COLLECTIVE BARGAINING AGREEMENT

BETWEEN

COLLINS AEROSPACE

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO DISTRICT LODGE 751 & LOCAL LODGE 751A

AT

Everett, WA

(NLRB Case Number 19-RC-215734)

Effective March 8, 2019 through July 15, 2022

Pending ratification and final proofing by the Union and the Company

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PREAMBLE

The Collective Bargaining Agreement, entered into this 8th day of March, 2019, by and between Collins Aerospace, hereinafter referred to as the "Company" and International Association of Machinists and Aerospace Workers District Lodge 751 (also known in short as "IAM), Seattle, Washington, hereinafter referred to as the "Union".

6 WITNESSETH

Whereas, the Union has been certified by the National Labor Relations Board as the exclusive bargaining agency for the employees herein specified; and Whereas, the undersigned representatives of the Union represent and warrant that they are duly authorized to execute the Agreement on behalf of the Union and all employees to whom it applies and the undersigned representatives of the Company represent and warrant that they have authority to execute said Agreement on behalf of the Company; and Whereas, the parties hereto desire to establish, maintain, and regulate the hours of labor, rates of pay, and other terms and conditions of employment with a view to securing and promoting harmonious labor relations. That, for the purpose of facilitating a peaceful adjustment of differences that may arise from time to time, and for the promotion of harmony and efficiency to the end that the Company, the employees, and the general public may be mutually benefited, the parties hereto contract and agree with each other as follows.

ARTICLE 1 BARGAINING UNIT

Section 1. Union Recognition. The Company recognizes the Union as the sole and exclusive collective bargaining agent for the unit certified in NLRB Case No. 19-RC-215734; namely, all full-time and regular part-time mechanics, service technicians, shipping and receiving employees, and quality employees employed by the Company at its facility located at 2701 – 94th Street, SW, Everett, Washington; excluding all other employees, temporary employees, engineers, professional employees, procurement employees, office clerical employees, managers and guards and supervisors as defined in the Act. The term "employee" or "employees" as used in this Agreement shall refer only to an employee or employees in the unit described above unless otherwise noted.

ARTICLE 2 UNION SECURITY AND DUES CHECK-OFF

Section 1. Union Security.

- (a) All employees within the bargaining unit defined in Article 1 shall, within thirty-one (31) days following the execution of this Agreement or within thirty-one (31) days following the beginning of employment in the bargaining unit, whichever is later, become and remain members in good standing in the Union as a condition of continued employment.
- (b) Any employee required to pay an agency fee, membership dues, or initiation or reinstatement fee as a condition of continued employment who fails to tender the agency fee or initiation, reinstatement, or periodic dues uniformly required, shall be notified in writing of the employee's delinquency. A copy of such communication

shall be mailed to the Company not later than fifteen (15) days prior to such request that the Company take final action to terminate employment for failure to satisfy obligation.

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- Section 2. Union Payroll Deduction. It is agreed between the Company and the Union that any employee in the bargaining unit defined in Article 1 of this Agreement, who is or may hereafter become a member of the Union, or pays an agency fee, may authorize the collection of Union dues or agency fees by the signing of a payroll deduction form. The employee's authorization shall be irrevocable for a period of one (1) year from the date they are signed or until this Agreement expires whichever occurs sooner, irrespective of their membership status in the Union.
- (a) This authorization and assignment shall continue in full force and effect for yearly periods beyond the irrevocable period set forth above, and such subsequent yearly period shall be similarly irrevocable unless revoked not more than thirteen (13) calendar days nor less than three (3) days prior to the date of termination of any irrevocable period hereof. Such revocation shall be affected by written notice to the Company, and a copy sent by certified mail, return receipt requested, to the Union within such ten (10) day period.
- (b) Deduction of membership dues or agency fees shall be made in a flat sum provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues or agency fees shall not extend beyond the pay period in which the employee's last day of work occurs.
- (c) The Company shall issue Union dues, Initiation Fees, and Political Action Contributions via electronic funds transfer process only (Direct Deposit). The Union shall ensure the Company has been provided with a valid Bank Account and Routing number to set up the process. It will be the responsibility of the Union to submit all changes in Bank information to the Company immediately. The Company shall issue all reports distributed to the Union electronically. Accounts will be established for a focal designated by the Union. It will be the responsibility of the Union to submit all changes in focals to the Company.
- (d) Collection of any back dues or agency fees owed at the time of starting deductions for any employee and collection of dues or agency fees missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period will be the responsibility of the Union and will not be the subject of payroll deductions.
- Section 3. Indemnification and Hold Harmless. The Union will indemnify and hold the Company harmless from and against any and all claims, demands, charges, complaints, or suits instituted against the Company which are based on or arise out of any action taken by the Company in accordance with or arising out of the foregoing provisions of this Article 2.

ARTICLE 3 MANAGEMENT RIGHTS AND RESPONSIBILITIES AND RULES

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41 42 Section 1. Except as limited or restricted by this Agreement, the Company has and shall retain the full right and responsibility of management and direction of the plant and its operations. Such rights and responsibilities of management include, but are not limited to, the right to plan, direct, control, increase, decrease, relocate, transfer operations, or discontinue operations in whole or in part; to determine the products and services to be manufactured and performed; to shift products manufactured and services performed, processes, or types of work methods in and out of the plant; to change machinery, methods and facilities, or introduce new methods, techniques, technology, processes, and/or machines and products, including the right to establish new facilities, divisions, or departments; to hire, recall, transfer, promote, lay off, discipline, suspend, or discharge employees for just cause; to require that employees perform their duties in a diligent manner and the right to establish qualitative and quantitative standards of productivity which may be enforced through progressive disciplinary action terminating in discharge; to add to or reduce the number of shifts, the schedule or number of hours to be worked and the work force, including the number of shifts and the respective starting and guitting times and the determination of the number of hours per day or hours per week the business shall operate; to determine who it shall hire, the number of employees it shall employ at any time, and the qualifications necessary for any of the jobs it may have or may create in the future; to require appropriate certifications; to allocate and assign work duties in accordance with the determination of the needs of the jobs, including to what extent any work shall be performed by employees; to implement and enforce policies, rules, and regulations affecting employees and the right to make reasonable changes to such policies, rules, and regulations and to enforce such changes, including attendance, drug and substance abuse testing, and the training of employees; to control the use of Company property and the determination of reasonable safety, health and property protection, rules, policies and methods; and to move, sell, close, liquidate, or consolidate the plant in whole or in part. These rights shall be exercised in good faith and shall not be used for the purpose of undermining this Agreement.

Section 2. The Company's failure to exercise any of the rights set forth above, or exercising them in a certain or particular way shall not be deemed a waiver of its right to exercise them in some other way at any future time.

Section 3. As outlined above, the Company shall have the right to make and enforce reasonable rules and regulations governing its operation, the manner and method of performing the work, the quality standards that it requires, the safety standards that it requires, disciplinary policies, attendance policies, drug and substance abuse policies, and any other matter, so long as such rules and regulations are not in conflict with this Agreement. The Company shall have the right from time to time to change, alter and add to such rules.

The Company has the right to promulgate and modify reasonable work rules including the Company's operating procedures, work rules, regulations, policies and codes of

conduct. The Company will notify the Union of any such changes before putting them into effect. The Union may grieve the reasonableness of a work rule within fifteen (15) days of the date of the Company notice to the Union of a new or modified work rule. Any such grievance must be filed at Step two of the grievance procedure. Safety, regulatory, or other changes mandated by law must be implemented immediately.

ARTICLE 4
UNION REPRESENTATIVE ACCESS

The Business Representatives/Grand Lodge Representative of the Union shall have access to the Company facilities where bargaining unit employees are normally assigned during working hours for the purpose of conducting legitimate Union Business pertaining to this Agreement including, but not limited to, the investigation and advising in the handling of grievances, and will not interfere with the normal conduct of the Company's operation. The Company will not impose regulations which will render the intent of this provision ineffective. The Union shall keep the Company Manager of Human Resources currently informed in writing of the names of the accredited Business Representatives/Grand Lodge Representative. Access may be granted by the Site Leader or Site Human Resources and will include timely completion of the Site visitor management requirements. The necessary Company badges and credentials will be given to the Business Representatives/Grand Lodge Representative.

ARTICLE 5
UNION STEWARDS

Section 1. Union Steward Duties. The Company recognizes the right of the Union to designate Union Stewards and Alternates from the Company's seniority list. The number of Union Stewards shall be a number required by the Union to assure employees in the unit ready access to a Union Steward in their assigned work location. This shall be confined to the Company's premises. It is agreed this objective can be achieved with not more than two (2) Union Stewards unless modified by mutual agreement. The Union will furnish, maintain, and provide a list of current Union Stewards and Alternates to the Company. The authority of the Union Stewards and Alternates so designated by the Union shall include the following duties and activities:

- (a) The investigation and presentation of grievances to the Company or the designated Company representative in accordance with these provisions:
 - To consult with an employee regarding a question concerning this Agreement, complaint, or grievance for which the employee desires a Union Steward to be present.
 - 2. To investigate a complaint or grievance before presentation to the appropriate Management personnel.
 - To present a question concerning this Agreement, complaint or grievance to an employee's immediate Manager in an attempt to settle the matter for the employee or group of employees who may be similarly affected.
 - To meet with the appropriate Site Manager or other designated representative of the Company when necessary to adjust grievances in accordance with the

grievance procedure of this Agreement.

- (b) The transmission of such messages and information, which shall originate with, and are authorized by the Union or its Officers, provided such message and information have:
 - 1. been reduced to writing, or

if not reduced to writing, are of routine nature and do not involve work stoppages, slowdowns, refusals to handle goods, or any other interference with the Company's business.

Section 2. Union Steward Time Off For Union Business. Union Stewards shall be permitted time to investigate, present and process grievances on the Company property (worksite) without loss of time or pay during his/her regular working hours. The privilege of Union Stewards to leave their work during working hours without loss of pay is extended with the understanding that Union Stewards will notify Supervision of the need to leave their work, will notify Supervision upon returning to work, and will execute the proper time-keeping transaction(s). Union Stewards, however, shall not be paid by the Company for time spent handling grievances outside of his/her regular scheduled working hours. Subject to existing security regulations, Union Stewards shall have access to the Company's work areas during working hours for the purpose of investigating grievances or complaints that have arisen or attending meetings in accordance with the Grievance Procedures. Union Stewards will be devoted to the prompt handling of grievances. Any other needs of the Union Steward will not be unreasonably denied.

ARTICLE 6 NEW EMPLOYEES

Section 1. Notice of New Employees. The Company shall notify the appropriate Union Steward when any new Bargaining Unit employees are hired. Such notification shall be made the same day they go through Orientation and shall include the new employee's name, date of hire, and shift.

Section 2. Temporary Employees. Temporary employees will not cause the layoff or reduction in regularly scheduled working hours of any employee covered by this Agreement.

32 ARTICLE 7 33 SENIORITY

- **Section 1. Definition.** Seniority of an employee is defined as the length of his/her continuous service within the bargaining unit at the current location, including time under prior ownership; provided that, the seniority of an employee in the bargaining unit on date of ratification shall include all time worked with the Company or a prior owner, irrespective of work location or position.
- New employees shall have no seniority until they have completed a probationary period of sixty (60) days, after which their seniority date shall be their date of hire.
- 41 When used in this Agreement, the term "qualifications" shall mean experience, skill,

1 ability, and relevant disciplinary record.

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- 2 Section 2. Job Vacancies. It is understood that seniority, defined in Article 6, Section
- 3 1, shall be what determines the filling of vacancies in the entry level position for all job
- 4 classifications. It is understood that qualifications shall be what determines the
- 5 promotion of employees within job classifications. When the Company determines a
- 6 need to fill job vacancies, the Company will post notices electronically.
- Section 3. Layoff. Layoff and recalls shall be made in accordance with the following
 procedure:
 - (a) In the event business needs are not sufficient to warrant maintaining scheduled employees, the Company has the right to reduce the number of employees accordingly. The Company will first request volunteers to be laid off. If an insufficient number of employees volunteer, the Company will lay off temporary employees first, probationary employees next, and full-time employees last in reverse order of seniority. This process will be implemented by classification.
 - (b) Employees who are laid off from their job classification may bump the junior employee in another job classification that they have previously held if qualified to perform the work.
 - (c) In such circumstances, affected employees will have the right to exercise any of the following options to mitigate the impact of layoff:
 - (1) 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 sixty (60) days seniority as of the day preceding the layoff.
 - (2) Severance pay allowance shall be calculated on a weekly basis (the employee's normal work week at the time of layoff) and each week's pay allowance shall consist of forty (40) times the employee's base hourly wage (including any shift or other premium pay) which the employee was paid for the last day of work preceding layoff.
 - (3) Severance pay allowance shall be paid weekly or as a lump sum to an eligible, laid off employee beginning on the second payday following the date the employee is laid off.
 - (4) 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:

35	Seniority (Complete years)	Severance weeks
36	Sixty (60) days – Two (2) years	Four (4) weeks
37	Three (3) - Eight (8) years	Six (6) weeks
38	Nine (9) – Fifteen (15) years	Ten (10) weeks
39	Sixteen (16) – Twenty four (24) years	Twelve (12) weeks
40	Twenty five (25) years and over	Sixteen (16) weeks

- (5) Medical, dental, and life 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, but in no case will this coverage be less than four (4) weeks.
- (6) No employee, however, shall be paid a severance pay allowance for any week following the date the employee is recalled to work from layoff.
- (7) 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 Article 6.3.C.4 above was not paid him/her during this contract period because of his/her recall from layoff, such employee who is again laid off during this contract shall again be eligible for severance pay allowance but only for the number of weeks for which his/her total severance pay allowance was not paid because of his/her recall from layoff.
- (8) 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.
- (9) A voluntary separation program will be offered for the duration of this Agreement to any employee covered under this collective bargaining agreement, age fifty five (55) or over as of the date of separation, who volunteers and is accepted for separation under the circumstances described in Article 6. 3.C.10 below. Eligible employees who receive benefits pursuant to this program will forfeit any recall rights as outlined in the Collective Bargaining Agreement.
- (10) Employees eligible for this program must be employed in a classification 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 classification. 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 classification.

The benefits under this option are:

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- Severance pay defined in Article 6.3.C.4;
- 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 time as defined in Article 6.3.C.5
- **Section 4. Recall.** Employees will be recalled to the position from which they were laid off in order of seniority, including any employees bumped during a layoff process. Employees who decline such offers will have no further recall rights to previous positions. Laid off employees will also be offered recall to any position for which they

- are qualified. If the employee does not have the qualifications to perform the work, the
- 2 Company will notify the employee and the union steward along with the reason for the
- 3 same.
- 4 Section 5. Notification of Recall. Notification of openings for recall shall be given by
- 5 the Company by certified mail to the last mailing address furnished by the employee. A
- 6 copy of such notice shall also be sent to the Union. In order to preserve their recall
- 7 rights, employees must notify the Company of their intent to return to work within
- 8 fourteen (14) days from the date of mailing the notice of recall. The recalled employee
- 9 must report to work within twenty-one (21) days from the date of mailing the notice of
- 10 recall, unless a later return date is designated by the Company. If the employee does
- 11 not respond as required by this section, or if the notice of recall is returned undelivered,
- 12 the next eligible employee may be recalled and the notified employee will be removed
- from the recall list. Nothing in this section will preclude the Company from making direct
- 14 contact with the employee by phone and/or the employee returning as soon as possible.
- 15 Specific return dates will be determined by the Company. Failure of the employee to
- 16 keep the Company advised in writing of his/her current correct address shall relieve the
- 17 Company of all obligations indicated in Article 6, Section 4.
- 18 Section 6. Notification of Layoff. In the event of a reduction in the workforce, the
- 19 Company shall notify the Union in writing at least ten (10) days prior to the reduction.
- 20 Section 7. Suspension of Seniority Accrual. Any bargaining unit employee who
- 21 elects to take a non-bargaining unit job with the Company shall only retain seniority they
- 22 earned while in the bargaining unit.
- 23 Section 8. Preservation of Seniority. Time off the active payroll of the Company will
- 24 be counted as continuous service for employees with seniority without deduction for
- 25 time lost whenever on (1) authorized non-occupational illness or injury leave; (2) return
- 26 from leave to serve in the Armed Forces, National Guard or Reserve Component
- training; (3) an occupational illness or injury leave; (4) an authorized personal leave; (5)
- 28 or layoff of twenty-four (24) months or less.
- 29 Section 9. Loss of Seniority. An employee shall lose his/her seniority for the
- 30 following reasons:
- 31 (a) Resignation;
- 32 (b) Discharge for just cause;
- 33 (c) Layoff in excess of twenty-four (24) months;
- (d) Failure to return to work at the expiration of a leave of absence, unless extension of
 leave has been granted by the Company;
- (e) Failure to return to work within two (2) weeks of the Company mailing the notice of
 being recalled from layoff, unless excused by the Company.
- 38 (f) Retirement.
- 39 (g) Unexcused absence from work for three (3) days without notifying the Company,
- 40 and without having a reasonable and valid cause for such failure to notify, the
- 41 burden of proof to be the responsibility of the employee.

- 1 Section 10. Information Provided to Union. The Company will furnish to the Union,
- 2 upon request but not more than monthly, a list of all employees covered by this
- 3 Agreement. The list will include name, address, rate of pay, job classification, date of
- 4 hire and shift.
- **Section 11. Probationary Period.** Each new employee hired after date of ratification
- 6 shall serve a probationary period of sixty (60) days, during which time the employee
- 7 shall not be subject to the just cause provision but shall enjoy all other protections of
- 8 this Agreement.

Section 12. Union Stewards. Union Stewards appointed by the Union shall be the last laid off, or moved from their location or from their shift so long as work for them is available on that shift and location.

ARTICLE 8 GRIEVANCE PROCEDURE AND ARBITRATION

- **Section 1. Definition of Grievance.** A grievance is defined to be any controversy, complaint or dispute arising as to the interpretation or application of this Agreement, or effort to seek compliance with any provision of this Agreement. The parties agree to mutually work to the resolution of any grievances through prompt and good faith use of the following procedures.
- Section 2. Grievance Procedure. The Company and the Union agree to the following system of presenting and adjusting grievances. Absent a written agreement signed by the parties, any grievance which is not presented and processed in accordance with the following steps, time limits and conditions shall not be arbitrable.
 - **Step One** Any employee with a grievance must contact the immediate supervisor within ten (10) working days of knowledge of the alleged violation in order to discuss and resolve the issue. If the employee desires, the responsible Union Steward may attend this initial step. Both parties will make every effort to resolve the issue. If the complaint cannot be resolved between the parties involved, then the Union Steward or Union Representative will reduce the complaint to writing.

Step Two – Written Grievance.

- If the grievance is not resolved in Step 1, or if the Union wishes to file a grievance, the grievance will be reduced to writing and presented to the Company's Human Resources Representative or designee within ten (10) working days of the Step 1 discussion or knowledge of the alleged violation. All grievances resolved under Step 1 or 2 will be non-precedent setting. The grievance must include:
- The circumstances out of which the grievance arose shall be set forth in reasonable detail, including the nature of the grievance, the facts supporting it, and the specific relief sought;
- ii) The Article(s) of the Agreement allegedly violated; and
- iii) The remedy or correction required.

Step Three – Meeting.

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 Within ten (10) working days after receiving a written grievance, the Company's Human Resources Representative or designee will meet with the Union and the Grievant to discuss the grievance. At this Step, all parties shall be required to present all evidence and arguments relating to the grievance so that both parties can evaluate the grievance. Evidence and arguments not presented at Step 3 shall not be considered by an arbitrator. If the parties cannot resolve the grievance at the Step 3 meeting, the Company will issue its final position to the Union within ten (10) working days.

Step 4 – Arbitration.

In the event the grievance is not resolved at Step 3, the Union has twenty (20) working days to request the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven (7) arbitrators, from which a single arbitrator shall be selected to hear the grievance. The grieving party is responsible for the fee in connection with the request for a panel. The grieving party must immediately forward a copy of the request to the other party. The parties shall take turns striking names from the list until one remains. The parties agree that an arbitrator must be selected within thirty (30) calendar days of receipt of the FMCS list. The cost of the arbitrator's fees and expenses and the cost of the arbitrator hearing, including room and transcript, shall be borne equally by the Company and the Union. Each party shall be responsible for its own expenses incurred for counsel, witnesses, preparation, travel and other incidental expenses.

Section 3. Time Limits, Efficient Processing. It is understood that the time limits specified herein may be extended by mutual written agreement of the parties. The Company and the Union may mutually agree to combine the grievance of an employee and other similarly affected employees in order to eliminate the need for multiple filings of grievances. The Company and the Union may mutually agree in writing to waive any prior step of the grievance procedure and proceed directly to the next step of the grievance procedure. If a grievance is not presented within the time limits set forth above, it shall be considered waived and/or withdrawn and shall not be pursued further. Any failure by the grieving party to comply with the time limits will serve to declare the grievance as settled in favor of the Company and no further action can be taken. If the Company does not answer a grievance or an appeal within the specified time limits or any agreed extension thereof, the grieving party may elect—but is not required—to treat the grievance as denied at that Step and immediately appeal to the next step.

Section 4. Arbitrator's Authority. The arbitrator shall confine his/her decision to determination based upon the facts presented. The arbitrator shall not have the authority to amend or modify this Agreement or to establish new terms and conditions of this Agreement. The parties agree that the normal rules of mitigation of damages apply to cases involving back pay. It is understood and agreed that a decision of the arbitrator made in accordance with the requirements hereof shall be final and binding on both parties.

Section 5. The parties agree that any claims arising under the National Labor Relations Act, including but not limited to claims arising under Sections 8(a)(1) and

8(a)(3) of the Act, shall be subject to and resolved exclusively through arbitration under this Agreement, and arbitrators shall consider and apply the Board's then current legal standards in deciding any such claims.

4 ARTICLE 9
5 DISCIPLINE & DISCHARGE

- 6 **Section 1. Just Cause.** The Company shall only initiate disciplinary action for just cause.
- Section 2. Progressive Discipline. No employee will be discharged, except as hereinafter provided, unless he/she has been given written notices and a copy thereof will be given to the Union. Such notice will state the complaints of the Company. The Company agrees to use the following system of progressive discipline; provided, that both parties recognize that there are certain offenses which are so serious in nature that higher levels of discipline including immediate termination may be warranted.
- 14 1st Offense Verbal Warning
- 15 2nd Offense Written Warning
- 3rd Offense Suspension
- 17 4th Offense Discharge
 - **Section 3.** Expiration of Discipline. If an employee does not receive similar additional discipline within twelve (12) months from the day of issuance, further violations will not be used for progressive discipline. Disciplinary documents may be retained on file.

22 ARTICLE 10 23 WORKWEEK, HOURS OF WORK, SHIFTS, OVERTIME

- 24 Section 1. Definitions.
- 25 (a) **Workweek:** The workweek shall commence at 12:00 a.m. on the first (1st) day in the 26 work week which is normally Monday, and shall conclude at 11:59 p.m. on the seventh 27 (7th) day of the work week which is normally the next following Sunday.
- 28 (b) **Workweek Schedule:** The normal workweek shall consist of eight (8) hours per day and five (5) consecutive days from Monday through Friday. Nothing in this Agreement shall be construed as a guarantee of any number of hours of work per week or hours or days per week; provided that the Company has no intention of shifting full time employees to part-time.
- 33 (c) Shifts:

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- First Shift Employees working between 5:00 a.m. and 3:30 p.m.

 Second Shift Employees working between 1:30 p.m. and 12:00 a.m.

 Third Shift Employees working between 10:00 p.m. and 6:30 a.m.
- Section 2. Shifts and Schedules. In the event that the Company establishes a second (2nd) and/or third (3rd) shift, the Company shall first staff that shift with volunteers in

- seniority order and to the extent that there are insufficient volunteers will reassign
- 2 employees in inverse seniority order. Employees affected by shift change will be given a
- 3 minimum of five (5) days' notice prior to change. Employees whose start time is
- 4 changed without a shift change will be provided forty-eight (48) hours' notice.
- 5 Section 3. Lunch and Rest Periods. The regular work day shall be eight and a half
- 6 (8.5) hours, including a thirty (30) minute unpaid lunch period and two (2) paid fifteen
- 7 (15) minute rest periods at times that comply with all applicable regulations concerning
- 8 lunch and rest periods.
- 9 Section 4. Call-In. Employees called to the Site by management for work at times other
- than their regularly scheduled work hours shall be paid a minimum of four (4) hours pay.
- 11 For the purpose of this Section, scheduled overtime work is not to be considered call-in
- 12 work.
- 13 Section 5. Report Time. If an employee reports for work in accordance with
- instructions and is subsequently sent home, he/she shall be compensated for the hours
- worked or four (4) hours pay, whichever is greater. Report time will not apply in case of
- 16 emergency shutdowns arising out of any condition beyond the Company's control. An
- 17 employee who leaves work of his/her own volition, or because of incapacity (other than
- industrial injury or illness), or is discharged or suspended after beginning work, will be
- paid only for the number of hours actually worked during that day. An employee who
- 20 leaves work because of incapacity due to industrial injury or illness will be paid eight (8)
- 21 hours pay.
- 22 Section 6. Stand-By. An employee is on "stand-by duty" when the Company
- 23 schedules and assigns an employee to remain available to respond to any means of
- 24 communication, (i.e. pagers, cell phones, etc.) for consultation purposes or when
- 25 required to immediately report for duty upon request, outside the employee's assigned
- shift. Employees on stand-by duty shall be paid two dollars (\$2.00) per hour for each hour they are required to be on stand-by. If an employee on stand-by is called in to
- hour they are required to be on stand-by. If an employee on stand-by is called in to work during their assigned stand-by hours, they shall receive a minimum of two (2)
- 29 hours' pay at their working rate of pay. If an employee on stand-by has been called in
- 25 Hours pay at their working rate of pay. If all employee on stand by has been ediled in
- 30 to work, and subsequently returns to stand-by status, they shall continue to receive the
- two dollar (\$2.00) per hour stand-by pay. The employee shall not receive the two
- 32 dollars (\$2.00) per hour stand-by pay during any period where they are receiving their
- working rate of pay due to being called in for work.
- 34 Section 7. Overtime. Employees will be paid at time and one-half (1.5) their regular
- 35 rate of pay for all hours worked on a scheduled day off; provided that if an employee
- 36 has worked in excess of 40 hours the employee will be paid double-time for all hours
- 37 worked on Sunday.
- 38 (a) The Company will first attempt to meet its overtime needs on a voluntary basis from
- among the employees who normally perform the work activity on a straight time
- 40 basis throughout the week.
- (b) The practice for the advance scheduling of overtime within the department and shift will be to first, ask the employee regularly assigned to either the machine, job, crew
- or position providing the employee is in attendance when the overtime is being

- assigned. Next, ask other qualified employees in the same job classification who are in attendance when the overtime is being assigned. If sufficient volunteers are not obtained, the Company may designate any employee to satisfy remaining requirements.
- 5 **Section 8. Mandatory Overtime.** Employees shall be given forty-eight (48) hours' notice of the need to work overtime on scheduled days off. No employee shall be required to work overtime:
- 8 (a) On or adjacent to a core holiday weekend;
- 9 (b) On or adjacent to a full day or more of vacation; or
- 10 (c) On more than three (3) weekend days in a calendar month.

11 ARTICLE 11 12 COMPENSATION

13 Section 1. Definitions.

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- (a) Base Rate of Pay. An employee's hourly base rate of pay is determined under the applicable provisions, excluding all allowances, differentials, adjustments, bonuses, awards, and premiums.
- 17 (b) Regular Rate of Pay. An employee's regular rate of pay includes the base rate of pay and all applicable differentials, adjustments, bonuses, awards and premiums.
- Section 2. Base Rates of Pay. Effective upon ratification, minimum base rates of pay for each job classification shall be as follows:

10.00
19.00
22.50
26.00
32.00
26.00
18.50

- 22 If any employee is hired above the minimum rate, that rate will become the minimum for 23 all employees in that classification on payroll at that time.
- 24 Section 3. Base Rate Increases. Wage increases will be granted as follows:
- 25 (a) Effective April 1, 2019, each employee covered by this Agreement will have their base rate of pay increased by three percent (3%).
- (b) Effective April 1, 2020, each employee covered by this Agreement will have their base rate of pay increased by three percent (3%).
- 29 (c) Effective April 1, 2021, each employee covered by this Agreement will have their base rate of pay increased by three percent (3%).
- 31 **Section 4. New Hires.** New employees will be paid at least the minimum rate of pay established by Section 3 for their Job Classification.

Section 5. Wage Differentials.

- (a) Shift Differential. Should the company assign employees to any shift other than the existing shift after agreement with the Union, the employees will receive a shift differential of seventy-five cents (\$.75) per hour which shall be added to his/her base rate.
- (b) Lead Pay. Any employee assigned in a Lead capacity will receive a differential of one dollar fifty cents (\$1.50) per hour which shall be added to his/her base rate of pay.

9 Section 6.

- (a) **Promotions to Another Job Classification**. Employees promoted to another job classification will receive the greater of: (1) a ten-percent (10%) increase to their base rate of pay upon entering into a higher job classification or (2) the minimum rate of pay for the higher job classification.
- (b) Pay Upon Demotion. The base rate of pay for employees demoted to a different job classification will be five-percent (5%) lower than their base rate but not lower than the minimum rate of pay associated with the classification to which they were demoted.
- Section 7. Temporary Duty Yonder (TDY) Assignments. A temporary assignment will remain in effect for a period of not more than thirty (30) consecutive calendar days. In the event it is necessary to extend for a longer period, the company will request concurrence from the Union for the additional time needed. Repetitive temporary assignments shall not be used to fill a permanent job opening.

23 ARTICLE 12 24 HOLIDAYS

Section 1. Holidays. All bargaining unit employees will be paid for the following holidays not worked:

Holiday Name	2019	2020	2021	2022
New Year's Day	Tuesday, January 1, 2019	Wednesday, January 1, 2020	Friday, January 1, 2021	Monday, January 3, 2022
Memorial Day	Monday, May 27, 2019	Monday, May 25, 2020	Monday, May 31, 2021	
Independence Day	Thursday, July 4, 2019	Friday, July 3, 2020	Monday, July 5, 2021	
Labor Day	Monday, September 2, 2019	Monday, September 7, 2020	Monday, September 6, 2021	
Thanksgiving Holiday	Thursday, November 28, 2019	Thursday, November 26, 2020	Thursday, November 25, 2021	
	Friday, November 29, 2019	Friday, November 27, 2020	Friday, November 26, 2021	
	Tuesday, December 24, 2019	Thursday, December 24, 2020	Friday, December 24, 2021	
Christmas Day	Wednesday, December 25, 2019	Friday, December 25, 2020	Monday, December 27, 2021	
	Thursday, December 26, 2019	Monday, December 28, 2020	Tuesday, December 28, 2021	
	Friday, December 27, 2019	Tuesday, December 29, 2020	Wednesday, December 29, 2021	
	Monday, December 30, 2019	Wednesday, December 30, 2020	Thursday, December 30, 2021	
	Tuesday, December 31, 2019	Thursday, December 31, 2020	Friday, December 31, 2021	
Floater Day	Floater	Floater	Floater	

- Employees will be allowed to take floating holiday(s) at their discretion with supervisory approval. Floating holiday(s) will be taken in eight (8) hour increments.
- **Section 2.** Holiday Pay. Employees shall receive eight (8) hours' pay for all unworked holidays at their regular rate of pay.

- 1 In order to be eligible for holiday pay, an employee must have been employed as of the
- 2 date of the holiday.
- 3 Section 3. Worked Holiday. Employees who work on a holiday will be paid for all
- 4 hours worked at the rate of one and one-half (1.5) times at their regular rate of pay plus
- 5 holiday pay.
- 6 Section 4. Holidays During Vacation. When a holiday falls within an employee's
- 7 vacation period, such holiday shall not be charged as vacation hours, but shall be
- 8 received as holiday pay at the employee's regular rate of pay.

9 ARTICLE 13 VACATION

11 Section 1. Accrual of Vacation. Vacation will be allowed to an employee

12 continuously and actively in the employ of the Company based on the following table in

each calendar year which begins January 1:

Years of Continuous Service as of December 31 of the Current Calendar Year	Number of Paid Vacation Days
1 – 9 Years	15
10 – 19 Years	20
20+ Years	25

- 15 Employees not actively at work will qualify for the current year vacation upon their return
- 16 to work during the vacation year.

New Hire Vacation Schedule:

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Month Hired	Number of Paid Vacation Days
January	15
February	14
March	13
April	12
May	10
June	9
July	8
August	7
September	5
October	4
November	3
December	2

- 19 Vacation days will accrue based on month of hire. No proration will occur for hires that
- 20 occur after the 1st of the month.

- 1 Section 2. Vacation Pay. Hours of vacation pay shall be paid on the basis of each
- 2 employee's regular rate of pay. An employee will receive vacation pay as it is taken
- during the year. Vacation will be used in one-half (0.5) hour increments and under such
- 4 conditions permitted by Washington State Law.
- 5 Section 3. Scheduling of Vacation. For vacation scheduling purposes, the vacation
- 6 year shall be the calendar year, January 1 through December 31, inclusive.
- 7 Employees are required to take a minimum of ten (10) days' vacation time off for
- 8 vacation qualified for during the current vacation year.
- 9 Employees may submit their preferred choices no later than March 1 of each year.
- 10 Such employee shall have the preference according to seniority. Vacation preference
- requests received after March 1 of each year will be considered on a "first come, first
- 12 served" basis.
- 13 All vacation requests must be personally arranged between the employee and their
- 14 immediate supervisor or manager. The Company shall approve or deny such vacation
- 15 request(s) within one (1) business day.
- 16 Section 4. Vacation Payout. For employees terminating from the Company for any
- 17 reason, all earned but unused vacation on the date of termination will be paid out as
- 18 soon as administratively possible.
- 19 On an annual basis, employees will be paid for any accrued but unused vacation
- 20 balances as of December 31. The payment will occur in January of the following year.
- 21 Vacation days purchased under the Vacation Purchase Program will be forfeited.
- 22 Section 5. Purchasing Vacation. Provided it is available as a part of the UTC Choice
- 23 Benefits offering, employees are able to purchase one to five additional vacation days
- 24 with pre-tax dollars, during the annual enrollment period following the date of hire.
- 25 Purchased vacation days must be used in the same calendar year for which they are
- 26 purchased, and all available accrued vacation days must be used prior to any
- 27 purchased vacation days. Purchased vacation days not used by the end of the calendar
- 28 year will be forfeited.

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ARTICLE 14 LEAVES OF ABSENCE

- 31 Section 1. Leaves of Absence. The Company shall comply with the provisions of all
- 32 applicable federal, state, and local leave regulations.
- 33 **Section 2. Personal Leave.** A leave of absence may be granted for personal reasons
- 34 and without pay at the sole discretion of the Company. Applications for leave and
- 35 extensions shall be in writing signed by the employee.
- 36 **Section 3. Jury Duty.** An employee who is required to be absent on a regular work
- day to serve as a juror or to report for jury duty will be paid at his or her regular rate of
- pay for the total hours absent from work. To be eligible for time off for Jury Duty, the
- 39 employee must promptly upon receipt furnish a copy of their summons to management,
- 40 before the appearance, to indicate that the absence from work is necessary. In addition, the
- 41 employee will provide verification of actual appearance for jury duty for each day the

- employee claims jury duty pay. The employee will be permitted to keep juror fees received.
- 3 Section 4. Bereavement Leave. In the event of a death in the employee's immediate
- 4 family, up to three (3) paid days may be granted to an employee on the active payroll
- 5 who takes time off from work during his/her normal work schedule. For the purposes of
- 6 this Section 4, immediate family members include the employee's spouse, child,
- 7 parents, grandparents, sister, brother, grandchild, parent-in-law, grandparent-in-law,
- 8 brother-in-law, sister-in-law, stepparent, stepchild, stepbrother, stepsister and legal
- 9 dependent. In addition, an employee will be granted bereavement leave for a stillborn
- 10 child. The Company may require reasonable documentation as proof of death or fetal
- 11 death. In situations where complications such as travel and family responsibilities exist,
- 12 additional time off may be granted through the Absent with Permission (AWP) policy.
- 13 Any available vacation may be used whenever additional time is required or the
- 14 employee may request Personal Leave.
- 15 Section 5. Absent with Permission. Authorized absences with permission are a
- privilege and are not earned rights or earned time off and are not paid out to employees
- 17 upon termination. An employee may request up to thirty (30) work days of AWP in any
- 18 calendar year, five (5) of which may be with pay. The approval of a request for AWP
- shall be at the sole discretion of the Company consistent with the Company's right to
- 20 manage work schedules and operate the business in a safe and efficient manner. This
- 21 includes making changes to a previously approved AWP request. A request for AWP
- 22 may be approved with or without pay in accordance with the guidelines of the policy in
- 23 effect at the time of the request. The Company's decision to grant or modify a request
- for AWP will be made in the Company's sole discretion and shall be final.
- 25 Section 6. Sick Leave. The Company will provide employees with its sick day policy
- for absences resulting from an illness, injury, surgery or pregnancy. Sick days are not to
- 27 be used as personal time off. The number of eligible sick days is based on Continuous
- 28 Service as of December 31 of the current calendar year.
- 29 Section 7. Washington Paid Family and Medical Leave. The Company intends to
- 30 fully comply with the requirements of the Washington Paid Family and Medical Leave
- 31 Program. Eligibility for these programs will be determined by the State and all pertinent
- 32 regulations will be communicated as they are released.
- 33 Section 8. Military Leave. The Company will provide Military Leave and a Military
- 34 Leave Pay Benefit to the extent that an employee's base pay exceeds their military
- 35 base pay. Employees are eligible for the Military Leave Pay Benefit if their National
- 36 Guard or Military Reserve unit is called up for active duty or for short-term
- training/exercises, or if an employee is drafted into the military.
- 38 Section 9. Birth & Adoption and Parental Leave. The Company will provide up to
- 39 eight (8) weeks of paid Birth & Adoption Leave and four (4) weeks of paid Parental
- 40 Leave as part of the UTC Choice benefit programs.

1 Section 10. Leave Policy Amendments. The policies referenced above will continue 2 in full force and effect, for the duration of this Agreement, unless the Company changes 3 UTC Choice benefits for salaried employees, in which case such change(s) will 4 simultaneously be implemented for employees covered by this Agreement. 5 **ARTICLE 15** 6 HEALTH AND WELFARE AND RETIREMENT 7 Section 1. Health and Welfare Benefits. Upon ratification, the Company shall provide 8 to the bargaining unit employees covered by this Agreement UTC Choice health and 9 welfare benefit plans, except as specifically set forth in this Agreement. Benefit 10 coverage is detailed in Summary Plan Descriptions that will be made available to all 11 employees. 12 Section 2. Retirement Benefits. Upon ratification, the Company shall provide to the 13 bargaining unit employees covered by this Agreement participation in the UTC 14 Employee Savings Plan. Plan details can be found in a Summary Plan Description that 15 will be made available to all employees. 16 Section 3. Benefit Amendments. The benefits programs referenced above will 17 continue in full force and effect, for the duration of this Agreement, unless the Company 18 changes UTC Choice/UTC Employee Savings Plan benefits for salaried employees, in 19 which case such change(s) will simultaneously be implemented for employees covered 20 by this Agreement. 21 **ARTICLE 16** 22 EMPLOYEE SCHOLAR PROGRAM 23 The Company agrees to offer the UTC Employee Scholar Program (ESP) for all 24 employees covered by this Agreement. 25 The ESP will continue in full force and effect, for the duration of this Agreement, unless 26 the Company changes the ESP for salaried employees, in which case such change(s) will simultaneously be implemented for employees covered by this Agreement. 27 28 **ARTICLE 17** 29 **OUTSOURCING**

The Company at its Everett Landing Systems operation will notify the Union of any decision made concerning production work being outsourced no less than 10 (ten) days in advance to allow for the Union to respond. The Company and the Union will engage in any required bargaining under the law.

34 ARTICLE 18 35 BARGAINING UNIT WORK

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- **Section 1.** The parties agree that bargaining unit work should be performed only by bargaining unit employees. Non-bargaining unit employees, including supervisors, may perform bargaining unit work when necessary due to:
 - 1. Experimenting or testing new or modified equipment or work processes;
 - 2. Training or instructing bargaining unit employees;

Emergency situations in which the Company can demonstrate that timely delivery of customer products was essential to meet customer demand and bargaining unit employees were unavailable to perform the work within the emergent time frame.

In all cases, the use of non-bargaining unit employees shall be on a temporary or intermittent basis.

Section 2. The Company agrees not to utilize non-bargaining unit employees to displace or supplant bargaining unit employees or to cause a reduction in available hours of work for bargaining unit employees.

ARTICLE 19 HEALTH AND SAFETY

- **Section 1. Mutual Objective.** The Union and Company recognize the value of working together to maintain high standards of occupational health and safety throughout the Company. Both parties commit to work together to create an environment which promotes a positive approach to processes, attitudes and activities that achieve a workplace free of incidents, accidents and injuries. It is our intent that no employee shall be required to perform work that involves an imminent danger to health or physical safety.
- Section 2. Use of Safety Devices. The Company will provide coveralls for check out and occasional day-use on dirty assignments at no cost to employee. The Company will reimburse up to one hundred (\$100.00) per year for safety shoes. Employees required to wear safety shoes will be identified by the Company. The Company will reimburse up to one hundred (\$100.00) per year for prescription eyewear.
- 24 **Section 3. First Aid/Emergency.** The Company will maintain emergency first aid stations/service and eye wash stations.
- Section 4. Transportation. When an employee at work requires immediate medical attention due to an industrial injury/illness or exposure to hazardous agents in the work environment, the Company will ensure transportation to and from the appropriate medical facility.

30 ARTICLE 20 31 BULLETIN BOARDS

- Section 1. The Company shall supply on its premises, and in a prominent place, a Union bulletin board. This bulletin board will be used by the Union for bulletins and notices, which shall be presented to Human Resources prior to posting and confined to the following:
- 36 (a) Notices of Union recreational and social affairs.
- 37 (b) Notices of Union elections.

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- 38 (c) Notices of Union appointments and results of Union elections.
- 39 (d) Notices of Union meetings.

These bulletins and notices shall be used only for the purpose of notifying employees within the Bargaining Unit of Union business. Such bulletins and notices shall not be used or directed to employees out of the Bargaining Unit for Union business and shall not be used for the Union organizational activities and/or for solicitation of Union membership. Such bulletins and notices shall be either on Union stationery or clearly identified as approved Union issuances and shall bear the signature of an authorized Union officer. All Union bulletins and notices shall be posted by the Local Union Shop Steward.

9 ARTICLE 21 NON-DISCRIMINATION

- Section 1. Neither the Company nor the Union, in carrying out their obligations under this Agreement, shall discriminate on the basis of any legally protected category under applicable local, state and/or federal law.
- Section 2. Neither the Company nor the Union shall permit or sanction their agent or representatives to coerce, intimidate, or discriminate against any employee.

16 ARTICLE 22 17 NO-STRIKE CLAUSE

- 18 The Union will not call or sanction any strike, sympathy strike, slowdown, or other
- 19 concerted stoppage of work during the period of this Agreement.
- 20 Should a strike, sympathy strike, slowdown, or other concerted stoppage of work occur
- 21 not called or sanctioned directly or indirectly by the Union, the Union acting through all
- 22 of its officials, 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.
- 29 The obligation of the Union and its officials identified above to the Company is limited to
- 30 the performance of the foregoing without further responsibility or liability for loss from
- 31 such action by employees.

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- 32 Employees participating in any strike, sympathy strike, slowdown, or other concerted
- 33 stoppage of work shall be subject to discipline, up to and including discharge.

ARTICLE 23 CONTRAVENTION OF LAW

Any provision of this Agreement that is found by a court of competent jurisdiction to be in violation of state or federal law shall be null and void. All other provisions of this Agreement shall remain in full force and effect. It is further provided that in the event any provision, or provisions, is so declared to be in conflict with such law, rule or regulation both parties shall meet within thirty (30) days for the purpose of re-negotiation of the provision so invalidated.

9 ARTICLE 24 DURATION

This Agreement shall become effective as of the beginning of first shift on March 8, 2019, (which date is the date as of which this Agreement was executed, sometimes referred to as the "effective date of this Agreement") and shall remain in full force and effect until 11:59 p.m. on July 15, 2022, and shall automatically be renewed for consecutive periods of one (1) year thereafter, unless either party shall notify the other in writing, at least sixty (60) days but not more than ninety (90) days prior to July 15th, of any calendar year, beginning with 2022, of its desire to terminate the Agreement, in which event this Agreement shall terminate at midnight at the close of such July 15th, unless renewed or extended by mutual written agreement. In the case of such notice, the parties agree to meet at mutually agreed upon times and places for the purpose of negotiating a new Agreement or a written renewal of this Agreement.

On behalf of the collective bargaining unit for which, respectively, the undersigned is the certified collective bargaining agent, each of the undersigned as of the date states above and as a party to the foregoing Agreement hereby accepts and agrees to the terms and conditions thereof.

COLLINS AEROSPACE	International Association of Machinists & Aerospace Workers, AFL-CIO, District Lodge 751
Andrea H. Smart Director, Employee & Labor Relations	Jon Holden, District President & Directing Business Representative
Roy Chandler	Richard Jackson
Everett Plant Manager	Chief of Staff
Stacey Dow	Greg Campos
Sr. HR Business Partner	Business Representative
Ewing Concepcion	Robert Neamtiu
HR Business Partner	Committee Member
	Adrian Perez Committee Member

LETTER OF UNDERSTANDING #1 LUMP SUM, UTC SAVINGS PLAN, OR HEALTH SAVINGS ACCOUNT

This letter will confirm the understanding and agreement between the Company and the Union concerning a one thousand dollar (\$1,000) payment.

Following ratification of the Agreement. Employees who are on the payroll of the Company and are covered by this Agreement as of the ratification date will be provided a one thousand dollar (\$1,000) payment in 2019 no later than May, 2019. No other employee or former employee shall be eligible for this payment. This payment will paid under the following guidelines:

- Employees will be given the opportunity to receive this payment (less all applicable withholdings) as lump sum, or place the entire amount in the UTC Savings Plan or place the entire amount in the Health Savings Account (HSA).
- 2. Employees will elect the option of their choice by completing an election form which will be provided by the Company.
- 3. Employees who do not make such election will automatically receive a lump sum payment (less all applicable withholdings) as soon as administratively possible.

Dated: March 8, 2019	
FOR THE COMPANY	FOR THE UNION
Andrea H. Smart	Richard Jackson
Director, Employee & Labor Relations	Chief of Staff to District 751 President

LETTER OF UNDERSTANDING #2 LUMP SUM, UTC SAVINGS PLAN, OR HEALTH SAVINGS ACCOUNT

This letter will confirm the understanding and agreement between the Company and the Union concerning a five hundred dollar (\$500) payment.

Following ratification of the Agreement. Employees who are on the payroll of the Company and are covered by this Agreement will be provided a five hundred dollar (\$500) payment in 2020 no later than February, 2020. No other employee or former employee shall be eligible for this payment. This payment will paid under the following guidelines:

- 1. Employees will be given the opportunity to receive this payment (less all applicable withholdings) as lump sum, or place the entire amount in the UTC Savings Plan or place the entire amount in the Health Savings Account (HSA).
- 2. Employees will elect the option of their choice by completing an election form which will be provided by the Company.
- 3. Employees who do not make such election will automatically receive a lump sum payment (less all applicable withholdings) as soon as administratively possible.

Dated: March 8, 2019	
FOR THE COMPANY	FOR THE UNION
Andrea H. Smart Director, Employee & Labor Relations	Richard Jackson Chief of Staff to District 751 President

LETTER OF UNDERSTAND #3 LUMP SUM, UTC SAVINGS PLAN, OR HEALTH SAVINGS ACCOUNT

This letter will confirm the understanding and agreement between the Company and the Union concerning a five hundred dollar (\$500) payment.

Following ratification of the Agreement. Employees who are on the payroll of the Company and are covered by this Agreement will be provided a five hundred dollar (\$500) payment in 2021 no later than February, 2021. No other employee or former employee shall be eligible for this payment. This payment will paid under the following guidelines:

- Employees will be given the opportunity to receive this payment (less all applicable withholdings) as lump sum, or place the entire amount in the UTC Savings Plan or place the entire amount in the Health Savings Account (HSA).
- 2. Employees will elect the option of their choice by completing an election form which will be provided by the Company.
- 3. Employees who do not make such election will automatically receive a lump sum payment (less all applicable withholdings) as soon as administratively possible.

Dated: March 8, 2019	
FOR THE COMPANY	FOR THE UNION
Andrea H. Smart	Richard Jackson
Director, Employee & Labor Relations	Chief of Staff to District 751 President