share a deep concern about the cost and quality of health care for employees and their families. Therefore, the parties agree to establish a joint committee on health care cost and quality. The committee shall meet with health care providers on at least an annual basis to express the parties' interest in obtaining quality health care at affordable prices.

The committee will consist of the senior benefits manager from the Company, the Union's benefit appointee, who shall jointly chair the committee, and an equal number of representatives from the Company and Union as mutually agreed upon by the Chairs.

The responsibilities of the committee will be to:

1. Annually review the Company medical plan claims experience, HMOs to be offered in the following year, HMO premiums, HMO plan designs, and calculation of employee HMO contributions;
2. Annually review quality accreditation status of managed care providers;
3. Review administrative complaints by employees enrolled in an offered health plan;
4. Encourage health care providers to provide high quality, cost-effective care to our employees; and to encourage HMOs to establish premiums which will minimize employee contributions.
The committee will meet at least quarterly, or upon the agreement of both the Company's and the Union's chairpersons. The Company will provide all resources needed to carry out the work of the committee, including meeting space, reasonable consulting fees for outside expertise normally utilized by the Company, and printing and distribution of material deemed mutually beneficial.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Pearson
LETTER 27
VER Medical Coverage

Mr. James M. Parent
Directing Business Representative
International Association of Machinists
and Aerospace Workers
Aeronautical Industrial District Lodge #91
49 Connecticut Blvd.
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement reached between the Company and the Union concerning Voluntary Early Retirement (VER) Medical Coverage.

It is agreed that VER medical coverage will be offered to all new (future) retirees as follows:

1. Eligibility for VER medical coverage will remain the same as stated in the "Summary Plan Description—Medical Benefits for Hourly Paid Represented Employees" referenced under Article 22 (Group Insurance) of this contract.

2. The hourly retiree VER medical coverage available will be identical to the salary retiree VER medical coverage and will be subject to the same medical plan changes which affect the salary retirees.

3. The cost (premium) of the hourly retiree VER medical coverage will be calculated on an annual basis and will be based on the melded (average) utilization experience of all domestic hourly retirees, covered spouses and covered dependents (excluding Carrier) participating in this VER medical coverage.

4. The Company will offset (subsidize) a fixed portion of the cost of VER medical coverage, for those retirees who elect to participate, based on years of continuous service at retirement per the following schedule:
Company Contribution Toward VER Medical

<table>
<thead>
<tr>
<th>Years of Continuous Service At Retirement</th>
<th>Retiree or Dependent Only</th>
<th>Retiree +1 or Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>After 10</td>
<td>$1,250</td>
<td>$2,500</td>
</tr>
<tr>
<td>For Each Year 11 through 20</td>
<td>Add $100 Per Year</td>
<td>Add $200 Per Year</td>
</tr>
<tr>
<td>For Each Year 21 through 30</td>
<td>Add $150 Per Year</td>
<td>Add $300 Per Year</td>
</tr>
</tbody>
</table>

5. The retiree, if they elect VER medical coverage, will pay an amount equal to the annual premium from Paragraph 3 above, minus the fixed Company contribution calculated using the schedule in Paragraph 4 above for this coverage. For example, if the melded annual premium for hourly retiree VER medical coverage is $6,000 for a retiree only and that retiree has 25 years of continuous service at retirement, the retiree’s cost is calculated as follows:

\[
\text{Melded Annual Premium} = \$6,000 \\
\text{Minus Company Contribution} = -$3,000 = \left(1,250 + (10 \times 100) + (5 \times 150)\right) \\
\text{Retiree's Annual Cost} = \$3,000
\]

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this _13_ day of December 2001
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
   Lodge No. 91  
International Association of Machinists  
   and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning Article 12, Section 1(a)4.

It is understood there are certain assignments which benefit the Company and employees, such as, but not limited to: training which requires the employees to change his or her regularly scheduled shift; visiting customers, and accommodating an employee’s request for temporary adjustment of his or her regularly scheduled shift hours. In such cases, Article 12, Section 1(a)1 will apply for purposes of any overtime pay.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning Environmental, Health and Safety (EHS) employee teams and Company participation in the Voluntary Protection Programs (VPP).

The Company and the Union agree to continue to work cooperatively and proactively to provide a safe work place for its employees by prevention of accidents and environmental incidents, resolution of environmental, health and safety (EHS) concerns, and communication to enhance safety awareness. An important factor in providing work place safety is active employee involvement in environmental, health and safety issues.

In an effort to foster employee involvement, the parties have agreed to the following process:

- Each module center or similar organization will have an Environmental, Health & Safety (EHS) Council. This body is primarily responsible for determining the direction of EHS activities within the organization. Subcommittees will be created to work on key aspects of EHS and to make recommendations to the EHS Council. The VEHS Co-chairs will be seated on this Council. These subcommittees, (employee teams) will consist of hourly and salary employees and the Union will solicit and select bargaining unit employees to participate on these teams. One or more Union EHS Representatives may be a member of each team. The Chief EHS Representatives will be provided with Subcommittee meeting minutes.
• The Manager, Environment, Health and Safety, the Chief Union EHS Representatives and the Directing Business Representative, or designee, will mutually agree on a consistent training program for team members. Each team member's skills will be evaluated and training, where necessary, will be provided in accordance with this training program and the team members' specific team assignment. Review and application of this program may be a subject of discussion at meetings of the Union Chief EHS Representatives and the Company site EHS organization.

• The Connecticut VEIIS Steering Committee, by mutual agreement will determine the training/program requirements of the VEHS team members and who will give said training. VEIIS trainers who have completed the train-the-trainer program, Union Safety Representatives and EHS professionals may conduct training for VEHS team members and others, as deemed necessary.

• VEHS members will attend VEHS Subcommittee Training and VEHS Training Introduction. It is also understood that proper training will be provided to employee volunteers before they become an active member of a new subcommittee. This training will be mutually agreed to by the parties.

• Any contract trainers, e.g., IAM Crest, for VEHS related training will be determined by mutual agreement of the members of the Connecticut VEHS Steering Committee.

It is understood and agreed to by the parties that the hourly members may not serve on more than two committees unless there is mutual agreement by the parties (hourly employees will not conduct incident or workers' compensation investigations). Subcommittees existing as of the signing of this Agreement will continue to function as is unless changed by the site or module center EHS Council. There shall be a standing subcommittee for ergonomics, audit and accident investigation in every module center or similar organization. Other subcommittees, such as pollution prevention, communications and design/process review may be formed by EHS Councils as determined by the needs of the business.

• Training provided for EHS team members in accordance with the established training program, will be provided at the Company's expense.

• The Company will provide team members up to four (4) hours a month to attend EHS employee team meetings.
The Local Lodge Chief Union EHS Representative and Union EHS Representatives may, upon request, meet on a monthly basis with management representatives from the applicable module centers or similar organizations to discuss common issues experienced by the EHS employee teams. The Company will pay up to two (2) hours a month for this meeting and an additional four (4) hours for a meeting among the Union Representatives prior to the Company-Union meeting.

The parties also agree to the following practices with respect to the operation of the VEHS teams:

- VEHS Subcommittees will be co-chaired by hourly and salary employees and when issues arise in the committees they must be mutually-agreed by the co-chairs prior to any action.

- All VEHS Subcommittees will operate according to standard guidelines established by the VEIIS Steering Committee.

- Tier I General EHS audits must be performed under VEIIS Subcommittee guidance.

- VEHS members may meet with their Union EHS Representative to discuss issues that arise within their subcommittee(s).

- VEHS members are not responsible for representing the Union in the handling of EHS issues within the safety complaint procedure.

- Once a member of a subcommittee, employees are responsible for notifying their supervisor of committee meetings and activities, with as much advanced notice as possible. Employees should be permitted to attend committee activities and meetings, unless there is a compelling production requirement in the employee's cell or business unit.

- The Company will allow VEHS subcommittee members the necessary time to perform tasks required by a subcommittee approved plan. In cases where the hourly members are required to attend meetings called by the subcommittee co-chairs, overtime will be paid for time spent outside their regular shift, if the member cannot change his or her shift hours in accordance with Letter 28.

- The Company will supply a common office setting to be used by Union Safety Representatives and the VEHS members at each site.
• The VEHS members shall be given access to E-Mail for the purpose of conducting VEHS Committee business.

• Mutually agreed to costs associated with this program will be paid for by the Company. This will be decided at the VEHS Steering Committee level.

To further support the joint VEHS activities, the parties agree to support the full time position of Chief EHS Representative for individual bargaining units which exceed 1,000 employees. Chief EHS Representatives who serve in a full time position are not included in the calculation for determining the number of Union-EHS Representatives in Article 26, Section 1. In locations where the bargaining unit is less than 1,000 employees, the Chief EHS Representative will be afforded sufficient time from his or her regular job to complete VEHS duties. Concerns regarding the administration or performance of these duties will be reviewed by members of the Executive Steering Committee.

The Company will apply for the Voluntary Protection Programs (VPP), as authorized by Section (2)(b)(1) of the Occupational Safety and Health Act; and the Union is invited to participate in these programs. The Union will support the Company’s intent to apply and participate in the VPP.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Mr. James M. Parent
Directing Business Representative
International Association of Machinists
and Aerospace Workers, AFL-CIO
Aeronautical Industrial District Lodge #91
49 Connecticut Blvd.
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement reached between the Company and the Union concerning the implementation of alternative workweek schedules.

These alternative workweek schedules may consist of a four-day workweek consisting of four ten-hour workdays or a three-day workweek consisting of three twelve-hour workdays.

The parties recognize it is in their mutual interest to grow the Company's aftermarket business, which is in an extremely competitive market. In an effort to have long term success in this business endeavor, which includes satisfying customer demand, the Company may maintain at its Cheshire facility, at its discretion, those mandatory alternative workweek schedules in place as of the signing of this Agreement. Any additional alternative workweek schedules required in Cheshire will be filled on a voluntary basis only.

It is agreed implementation of the alternate workweek schedule in Cheshire will be conducted as follows:

- Qualified employees will be surveyed for shift preference and placed in seniority order.
- Every effort will be made to fill any remaining three (3) day, twelve (12) hour shifts on a voluntary basis.
- If an insufficient number of volunteers are found from within Cheshire, the vacancies will be posted in accordance with Article 29 of this Agreement. If there is an insufficient number of qualified applicants, the
least senior qualified employees will be placed on the three (3) day, twelve (12) hour shifts.

- Any employee forced onto a three (3) day shift will be given thirty 30 days notice prior to beginning his or her new shift assignment.

To properly respond to future customer requirements or business needs, the Company may also implement alternative workweek schedules within its shop operations, for up to a total of twelve percent (12%) of the bargaining unit employees who work in the affected product center or similar organization. Employees will be selected on a voluntary basis.

In implementing any of these alternative workweek schedules, it is the intent of the parties not to advantage or disadvantage those employees who work such alternative schedules over employees working the traditional five day workweek, consisting of eight (8) hour days. Attached to this letter is a chart, which identifies the payment of various Company benefits, for both the traditional and alternative workweek schedules.

Prior to the implementation of an alternative workweek schedule, the Union will be given sixty (60) calendar days’ notice and the Company will present to and discuss with the Local Union President the issues giving rise to the necessity for implementing the alternative workweek schedule. Subsequent to that discussion, those issues will be forwarded to the Executive Steering Committee for review and discussion. At the request of the Union, the Company will also discuss any additional issues of pay or working conditions which may arise and are not already covered in the attached chart or Article 12. The participants will include the local management, human resources, and the local Union leadership.

When implementing an alternative workweek schedule, the following pay policies will apply:

- Employees working a three day/twelve hour workweek will receive a premium equal to 11.1% of their hourly wage rate plus cost-of-living allowance for each hour worked. In addition, employees working a three-day/twelve hour workweek will receive a 30-minute paid lunch on each twelve (12) hour shift.

- In addition, employees working second shift on either a four-day/ten-hour workweek, or a three-day/twelve hour workweek will receive a second shift premium equal to ten percent (10%) of such hourly wage rate plus cost-of-living allowance for each hour worked.
The following process will be utilized to implement alternative workweek shifts:

- The Company will survey qualified employees from the affected departments/cells for transfer to an alternative workweek schedule. Selection will be based upon the most senior qualified employees volunteering from the affected department/cell.

- In the event an insufficient number of qualified employees volunteer, the Company will, if feasible, solicit qualified employees from other departments/cells in the affected seniority area.

- If qualified volunteers are selected and transferred from outside the affected department/cell, any requirement to replace those employees will be accomplished in accordance with the terms of the collective bargaining agreement.

- Should there be an insufficient number of volunteers following the survey within the seniority area, the Company may fill any alternative workweek schedule openings by recall, job posting or new hire. The Company will not force any employee to the alternative workweek schedule.

Once the alternative workweek schedule is implemented, the Company will allow requesting employees in seniority order (the most senior to least senior) to transfer off the alternative workweek schedule, as openings become available.

In the event it is necessary to reduce the number of alternative workweek assignments, employees within each job classification affected by the reduction will be offered the opportunity to return to the traditional workweek schedules, beginning with the most senior employee.

Any disputes over the issues of alternative workweek schedules, other than the implementation or continuation of such, will be subject to the grievance
procedure, including arbitration. Disputes concerning the implementation or continuation of alternative workweek schedules will be referred to and discussed by the Executive Steering Committee at its next regular scheduled meeting.

Sincerely,

[Signature]

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
## PAYMENT FOR BENEFITS

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Traditional 5 Day/8 Hour Work Week</th>
<th>4 Day/10 Hour Work Week</th>
<th>3 Day/12 Hour Work Week</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacation</strong></td>
<td></td>
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<tr>
<td>- Pay Allowance</td>
<td>200x employees hourly base rate</td>
<td>200x employees hourly</td>
<td>200x employees hourly</td>
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<tr>
<td></td>
<td>plus cost-of-living allowance and</td>
<td>base rate plus</td>
<td>base rate plus</td>
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<tr>
<td></td>
<td>shift premium if applicable.</td>
<td>cost-of-living allowance</td>
<td>cost-of-living allowance</td>
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<tr>
<td><strong>Vacation Time</strong></td>
<td>25 days (1 week equals 5 days)</td>
<td>20 days (1 week equals 4 days)</td>
<td>15 days (1 week equals 3 days)</td>
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<tr>
<td><strong>Holiday Pay</strong></td>
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<tr>
<td>- If worked</td>
<td>24 hours pay</td>
<td>30 hours pay</td>
<td>36 hours pay</td>
</tr>
<tr>
<td>- If not worked on scheduled workday</td>
<td>8 hours pay</td>
<td>10 hours pay</td>
<td>12 hours pay</td>
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<td></td>
<td></td>
<td>8 hours pay</td>
<td>8 hours pay</td>
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<td><strong>Jury Duty</strong></td>
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<td></td>
<td>Up to 30 eight hour workdays/year</td>
<td>Up to 30 ten hour workdays/year</td>
<td>Up to 30 twelve hour workdays/year</td>
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<tr>
<td><strong>Military Service Pay--Annual Training Duty or Encampment</strong></td>
<td>Up to 15 eight hour workdays/year</td>
<td>Up to 15 ten hour workdays/year</td>
<td>Up to 15 twelve hour workdays/year</td>
</tr>
<tr>
<td><strong>Military Service Pay--Temporary Emergency Duty</strong></td>
<td>Up to 15 eight hour workdays/year</td>
<td>Up to 15 ten hour workdays/year</td>
<td>Up to 15 twelve hour workdays/year</td>
</tr>
<tr>
<td><strong>Bereavement Pay</strong></td>
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<tr>
<td></td>
<td>Up to 3 eight hour workdays/per member immediate family</td>
<td>Up to 3 ten hour workdays/per member immediate family</td>
<td>Up to 3 twelve hour workdays/per member immediate family</td>
</tr>
<tr>
<td><strong>Incentive Vacation</strong></td>
<td>4 hours per quarter</td>
<td>5 hours per quarter</td>
<td>6 hours per quarter</td>
</tr>
<tr>
<td><strong>Sick/Personal</strong></td>
<td>5 days/40 hours</td>
<td>4 days/40 hours</td>
<td>3 days/40 hours</td>
</tr>
</tbody>
</table>

* Example depicts employee with five (5) weeks vacation eligibility.

** Exceptions will be strongly considered for employees on military encampment which falls on scheduled workdays.

The contractual requirement for a rest period applies to both the traditional and 4 day/10 hour workweek schedule. (If working more than two hours overtime in a day, employees will be given a paid 18-minute break prior to the start of the overtime.) For the 3 day/12 hour workweek schedule, employees receive a paid 30 minute lunch break in lieu of the 18-minute rest period.
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning Hourly Job Rating Plan challenges and a review of Occupational Group 583.

It is agreed by the parties that during the life of this Agreement, the Union may challenge the scoring, via the HJKP complaint procedure, of up to ten (10) bargaining unit jobs currently in existence in any of the product centers or similar organizations.

It is further agreed by the parties that during the first quarter 2002, the parties will establish a joint committee for the expressed purpose of reviewing the application of Occupational Group 583 within the various module centers in accordance with Article 9, Section 4(a) of the Agreement.

Sincerely,

James R. Miller  
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union regarding the interpretation and application of Article 8, Section 8(a) and (b), and Article 29, Section 3(c).

During the 1998 contract negotiations, the parties agreed to meet and attempt to reach a common understanding with respect to the meaning of specific terms and language from our Collective Bargaining Agreement, as it relates to the promotional process.

The parties have met on a number of occasions and have reached a common understanding on most of the issues outlined in Letter 32, as identified below:

- **The process to be used for the selection of employees' promotion:**

  For promotions made on the basis of the “most senior qualified” employee, the following process will be used:

  The open position will be defined from the job description and the promotional pool will be defined by supervision in accordance with Article 8, Sections 8(a) and 8(c).

  The term “qualified” is defined in terms of the ability of the most senior employee to satisfactorily perform the key duties/responsibilities of the higher-rated job based upon performance in the current job or in previous jobs. There are two additional points relative to defining a “qualified” employee.
Employees who have not attained standard rate of their current job are not considered to be “qualified” for promotion to the next job in the line of progression:

Employees transferred into a new line of progression will not be qualified for promotion for up to 12 months. Supervision will be responsible for training during that period.

Supervision will assess the employees in the promotional pool in seniority order to identify the first qualified candidate.

For promotions made on the basis of the three co-equal factors of seniority, ability and fitness, the following process will be used:

The open position will be defined from the job description and the promotional pool will be defined by supervision in accordance with Article 8, Sections 8(a) and 8(c).

The term “qualified” is defined as the employee who is determined to be the best “qualified” candidate for the position on the basis of the co-equal factors of seniority, ability and fitness.

Supervision may elect to survey employees in the promotional pool to determine interest in the promotion. Those not interested will be issued appropriate documentation recording this fact through an employee memorandum or completing an interest form. No further action will be required for those employees who have no interest in being considered for the specific promotion.

In determining who is qualified for these promotions, supervision will utilize a matrix as a tool to assist in the assessment of employees for the open position in seniority order. This tool consists of three separate documents, described below, with copies attached:

Co-equal Factor of Fitness, which contains four separate descriptors: “Strong Interpersonal Skills”, “Organization Skills”, “Judgment” and “Flexibility & Adaptability”. For each of these descriptors, supervision will rate the employee in one of three levels – “Below Expectations” (1 point), “Meets Expectations” (2 points), and “Exceeds Expectations” (3 points). (Leadership traits are covered under some of the elements that make up the “fitness” factor.)

Co-equal Factor of Ability, which also contains four separate descriptors: “Experience”, “Skill Level”, “Quality” and “Productivity &
Efficiency”. For each of these descriptors, supervision will rate the employee in one of three levels – “Below Expectations” (1 point), “Meets Expectations” (2 points), and “Exceeds Expectations” (3 points).

Summary Matrix for Promotion by Co-equal Factors of Seniority, Ability and Fitness, which contains a listing of all the employees considered for the promotion. The list is compiled in seniority order, with the most senior at the top of the list. The separate scores ratings for Fitness and Ability are entered in the columns provided.

Assessment is based on supervision/management’s personal knowledge of the employee’s work through a variety of means, e.g., personal observations, company records and feedback with first hand knowledge.

The company will be responsible for providing information that supports the judgment that an employee is “below”, “meets” or “exceeds” expectations. In general, documentation for the “Ability” and “Fitness” co-equal factors will be greater for the employees who are either “below” or “exceeds” expectations.

Supervision will make their assessment on the basis of the three co-equal factors to find the best-qualified candidate.

- The definition of “fitness” and “ability”;

The definition of “Fitness” and “Ability” is outlined in the following two documents, copies of which are attached:

Co-equal Factor of Fitness, which contains four separate descriptors: “Strong Interpersonal Skills”, “Organization Skills”, “Judgment” and “Flexibility & Adaptability”. For each of these descriptors, supervision will rate the employee in one of three levels – “Below Expectations” (1 point), “Meets Expectations” (2 points), and “Exceeds Expectations” (3 points).

Co-equal Factor of Ability, which also contains four separate descriptors: “Experience”, “Skill Level”, “Quality” and “Productivity & Efficiency”. For each of these descriptors, supervision will rate the employee in one of three levels – “Below Expectations” (1 point), “Meets Expectations” (2 points), and “Exceeds Expectations” (3 points).

Leadership traits are covered under some of the elements that make up the “fitness” co-factor.
• The definition of “Co-equal factors” as a “relative ability clause” or a “hybrid clause” (Elkouri & Elkouri, How Arbitration Works)

The Company adopts the “hybrid” clause as defined in How Arbitration Works, as a modified seniority clause for evaluating the three co-equal factors of seniority, ability and fitness of the employee.

• The definition of “qualified” as it relates to “most senior qualified” for promotions within an established line of progression

The term “qualified” is defined in terms of the ability of the most senior employee to satisfactorily perform the key duties/responsibilities of the higher-rated job based upon performance in the current job or in previous jobs. There are two additional points relative to defining a “qualified” employee.

Employees who have not attained standard rate of their current job are not considered to be “qualified” for promotion to the next job in the line of progression.

Employees transferred into a new line of progression will not be qualified for promotion for up to 12 months. Supervision will be responsible for training during that period.

• The definition of “qualified” as it relates to “most senior qualified” for the purpose of selection under Job Posting and Bidding

The open position will be defined from the job description

The term “qualified” is defined in terms of the ability of the most senior employee to satisfactorily perform the key duties/responsibilities of the higher-rated job based upon performance in the current job or in previous jobs.

Supervision will review the applicants who bid for the hourly job posting and initially identify them as either “qualified” or “not qualified”. Supervision will interview some number of the qualified applicants in seniority order (depending upon the total number of applicants).
The “qualified” candidates will be placed in seniority order and the most senior offered the position (which means it could result in a promotion, lateral transfer or demotion).

- **The circumstances under which Article 8, Section 8(a) and (b) relate to promotions under Article 29**

Any promotions arising from the hourly job posting program will fall under Article 8, Section 8(a) and Section 8(b).

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
## CO-EQUAL FACTOR OF ABILITY

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>BELOW EXPECTATIONS (1 POINT)</th>
<th>MEETS EXPECTATIONS (2 POINTS)</th>
<th>EXCEEDS EXPECTATIONS (3 POINTS)</th>
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<tr>
<td><strong>EXPERIENCE</strong> - Utilizes a wide variety of experiences from jobs held, including education, training and certifications. Demonstrates the ability to learn new job skills. Examples:</td>
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<td><strong>SKILL LEVEL</strong> - Developed the ability to effectively achieve assigned tasks associated with the current position; is familiar with all aspects of the assigned work. Examples:</td>
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<td><strong>QUALITY</strong> - Consistently produces quality work. Examples:</td>
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<td><strong>PRODUCTIVITY &amp; EFFICIENCY</strong> - Demonstrated the capability to produce maximum work with a minimum of effort and waste. Examples:</td>
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Business Unit: ____________  
Date: ____________
<table>
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<tr>
<th>DESCRIPTION</th>
<th>BELOW EXPECTATIONS (1 POINT)</th>
<th>MEETS EXPECTATIONS (2 POINTS)</th>
<th>EXCEEDS EXPECTATIONS (3 POINTS)</th>
</tr>
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<tbody>
<tr>
<td>STRONG INTERPERSONAL SKILLS - Express himself or herself clearly and transmits knowledge, skills and experience to others. Works well with others. Willingly accepts assignments involving either training or the training of others. Examples:</td>
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<td>ORGANIZATION SKILLS - Demonstrates the ability to plan work for others as well as himself or herself. Examples:</td>
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<td>JUDGEMENT - Estimates situations and makes sound decisions from the facts available at the time. Understands the importance of Company Rules and follows them. Examples:</td>
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<tr>
<td>FLEXIBILITY &amp; ADAPTABILITY - Demonstrated the ability to adjust to situation changes as needed; as well as being physically able to perform the work. Examples:</td>
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</table>
SUMMARY MATRIX FOR PROMOTION BY CO-EQUAL FACTORS OF SENIORITY, ABILITY AND FITNESS

The following employees were reviewed for promotion to Grade __, Job Title ______________________

<table>
<thead>
<tr>
<th>NAME</th>
<th>CLOCK</th>
<th>DEPT</th>
<th>SENIORITY (MOST SENIOR FIRST)</th>
<th>ABILITY</th>
<th>FITNESS</th>
<th>Promoted (Y/N)</th>
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</table>

Business Unit: __________
Dear Mr. Parent:

This will confirm the understanding and agreement between the Company and the Union concerning Advanced Refurbishment Operations (ARO).

It is understood and agreed that the seniority date of those employees who were Howmet employees at the time of the acquisition of ARO will be September 10, 1997. Their Howmet seniority date will serve to differentiate between employees where seniority is a factor.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
LETTER 34
Voluntary Early Retirement Programs/Voluntary Separation Option

Mr. James M. Parent
Directing Business Representative
Aeronautical Industrial District
Lodge No. 91
International Association of Machinists
and Aerospace Workers, AFL-CIO
49 Connecticut Boulevard
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning Voluntary Early Retirement Programs, and a Voluntary Separation Option to be offered during the life of the Agreement.

VOLUNTARY EARLY RETIREMENT PROGRAM

(a) A voluntary early retirement program will be offered to 300 employees covered under this collective bargaining agreement according to the following eligibility standards:

(1) employees who, as of December 31, 2002, (i) have 25 or more years of credited pension service and (ii) are age 60 or over may elect to participate in this program by selecting either Option 1 or Option 2;

(2) employees who, as of December 31, 2002, (i) have 25 or more years of credited pension service and (ii) are at least age 55 but not yet age 60 may elect to participate in this program only through Option 1;

(3) employees who, as of December 31, 2002, are age 60 or over, may elect to participate in this program only through Option 2;

(4) to participate in the program, an eligible employee must submit the appropriate form to the Company no later than December 20, 2001, signed by the eligible employee, selecting at that time the Option for which he or she is eligible. In the event there are more than 300 employees who wish to participate in this Program, the 300 participants will be accepted on the basis of seniority, starting with the most senior employee who has volunteered to participate. A list of employees who
cannot participate because of insufficient seniority will be retained and utilized to replace participating employees who subsequently decide not to participate in the Program.

(b) Retirement dates for employees participating in this program will be scheduled by management between March 31, 2002 and December 31, 2002, with consideration for the employee's requested retirement date. Every reasonable attempt will be made to accommodate employees requested retirement dates, but management reserves the right to determine each individual's retirement date under this option in order to avoid a disruption to operations caused by an untimely loss of required skills or too many employees retiring from the same business unit at the same time. Furthermore, in some instances it may be necessary to change retirement dates after they have been scheduled based upon business requirements. Eligible employees who receive benefits pursuant to this program will have no recall rights.

(c) Depending upon business needs, the Company reserves the right to offer again during the life of the Agreement the Voluntary Early Retirement Program described herein, with an adjustment of dates as necessary.

(d) In addition to benefits accrued under the pension plan to date of retirement (reduced for early retirement) and VER medical coverage as described in Letter of Agreement 27, to which program participants are otherwise entitled, the benefits under this program are as follows:

Option 1
- A Social Security bridge of $13.00 per month for each year of credited pension service, not reduced for early retirement, payable to age 65;

- A pension supplement of $325 per month, not reduced for early retirement, payable to age 65;

- Medical and dental insurance coverage in effect at the date of retirement will be provided to retired participants in this program and their dependents at no cost for a period of twelve (12) months following the employee's retirement date;

If a retired participant dies before receiving the entire amount of the Social Security bridge or the pension supplement, the balance will be paid to the retired participant's spouse in monthly payments until the retired participant would have attained age 65. In addition, if the retired participant dies before receiving the entire twelve (12) months of free health care coverage, medical and dental insurance coverage will continue for the retired participant's...
dependents at no cost until twelve (12) months after the employee’s retirement date.

Option 2
- One (1) week of severance pay for each completed year of service;
- A one time $5000 lump sum payment, not reduced for early retirement;
- Medical and dental insurance coverage in effect at the date of retirement will be provided to retired participants in this program and their dependents at no cost for a period of twelve (12) months following the employee’s retirement date. If the retired participant dies before receiving the entire twelve (12) months of free health care coverage, medical and dental insurance coverage will continue for the retired participant’s dependents at no cost until twelve (12) months after the employee’s retirement date.

SEPARATION PROGRAM
Effective January 1, 2002 through June 30, 2004:

(a) A separation program will be offered during the period January 1, 2002 through June 30, 2004 to any employee covered under this collective bargaining agreement, age 55 or over as of the date of separation, who (1) would otherwise be laid off in a reduction in force or (2) who volunteers and is accepted for separation under the circumstances described in paragraph (b). Eligible employees who receive benefits pursuant to this program will have no recall rights.

(b) Employees eligible for this program pursuant to Section (a)(2) must be employed in an occupational group within a seniority area which is directly affected by a permanent job loss and must volunteer to substitute for another employee who would otherwise be laid off from that occupational group within a seniority area. The Company will not be required to accept any such volunteers and the total number of volunteers to be accepted will be in the sole discretion of the Company. Volunteers, if accepted, will be accepted on the basis of seniority, starting with the most senior employee in the occupational group within the specified seniority area.

(c) The benefits under this option are:

- One (1) week of severance pay for each completed year of service;
- A one time $5000 lump sum payment; not reduced for early retirement;
• Medical and dental insurance coverage will be provided to employees who participate in this voluntary layoff option and their dependents at no cost for a period of six (6) months following the employees' termination dates. If the employee receiving benefits under this program dies before receiving the entire six (6) months of free health care coverage, medical and dental insurance coverage will continue for the participant's dependents at no cost until six (6) months after the employee's separation date.

Sincerely,

[Signature]

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

[Signature]
Mr. James M. Parent  
Directing Business Representative  
Aeronautical Industrial District  
Lodge No. 91  
International Association of Machinists  
and Aerospace Workers, AFL-CIO  
49 Connecticut Boulevard  
East Hartford, Connecticut 06108

Dear Mr. Parent:

This is to confirm the understanding and agreement between the Company and the Union concerning the placement of North Haven employees who will not move with the Turbine Module Center Work to East Hartford.

The transfer of Turbine Module Center work to East Hartford will result in a number of employees remaining in North Haven. The Company has pledged to place these employees within Connecticut Operations and such placement efforts will include, but is not limited to:

• Aftermarket Services in East Hartford ("M" Building);
• CAN Module Center
• Compression Systems.

The Company will work with the Union to arrange the placement of these employees, which will include retraining activity, where appropriate. The surplus of, timing, and ability to place these
employees may be subject to a number of factors including unanticipated changes in the business.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001

James M. Parent
Dear Mr. Parent:

This is to confirm the following understanding and agreement between the Company and the Union concerning periods of transition (Article 8, Section 17).

The parties recognize the importance of balancing the needs of individual employees with those of the business during such periods.

To that end, during periods of restructuring, employees will normally be expected to move to new work locations in accordance with Article 8, Section 17, when the operation, cell, or department to which they are assigned is relocated.

In the event employees decline to transfer with their work, the Company will make every effort to reasonably accommodate similarly skilled employees' requests in seniority order from within the former seniority area to move in their place.

The parties recognize there may be occasions when certain critical skills are needed and not otherwise available. Employees with such critical skills will be required to move with their work. In the event such a move poses a significant hardship, the Company will insure the employee has access to whatever position his or her seniority would have afforded. The employee's return to the preferred work location will follow a period of time sufficient to transition the skills necessary for effective production to other employees.
The Company will discuss any moves outlined above with the Directing Business Representative of District 91 and the Presidents of the affected Local Lodges prior to implementation.

Sincerely,

James R. Miller
Vice President, Human Resources

Accepted this 13th day of December 2001
INDEX

A

Access to plants (Union officials) ............................................................... 8
Adjusting scheduled shift hours (temporary) ........................................ 148
Adjustment of a grievance (Shop Steward present) ............................... 9
Agency shop provision ............................................................................ 3
Agenda for Written Step 2 Meeting ......................................................... 11, 15
Agreement clause ...................................................................................... 1
Alternate Workweek Schedules
  Grievance procedure ............................................................................ 9-10
  Letter 30 ................................................................................................. 153-57
  Overtime, payment of ........................................................................... 33-34
Appeal of a EHS complaint ..................................................................... 54-55
Appeal of a grievance .............................................................................. 14
Appendix A (Occupational Groups and Job Families) ............................ 67
Appendix B (Seniority Areas) .................................................................. 69
Appendix C (Summary Plan Description—Employee Retirement Plan for Hourly Paid Represented Employees) .................. 45
Appendix D (Summary Plan Description—Medical Benefits for Hourly Paid Represented Employees) ..................... 45
Appendix E (Summary Plan Description—Dental, Life Insurance and Disability Benefits for Hourly Paid Represented Employees) ... 45
Appendix F (Summary Plan Description and Prospectus—Employee Savings Plan for Hourly Paid Represented Employees) ...... 46
Appendix G (Hourly Job Rating Plan) ....................................................... 26
Appendix H (Joint Company-Union Training Agreement) ..................... 114
Apprenticeship Program (Letter 23) ......................................................... 141
Arbitration
  Appeal process ......................................................................................... 12
  Arbitrable grievances ............................................................................ 12, 28
  Expedited grievances ............................................................................. 14
  Expedited hearing procedure ............................................................... 13
  HJRP grievances .................................................................................... 12, 28
  Mutual agreement .................................................................................. 12
  Non-arbitrable grievances .................................................................... 12
  Order of appearance at hearing ........................................................... 13
  Transcripts ............................................................................................. 14
Arbitrators
  Decision of ............................................................................................. 13
  Expedited hearing procedure ............................................................... 13
  Fees and expenses ................................................................................ 13
  Jurisdictional limitations of .................................................................. 13
  Names of (fixed panel) .......................................................................... 13
Audit of Company layoff list by Shop Committee ........................................... 16
Automatic Progression .................................................................................. 28-30

B

Back pay
  Discharge/suspension ............................................................................... 16
  Misclassification ...................................................................................... 14
  Retroactivity .......................................................................................... 14
Bargaining unit coverage ........................................................................... 2
Bereavement leave/pay
  Eligibility requirements ......................................................................... 42
  Immediate family, definition of ............................................................... 42
  Verification of death/relationship of relative to employee ....................... 43
Bulletin boards .......................................................................................... 46

C

Call-back pay .............................................................................................. 42
Checkoff
  Agency shop provisions ......................................................................... 3
  Cards ........................................................................................................ 6, 70-73
  Deductions .............................................................................................. 3-4
  Indemnification by the Union ................................................................ 4
  Information to Union ............................................................................. 5
  Initiation fee .......................................................................................... 3-4
  M.N.P.I. Checkoff Card ......................................................................... 75
  Service fee .............................................................................................. 3-4
  Termination of Company's obligations .................................................. 4
  Union obligation to present cards to new/recalled employees ............... 4
Chief EHS Representative .......................................................................... 23, 53-57, 149-52
Committee of Management ....................................................................... 11
Company grievance .................................................................................. 11
Complaint procedure (Environmental Health & Safety) ......................... 53-55
Computation of COLA ............................................................................ 30-31
Concerted work stoppage ......................................................................... 6, 51
Connecticut Workshare Program .............................................................. 142
Consumer Price Index .............................................................................. 31-32
Cost-of-living allowance
  Alternative Workweek Schedule ............................................................ 154
  Bereavement leave ................................................................................. 42-43
  Computation of ...................................................................................... 30-31
  Holiday pay .......................................................................................... 29
  Jury duty/examination pay .................................................................... 43
  Military make-up pay ............................................................................ 44
Cost-of-living allowance (continued)

Shift premiums .................................................. 32
Sick and personal pay ........................................... 41
Union official's pay .............................................. 15-16, 52, 55-56, 81, 114
Vacation pay ....................................................... 36
Wages ................................................................. 30-32
Coverage ............................................................. 2

D

Deductions (checkoff) ............................................... 3-6
Demotions ............................................................. 1, 18-19, 21, 29, 61
Dental insurance ................................................... 45, 99-100
Designated management representative (grievance procedure) ........ 10-12
Direct deposit of paychecks ...................................... 50

Discharge
Back pay ................................................................... 16
For security compliance ........................................... 49
Grievance ............................................................... 9, 14, 16
Discipline, effect on calling a Shop Steward ......................... 9
Double time ................................................................ 33-34, 40
Duration ...................................................................... 61

E

EEO meetings (Company-Union) .................................. 117
Emergency work (call-back pay) ................................... 42
Employee Assistance Program
Indemnification by the Company ................................... 52
Mileage, payment of .................................................. 82
Senior Union Coordinator ........................................... 52, 81-82
Training program (Union EAP Coordinators) ....................... 81
Union Coordinator .................................................... 52, 81-82
Employment Retraining Assistance ................................ 25

Environmental Health & Safety
Chief EHS Representative ............................................ 23, 53-57, 149-52
Complaint procedure ................................................ 53-55
Employee teams ....................................................... 149-152
IAM Crest Training ................................................... 150
Meetings between Company/Union Representatives .......... 55-56, 150
Observation rights .................................................... 55
Plant tours .................................................................. 56
Procedure for calling a Union EHS Representative ............. 54
Union notification of spills/accidents ................................ 57
Union EHS Representatives, numbers of and eligibility requirements ........................................... 53
Union representatives indemnified by Company ................ 56-57
Environmental Health & Safety (continued)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VEHS team training</td>
<td>150-151</td>
</tr>
<tr>
<td>Voluntary Protection Programs (VPP)</td>
<td>152</td>
</tr>
<tr>
<td>Excess Union time</td>
<td>118</td>
</tr>
<tr>
<td>Excusals, Union business</td>
<td>37, 49-50</td>
</tr>
<tr>
<td>Executive Board Members, Union</td>
<td>50</td>
</tr>
<tr>
<td>Executive Steering Committee</td>
<td>116, 127-28, 154</td>
</tr>
<tr>
<td>Expiration date of contract</td>
<td>61</td>
</tr>
</tbody>
</table>

F

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family medical leave of absence</td>
<td>37, 47-49</td>
</tr>
<tr>
<td>Formula</td>
<td></td>
</tr>
<tr>
<td>Shop Steward</td>
<td>6-7</td>
</tr>
<tr>
<td>Union EHS Representatives</td>
<td>53</td>
</tr>
<tr>
<td>Funeral/bereavement leave</td>
<td>42-43</td>
</tr>
</tbody>
</table>

G

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Increase</td>
<td>30, 64-66</td>
</tr>
<tr>
<td>General Provisions</td>
<td></td>
</tr>
<tr>
<td>Bulletin boards</td>
<td>46</td>
</tr>
<tr>
<td>Direct deposit of paychecks</td>
<td>50</td>
</tr>
<tr>
<td>Discharge for security violations</td>
<td>49</td>
</tr>
<tr>
<td>Excused absence for Union officials</td>
<td>49-50</td>
</tr>
<tr>
<td>Family leave of absence</td>
<td>47-49</td>
</tr>
<tr>
<td>Leave of absence</td>
<td>47</td>
</tr>
<tr>
<td>Shift changes, prior notification to Union</td>
<td>50</td>
</tr>
<tr>
<td>Solicitation, limitations on</td>
<td>46</td>
</tr>
<tr>
<td>Travel and relocation expense allowances, revisions to</td>
<td>50</td>
</tr>
<tr>
<td>Union literature, locations for distribution</td>
<td>46-47</td>
</tr>
</tbody>
</table>

Grievance Procedure

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment of a grievance (Shop Steward present)</td>
<td>9</td>
</tr>
<tr>
<td>Agenda letter</td>
<td>11, 15</td>
</tr>
<tr>
<td>Appeal of grievances</td>
<td>14</td>
</tr>
<tr>
<td>Arbitrable grievances</td>
<td>12, 28</td>
</tr>
<tr>
<td>Arbitration</td>
<td>12-14, 28</td>
</tr>
<tr>
<td>Arbitrators (fixed panel)</td>
<td>13</td>
</tr>
<tr>
<td>Brevity of discussion</td>
<td>8-9</td>
</tr>
<tr>
<td>Calling a Shop Steward</td>
<td>8</td>
</tr>
<tr>
<td>Committee of Management</td>
<td>11</td>
</tr>
<tr>
<td>Designated management representative</td>
<td>10-12</td>
</tr>
<tr>
<td>Company grievances</td>
<td>11</td>
</tr>
<tr>
<td>Discharge/suspension grievances</td>
<td>9, 14, 16</td>
</tr>
<tr>
<td>Earnest effort grievances</td>
<td>11</td>
</tr>
<tr>
<td>Exceptions to calling a Shop Steward</td>
<td>9</td>
</tr>
<tr>
<td>Five-day limitation (appeals process)</td>
<td>9, 10, 14</td>
</tr>
<tr>
<td>Grievance form</td>
<td>9</td>
</tr>
</tbody>
</table>
**Grievance Procedure (continued)**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grievance procedure review meetings</td>
<td>8</td>
</tr>
<tr>
<td>HJRP grievances</td>
<td>12, 27, 28</td>
</tr>
<tr>
<td>Mass grievances</td>
<td>11</td>
</tr>
<tr>
<td>Misclassification grievances</td>
<td>14</td>
</tr>
<tr>
<td>Non-arbitrable grievances</td>
<td>12</td>
</tr>
<tr>
<td>&quot;No precedent&quot; clause</td>
<td>11</td>
</tr>
<tr>
<td>Oral Step</td>
<td>8-9</td>
</tr>
<tr>
<td>Pay for Union officials</td>
<td>15-16</td>
</tr>
<tr>
<td>Production of records</td>
<td>9-10</td>
</tr>
<tr>
<td>Promotion grievances</td>
<td>13, 19-20</td>
</tr>
<tr>
<td>Record request grievances</td>
<td>10-11</td>
</tr>
<tr>
<td>Retroactivity (disposition or award)</td>
<td>14</td>
</tr>
<tr>
<td>Step 1</td>
<td>9-10</td>
</tr>
<tr>
<td>Step 2</td>
<td>10-11</td>
</tr>
<tr>
<td>Suspension/discharge grievances</td>
<td>9, 16</td>
</tr>
<tr>
<td>Steward responsibilities</td>
<td>15</td>
</tr>
<tr>
<td>Termination of</td>
<td>61-62</td>
</tr>
<tr>
<td>Time limits</td>
<td>9-12, 14-16</td>
</tr>
<tr>
<td>Union grievances</td>
<td>11</td>
</tr>
<tr>
<td>Union Job Evaluation Specialists</td>
<td>12, 27-28</td>
</tr>
</tbody>
</table>

**Group Health Insurance**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator for hourly benefits</td>
<td>143</td>
</tr>
<tr>
<td>Appendices D and E referenced</td>
<td>45-46</td>
</tr>
<tr>
<td>Dental coverage</td>
<td>45-46, 99-100</td>
</tr>
<tr>
<td>Dependent eligibility</td>
<td>99</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>79, 93, 99</td>
</tr>
<tr>
<td>Health Maintenance Organizations</td>
<td>78</td>
</tr>
<tr>
<td>In-network provisions</td>
<td>94-98</td>
</tr>
<tr>
<td>Joint Health Care Committee (Letter 26)</td>
<td>144</td>
</tr>
<tr>
<td>Life &amp; Accidental Death &amp; Dismemberment Table</td>
<td>92-93</td>
</tr>
<tr>
<td>Medical plan maximum</td>
<td>99</td>
</tr>
<tr>
<td>National Health Insurance (Letter 5)</td>
<td>89</td>
</tr>
<tr>
<td>Out-of-area provisions</td>
<td>94-98</td>
</tr>
<tr>
<td>Out-of-network provisions</td>
<td>94-98</td>
</tr>
<tr>
<td>Reimbursement Accounts</td>
<td>92</td>
</tr>
<tr>
<td>Total Permanent Disability Table</td>
<td>92-93</td>
</tr>
<tr>
<td>Survivor Income</td>
<td>93</td>
</tr>
<tr>
<td>Vision care benefits</td>
<td>98</td>
</tr>
<tr>
<td>Weekly Disability Table</td>
<td>92-93</td>
</tr>
<tr>
<td>Guidelines for overtime</td>
<td>85-87</td>
</tr>
</tbody>
</table>

**Health & Safety**

(see Environment, Health & Safety)

**High Performance Work Organization (Letter 18)**

122-23, 127
Job Posting and Bidding (continued)

Information to Union .................................................. 61
Job Posting (location and length of time posted) .................... 59-60
Placements made as exceptions to posting procedure ............... 60
Selection criteria (demotions, promotions or laterals) ............. 61, 162-63
Joint Apprenticeship Program (Letter 23) ............................ 141
Joint Company-Union Training Agreement .......................... 111, 114-15
Joint Health Care Committee (Letter 26) ............................ 144-45
Jury duty
Court statement, requirement to produce ............................ 44
Effect on pension .......................................................... 45
Eligibility for pay ....................................................... 44
First shift employees .................................................. 43
Jury examination pay .................................................. 43
Second/third shift employees ......................................... 43

Late
ess (third shift) ..................................................... 32

Layoff
Audit of Company layoff list by Shop Committee .................... 16
Benefits when caused by work transferred outside Company ........ 131
Grievances .................................................................. 9
Insurance coverage ...................................................... 25
Method of ................................................................. 16-17
Notification to Union .................................................. 18
Occupational groups and job families ................................. 16-17, 67-68
Readjustment following ............................................... 16
Reallocation of employees ............................................. 119
Recall and transfer rights as a result of ........................... 17-19, 23
Seniority areas ........................................................... 16-17, 69
Severance pay ............................................................. 24-26
Support services for employees ...................................... 25-26
Temporary .................................................................. 20
Transfer in lieu of ....................................................... 17, 19

Leave of absence
Discharge for failure to return to work ............................... 47
Employees .................................................................. 47
Family leave of absence ................................................. 37, 47-49
Union ....................................................................... 21-22

Letters of Agreement
1 -- Information to be provided to the Union ....................... 76
2 -- Health Maintenance Organizations ............................... 78
3 -- Employee Assistance Program .................................... 81
4 -- Overtime Records and Guidelines ............................... 83
5 -- National Health Insurance ......................................... 89
6 -- Hourly Employee Recognition Program ....................... 90
Letters of Agreement (continued)

<table>
<thead>
<tr>
<th>Letter</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Group Insurance Plans</td>
<td>92</td>
</tr>
<tr>
<td>8</td>
<td>Pension Plan</td>
<td>101</td>
</tr>
<tr>
<td>9</td>
<td>Savings Plan</td>
<td>103</td>
</tr>
<tr>
<td>10</td>
<td>Individual Medical Account</td>
<td>107</td>
</tr>
<tr>
<td>11</td>
<td>Ratification Bonus</td>
<td>109</td>
</tr>
<tr>
<td>12</td>
<td>Technological Changes</td>
<td>110</td>
</tr>
<tr>
<td>13</td>
<td>Trades Subcontracting</td>
<td>112</td>
</tr>
<tr>
<td>14</td>
<td>Technical Training</td>
<td>114</td>
</tr>
<tr>
<td>15</td>
<td>Non Discrimination and Equal Employment Opportunity</td>
<td>117</td>
</tr>
<tr>
<td>16</td>
<td>Shop Steward and Committeepersons Union Time</td>
<td>118</td>
</tr>
<tr>
<td>17</td>
<td>Reallocation of Employees</td>
<td>119</td>
</tr>
<tr>
<td>18</td>
<td>High Performance Work Organization</td>
<td>122</td>
</tr>
<tr>
<td>19</td>
<td>Martin Luther King Jr. and Veterans Days</td>
<td>124</td>
</tr>
<tr>
<td>20</td>
<td>Indirect Subcontracting</td>
<td>125</td>
</tr>
<tr>
<td>21</td>
<td>Executive Steering Committee</td>
<td>127</td>
</tr>
<tr>
<td>22</td>
<td>Workplace Guarantees and Subcontracting</td>
<td>129</td>
</tr>
<tr>
<td>22A</td>
<td>Modification to Letter 22 Repair Work and Cheshire</td>
<td>134</td>
</tr>
<tr>
<td>22B</td>
<td>Modification to Letter 22 (New Work)</td>
<td>137</td>
</tr>
<tr>
<td></td>
<td>Attachment to Letter 22B</td>
<td>139</td>
</tr>
<tr>
<td>23</td>
<td>Joint Apprenticeship Program</td>
<td>141</td>
</tr>
<tr>
<td>24</td>
<td>Connecticut Workshare Program</td>
<td>143</td>
</tr>
<tr>
<td>25</td>
<td>Administrator for Hourly Benefits</td>
<td>144</td>
</tr>
<tr>
<td>26</td>
<td>Joint Health Care Committee</td>
<td>144</td>
</tr>
<tr>
<td>27</td>
<td>VER Medical Coverage</td>
<td>146</td>
</tr>
<tr>
<td>28</td>
<td>Overtime Pay and Temporary Shift Changes</td>
<td>148</td>
</tr>
<tr>
<td>29</td>
<td>Environmental, Health &amp; Safety</td>
<td>149</td>
</tr>
<tr>
<td>30</td>
<td>Alternative Workweek Schedule</td>
<td>153</td>
</tr>
<tr>
<td>31</td>
<td>HJRP Challenges</td>
<td>158</td>
</tr>
<tr>
<td>32</td>
<td>Interpretation and Administration of Article 8, Section 8(a) and 8(b)</td>
<td>159</td>
</tr>
<tr>
<td></td>
<td>and Article 29, Section 3(c)</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Advanced Refurbishment Operation</td>
<td>167</td>
</tr>
<tr>
<td>34</td>
<td>Voluntary Early Retirement Programs/Voluntary Separation Option</td>
<td>168</td>
</tr>
<tr>
<td>35</td>
<td>Placement of North Haven Employees</td>
<td>172</td>
</tr>
<tr>
<td>36</td>
<td>Periods of Transition</td>
<td>174</td>
</tr>
<tr>
<td></td>
<td>Lockout</td>
<td>51</td>
</tr>
</tbody>
</table>

Management Functions

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Martin Luther King Jr. Day, absence on (Letter 19)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>124</td>
</tr>
</tbody>
</table>

Matrix for promotions by co-equal factors (Letter 32)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>166</td>
</tr>
</tbody>
</table>

Military Service

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect on holiday pay</td>
<td>39</td>
</tr>
<tr>
<td>Effect on pension</td>
<td>45</td>
</tr>
</tbody>
</table>
Military Service (continued)

Effect on vacations.............................................. 36-37
Eligibility requirement for pay................................. 44
Reemployment rights............................................. 44-45
Misclassification.................................................. 14
MNPL Checkoff................................................... 59, 75

New or changed job, time limit for presentation by Union..... 12
New Work (Letter 22B)......................................... 137-40
Ninety day clause............................................... 21
“No precedent” clause (grievance procedure).................. 11
Nondiscrimination............................................... 2
North Haven employees, placement of (Letter 35)............ 172-73
Notification to Union of spills/accidents...................... 57

Occupational groups.......................................... 16-23, 67-68
Oral step, grievance procedure................................ 8-9
Outlying areas for Steward allocations........................ 7

Overtime

Alternative Workweek Schedules............................... 33-34
Back pay calculation (discharge/suspension grievances).... 16
Distribution of.................................................. 34
Double time....................................................... 33-34
Form for recording overtime................................... 88
Grievances......................................................... 34
Guidelines for overtime........................................ 85-87
Overtime Records (Letter 4)................................... 83
Payment for....................................................... 32-34
Pyramiding of.................................................... 34-35
Temporary shift changes....................................... 148
Time and one-half............................................... 32-34
Training for supervision....................................... 83

Pay for Union officials

Chief Union EHS Representative............................... 55-56, 151-52
Direct billing to Union for excess time......................... 119
Senior Union Coordinator...................................... 61-82
Senior Union Training Coordinator.......................... 114
Shop Committeepersons....................................... 15-16
Shop Stewards.................................................... 15-16
Union Coordinator.............................................. 52
Pay for Union officials (continued)

Union Job Evaluation Specialist.......................................................... 27
Union EHS Representatives.............................................................. 55-56

Pensions................................................................. 22, 45, 101-102
Personal and sick leave............................................................ 40-41
Plant tours (EHS related).......................................................... 56
Political meetings, excuses for................................................ 50
Probationary employees......................................................... 18-19
Promotions......................................................... 20-21, 61, 159-63
Purpose clause ............................................................ 1

Rate of pay (when demoted)......................................................... 18, 29
Ratification Bonus (Letter 11).................................................... 109
Readjustment
   Following layoff.............................................................. 18
   Method used in presence or absence of layoff................. 119-21
Reallocation of Employees (Letter 17).................................................. 119
Recall
   Connops-wide rights.................................................. 17
   Failure to respond to................................................ 23
   Length of................................................................. 22-23
   List available to Union.................................................. 18-23
   Readjustment following layoff............................................. 18
   To higher-rated job.................................................... 19
Recognition................................................................. 2
Records (grievance procedure)........................................ 9-10
Repair Work and Cheshire (Letter 22A)................................. 134-36
Reporting pay.......................................................................... 42
Rest period................................................................................. 44
Retirement
   Monthly retirement benefit............................................. 101-102
   Voluntary Early Retirement Program (Letter 34)......... 168-171

Savings Plan............................................................................... 46, 103-106
Schedule A (Wage rates effective December 3, 2001)........... 64
Schedule B (Wage rates effective December 2, 2002)........... 65
Schedule C (Wage rates effective December 1, 2003)........... 66
Second shift premium (formula).................................................. 32
Senior Union Coordinator.......................................................... 52, 81-82
Seniority
   Accumulation for employees in military service............ 45
Seniority (continued)

Accumulation for employees on leave of absence.............. 47-48
Accumulation for Union Officials on leave of absence........... 22
Basis for layoff and recall........................................ 16
Definition of....................................................... 16
Demotions, determination of pay.................................. 18, 29
Forfeiture of bargaining unit seniority (transfer from salary)..... 22
Layoff, notification to the Union.................................. 18
Layoff, temporary.................................................. 20
Leave of absence for Union officials.............................. 21-22
Loss of.............................................................. 22-23
Ninety day clause.................................................... 21
Probationary employees.............................................. 18-19
Promotions......................................................... 20-21, 61, 159-63
Readjustment following layoff..................................... 18
Requirements for Shop Stewards and Committeepersons........... 7
Recall from layoff.................................................. 17-19, 22-23
Restoration rights (when demoted in a readjustment)............. 17
Seniority Area..................................................... 16-18, 21, 69, 76, 120, 155, 170, 174
Seniority list to the Union......................................... 76
Severance pay....................................................... 24-27, 131, 170-71
Shift premiums....................................................... 32
Shift transfer....................................................... 21
Super-seniority..................................................... 23-24
Temporary layoff procedure........................................ 20
Transfer of operation between plants under this Agreement.... 26, 174
Transfers from Hamilton Standard or UTC Fuel Cells............. 21
Transfers from Salary............................................... 22
Transfers in lieu of layoff......................................... 17
Union leave of absence............................................. 22-22
Seniority areas (Appendix B)...................................... 69
Separation Program (Letter 34).................................... 170-71
Service fee (agency shop).......................................... 3-4
Severance pay....................................................... 24-26
Shift changes (discussion with Union prior to implementation).... 50
Shift premiums....................................................... 32
Shift transfers...................................................... 21
Shop Committeepersons

Attendance at meetings............................................. 15-16
Audit Company layoff list.......................................... 16
Eligibility requirements for........................................ 7
Number of.......................................................... 7
Payment of.......................................................... 15-16
Recognition by Company............................................ 7
Super-seniority...................................................... 23-24
Transfer and promotion of......................................... 23-24

186
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop Stewards</td>
<td></td>
</tr>
<tr>
<td>Adjustment of a grievance</td>
<td>9</td>
</tr>
<tr>
<td>Areas for</td>
<td>6-7</td>
</tr>
<tr>
<td>Attendance at meeting</td>
<td>15</td>
</tr>
<tr>
<td>Brevity of discussion</td>
<td>8-9</td>
</tr>
<tr>
<td>Calling of</td>
<td>8-9</td>
</tr>
<tr>
<td>Formula for number of</td>
<td>6-7</td>
</tr>
<tr>
<td>Payment of</td>
<td>15</td>
</tr>
<tr>
<td>Recognition by Company</td>
<td>7-8</td>
</tr>
<tr>
<td>Reduction in number of</td>
<td>7</td>
</tr>
<tr>
<td>Responsibilities of</td>
<td>15</td>
</tr>
<tr>
<td>Seniority requirements for</td>
<td>7</td>
</tr>
<tr>
<td>Super-seniority</td>
<td>23-24</td>
</tr>
<tr>
<td>Transfer and promotion</td>
<td>23-24</td>
</tr>
<tr>
<td>Sick and personal leave</td>
<td></td>
</tr>
<tr>
<td>Definition of</td>
<td>40</td>
</tr>
<tr>
<td>Eligibility requirements</td>
<td>40-41</td>
</tr>
<tr>
<td>Half-day absence</td>
<td>41</td>
</tr>
<tr>
<td>Payment, when received</td>
<td>41</td>
</tr>
<tr>
<td>Unused leave, payment of</td>
<td>41</td>
</tr>
<tr>
<td>Verification of absence</td>
<td>41</td>
</tr>
<tr>
<td>Slowdown</td>
<td>6, 42, 51</td>
</tr>
<tr>
<td>Solicitation</td>
<td>4-5, 46</td>
</tr>
<tr>
<td>Standard rate, qualification for</td>
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<td>Strike</td>
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<td>Super-seniority</td>
<td>23-24</td>
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<td>Technical Training (Letter 14)</td>
<td>114</td>
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<tr>
<td>Technological Changes (Letter 12)</td>
<td>110</td>
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<tr>
<td>Tellers (Union excusals)</td>
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<td>Temporary adjustment of scheduled shift hours</td>
<td>146</td>
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<td>Temporary layoff procedure</td>
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<td>Termination of contract</td>
<td>61-62</td>
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<td>Time limits, grievance procedure</td>
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<td>9, 14</td>
</tr>
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</table>
Time limits, grievance procedure (continued)

Step 1 ........................................... 9-10
Step 2 ........................................... 10-11

Training

Employee Retraining Assistance ........................................... 25-26
Overtime (for supervision) ........................................... 83
Training program (for hourly employees) ........................................... 114-16
Union EAP Coordinators ........................................... 81
Senior Union Training Coordinator ........................................... 114-16
VEHS Employee teams ........................................... 150-51

Transcripts (arbitration procedure) ........................................... 13-14

Transfer of ongoing non-production work

Advanced notification ........................................... 58
Information requests ........................................... 58
Meet and confer requirement ........................................... 58

Transfer of ongoing production work

Advanced notification ........................................... 57
Information requests ........................................... 58
Meet and confer requirement ........................................... 57

Transfers

In lieu of layoff ........................................... 17
Job Posting ........................................... 61
Ninety day clause ........................................... 21
Of any part of operation, cell or department ........................................... 26
Of Union officials ........................................... 23-24
Reallocation of employees ........................................... 17, 119
To preferred shift ........................................... 21

Travel & relocation expenses ........................................... 50

Union Coordinator ........................................... 52, 81-82
Union dues ........................................... 3-4
Union grievances ........................................... 11
Union Job Evaluation Specialist ........................................... 12, 27-28
Union leave of absence ........................................... 21-22

Union Officials

Access to plants ........................................... 8
Recognition by the Company ........................................... 7-8
Seniority rights of ........................................... 23-24
Union provide Company list ........................................... 7

Union Representation (grievance procedure)

Seniority requirements for Shop Stewards and Committeepersons ........................................... 7
List of Union officials ........................................... 7
Numbers of Shop Stewards and Committeepersons ........................................... 6-7
Recognition by the Company ........................................... 7-8
Union Representation (grievance procedure, continued)
- Reduction in number of Shop Stewards ............................................. 7
- Shop Committeepersons ................................................................. 7
- Shop Stewards and steward areas .................................................. 6-7
- Union security provision (agency shop) .......................................... 3

V

Vacations
- Company decision to have vacation or pay in lieu of vacations .......... 37
- Discharge, pay provision .............................................................. 35-36
- Eligibility requirements ............................................................... 35
- Excusals for Union business (effect upon vacations) ....................... 37
- Holidays (during scheduled vacation) ........................................... 39
- Incentive vacation ........................................................................ 37
- Military Service ........................................................................... 36, 37
- Pay allowance ................................................................................ 36
- Power House employees ............................................................... 36
- Pro-rata .......................................................................................... 36, 37
- Rotating shifts (computation of shift premium) .............................. 36
- Time taken in days and one-half days ......................................... 38
- Unused vacation (requirements to receive) ..................................... 36
- Veterans Day ................................................................................. 124
- Vision care .................................................................................... 98
- Voluntary Early Retirement Medical Coverage (VER) (Letter 27) .... 146
- Voluntary Protection Programs (VPP) ............................................ 152

W

Wages
- Automatic Progression .................................................................. 28-30
- Consumer Price Index ................................................................... 31-32
- Cost-of-living allowance ................................................................. 30-32
- Demotion (pay reduction) .............................................................. 18, 29
- General Increase ........................................................................... 30, 64-66
- Promotion ....................................................................................... 29
- Standard rate .................................................................................. 28, 64-66
- Shift premiums .............................................................................. 32
- Workplace Guarantees and Subcontracting (Letter 22) ............... 129
### 2002 Calendar

#### January

<table>
<thead>
<tr>
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### Holidays
- New Year's Day
- Martin Luther King Jr. Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving
- Christmas Day
- New Year's Day

### CDFA Adjustments
### 2003 CALENDAR

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- Holidays
- COLA Adjustments