

SUMMARY OF PROPOSED CONTRACT LANGUAGE CHANGES

March 3, 2015

Best and Final Offer

This document shows the *actual* contract language changes where applicable.

**AGREEMENT
BY AND BETWEEN
PRECISION MACHINE WORKS
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO,
DISTRICT LODGE NO. 160, LOCAL LODGE NO. 297
MARCH 1, 2015 – FEBRUARY 28, 2019
TABLE OF CONTENTS**

<u>ARTICLE</u>	<u>PAGE</u>
CORPORATE MISSION	1
VALUES	1
GUIDING PRINCIPLES	1
ARTICLE 1 – UNION RECOGNITION	2
ARTICLE 2 – PRODUCTIVITY	2
ARTICLE 3 – MANAGEMENT’S RIGHTS	3
ARTICLE 4 – HOURS OF WORK AND OVERTIME	3
ARTICLE 5 – CHANGE OF SHIFT	5
ARTICLE 6 – HOLIDAYS	5
ARTICLE 7 – VACATION WITH PAY	6
ARTICLE 8 – GRIEVANCE PROCEDURE	8
ARTICLE 9 – NON-DISCRIMINATION	10
ARTICLE 10 – APPRENTICES	10
ARTICLE 11 – CLASSIFICATIONS & MINIMUM RATES OF PAY ..	11
ARTICLE 12 – SANITATION AND SAFETY	13
ARTICLE 13 – SENIORITY	13
ARTICLE 14 – FUNERAL LEAVE	15
ARTICLE 15 – JURY SERVICE	15
ARTICLE 16 – HEALTH & WELFARE	15
ARTICLE 17 – 401(K) PLAN	17
ARTICLE 18 – TOOLS	17
ARTICLE 19 – NO STRIKES – NO LOCKOUTS	17
ARTICLE 20 – SAVINGS CLAUSE	17
ARTICLE 21 – COMPLETE AGREEMENT	18
ARTICLE 22 – EFFECTIVE DATE AND DURATION	18
MEMORANDUM OF UNDERSTANDING/JOB ASSIGNMENTS	19
MEMORANDUM OF UNDERSTANDING/ADVANCED SPECIALIST..	20
MEMORANDUM OF UNDERSTANDING/Training-Tool Grinder & Inspector	21
MEMORANDUM OF UNDERSTANDING/Jt. Committee & Work Schedule	22
MEMORANDUM OF UNDERSTANDING/SENIORITY ACCRUAL	24

LABOR AGREEMENT
Precision Machine Works
And
I.A.M. & A.W. District Lodge 160, Local Lodge 297

Corporate Mission

Precision Machine Works, Inc. is a leader in aerospace machining and mechanical assembly. Our mission is to continually improve to meet or exceed our customers' needs, allowing us to prosper as a business and to provide a reasonable return to our stockholders, the owners of our business.

Values

How we accomplish our mission is as important as the mission itself. Fundamental to our success are these basic values:

Customers are the foundation of our business. Their expectations will be met in every aspect of our relationship.

Our people are the source of our strength. They provide our corporate intelligence and determine our strength and vitality. Involvement and teamwork are our core human values.

Products and services are the end results of our efforts. They should meet or exceed our customers' expectations. Our products and services are our reputation and are the source of our pride.

Profits are the ultimate measure of how efficiently we provide customers with the best products and services for their needs. Profits are required to survive and grow.

Guiding Principles

Quality comes first to achieve customer satisfaction. The quality of our products and services must be our number one priority.

Continuous improvement is essential to our success. We must strive for excellence in everything we do, in our products, their value and in our services, human relations, competitiveness, productivity, process control, and profitability.

Worker involvement is a way of life. We are a team. We must treat each other with trust and respect.

Reps and suppliers are our partners. Precision Machine Works must maintain mutually beneficial relationships with our manufacturers, representatives, our suppliers and other business associates.

Integrity is never compromised. The conduct of our Company must be socially responsible and earn respect for its integrity and for its positive contributions to society. Our doors are open to men and women alike, without discrimination, and without regard to ethnic origin or personal beliefs.

This Agreement, by and between Precision Machine Works, Inc. (hereinafter referred to as the "Company") and the International Association of Machinists and Aerospace Workers, Lodge 297 of District 160, (hereinafter referred to as the "Union") is made and entered into this 27th day of February, 2015.

Article 1 - Union Recognition

- 1.1 The Company hereby recognizes now and during the whole term of this Agreement, Lodge 297 of District 160, International Association of Machinists and Aerospace Workers as the sole and exclusive bargaining agency for all employees of the Company, but excluding all office clerical employees, professional employees, guards and supervisors as defined in the National Labor Relations Act and also excluding employees working under the jurisdiction of any other labor organization that has been recognized as the bargaining agency for any specific group of employees.
- 1.2 All new hires will be required by the Company to fill out a new hire card (furnished by the Union) and send the original to the Union and a copy to the Chief Shop Steward.
- 1.3 The Union and Company agree that all employees covered by this Agreement shall be required to join the Union within thirty (30) days of the date of employment and shall be required as a condition of continued employment to pay the initiation fee and the regular monthly dues.
- 1.4 The Union shall indemnify the Company against any and all claims, suits or other kind of liability the Company may face due to the Company acting upon a written request by the Union in connection with this Article.
- 1.5 The Union may select a Shop Steward from among the employees of the Company for each operating shift. When more than twenty-five employees are working on a shift, the Union may appoint an additional Steward for the shift. The Company agrees to recognize Shop Stewards provided the Union has previously notified the Company in writing of the names of the employees serving as Shop Stewards.
- 1.6 The Shop Steward shall not conduct Union business during working time. Grievances are to be presented to the Shop Steward only prior or after a shift or during other scheduled non-working time. The Shop Steward may contact the Business Representative of the Union for advice and assistance in interpreting the provisions of this Agreement.

Article 2 – Productivity

- 2.1 The parties recognize that economic gains and job security may be maintained only by employees, the Union and Management giving their full support to consistently maintain and improve productivity and quality of the Company's product and service, including the handling of materials and supplies in such a manner that will not cause waste.

Article 3 - Management's Rights

- 3.1 Management of the plant and the direction of the working forces are vested exclusively in the Company, and the Company shall continue to have all rights customarily reserved to management, including but not limited to the right to hire, promote, suspend, discipline, transfer or discharge for proper cause; the right to relieve employees from duty because of lack of work.

Article 4 - Hours of Work and Overtime

- 4.1 Forty (40) hours shall constitute the normal workweek, eight (8) hours per day, five (5) days per week, unless otherwise mutually agreed to by the Union and the Company. The workweek shall be from 8:00 a.m. Monday to 8:00 a.m. Saturday, except the daily starting time may change by mutual agreement between the Company and employee affected.

The Employer may establish a Tuesday through Saturday workweek. The Employer will seek volunteers with appropriate skills to staff the shift. In the event there are not enough volunteers, the Employer will assign work to the shift by reverse seniority, as long as assigned employees possess the necessary skills.

- 4.2 All time worked in excess of eight (8) hours per day, Monday through Friday, and all time worked in excess of forty (40) hours in a week shall be considered overtime and shall be paid for at time and one-half (1½) the straight time regular day shift rate. The first ten (10) hours worked on Saturday shall be paid for at time and one-half (1½) the straight time regular shift rate provided the employee has worked all scheduled hours available during the regular workweek (Monday - Friday).

All time worked over ten (10) hours in a workday shall be paid for at double (2) time the regular shift rate. All time worked on Sunday shall be paid for at double (2) time the regular shift rate provided the employee has worked all scheduled hours available during the regular workweek (Monday - Friday). Any employee voluntarily requesting to make up time shall be paid at straight time for those hours.

- 4.3 When determining when overtime shall be paid, "hours worked" is defined as actual hours worked by the employee for which they were compensated for by the Company. Hours paid for vacations, jury service, funeral leave, and holidays falling on a regularly scheduled work day shall be counted for purposes of overtime. Approved leaves of absence, or time not worked based on mutual agreement shall not be counted for overtime calculation.
- 4.4 Except to meet emergency operating requirements, no employee shall be required to work weekend overtime unless notified twenty-four (24) hours prior.
- 4.5 A day's work on the first shift shall not exceed eight (8) hours, performed within nine (9) consecutive hours.

- 4.6 The second shift shall consist of an eight and one-half (8-1/2) hour period less thirty (30) minutes for meals on the employee's time. The pay for a full second shift period shall be the sum equivalent to eight (8) times the straight time hourly second shift rate. Second shift shall start immediately following the termination of the first shift. The second shift starting time may change by mutual agreement between the Company and any affected employees.
- 4.7 The third shift shall consist of a seven (7) hour period less thirty (30) minutes for meals (on the employee's time) unless otherwise mutually agreed to by the Union and the Company. The pay for a full third shift period shall be a sum equivalent to eight (8) times the straight time hourly third shift rate. The starting time of the workweek for the third shift may be Monday a.m. instead of Tuesday a.m. when mutually agreed upon by the Company and the Union. Third shift shall start immediately following the termination of the second shift. The third shift starting time may change by mutual agreement between the Company and any affected employees.
- 4.8 Any employee coming under this Agreement who is required to report for work shall receive not less than four (4) hours' pay at the applicable straight time (1x) hourly shift rate. An employee returning to complete a job shall not be considered called. Any regular employee who is not instructed at least twelve (12) hours before his/her regular starting time not to report for work shall be considered as called and, therefore entitled to four (4) hours' pay. In the event of an emergency such as fire, flood, power failure, etc. beyond the control of the Company (alleged lack of work cannot be construed as emergency) or where the employee voluntarily quits, is laid off, or is discharged, the foregoing requirements shall not be applicable and the employee shall be paid for actual time worked.
- 4.9 Employees shall not work alone on hazardous operations in machine shops.
- 4.10 (a) An alternate workweek consisting of four (4) consecutive days of ten (10) consecutive hours per day exclusive of a thirty (30) minute unpaid lunch period may be established. Monday through Thursday, Tuesday through Friday, inclusive, shall constitute one workweek. All time worked in excess of forty (40) hours in a week shall be considered overtime and shall be paid for at time and one-half (1-1/2) the straight time regular day shift rate. All time worked over ten (10) hours in a workday shall be paid for at double time (2) the regular shift rate. All time worked on Sunday shall be paid for at double time (2) the regular shift rate.
- (b) All pay for time not worked (holidays, vacations, jury duty, and funeral leave) shall be in accord with the provisions of the Labor Agreement. Employees working on a four-ten schedule shall be compensated on the basis of up to eight (8) hours of pay for a day taken as a holiday, vacation, jury duty or funeral leave.

- (c) Assignment to a four-ten schedule shall be on a voluntary basis provided, however, two weeks' notice must be given by the employee prior to changing back to a regular workweek in order to allow the Company the opportunity to meet its manning requirements with the least disruption to efficient plant operations.

Article 5 - Change of Shift

- 5.1 Employees transferred from one shift to another, unless relieved from work at least a full shift as set forth herein before starting their new shift, shall be paid overtime rates for the first such shift worked. However, if an employee working on the "first" or regular daylight shift is required to return to work on the "third" shift within the same twenty-four (24) hour workday period, then he/she shall receive the applicable overtime rate for the first such "third" shift worked. The twenty-four (24) hour workday period mentioned herein shall be the twenty-four (24) hour period commencing with the starting time of the day shift. There shall be no more than one (1) shift change per week.

Article 6 - Holidays

- 6.1 The following shall be recognized as paid holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving Day
Independence Day	Christmas Eve Day
Labor Day	Christmas Day

- 6.2 In addition to the above-paid holidays, each January employees holding seniority will receive eight (8) hours' personal holiday to be scheduled in accordance with the same guidelines as vacation. Unused personal holiday hours on December 31st will be forfeited. Personal holiday hours are not paid out upon separation of employment.
- 6.3 Each regular employee shall receive eight (8) times his/her regular straight time hourly shift rate of pay for the foregoing holidays provided:
 - (a) The employee worked his/her last regularly scheduled workday prior to and his/her first scheduled workday following the holiday. Exception will be made in cases where absence on the workday prior to or the workday following was due to a bona fide illness covered by a doctor's certificate, excused absence or temporary layoff, provided the employee's absence from work for the purpose of the exception by reason of any of the above causes is not for a total period in excess of two (2) weeks. For purposes of this section, a temporary layoff shall be considered as one of two weeks or less in duration.
 - (b) The employee has been in the employ of the Company for sixty (60) calendar days.

- 6.4 Holidays falling on Saturday shall be observed on the Friday preceding the holiday. Should any of the above holidays fall on Sunday, the following Monday shall be considered the holiday and compensated for as required under the foregoing paragraphs of this article.
- 6.5 All time worked on the aforesaid holidays shall be compensated for at one and one-half (1½) times the employee's regular straight time hourly rate plus holiday pay provided by Paragraph 6.3 above.
- 6.6 The following shall be guaranteed holidays and no employee shall be required to work:

Independence Day	Christmas Day
Thanksgiving Day	New Year's Day
- 6.7 All other recognized holidays will be staffed on a voluntary basis, qualifications considered. If not enough volunteers come forward then work will be assigned based on inverse seniority, qualification considered.
- 6.8 Employees assigned to a shift of more than eight (8) hours will be allowed to cover the extra lost time with vacation hours at their discretion.

Article 7 - Vacation With Pay

- 7.1 Effective June 1, 2015 vacation will be credited bi-weekly each pay period per the following schedule including employees on approved leave for up to 9 paydays in any 12 month period: :

0 – 3 years:	40 hours	(1.54 hours per payday)
After 3 years:	80 hours	(3.08 hours per payday)
After 7 years:	120 hours	(4.62 hours per payday)
After 16 years:	128 hours	(4.92 hours per payday)
After 17 years:	136 hours	(5.23 hours per payday)
After 18 years:	160 hours	(6.15 hours per payday)

Scott Neff, Kurt Lund and Rod Taylor receive 200 hours (7.69 hours per payday)
- 7.2 May 31, 2015, employees will be allowed to carryover up to 60 hours and everyone eligible will receive their full allotment on June 1, 2015 earned in prior year.

June 1, 2015 – May 31, 2016, employees will be allowed to carry a maximum balance of 200% of their allotted vacation credit. June 1, 2016 the maximum balance will be 150% of allotted vacation credit. Any employee who reaches the maximum accrual balance will stop accruing until balance is reduced below the maximum.

7.3 Requests for unpaid time off will not be granted if vacation balance exceeds 40 hours.

7.4 Starting January 1, 2016, vacation requests submitted in January each year for vacation requests occurring between March 1 and February 28 will be given priority consideration based on seniority, qualifications considered within classification. Management will review and consider for approval by February 28 each year. Vacation requests submitted after January 31st shall be granted on a first come, first serve basis and if not responded to in fourteen (14) days shall be considered granted.

Prior to January 1, 2016 vacations taken during the period June 1 to December 31, 2015 employees with the longer length of service insofar as possible, will be given their preference as to the time of their vacation if requested prior to May 1. All vacation credits must be earned in the employ of the Company. Employees can carry over 60 hours of vacation on June 1, 2015. Any vacation left on books on June 1 in excess of 60 hours will be removed from eligible vacation hours.

7.5 All vacation requests will be made electronically through the time and attendance system. Every reasonable effort will be made to grant employee vacation requests.

7.6 Any employee rehired after breaking service with the Company under the provision of Article 13.2 shall be considered a new employee, and vacation entitlement shall only accumulate from the most recent date of employment.

7.7 Any employee who quits, is laid off or is discharged shall be paid for their accumulated vacation credit

7.8 When the Company intends to shut down the plant for a vacation shut down, it will give at least sixty (60) days' notice to its employees.

7.9 Once scheduled, a vacation may not be changed by either party (Company or employee) without thirty (30) days' written notice to the other or by mutual agreement.

7.10 There shall be no pay in lieu of vacation, except an employee may use vacation credits if off work due to non-occupational illness or accident.

7.11 No vacation check shall be given to an employee prior to the last regular payday before the start of the employee's vacation.

Article 8 - Grievance Procedure

- 8.1 The purpose of this grievance procedure is to provide an orderly method for the prompt resolution of grievances that arise during the term of the Labor Agreement. A grievance is defined as dispute involving the interpretation or application of the provisions of the Agreement. Employee(s), the Union, or the Company shall have access to the grievance procedure for the resolution of disputes.
- 8.2 The Union shall not be required to process an employee's grievance, if in the Union's opinion, the grievance lacks merit. The Union shall be the exclusive representative of the employee with respect to the processing, disposition, and/or settlement of any grievance, including hearings and final decisions of Arbitrators.
- 8.3 It is the intent of the parties that time limits referred to in this article be strictly adhered to; however, they may be waived or extended by mutual agreement between the Union and Company. If the Company fails to answer a grievance within the time specified, the grievance shall automatically advance to the next step in the grievance procedure. If the employee or Union fail to file or advance a grievance within the time specified, the grievance shall be considered waived.
- 8.4 The employee shall first discuss the grievance, except suspension or discharge, with the employee's supervisor within seven (7) regular workdays from the date of occurrence. The supervisor shall provide the employee with his/her answer within seven (7) regular workdays. Regular workdays are defined as Monday through Friday excluding holidays.
- 8.5 In the event, the matter is not resolved in the preceding step; it shall be referred to the Company's General Manager, or his delegate, and the Union's Business Representative within seven (7) regular workdays of the supervisor's answer. The submission shall be in writing, and include:
- (a) a statement of the grievance and relevant facts;
 - (b) specific provision(s) of the Labor Agreement allegedly violated; and
 - (c) the remedy sought to redress the grievance. Grievances involving suspension or discharge must be initiated at this step in the grievance procedure within three (3) regular workdays from the date of occurrence.
- 8.6
- (a) If the Union and the Company have failed to settle the matter at the preceding Step within seven (7) regular workdays, it shall be referred to a Board of Adjustment consisting of four (4) members; two (2) appointed by the Company, and two (2) appointed by the Union.
 - (b) Both parties to the grievance shall present their position on the matter to the Board of Adjustment. The Board of Adjustment shall have the authority

to arrive at a majority decision, which shall be final and binding upon the employee, Union, and Company.

- (c) If the members of the Board of Adjustment fail to meet within fourteen (14) regular workdays from receipt of written notification of the grievance, the grievance may be deferred to arbitration.
- (d) All decisions of the Board of Adjustment shall be in writing and a copy sent to the Company involved, the employee involved, and the Union.

8.7 If the matter is not resolved within fourteen (14) regular workdays from the date it was referred to the preceding step, either the Union or Company may move the grievance or arbitration by serving written notice to the other party within seven (7) regular workdays from the expiration of the fourteen (14) regular workday period.

8.8 In the event such notice is served, the parties shall attempt to select an arbitrator. Failing to do so, they shall request a panel of seven (7) qualified arbitrators to be furnished by the Federal Mediation and Conciliation Service. Selection of the arbitrator shall be by the Union and then the Company alternately strikes a name from the list until only one (1) name remains as the arbitrator chosen.

8.9 The arbitrator is authorized to issue a written decision that shall be final and binding upon the Union, Company, and employee(s) provided, however, the arbitrator shall have no authority to add to, delete from, disregard or alter any of the provisions of the Labor Agreement. The sole function of the arbitrator is to interpret the provisions of the Agreement as they may apply to the specific facts of the issue in dispute. By accepting appointment, the arbitrator agrees to render a decision within thirty (30) calendar days from the latter of the close the hearing or receipt of post-hearing briefs. Fees and expenses of the arbitrator shall be borne by the losing party or, in the case of a split decision, as determined by the arbitrator. All other expenses shall be borne by the party which incurs them.

8.10 Any dispute as to procedure shall be heard and decided by the arbitrator in a separate proceeding prior to any hearing on the merits of a grievance. Any dismissal of a grievance by the arbitrator, whether on the merits or on procedural grounds, shall bar any further arbitration.

Article 9 - Non-Discrimination

9.1 No discrimination will be practiced against any employee for serving on a shop committee or for any other legitimate activity; provided, however, no solicitation for membership in any organization or otherwise shall be engaged in during working hours. The Union shall provide the Company with the names of its Shop Stewards and define their authority to speak for the Union in matters of dispute.

9.2 The Company and the Union agree they will not discriminate illegally against anyone because of race, religion, color, age, sex, national origin, marital or veteran status or handicap.

Article 10 - Apprentices

10.1 Wage rates, ratios and other matters concerning Apprentices shall be as provided in the Tacoma Machinists' Joint Apprenticeship Standards, as approved by the Washington State Apprenticeship Council.

10.2 Apprentices working a night shift shall receive the night shift differential in addition to the percentage of the Journey Machinist's rate of pay.

10.3 Upon successful completion of the four (4) year Apprentice Program, the Company agrees to reimburse the Apprentice 50% of the cost of tuition.

10.4 Apprentices retained by the Company thirty (30) calendar days after completion of their apprenticeship shall be granted seniority to date of hire with the Company as an apprentice.

10.5 The Company and the employees will appoint their members to the Joint Apprenticeship Committee who will take an active part in the program.

10.6 The Joint Committee is to prepare an annual budget of the expenses required to provide the apprentices with the necessary reference books and other training aids with the proper equipment and materials and with adequate instruction and supervision.

10.7 The Company and Union agree to share the necessary cost of such a program with the Union to furnish the clerical help, office space and equipment required to prepare and maintain records, reports and related functions and the Company to furnish the financial aid required to support the budget.

10.8 (a) The above program is to be reviewed by the Company, and the Union Negotiating Committee as necessary to insure its effectiveness.

(b) The Company agrees to establish an in-house apprenticeship committee to serve in an advisory capacity.

10.9 If an apprentice terminates employment to accept another Company's offer, he/she must re-establish his/her apprenticeship level agreeable to the Joint Committee.

Article 11 - Classifications and Hourly Minimum Rates of Pay

11.1

Classification	Effective Dates			
(P) Production	7/1/2015*	3/1/2016	3/1/2017	3/1/2018
(M) Maintenance				
(P) Tool and Die	\$31.15	\$31.93	\$32.73	\$33.55

(M) Master Technician				
(P) Journeyman (M) Technician	\$28.33	\$29.04	\$29.77	\$30.51
(P) Production Apprentice (M) Maintenance Apprentice	Per Program Guideline	Per Program Guideline	Per Program Guideline	Per Program Guideline
(P) Advanced Specialist (M) Maintenance Specialist	\$23.37	\$23.95	\$24.55	\$25.16
(P) Machine Operator (M) Maintenance Operator	\$18.63	\$19.10	\$19.58	\$20.07
(P) Production Support (M) Maintenance Support	\$15.02	\$15.40	\$15.79	\$16.18
(P) Production Helper (M) Maintenance Helper	\$10.92	\$11.19	\$11.47	\$11.76

***July 1, 2015 wage rates will be paid retroactively on July 24, 2015 paycheck from the date of ratification to June 30, 2015.**

Classification Descriptions:

(P) Tool and Die / (M) Master Technician: May perform any and all production (including assembly and shipping/receiving), inspection and maintenance related job functions within the Company. (P) is responsible for quality acceptance of final fixture or tooling assemblies. (M) is capable of troubleshooting and repairing complex electrical and electronic systems.

(P) Journeyman / (M) Technician: May perform any and all production (including assembly and shipping/receiving), inspection and maintenance related job functions within the Company. May only assist in the troubleshooting and repair of complex electrical and electronic systems (may lead these activities if no Technician is available). (P) cannot be responsible for quality acceptance of final fixture or tooling assemblies.

(P) Production Apprentice / (M) Maintenance Apprentice: May perform any and all production (including assembly and shipping/receiving), inspection and maintenance related job functions within the Company. Cannot direct the day-to-day activities of other employees.

(P) Advanced Specialist / (M) Maintenance Specialist: May perform any and all production (including assembly and shipping/receiving), inspection and maintenance related job functions within the Company. May only assist in the troubleshooting and repair of complex mechanical, electrical and electronic systems (may lead these activities if no Technician is available). Cannot be responsible for quality acceptance of final fixture or tooling assemblies. Cannot manufacture fixturing. Cannot approve part specifications utilizing hard layout methodologies.

(P) Machine Operator / (M) Maintenance Operator: May perform any and all production (including assembly and shipping/receiving), inspection and

maintenance related job functions within the Company. May only assist in the troubleshooting and repair of complex mechanical, electrical and electronic systems (may lead these activities if no Technician is available). Cannot be responsible for quality acceptance of final fixture or tooling assemblies. May perform setups of CNC machines with buyoff by a Journey level machinist only. Cannot manufacture fixturing. Cannot direct the day-to-day activities of other employees. Cannot approve part specifications utilizing hard layout methodologies.

(P) Production Support / (M) Maintenance Support: May perform any and all production (including assembly and shipping/receiving), inspection and maintenance related job functions within the Company. May only assist in the troubleshooting and repair of complex mechanical, electrical and electronic systems. Cannot be responsible for quality acceptance of final fixture or tooling assemblies. Cannot manufacture fixturing or setup or operate CNC machines. Cannot direct the day-to-day activities of other employees. Cannot perform any inspection functions requiring the use of more than calipers or micrometers. Cannot setup any machinery requiring the use of cutting tools. Cannot perform any maintenance functions other than daily maintenance functions or the upkeep of fluid levels or basic janitorial and carpentry tasks.

(P) Production Helper / (M) Maintenance Helper: May perform any and all job functions within the Company except cannot perform any production (including assembly and shipping/receiving), or inspection functions other than the movement of parts and chips and janitorial tasks. Cannot perform any maintenance functions other than daily maintenance functions or the upkeep of fluid levels.

- 11.2 (M) Classification seniority is for layoff purposes only.
- 11.3 The Company will establish a performance bonus program with goals established January 1 each year that is self-funding. The minimum potential payout opportunity for helpers and support personnel will be \$400 per year and \$800 for all other classifications. The actual payout may be less than or greater than these amounts based on actual performance to identified bonus metric targets.
- 11.4 New hires shall be paid at a break-in rate of 85% for the first 520 hours worked; 90% for the second 520 hours worked and thereafter at 100% of the classification rate of pay.
- 11.5 Employees assigned to the night shifts will receive fifty cents (\$.50) per compensable hour above the rate of pay.
- 11.6 Wage rates as listed in Article 11.1 shall be regarded as minimum rates for work performed. The payment and adjustment of rates in excess of the minimum as well as gifts, gratuities or bonuses are at the sole discretion of the Company.
- 11.7 Paydays shall be not less frequent than every other week.

Article 12 - Sanitation and Safety

- 12.1 All present safety equipment shall continue to be furnished by the Company, provided the employee takes proper care of the equipment. The Company and the employees will comply with all State and Federal Safety and Sanitary Laws. All toilets and washrooms shall be kept in a clean and sanitary condition, heated and ventilated. Lighting and ventilation shall be provided for all enclosed working spaces.
- 12.2 The Company shall furnish suitable guards for welders for protection of workmen's eyes. First aid for injured workmen shall be provided on all shifts.

Article 13 - Seniority

- 13.1 In the matter of layoff and recall of employees, the Company shall give first consideration to those employees with the greater length of service within the job classification with the same Company, subject to the following conditions:
- (a) The first six (6) calendar months of service will be a probationary period during which time an employee has no seniority standing and will be subject to transfer, promotion, demotion, layoff or discharge at the sole discretion of the Company. Upon satisfactory completion of the probationary period, the employee will be placed on the seniority list and his/her seniority will be dated back to the beginning of his/her employment.
 - (b) In cases of increasing or decreasing forces, the Company will practice and apply the principle of seniority rights, by classification, in every reasonable way, with the last employee hired being the first laid off and the last employee laid off the first rehired, within their classification, provided the employee has the existing skills to perform the available work. Employees promoted to a higher classification will retain seniority in their previous classification for 1 year. Employees with more than 5 years service at time of promotion to a higher classification will be credited with up to 5 years of seniority in their new classification after one year. The employees in the employ of the Company five (5) or more years who are selected Shop Stewards by the membership in the shop shall have super seniority within their job classification.
 - (c) Whenever possible, shift preference shall be given to senior employees.
 - (d) The Company shall endeavor to provide not less than twenty-four (24) hours' advance notice of layoffs to employees. Stewards shall be provided with a list of employees who are to be laid off.
- 13.2 Seniority shall be forfeited and employment terminated when an employee:

- (a) Quits or is terminated. (No employee shall be terminated on account of proven illness or non-occupational accident during a six (6) month period.)
 - (b) Is absent from work three (3) working days without notifying the Company of the reason for his/her absence unless he/she has an excuse acceptable to management. This will not affect the Company's right to take disciplinary action for absences of less than three (3) days. Leave of absence, in writing, may be granted by the Company.
 - (c) Fails to report to work within five (5) consecutive days from the date notice of recall is mailed to the employee at his or her last address on the company records. It is the responsibility of the employee to provide his or her current address and phone number to the Company.
 - (d) Is laid off more than six (6) months (nine (9) months for employees with five or more years' seniority), except that in the case of industrial accident, an employee's seniority rights shall continue for eighteen (18) months.
 - (e) Fails to report for work upon expiration of an approved leave of absence.
- 13.3 Subject to the provisions of Article 13.1, employees holding seniority in the Tool & Die Maker classification may use their accumulated plant seniority to displace junior employees in the Journey Machinist classification during a reduction in force. Such employee shall be compensated at the wage rate for the work performed.
- 13.4 An employee who transfers to a non-bargaining position with the Company shall continue to accrue seniority within the bargaining unit for six (6) months following the effective date of his/her transfer. During the six (6) month period, the employee may transfer back to the bargaining unit with no loss of seniority. After the six (6) month period the employee shall forfeit all bargaining unit seniority.
- 13.5 At the Employer's discretion, cross-training opportunities may be provided to employees where workload so permits. The Employer will consider factors such as seniority, attendance, ability, prior work history, quality, performance and productivity standards, in making decisions on whether to provide cross-training opportunities and which employees will be given cross-training opportunities. If an employee makes a specific request for cross-training and the Employer denies such request, the denial shall be in writing and shall state the reason for the denial. A denied request shall not be subject to the grievance procedure.

Article 14 - Funeral Leave

- 14.1 All employees shall be allowed twenty-four (24) hours off with pay for attending the funeral of a member of their immediate family. Immediate family shall be defined as parents, spouse, children, brother, sister, mother-in-law, father-in-law, grandparents, and grandchildren. Pay shall be at the employee's regular

rate including shift differential and shall be paid providing they attend the funeral. The Company may require the employee to provide proof of the relationship and attendance of the funeral or memorial service.

Article 15 - Jury Service

- 15.1 An employee having been regularly employed for a period of sixty (60) days or more and required by law to serve as a jury person shall, upon satisfactory proof to the Company of such service rendered, be reimbursed for up to thirty (30) days in a calendar year by the Company for his/her work time lost on the basis of the difference between his/her straight time shift hourly job classification rate and his/her jury pay (excluding travel allowance); provided, however, such Company reimbursement shall not be applicable to any period of time during which said employee-jury person did not perform work for the Company other than when prevented from doing so solely because of said jury service and further provided that such Company reimbursement is, in no event, to be applicable for a period of more than eight (8) hours in a standard workday nor more than five (5) days in a standard workweek.

- 15.2 In applying the foregoing, it is understood that if an employee is called for jury service, responds to the call and loses time but is not accepted for jury service or serves and is relieved therefrom by the middle of his/her work shift, the employee will be reimbursed by the Company for his/her work time lost on the basis of the difference between his/her straight time shift hourly job classification rate and his/her jury pay (excluding travel allowance) provided he/she returns to his/her job immediately and promptly reports these facts to the Company; provided further that if an employee works his/her regular shift in addition to performing jury duty, he/she shall not be paid by the Company under the provisions of this Article.

Article 16 - Health & Welfare

- 16.1 Effective May 1, 2015, the Company agrees to pay on behalf of each eligible employee for the term of this Agreement, the following percentages of premiums for medical benefits. Any amount over those paid by the Company shall be paid by employees through payroll deduction:

SILVER PLAN	<u>Company Paid</u>	<u>Employee Paid</u>
Single employee:	100%	0%
Employee and Spouse:	90%	10%
Employee and Family:	90%	10%
Employee and Child(ren):	90%	10%
GOLD PLAN	<u>Company Paid</u>	<u>Employee Paid</u>

Single employee:	95%	5%
Employee and Spouse:	80%	20%
Employee and Family:	80%	20%
Employee and Child(ren):	80%	20%

PLATINUM PLAN	<u>Company Paid</u>	<u>Employee Paid</u>
Single employee:	90%	10%
Employee and Spouse:	75%	25%
Employee and Family:	75%	25%
Employee and Child(ren):	75%	25%

- 16.2 The company will contribute \$100 per month toward the cost of the IAM dental benefit trust plan.
- 16.3 A committee may be established to study healthcare costs on an annual basis to review the healthcare renewal and make recommendations on any proposed changes to manage costs.
- 16.4 In the event of increases in cost or for other good reasons, by mutual agreement, the Company and Union may select an alternate medical or dental plan during the term of this Agreement.
- 16.5 The Company and the Union each acknowledge receipt of a copy of the Trust Agreement creating the I.A.M. Benefit Trust (dated July 20, 1967) and they agree to be bound by said Trust Agreement and all lawful amendments thereto. They do further agree to accept, as their representatives do, the Company Trustees and the Union Trustees who constitute the Board of Trustees of said Trust Fund and their lawful successors.
- 16.6 The contributions shall be paid to the Trust Fund by the 10th day of the month following the month in which the contributions were earned or by such other due date as may be established by the Board of Trustees. The Board of Trustees will furnish transmittal forms.
- 16.7 If accepted by the Trust, the Company agrees to pay the monthly contribution on behalf of an eligible employee for up to six (6) months when the employee is off work because of a bona fide illness or injury and up to eighteen (18) months if off work due to an industrial injury, illness or injury.
- 16.8 If possible, the Company agrees to establish a Section 125 plan so that required employee contributions may be made on a pre-tax basis.
- 16.9 The Company will provide \$10,000 life insurance and a short-term disability plan for employees. The short-term disability benefit level will pay 1st day

accident, 3rd day illness at 66-2/3% of pay up to \$700 per week.

Article 17 – 401(k) Plan

17.1 Effective January 1, 2007, the Company will establish a 401(k) plan for the bargaining unit, the terms of which are defined in the plan document. Subject to the plan’s eligibility requirements and guidelines, the Company will make the following contributions:

	<u>Employer Contributions</u> (No Match)	<u>Employer Match</u>	<u>Total</u>
January 1, 2013	3.0%	3.0%	6.0%
July 1, 2015	0%	7.0%	7.0%

Article 18 - Tools

- 18.1 The Company shall replace employees’ tools lost due to fire or burglary provided there was forced entry onto the Company’s premises and also provided the employee has a written inventory of such tools on file with the Company and Union. Tools, which the Company is responsible for replacing, shall be those on the employee’s tool inventory, which have been specifically approved by the Company. It is not the intent of this provision to replace individual tools, which are misplaced, but rather to replace a stolen box of tools or such tools or gauges that may be stolen by burglary. Disputes arising thereunder shall be subject to the grievance procedure. Tools replaced may be of equal quality and condition as those stolen.
- 18.2 The replacement of employees’ tools under the provisions of Article 18.1 shall be subject to a maximum liability of three thousand dollars (\$3,000.00) for employees working on or operating major machine tools and one thousand dollars (\$1,000.00) for employees performing welding and fabrication.

Article 19 - No Strikes - No Lockouts

- 19.1 During the duration of this Agreement, neither the Union, its officers nor any employee shall call, sanction, or participate in any strike, stoppage of work, sympathy strike, or interference with production, transportation, or distribution; and there shall be no lockout of any employees by the Company.
- 19.2 It shall not be a violation of this Agreement or cause for discharge for any employee covered under this Agreement to refuse to cross a lawful picket line approved by the Pierce County Central Labor Council.

Article 20 - Savings Clause

20.1 In the event that any federal or state legislation, governmental regulations or court decisions cause invalidation of any article or section of this Agreement, all other articles and sections not so invalidated shall remain in full force and effect. Within 30 days, the Company and the Union shall meet to negotiate new

contract language to replace the particular clause(s), which was invalidated by federal or state legislation.

Article 21 - Complete Agreement

21.1 This Agreement and Letters of Understanding attached hereto represent the total and complete agreement between the Union and Company. Any practices or understandings shall be mutually agreed to in written format in order to be binding on either the Union or Company.

Article 22 - Effective Date and Duration

22.1 This Agreement shall become effective March 1, 2015 and shall remain in effect through and including February 28, 2019 unless changed by mutual consent. Should either party desire to change, modify or terminate this Agreement on February 28, 2019, written notice must be given to the other party at least sixty (60) days prior to that date. If such notice is not given, the Agreement shall be automatically renewed for another year and, in like manner, from year to year thereafter.

Signed and dated this _____ day of March 2015.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative

**MEMORANDUM OF UNDERSTANDING
BETWEEN
PRECISION MACHINE WORKS
AND
I.A.M. & A.W. DISTRICT LODGE 160, LOCAL LODGE 297**

JOB ASSIGNMENTS

Due to the shortage of skilled machinists, the Union, and the Company agree to the following variations in job assignments:

The Company may assign an employee to work at the next higher classification for an initial period of forty-four (44) working days at their present rate of pay to ascertain if the employee has the developable skill to adequately perform at the next higher classification.

At the end of forty-four (44) working days, the employee will either receive a payroll advance of five percent (5%) and continue for an additional sixty-six (66) working day final period or return to their former job assignment at their former rate of pay.

Upon completion of the sixty-six (66) working day period, they will be reclassified to the higher rate with seniority in that classification dating to the start of the forty-four (44) working day period.

The Company and the Union agree that the current Apprenticeship Program is the prime training program for the development of Journey Level Machinists, and no other program will be established that will undermine the Apprenticeship Program.

Signed and dated this _____ day of May, 2011.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative

**MEMORANDUM OF UNDERSTANDING
BETWEEN
PRECISION MACHINE WORKS
AND
I.A.M. & A.W. DISTRICT LODGE 160, LOCAL LODGE 297**

CONCERNING THE ADVANCED SPECIALIST

The Company agrees not to hire a Machinist who has completed a four-year Machinist Apprenticeship as an Advanced Specialist.

Signed and dated this _____ day of May, 2011.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative

**MEMORANDUM OF UNDERSTANDING
BETWEEN
PRECISION MACHINE WORKS
AND
I.A.M. & A.W. DISTRICT LODGE 160, LOCAL LODGE 297**

TRAINING - TOOL GRINDER AND INSPECTOR

TRAINEES:

Section 1: It is mutually agreed to recognize a training program to consist of a planned on-the-job with mandatory completion within forty (40) months of employment. Progression will be on a completely automatic basis according to the schedule listed below*, and no exception will be made unless agreed to mutually by both the Union and Management.

Section 2: Trainee Program shall be for an employee of one (1) year or more unless there is no one qualified or who wants the opportunity. Company will have a twenty (20) month trial period for the Trainee -- if the program is ended within twenty (20) months, the employee will return to original classification. There will be an interim evaluation at twelve (12) months.

*Section 4: Rates of Pay	% of Journey Machinist Rate
0-6 Month	55%
7-18 Months	65%
19-30 Months	75%
31-40 Months	85%
After 40 Months	100%

Signed and dated this _____ day of May, 2011.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative

**MEMORANDUM OF UNDERSTANDING
BETWEEN
PRECISION MACHINE WORKS
AND
I.A.M. & A.W. DISTRICT LODGE 160, LOCAL LODGE 297**

JOINT COMMITTEE AND WORK SCHEDULE

The Union and the Company agree to establish a Joint Committee consisting of three (3) members of the bargaining unit, two (2) members of management and the Union business representative to meet and confer in good faith not less frequently than twice per week or as otherwise mutually agreed upon by the Union and Company to discuss and recommend alternate work schedules for adoption by the parties subject to mutual agreement by the Union, the Company and a majority of affected employees.

The Joint Committee shall establish a recommended plan for implementing an alternate work schedule. Functions of the committee shall include evaluating alternate work schedules, machining center application, staffing criteria, the schedule for adopting the alternative work schedule, and other conditions of employment.

The parties agree that for each machining center for which an alternative work schedule is established, such work schedule will be staffed first by volunteers. In the event that an alternative work schedule has been agreed upon on a given machine center and an insufficient number of volunteers is or becomes available to staff that schedule, the Company may hire employees to work an alternative work schedule as a condition of employment and all employees hired after such date may also be required to work an alternative work schedule with any such requirement to be based on inverse seniority order.

In the event the parties are unable to reach an agreement by May 1, 1997 unless otherwise mutually extended by the parties, the Company may at its discretion adopt the following work schedule, which will at that time become part of the Collective Bargaining Agreement.

1. Assignment to a four-ten schedule as provided by Article 4.10 of the Labor Agreement shall continue to be on a voluntary basis for the top fifty percent (50%) of the most senior employees, qualifications considered. Two weeks' notice must be given by the employee prior to changing back to a regular workweek in order to allow the Company the opportunity to meet its manning requirements with the least disruption to efficient plant operations.
2. (a) An alternate work schedule consisting of three (3) consecutive days of twelve (12) consecutive hours per day exclusive of a thirty (30) minute unpaid lunch period may be established. Friday through Sunday, Saturday through Monday, inclusive, shall constitute a workweek.

- (b) Assignment to a three-twelve alternate work schedule shall be on a voluntary basis for the first fifty percent (50%) of the workforce by seniority and qualifications considered. Two weeks' notice must be given by the employee prior to changing back to a regular workweek in order to allow the Company the opportunity to meet its manning requirements with the least disruption to efficient plant operations.
 - (c) All time worked in excess of thirty-six (36) hours in a week during a three-twelve workweek shall be considered overtime and shall be paid for at time and one-half (1½) the regular shift rate of pay. All time worked in excess of ten (10) hours in a workday and all time worked in excess of sixty (60) hours in a workweek shall be paid at double time (2x) the regular shift rate of pay.
 - (d) All pay for time not worked (holidays, vacations, jury duty, and funeral leave) shall be in accord with the provisions of the Labor Agreement. Employees working on a three-twelve schedule shall be compensated on the basis of up to eight hours of pay for a day taken as holiday, vacation, jury duty or funeral leave.
3. No more than fifty percent (50%) of the bargaining unit may be assigned to an alternate work schedule except by mutual agreement.

Where in conflict, terms of this Memorandum of Understanding supercede the provisions of the Collective Bargaining Agreement.

Renewed and dated this _____ day of May, 2011.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative

**MEMORANDUM OF UNDERSTANDING
BETWEEN
PRECISION MACHINE WORKS
AND
I.A.M. & A.W. DISTRICT LODGE 160, LOCAL LODGE 297**

SENIORITY ACCRUAL

Irrespective of the provisions of the Letter of Agreement Seniority Accrual dated January 31, 1997 the following employees shall retain the seniority accumulated within the bargaining unit prior to their transfer to a non-bargaining unit position. In addition, they shall be credited with an additional six (6) months bargaining unit seniority following their transfer to a non-bargaining unit position.

Employee	Classification	Hire Date	Salaried	Union
Dave Pawul	Quality Engineer	01/05/1994	08/13/1996	
Craig Thompson	Machinist	03/05/1990	09/08/1997	01/13/2000

Signed and dated this _____ day of May, 2011.

Precision Machine Works

International Association of Machinists
and Aerospace Workers, AFL-CIO
District Lodge 160, Local Lodge 297

By: _____

By: _____

Title: _____

Title: Business Representative