

AGREEMENT BETWEEN

CAE USA INC.



AND

INTERNATIONAL ASSOCIATION
OF
MACHINISTS AND AEROSPACE WORKERS

AEROSPACE



Jobs · Security · Prosperity

DISTRICT W2 LOCAL LODGE #463

Effective Date: January 1, 2020 – December 31, 2022

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PREAMBLE

This Agreement is effective January 1, 2020, by and between CAE USA Inc., hereafter referred to as the "Company", District W2 Local Lodge 463, of the International Association of Machinists and Aerospace Workers, hereafter referred to as the "Union".

ARTICLE 1: RECOGNITION

The Company recognizes the Union, its designated agents and representatives, its successors and/or assigns, as the sole and exclusive collective bargaining agent on behalf of all of the employees of the Company within the bargaining unit as hereinafter defined, with respect to wages, hours, and all other terms or conditions of employment.

All full-time and part-time employees listed in the classifications identified in [ARTICLE 26: WAGE RATE SCHEDULE](#), employed by the Company with regard to the C-130 Aircrew Training System (ATS) for the United States Air Force located at the Little Rock Air Force Base, Arkansas facility, National Labor Relations Board Case Numbers 26-RC-8022 and 26-UC-195, but excluding all other employees, including office clerical employees, professional employees, guards and supervisors as defined in the National Labor Relations Act, as amended.

ARTICLE 2: NON-DISCRIMINATION

The Company and the Union agree not to discriminate against any employee covered by this Agreement because of age, race, color, religion, sex, sexual orientation, national origin, marital status, genetic information, gender identity, disability, protected veteran status, or any other protected category under state or federal law with respect to all terms and conditions of employment. Claims of such discrimination will either be filed with the EEOC or be subject to the grievance and arbitration provisions of this Agreement, but not both. If the claim is brought under the grievance and arbitration provisions of the Agreement, it must be filed on behalf of and pertain to a single employee and not Class actions. Class grievances will not be subject to the grievance procedure and arbitration under this Agreement. The Company and the Union agree not to unlawfully discriminate against or harass any employee because of membership in or non-membership in the Union.

References in this Agreement to the masculine gender shall include the feminine gender.

ARTICLE 3: MANAGEMENT RIGHTS

Except as modified by a specific provision of this Agreement, the Company reserves and retains all of its normal and inherent rights with respect to the management of the business, including (without limiting the generality of the foregoing) its right to establish, modify, or continue policies, practices, and procedures for the conduct of the business; to select and direct the working force; to establish, eliminate, change, or combine work schedules, and work assignments, which are not in conflict with the terms of this Agreement; to transfer, promote or demote employees, or to lay off, terminate or otherwise relieve employees from duty for lack of work or other legitimate reasons; to make, modify, and enforce reasonable rules for the maintenance of discipline; to suspend, discharge or otherwise discipline



employees for just cause; and otherwise to take such measure as management may determine to be necessary to the orderly, efficient or economical operation of the business.

ARTICLE 4: UNION SECURITY / CHECK-OFF

Insofar as permitted by state and federal law, all employees covered by this Agreement shall within thirty-one (31) calendar days of employment either become and remain a member of the Union or tender to the Union a fair share equivalent to regular union dues and initiation fees as a condition of continued employment.

Union dues, initiation fees, and reinstatement fees shall be deducted out of current net earnings payable to an employee upon receipt of and in accordance with a voluntary deduction authorization. The Company shall remit payroll deductions to the Union by the twentieth (20th) of each month. Authorizations shall be duly executed by the employee on a card provided by the Union and shall continue deductions until such authorization is duly revoked by the employee. The Company is entitled to rely upon notification from the Union, of the amount of money due to the Union by an employee.

Insofar as permitted by state and federal law, any employee who fails to tender the agency fee or periodic dues uniformly required shall be notified in writing of the employee's delinquency. A copy of such communication shall be provided to the Company, and the Company shall take final action to terminate the employee for cause if the delinquency is not resolved within thirty (30) calendar days of the Company receiving communication. Upon receipt of such communication from the Union, the Company shall suspend the employee without pay until the delinquency is resolved or the employee is terminated for cause. Suspensions and terminations of this nature are not subject to the grievance procedure.

The Union agrees to and does hereby hold the Company harmless from any and all liability, responsibility, or damage for deduction, payment, authorization, or notification as provided for in this Article. The Union assumes full responsibility for the disposition of the funds so deducted when turned over to the General Secretary-Treasurer of the Union.

ARTICLE 5: SHOP STEWARDS

The Company recognizes and will work with accredited Union Representatives to resolve differences that may occur from time to time with respect to the terms and conditions of this Agreement. The Union will provide the Company the names of up to five (5) primary Shop Stewards. An additional three (3) alternates may be designated and shall act only in the event a primary Shop Steward is unavailable. The Chief and Primary Stewards shall be the last employees laid off from their respective bargaining units within their job classification.

ARTICLE 6: NO STRIKE-NO LOCKOUT CLAUSE

The Union agrees that neither it nor any of the employees in the bargaining unit, covered by this Agreement will collectively or individually engage in or participate in any strike, slowdown or stoppage



of work. The Company agrees that during the term of this Agreement it will not lock out any of the employees covered by this Agreement.

ARTICLE 7: DISCHARGE AND DISCIPLINARY ACTION

The Company shall have the right to discipline employees for just and proper cause by reprimand, suspension without pay or discharge for violation or infraction of the Company rules. The Company agrees to notify the Union, in writing, of any action taken under this section.

The disciplined employee is entitled to Union representation and will be notified of this right prior to discipline, if possible.

Employee discipline prior to termination generally will be in the form of a verbal warning, a written warning, and a suspension. However, depending on the nature of the incident, nothing herein should be construed as requiring the Company to utilize all or any steps of progressive discipline in any given situation. Upon the Company's discovery of unsatisfactory conduct by an employee, the Company shall begin any counseling or discipline process in a timely manner.

The Company may discipline and discharge employees, who have not completed the probationary period, for any reason without recourse by the employee or the Union pursuant to [ARTICLE 8: GRIEVANCE PROCEDURE](#).

The Company may discipline and discharge non-probationary employees for just cause. Just cause for discipline or discharge including progressive discipline shall include all, but not limited to the offenses listed in Company Policy.

The Company will make reasonable efforts to notify the shop steward about the discharge or discipline prior to the discharge or discipline. In no event shall this reasonable effort to notify the shop steward delay imposition of the discharge or discipline.

A verbal warning will be removed from the employee's folder after one hundred and eighty (180) days if there is no additional violation or infraction committed by the employee in conjunction with the verbal warning.

A written warning will be removed from the employee's folder after three hundred and sixty-five (365) days if there is no additional violation or infraction committed by the employee in conjunction with the written warning.

A first and final warning will remain in the employee's folder until the employee voluntarily separates from the Company.

ARTICLE 8: GRIEVANCE PROCEDURE

SECTION 8.1: DEFINITION

For the purpose of this Agreement, a grievance is defined as any complaint or dispute arising out of the interpretation or application of a specific Article and Section of this Agreement during the term of this Agreement or extensions thereof as to events or incidents affecting the Bargaining Unit. No grievance as defined above shall be considered under the grievance procedure unless it is presented as provided

below. Both parties agree to use their best efforts, including informal meetings involving Management, Supervision, Shop Steward, and Grievant, to resolve matters without resorting to the grievance procedure. For purposes of computing time under any of the provisions of this Article, “days” shall mean working days, excluding weekend days and holidays.

A grievance may be filed by an employee, the Union, and or the Company. If the Union files the grievance, the adversely affected employee(s) shall be identified.

Nothing in this Agreement shall prevent an employee from resolving any problem consistent with this Agreement with or without the presence of a Union representative.

SECTION 8.2: PROCEDURAL STEPS

A grievance as defined in [Section 8.1: Definition](#), shall be considered in accordance with the following grievance procedure except that no grievance shall be considered which has not been presented at and in accordance with Step One of this Grievance Procedure within ten (10) days after the occurrence of the facts or circumstances constituting the grievance arose or when the Union, the employee or the Company first became aware, or should have become aware, of the circumstances giving rise to the grievance:

Step One: Any employee covered by this Agreement, and the appropriate Union Steward shall present his or her grievance to the Site Manager. To be timely and properly filed, a grievance must be presented in writing within ten (10) days after the occurrence of the facts or circumstances constituting the grievance arose. The grievance document shall clearly indicate that the matter is a grievance and shall identify the Article(s) and Section(s) of the Agreement that were allegedly violated, date of alleged issue, nature of the grievance, date filed, and requested remedy. The Site Manager will hold a meeting within ten (10) days after receiving the grievance consisting of the shop steward and/or the affected employee. The Site Manager shall give a written response to the Steward within ten (10) days after the meeting was held. If the grievance is not resolved at Step One, the Steward shall forward the grievance to the Union Business Representative.

Step Two: If the grievance is not resolved at Step One, the grievance shall be presented by the Business Representative to the Program Manager within ten (10) days after the Company’s Step One representative has responded to the grievance or the date on which the response is due. Within ten (10) days of the filing of the grievance with the Program Manager, the Program Manager may conduct a meeting, which may be attended by the Business Representative, the Steward and the affected employee. Within ten (10) days after the meeting is held or after the grievance was received if no meeting is held, the Company shall notify the Business Representative of its decision in writing.

Step Three: If agreement is not reached at Step Two with the Program Manager, the Corporate Advisor to Human Resources shall consider the grievance on presentation by the employee-grievant and the Union representative or the Union representative in the manner set forth in Step Two.

Step Four: If agreement is not reached at the Corporate Human Resources level, the Union or the Company wishing to take the grievance to arbitration shall request mediation in writing from the office of the Federal Mediation and Conciliation Service within ten (10) days of the corporate representative or designee's decision. Mediation under this section is required before arbitration. The request for mediation must be served in writing by the party requesting it simultaneously on the Federal Mediation and Conciliation Service and the other party within this time period as a condition for processing the grievance up to and including arbitration. The mediation must be scheduled at a time and location mutually agreeable to the parties. The grievant will be compensated for any lost work time by the Company for any mediation, which occurs during the grievant's scheduled working hours. Grievants working the second and third shifts will be similarly compensated by reduced or eliminated shifts, with pay. If the Shop Steward's presence is requested by the Union, such request for time off without pay to attend the mediation will not be unreasonably denied.

Step Five: If settlement is not reached at mediation, the Union or the Company shall, if at all, within ten (10) days after mediation, forward the grievance for binding arbitration with and pursuant to the rules of the Federal Mediation and Conciliation Service ("FMCS") with a copy of such demand to the other party. The jurisdiction of the arbitrator shall not exceed those subjects and remedies identified herein at Article 8 in the Step One grievance document.

SECTION 8.3: ARBITRATION

If the Company raises an issue of procedural arbitrability at any time, a separate hearing shall be scheduled for the Arbitrator to consider that issue only, unless otherwise mutually agreed in writing two hearing dates will be scheduled unless otherwise mutually agreed in writing by the parties. The hearing on arbitrability shall be conducted according to the FMCS' rules on expedited arbitration. If the arbitrator determines that the grievance is not arbitrable, the grievance shall be denied and it shall not be processed any further, nor shall any cancellation fees be incurred by either party. If the Arbitrator determines that the grievance is arbitrable, a hearing shall be held for the Arbitrator to consider the merits of the grievance. If the Company raises an issue of substantive arbitrability, processing of the grievance shall be stayed unless and until a court determines that the grievance is arbitrable.

- a. The Arbitrator shall not have the power to add to, subtract from, or modify any of the terms of this Agreement. The Arbitrator shall have the authority only to decide disputes concerning the interpretation or application of the specific Section(s) and Article(s) of the Agreement listed in the Step Two grievance document to the facts of the particular grievance presented to him or her and shall be without authority to decide matters specifically excluded or not included in this Agreement. The Arbitrator shall have no power to engage in any form of interest arbitration. The Arbitrator may not issue any award, which provides any monetary remedy which includes any time before ten (10) days before the grievance was filed.
- b. Should the Union want employees to be a witness at any arbitration hearing, the Union will be responsible for any lost pay incurred by the employee. The Company may stagger the release of employees so as to not interfere with operations.

- c. No steward or grievant will be paid for time spent preparing for or attending any arbitration hearing. The Steward and employee will be granted reasonable time off without pay to attend such a hearing with as much advance notice of the meeting or hearing as is reasonably possible.
- d. The award of the Arbitrator shall be final and binding upon the parties to the extent provided by law.
- e. The Arbitrator's decision and award shall be issued to the parties within thirty (30) days of the close of the arbitration hearing.
- f. The cost of the arbitration, which shall include the fees and expenses of the Arbitrator, shall be borne equally between the Company and Union. No party shall pay any fees owed to the other party's own representatives and/or wages to the other party's witnesses for time lost.
- g. Grievances of the same nature involving multiple employees will be consolidated and considered as one grievance except for termination of employment. Conversely, in the absence of mutual consent of the parties, an Arbitrator may not be presented with or rule upon more than one grievance.
- h. It is the desire of the parties to settle grievances at the lowest possible level. Therefore, all steps shall be required before a grievance can proceed to arbitration unless the Parties agree otherwise in writing.

SECTION 8.4: DEADLINES, TERMINATED EMPLOYEES, ETC.

Failure of an employee or the Union to meet any deadline at any step of this grievance procedure shall constitute a waiver of the grievance and no further action may be taken on it. Time is of the essence, but any time limits in this Article can be waived by the written mutual agreement of the parties. Failure of the Company to meet any deadline at any step of this grievance procedure shall automatically move the grievance to the next step.

Terminated employees disputing the grounds of their termination will be required to file their grievances in the initial instance at Step Two.

A grievance initiated by the Company shall be discussed with the designated Business Representative and may thereafter be submitted to mediation by the Company within ten (10) days. The demand for arbitration shall be in writing and a copy sent to the Union Business Representative.

A waiver of the time limitations by either the Company or the Union in one or more instances shall not be considered by an arbitrator in determining arbitrability when raised by the Company.

For purposes of computing time under any of the provisions of this Article, "days" shall mean working days, excluding weekend days and holidays.

ARTICLE 9: SUBSTANCE ABUSE POLICY

The Company and the Union are committed to providing employees with a drug-free and alcohol-free workplace. It is our goal to protect the health and safety of employees and to promote a productive workplace, and to protect the reputation of the Company, Union and employees. Consistent with these goals, the Company prohibits the use, possession, distribution or sale of drugs, drug paraphernalia or alcohol on Company premises. A program of testing, if necessary, to comply with Federal or State regulations, will be instituted upon mutual consent of the Company and the Union.



Pre-employment drug testing is a condition of employment. The Company will administer the substance abuse policy in accordance with the Company’s Substance Abuse Procedure.

ARTICLE 10: MISCELLANEOUS PROVISIONS

SECTION 10.1: SAFETY

The Company and the Union shall use every effort to assure compliance with established state and federal safety and health rules. The Union will designate its steward(s) as the representative(s) to any Company sponsored safety committees or councils, at the site.

The Company will provide, where required, the OSHA approved items listed in the below table:

POSITION	FLIGHT GLOVES	BREATHABLE RAIN GEAR	COLD WX GEAR	BOOTS	FLASHLIGHT	HEADSETS
Instructor Pilot*	X				X	X
Instructor Nav*	X				X	X
Instructor FE**	X	X	X	X	X	X
Instructor Load**	X	X	X	X	X	X

* = Aircraft Orientation Instructors only

** = Loadmaster and Preflight Qualification Flight Engineer only

Items will be replaced upon no longer functional, worn or torn unless a flashlight requires new batteries or a bulb. These items must be turned into the company designated purchaser.

SECTION 10.2: CHANGE OF ADDRESS

Employees are responsible for notifying the Company of their proper mailing address and current phone number. Laid off employees are also responsible to notify the Company of their proper mailing address and current phone number to maintain recall rights. The Company shall be entitled to rely upon its records and shall be held harmless for any action that may arise out of said reliance.

SECTION 10.3: AVAILABILITY

The Union recognizes that due to the vital National Defense mission of the C-130 ATS it is essential that all mission essential personnel report in emergency situations.

The Union acknowledges the responsibilities of the Company's operation as they are related to the support of the United States Air Force objectives. The parties realize the United States Air Force may, from time to time, make unusual and immediate demands in conjunction with support requirements. Consequently, all personnel may be called upon to perform whatever duties are required for adequate performance of support requirements for the mission and operational capabilities for C-130 ATS.

SECTION 10.4: RESIGNATION

Employees are requested to give at least ten (10) working days’ notice of intent to resign.

SECTION 10.5: SHORT-TERM (ECP/CCP) EMPLOYEES

Any employee hired for ECP/CCP work at Little Rock will be hired for the hours and length of service as specified at the time of their employment offer. This will be utilized as long as there are no employees

on layoff status capable of performing the work and the Union will be notified in advance of the number of employees hired, classifications involved, and the duration of employment for each ECP/CCP employee.

SECTION 10.6: BULLETIN BOARDS

The Company will provide four (4) Bulletin Boards for the posting of Union notices in buildings 253, 624, 1228, and 1230A.

Only notices pertinent to the Union at the respective facility (notices concerning Union meetings, Union elections, results of Union elections, etc.), which have been authorized by a designated Union official, will be posted. Notices must be given to and approved by the Company's Site Manager or their designee prior to posting. Union notices will not be unreasonably denied.

SECTION 10.7: EMPLOYEE ASSISTANCE PLAN (EAP)

The Company will continue to provide an Employee Assistance Plan. Contact information will be provided for posting on the bulletin boards.

SECTION 10.8: PERFORMANCE OF WORK

Supervisors and other non-bargaining unit employees will not normally perform the duties of employees in the bargaining unit, except in emergency situations, for currency, or for the purpose of instructing employees. Supervisors or other non-represented employees are not to perform any bargaining unit work solely to prevent a bargaining unit employee from earning overtime.

Bargaining unit employees may be utilized on a temporary basis to perform similar work at other locations in accordance with Standard Company policy and practices which may be modified as needed. Instructors from other ATS locations may be utilized to perform bargaining unit work or instruction of bargaining unit employees on a temporary basis upon mutual agreement should the Company provide a legitimate business need. In situations where the Company receives less than two (2) weeks' notice for the need to utilize Instructors from other locations, and the parties are unable to reach agreement before the need date, the Company may proceed to utilize those Instructors for no more than two (2) weeks unless the Union agrees otherwise. At no time will the utilization of off-site employees prevent the current full-time employee from receiving forty (40) hours of work, nor, by classification will the use of outside employees occur while employees are on layoff status.

It is understood that when the Customer exercises its right to supplement Instructor work and/or otherwise utilize any equipment owned by the Customer which is also utilized by bargaining unit members in the performance of bargaining unit work, the Company shall notify the Union if and when it is notified by the Customer of any intention to exercise its rights.

Due to the critical nature of the C-130 ATS mission it is understood and agreed that U.S. Air Force personnel and Company engineering and supervisory personnel will be required to provide operational support in wage rate classification listed in [ARTICLE 26: WAGE RATE SCHEDULE](#), as deemed necessary by the Company, in support of the C-130 ATS national defense mission. The Company recognizes its obligation not to abuse the normal assignment of regularly scheduled work to the appropriate classifications.



SECTION 10.9: DRESS CODE

Employees are expected to present a neat and professional appearance at all times. A mustache/beard is permitted as long as it is neatly trimmed and well groomed.

SECTION 10.10: ABNORMAL PLANT SHUTDOWNS

The Company will compensate full-time employees, who are sent home, as directed by the Company and approved by the Contracting Officer, for those periods of time when safety stand-downs, government/customer shutdowns, government mandated holidays, periods of national mourning, inoperable training devices, or other Acts of God necessitate a partial workday(s) or temporary closing of facilities. Part-time employees will be compensated for time and days when they were scheduled previously to work.

SECTION 10.11: ELIGIBILITY TO PARTICIPATE IN COMPANY AWARDS PROGRAM

Represented employees may receive awards under the Company's Awards Program. The design and administration of the program as well as the amount and frequency of awards are solely at the discretion of the Company and are not subject to the bargaining process or the grievance procedure. The Company may terminate the "Awards Program" at any time.

SECTION 10.12: TRAVEL

Employees will be reimbursed for lodging, mileage, and meals according to the Company travel policy. The Company policy provides travel/accident insurance.

SECTION 10.13: LEAD

The term "Lead" does not designate a job classification but identifies an employee whose assigned duties are to assist the supervisor in select program/project work and is responsible for instructing and aiding a group of employees. The "Lead" may be required to perform technical evaluations, advise the supervisor in maintaining a smooth flow of work, maintain records, formulate training plans, and implement new training philosophy. The "Lead" may be required to report to the supervisor the reason for failure to maintain the flow of work.

The "Lead" will be appointed by the Company in its discretion.

Leads will receive Lead Premium pay above their regular hourly base rate of three dollars and fifty cents (\$3.50) per hour.

SECTION 10.14: LABOR & MANAGEMENT MEETING

The Parties to the specific, local agreement are CAE USA Inc., hereinafter referred to as "the Company", and IAM Local Lodge 463 hereinafter referred to as "the Union." These discussions included such elements as to improving communications, discussing local and corporate business trends and other state of the business information that pertains to the Union, the Company, and their customers.

The parties agree on a mutually interested, non-precedent basis, to schedule these discussions as needed but no more than two (2) annually to further the competitive nature of the business and improve the collaboration between both parties. Where no agenda items are submitted within two (2) weeks of scheduled meeting, the meeting may be postponed by either party on a unilateral basis.

It is recognized by the parties that the development and implementation of these meetings requires leadership support from both the Company and the Union. Each side shall be limited to up to six (6) participants, each side will present a draft agenda of topics to be discussed one (1) week in advance of the meeting. It is also recognized that successful collaboration may require information sharing and modification in workforce expectations and behaviors.

It is agreed to by the parties that participation in these collaboration meetings will continue so long as both parties deem them to be constructive; however will not be construed as a means to amend, modify, change or re-open the agreed upon Collective Bargaining Agreement.

ARTICLE 11: SENIORITY

SECTION 11.1: PROBATIONARY PERIOD

Any employee who has been in the employment of the Company for one hundred and eighty (180) consecutive calendar days shall be considered a Seniority Employee of the Company.

During the probationary period the employee shall be subject to layoff, discipline, or discharge at the sole discretion of the Company, and such action shall not be subject to the grievance procedure. The probationary period may be extended by mutual agreement between the Company and the Union.

SECTION 11.2: DEFINITIONS

- a. Seniority is defined as including the whole span of continuous service with the present contractor, or successor, and with predecessor contractors, in the performance of similar work at the same Federal facility.
- b. Using the last four (4) digits of the employee's SSN will break ties when seniority dates are the same: Larger SSN number is more senior on the list.
- c. Seniority will not be broken for: (1) periods of approved absence with leave, (2) periods of layoff due to lack of work, (3) periods of approved leave due to injury or illness. Periods of absence set forth in (2) and (3) shall not exceed twenty-four (24) months. In the case of occupational injuries, continuous employment will be for the length of the disability.
- d. It is recognized that Instructors are/were hired/trained based on customer pre-requisite qualifications specific to airframe and crew position expertise. Accordingly, Instructor seniority based upon seniority date and organized by airframe and crew position would be used for layoff/recalls.
- e. New positions or assignments will be offered to the most senior employee for that position or assignment as outlined in [ARTICLE 15: NEW JOBS](#).
- f. Additional Qualifications will not be the cause of displacement of other bargaining unit members from their regularly assigned work nor will it be the cause for a reduction in force.
- g. The following vacant positions or assignments will be offered to the most senior qualified employee who is available: Instructor Evaluators, Refresher Training Instructors, Instructor School Instructors, Academic Platform Instructors, Senior Officer Instructors, Mobility electronic combat Officer Course (MECOC) Instructors and ISD SMEs. The Company in its sole discretion shall determine the qualifications for each position and which individuals are qualified.

SECTION 11.3: LOSS OF SENIORITY

All seniority of any employee shall terminate if the employee:

- a. Resigns.
- b. Is discharged for violation of Company Rules.
- c. Is on layoff status in excess of twenty-four (24) months.
- d. Is barred by the customer's written order or whose security clearance has been revoked and is not legally reinstated. This paragraph is subject to the conditions noted in [ARTICLE 28: SECURITY](#).
- e. Refuses recall within their classification.

SECTION 11.4: SENIORITY LIST

A seniority list will be maintained by the Union's Local Lodge Recording Secretary and will be made available to the Company upon request. The Company will furnish a list to the Union's Local Lodge Recording Secretary reflecting new hires or rehires, their classification, their date of hire, and termination or layoff dates, upon change.

ARTICLE 12: PROMOTIONS

The Company will endeavor to transfer employees to higher paid positions from within the bargaining unit, if available employees have the skill and ability necessary to do the work. If two (2) or more employees are eligible and express an interest, selection will be made on the basis of seniority and qualifications. If two (2) employees are qualified, seniority must be the prime selection factor.

The Company will notify the Union of any openings to be filled within the Bargaining Unit prior to filling the position. Open positions will be posted on the Company's Human Resource Information System (HRIS), Workday.

Promoted employees will be considered on probation in the new position for ninety (90) calendar days after upgrading. During this period, the Company may, at its discretion, reclassify the employees to their former occupations if it is determined by the Program Manager or his designee that the employee is not meeting the qualification for that job classification. Likewise, within ninety (90) calendar days of being assigned to the new job classification, an employee may choose to return to his former job classification without prejudice.

The Company may temporarily promote an employee to perform in a higher paid classification. The employee shall receive the rate of the higher occupation. Temporary promotion will be selected on the basis of qualifications as determined by the Company, by seniority.

Temporary Upgrade: The Company may require employee(s) to perform work of a higher classification (when qualified). Employee(s) performing such work for a minimum of two (2) hours shall receive the rate of pay for that classification.

ARTICLE 13: EMPLOYEES TRANSFERRED OUT OF THE BARGAINING UNIT

An employee who has established seniority rights within their respective bargaining unit and who is transferred to a position outside of their respective bargaining unit not covered by this Agreement shall retain seniority rights for period of ninety (90) calendar days.

An employee who is permanently transferred to a Company facility other than their respective site, will lose bargaining unit seniority rights. However, the employee transferring into a bargaining unit shall maintain their years of service with the Company/Contract for purposes of benefits based on years of service only.

ARTICLE 14: LAYOFFS / RECALLS

SECTION 14.1: LAYOFFS

When it becomes necessary to reduce the number of employees in a classification, senior employees may be offered the opportunity to accept a layoff status before the employees in the classification shall be laid off in accordance with their seniority. Senior employees will be provided bump rights to equal or lower classifications, within their group, if they meet all of the requirements of the position and are able to demonstrate within ten (10) workdays the skills required to perform the job. With mutual agreement the timeframe can be extended an additional ten (10) workdays. Employees exercising bump rights must notify the Company in writing within seventy-two (72) hours of the layoff notification. Bumped employees must notify the Company in writing within seventy-two (72) hours of their layoff notification. Employees, who fail to demonstrate the skills necessary to perform in that job classification, will be returned to layoff status.

Group I	Group II
Pilot/Flight Engineer/Navigator	CAD Technician
Loadmaster	CBT Specialist
Primary Crew Members	Computer Systems Analyst I, II, III
Subject Matter Expert	NVG Technician
Training Analyst	Librarian

The Company agrees to give four (4) weeks’ notice (when possible) to both the Union and employees affected.

SECTION 14.2: RECALL

Employees laid off will be recalled as follows:

1. Laid off employees will be recalled, by classification in the inverse order of their layoff. The most senior, by classification, may elect to exercise the right of first refusal for recall to remain in a laid off status until they are the last remaining employee in their classification.
2. The Company will send recall notices by certified mail to employee's last official address. The employee has five (5) working days after receipt of the notice to accept reemployment.

3. If no laid off employees in the classification, who are recalled, accept re-employment, then laid off employees outside the classification, but within the group, who are qualified in the classification, will be recalled as in (1) above.
4. New employees will be hired if no laid off employees in the affected classification, within the group, accept reemployment as outlined in this Article.

ARTICLE 15: NEW JOBS

When new bargaining unit jobs are required that cannot be properly encompassed within an existing job specialty, the Company will notify the Union of the requirements and will endeavor to discuss with the Union the rate of pay prior to the Company establishing the new classification and rate of pay. The Union shall have thirty (30) days from the date of establishment in which to challenge the rate of pay. If necessary, this matter is subject to the grievance procedure up to and including arbitration.

The Company has the right to determine the job qualifications. Copies of job descriptions and required qualifications shall be made available to employees upon request. The Union shall be advised, in writing, of any revisions or modifications of job descriptions or qualifications.

ARTICLE 16: TECHNOLOGICAL CHANGE

The Company and the Union agree that it is to their mutual benefit and sound economic and social goals to utilize the most efficient machines, processes, systems, methods and/or materials. In this way, the Company will be able to compete effectively in the marketplace, and, thereby, provide economically secure jobs for its employees. It is the Company's policy when possible to assure that training is available for its employees so they may have the opportunity to acquire the knowledge and skills required by new technology.

In order that employees can better prepare themselves for the skill requirements of the future and in its fulfillment of its obligation to provide information to the Union, the Company will provide notification to the Union of the Company's plans for the introduction of new technology within thirty (30) days, which may affect the employees. This notification will inform the Union of anticipated schedules of introduction of new technology and will identify areas of skill impacts and any training programs associated with those impacts. The Company will provide training plans and time to train and practice in simulators, training devices, computer equipment/software and other work areas as appropriate. The Company or designee will provide training as soon as practical.

The Union, and its representatives, will protect the confidentiality of Company sensitive and proprietary information disclosed in the notification.

ARTICLE 17: HOURS OF WORK

SECTION 17.1: HOURS OF WORK

The normal payroll week is the period from Saturday at 0001 hours through the following Friday at 2400 hours. The normal workweek is designated as starting on Monday and terminating on Friday. The bi-weekly payroll period is a fourteen-day period commencing on Saturday at 0001 hours running through the second Friday at 2400 hours.

Normally, the instructor schedule will be a continuous shift with an unpaid meal period. In normal situations, employees will not be scheduled to work more than ten (10) consecutive hours in a workday without their concurrence. A daily work schedule may begin on one (1) calendar day and end on another.

SECTION 17.2: TEMPORARY ALTERNATIVE WORKWEEK

The normal workweek may be temporarily changed for thirty-five (35) days or less to meet operational needs. The Company will inform and discuss with the Union any temporary changes to the normal workweek prior to implementation. If the Company is required to temporarily change the normal workweek for any employees, employees assigned to such work on Saturday or Sunday will receive three dollars (\$3.00) per hour above the employee's regular straight time hourly rate for hours worked on Saturday or Sunday. Operational requirements permitting, employees will have the option of two (2) consecutive days off when returning to a normal workweek schedule. Assignment to a workweek other than normal will be no less than fourteen (14) days and up to thirty-five (35) days except when covering employee absences. The most senior qualified employees will be given first opportunity to accept or refuse any assignment other than a normal work week. If no qualified employee(s) accept, the Company may assign qualified employee(s) to a workweek other than a Monday through Friday.

SECTION 17.3: B/C SCHEDULE

For a workweek assignment that would include either a Saturday or Sunday anticipated to last more than thirty-five (35) days, the Company may assign employee(s) to a Tuesday-Saturday workweek ("B" Schedule) or a Sunday-Thursday workweek ("C" Schedule). The Company will inform and discuss with Union any issues related to the implementation of the "B" and/or "C" schedule including the number of employees to be assigned, the process of rotation (if applicable) and the anticipated duration if not indefinite.

Once established, the "B" and/or "C" schedule would become the employee's normal work week. If the Company is required to temporarily change the normal workweek for any employees, employees assigned to such work on Saturday or Sunday will receive three dollars (\$3.00) per hour above the employee's regular straight time hourly rate for hours worked on Saturday or Sunday. The most senior qualified employee(s) will be given first opportunity to accept or refuse any assignment to the "B" or "C" schedule, if implemented. If no qualified employee(s) accept, the Company may assign the least senior qualified employee(s) to the "B" and/or "C" shift. If the "B" and/or "C" shift lasts more than three (3) months, the Company shall rotate the employees assigned to the shifts then existing on a qualified, seniority basis.

Work schedules other than those outlined above may be arranged by mutual agreement by all parties.

Except for weather calamity or device malfunction, seventy-two (72) hours' notice will normally be given for schedule posting and changes. Additionally, the Company shall provide the Union and the employees with a twenty-one (21) day tentative "look ahead" schedule based on then known workloads. It is understood by the parties that the tentative schedule may change before the formal schedule is posted for each week. Changes to the posted work schedules may be made by mutual agreement of all parties. Employees will not be scheduled to work within twelve (12) hours of their

previous day ending time without their concurrence. The parties agree to meet every three (3) months to review any scheduling issues and/or concerns.

Employees will be permitted, with manager's permission, to flex their normal scheduled hours.

ARTICLE 18: SHIFT PREMIUM

An employee who works any hours between 6:00pm and 6:00am will receive a shift premium of four dollars and fifty cents (\$4.50) per hour above the employee's regular straight time rate for all hours worked during this time period.

ARTICLE 19: OVERTIME

Overtime, at one and one-half (1 1/2) times the regular straight time rate, will be paid for time in excess of forty (40) paid hours in a work week. When overtime is needed, the Company will ask qualified employees in the job classification(s) beginning with the most senior employee if they would like to work the overtime. If not enough qualified employees accept the overtime, the qualified employee with the least amount of seniority will be required to work the overtime.

With the concurrence of the supervisor (or his designee), employees on a regular schedule may alter their daily work schedule to complete forty (40) hours in less than five (5) days.

An employee who is called back by the Company to perform work after the end of his shift shall be paid at the straight time rate for the hours actually worked or shall be paid a minimum of four (4) hours pay, whichever is greater. Employees who perform work remotely on regularly scheduled time off are to charge time for work performed.

If an employee reports for work in accordance with his assigned shift or other instructions, they shall receive a minimum of four (4) hours pay at his regular rate of pay.

Double-time shall be paid for all work performed on the seventh (7th) consecutive day of work. There shall be no duplication or pyramiding of overtime payments.

ARTICLE 20: PART-TIME EMPLOYEES

A part-time employee is defined as an employee who averages less than thirty (30) hours per workweek. Part-time employees must take an active role in making themselves available for work. If a part-time employee does not work a minimum of one shift within a one hundred and twenty (120) day period, management may consider releasing them from employment. Extenuating circumstances such as illness or military duty will be taken into consideration. Part-time employees will be scheduled for a minimum of sixteen (16) hours per week when they provide their supervisor a minimum of three (3) days of availability, Monday through Friday, in which one (1) day must be a Monday or Friday of that week. Should they decline to accept hours that are offered, they will not receive pay. However, should the Company fail to offer PT employee(s) a minimum of sixteen (16) scheduled hours, those employee(s) will receive sixteen (16) hours of compensation.

Part-time employees may be utilized at the discretion of the Company.

Part-time employees will be scheduled in advance of working. All overtime will be offered to full-time employees before any part-time employees are eligible to work overtime. Part-time employees will be scheduled for work utilizing current scheduling processes and procedures in place associated with the scheduling of those positions.

The total of part-time employees will not exceed ten percent (10%) of the current instructor in a crew position or CBT specialist workforce. This may be exceeded at any time by mutual agreement should the Company provide a legitimate business need. Should any position have less than ten (10) employees, one (1) employee may be part-time. If there are ten (10) or more employees, normal rounding rules shall apply as to the number of part-time employees.

The Primary Crew Member (PCM) classifications are not restricted by the ten percent (10%) part-time requirement. PCM positions can all be part-time.

Part-time employees may be offered the option to convert to a full-time position but only in the order of seniority and only in the event of a full-time job opening in their classification. Full-time employees will be given first opportunity, in accordance with seniority, for any available part-time positions. Also, subject to the mutual agreement of all parties, a full-time employee may elect to transfer to a part-time position if a current part-time employee (based on seniority) agrees to transfer to the available full-time position.

- Part-time employees will accrue one (1) hour of sick time for every thirty (30) hours worked. Employees may only use PTO/Sick Leave if the day of absence is on their regularly scheduled workday. At the end of the calendar year, employees will be allowed to carry over a maximum of fifty-six (56) hours. In total, PTO/Sick Leave banks may not exceed one hundred and twelve (112) hours between current year and carry over bank. PTO/Sick Leave is not eligible for compensation upon termination of an employee for any reason. In the event the employee is rehired within twelve (12) months of termination, the employee's PTO/Sick Leave bank will be reinstated.
- Part-time employees will receive payment for holidays and vacation on a pro rata basis based on actual hours worked. Holiday and vacation pay calculations for part-time employees will be based on the formula specified below:

- 0 – 12 months continuous employment = Hourly Base Rate of Pay x (120/2080)
- 13 – 48 months continuous employment = Hourly Base Rate of Pay x (160/2080)
- 49 – 132 months continuous employment = Hourly Base Rate of Pay x (200/2080)
- 133 - 156 months continuous employment = Hourly Base Rate of Pay x (208/2080)
- 157 - 168 months continuous employment = Hourly Base Rate of Pay x (216/2080)
- 169 and over continuous employment = Hourly Base Rate of Pay x (240/2080)

Example:

Part-Time Pilot Instructor with 84 months continuous employment
Pay Rate: \$68.00 x (200/2080)
Part-Time Holiday/Vacation: \$6.54/hr

- Part-time employees are not eligible to participate in the Company benefit offerings; however, they will receive Cash in Lieu (CIL) of one hundred and sixty dollars (\$160) per week in lieu of any Health and Welfare benefits.
- Part-time employees are eligible to participate in the Company 401(k) Plan as identified in [ARTICLE 25: BENEFITS](#).

Part-time employees will be eligible for any contractual seniority rights as specified.

If a full-time employee is offered a part-time position in lieu of layoff, they may accept the layoff (thus refusing the part-time position) without affecting their recall rights in accordance with [ARTICLE 14: LAYOFFS / RECALLS](#).

ARTICLE 21: EXCUSED ABSENCE

SECTION 21.1: EXCUSED ABSENCE

Employees may with Company approval, be granted excused absence without pay up to ninety (90) calendar days. The ninety (90) day limit may be extended by agreement of the Company in its sole discretion. Request for leave without pay will be in writing and submitted to the Site Manager/Supervisor at least one (1) week in advance of said absence except in emergency situations. Continuous service credit and seniority shall accumulate during all leaves of absence described in this section unless otherwise noted.

SECTION 21.2: MILITARY SERVICE, DUTY AND PAYMENT

It is understood and agreed between the parties that full-time employees will be accorded all rights under the Company Military Service Procedure.

Any employee of the Company who is inducted into or recalled to military service of the United States and who by reason of such service is entitled under the law to be regarded as a veteran, shall, upon his discharge and his receipt of a certificate of the satisfactory completion of his military obligation, be accorded all rights of The Uniformed Services Employment and Reemployment Rights Act of 1994.

SECTION 21.3: JURY DUTY

Full-time seniority employees who are required by proper court order or summoned to be absent from work in connection with jury duty will be paid the difference between the gross fee he received from the court and the earnings he would have received for a regular scheduled eight (8) hour shift, had the employee not been required to be absent from work. Employees called for jury duty and released by the court with less than four (4) hours service will be expected to return to work. Payment will be made at the employee's regular straight time wage rate.

SECTION 21.4: TEMPORARY ABSENCE FOR DISABLING ILLNESS, INJURY

Full-time seniority employees have ninety (90) days or more of continuous service credit and who are found and certified by a physician to be unable to perform their regular assigned duties with the Company because of disabling illness or injury, shall receive a leave of absence without pay, but with service credit and seniority accumulating while such condition continues. If the disability continues beyond twenty-four (24) months and the employee has not returned to work, the employee's service credit and seniority will be broken and terminated.

SECTION 21.5: ABSENCE FOR UNION BUSINESS

Employees accepting full-time positions as Union Representatives shall be given an automatic leave of absence without pay for the term of their office, or any renewal thereof, without loss of seniority rights and with the privilege of returning to their former position. Likewise, employees shall be granted short-term leaves of absence without pay for the purpose of attending Union conventions, meetings, etc., schedule permitting.

SECTION 21.6: INCLEMENT WEATHER

In the event of official base closure “mission essential personnel only”, due to inclement weather, employees will be granted excused absence with pay.

SECTION 21.7: BEREAVEMENT:

In the event of death in an employee's immediate family, all employees may be granted up to five (5) days bereavement leave with pay. Additional days of unpaid leave may be granted if out of town travel is required. Immediate family is defined as follows:

- Parents (employee’s parents, stepparents, or an individual who stood in the place of a parent to the employee when they were a child).
- Current spouse or current same sex domestic partner.
- Children, stepchildren, and their current spouses.
- Siblings, stepsiblings, half siblings, and their current spouses.
- Grandparents, step grandparents, grandchildren, and step grandchildren.
- Current spouse’s or current same sex domestic partner’s parents (same definition as employee’s parents), grandparents, step grandparents, children, stepchildren, grandchildren, and step grandchildren.
- Current spouse's or current same sex domestic partner’s siblings, stepsiblings, half siblings and their current spouses.

Full day absences relating to deaths of individuals not considered immediate family members will be unpaid time taken for personal reasons. Alternatively, employees may use accrued vacation.

SECTION 21.8: EMERGENCY LEAVE

Personnel will be afforded up to three (3) days (24 hours) of emergency leave to manage any family emergency without pay.

SECTION 21.9: FAMILY MEDICAL LEAVE ACT (FMLA)

The Company will comply with all Federal and State requirements under this statute. FMLA will be supplemented with paid vacation and/or PTO/Sick Leave unless otherwise requested by employee.

ARTICLE 22: HOLIDAYS

The following ten (10) holidays will be provided to full-time employees:

- New Year’s Day
- Martin Luther King's Birthday
- President's Day
- Memorial Day



- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day

When schedule dictates and with supervisory authorization, employees will be allowed to "float" a holiday to another day in the same calendar year. Any employee required to work on a holiday will be paid one and one half (1½) time's base rate plus holiday pay.

ARTICLE 23: VACATION

Full-time employees, upon completion of each month of continuous service, earn paid vacation as follows:

Years of Service	Months of Service	Hours Accrued (Annually)	Hours Accrued (bi-weekly)
0 – 1	0-12	Up to 40/yr.	1.538
1 – 4	13-48	Up to 80/yr.	3.077
4 – 11	49-132	Up to 120/yr.	4.615
11 – 13	133-156	Up to 128/yr.	4.923
13-14	157-168	Up to 136/yr.	5.231
14+	169 and Above	Up to 160/yr.	6.154

Vacation will be accrued bi-weekly for any pay periods in which the employee receives compensation from the Company or during periods of FMLA, and short-term disability.

The hours will be granted (available to be taken) the following pay period. Vacation accrual rates are based on the employee's established anniversary date for vacation eligibility.

Vacation will be scheduled and authorized in consideration of employee preference, projected operating requirements and seniority. In an effort to balance vacation entitlements and operating requirements, while controlling disruption to other members' schedules, employees will be expected to plan a minimum of twenty-five percent (25%) of their annual vacation accrual for the upcoming six-month vacation window as follows:

Scheduling Window	Scheduling Period
September 1 – September 15	January 1 – June 30
March 1 - March 15	July 1 – December 31

Maximum vacation units/slots will be determined by management based upon projected staffing requirement. Every reasonable consideration will be given to grant employee requests. In the event that requests are projected to exceed operating projections, employee seniority by crew position or



classification will be the determining factor for approval. Vacation requests authorized by management during the scheduling Windows, will not be rescinded by employees nor revoked by management. Exceptions to this condition may only be considered based upon an extreme change in conditions from those at the time of original planning and require mutual agreement between the employee and management.

The balance of unplanned vacation entitlements for the coming year will be granted on a first come/first served basis, in consideration of employee preference, projected operating requirements and seniority. In the event that requests are projected to exceed operating projections, employee seniority by crew position or classification will be the determining factor for approval.

In the event that a committed, vacation unit becomes available due to the rescinding or revocation conditions detailed above, opportunity to schedule a replacement unit will be at the discretion of management. In the event that a new opportunity becomes available, operating requirements, prior denial, special needs and seniority will be considerations in filling/approving the vacation request.

All vacation hours will be paid at the employee's current base rate of pay including Lead Premium and/or Shift Premium as applicable. Payment in lieu of vacation will be made only if the Company determines that production requirements prevent time off for vacation. Employees may take vacation in half (0.5) hour increments. Shift determination is based upon the last day worked prior to taking vacation.

Vacation credits will accumulate in an employee's vacation account. On their anniversary date, they will only be able to carry over up to a maximum of two (2) times their annual accrual rate.

There will be no pay-in-lieu of time off for vacation.

The intent of this provision is to cause each employee to use the vacation credits awarded for time off.

Employees who leave the active payroll of the Company, except for reasons of death, shall be paid for all vacation earned and deferred up to the time of separation.

In the event of an employee's death the accumulated vacation will be paid out into the employee's estate.

ARTICLE 24: PAID TIME OFF (PTO) / SICK LEAVE

SECTION 24.1: PAID TIME OFF (PTO)/SICK LEAVE CREDITS

Full-time employees shall be credited in advanced Paid Time Off (PTO)/Sick Leave of eighty (80) hours annually on January 1st. The lump sum of PTO/Sick Leave credits are granted in advance and are hours that would have been accrued during the calendar year. Employees hired after January 1st will have a prorated balance for the remainder of the year which will be accredited to their account no later than the second pay period.

PTO/Sick Leave absences may be charged in the lowest chargeable time unit per the time charging/payroll system, up to a maximum of the fully scheduled work shift.

SECTION 24.2: USE OF PAID TIME OFF (PTO)/SICK LEAVE

An employee will be allowed to take PTO/Sick Leave credits, not yet accrued, up to the annual maximum referenced above. Upon termination, if an employee takes more PTO/Sick Leave than accrued, any monies due may be withheld from the final paycheck. Payment for PTO/Sick Leave shall be at the employee's straight time base rate, including pay additives where applicable. In no instance will an employee be allowed to take more than the annual maximum credits allowed. Employees may carryover a maximum of fifty-six (56) total hours. PTO/Sick Leave banks may not exceed one hundred and thirty-six (136) hours between current year and carry over bank. Sick time is not eligible for compensation upon termination of an employee for any reason.

SECTION 24.3: SCHEDULING OF PAID TIME OFF (PTO)/SICK LEAVE

In the event of the use of PTO/Sick Leave to cover an absence due to unplanned circumstances, employees are to contact their manager as soon as practicable prior to the beginning of the scheduled work shift. Where this is not possible, contact should be made at the earliest possible opportunity.

In the event of the use of PTO/Sick Leave to cover absence due to a planned, personal matter, employees are to schedule for the absence by providing a minimum of ninety-six (96) hours notification (or greater) wherever possible, subject to management approval based on operational requirements.

ARTICLE 25: BENEFITS

SECTION 25.1: EMPLOYEE MEDICAL PREMIUM AND OPT-OUT OPTIONS

The Company agrees to continue to offer medical plan(s) to full-time bargaining unit employees on the same basis and to the same extent as employees not represented by a labor organization. "Same basis as" applies to plans and coverage offered, effective dates, extent of benefits, employee contribution and/or co-pays, and any changes to any aspect of such health insurance plans and other benefits.

Employees may participate in the following Company sponsored benefits plans that are currently offered, at the cost incurred by the Company, including the:

- Dental Plan
- Vision Plan
- Supplemental Life Insurance
- Optional Life Insurance
- Accidental Death & Dismemberment Insurance: Option to purchase coverage for employees and/or eligible dependents.
- Long-Term Disability
- Flexible Spending Account

Short Term Disability, Basic Life Insurance, Basic AD&D, Travel Accident Insurance (for applicable Company travel), and Employee Assistance Plan (EAP) are provided at no cost to the employee.

The Company shall pass through improvements, modifications, changes to plans and/or employee premiums to these plans at any time, both during the term of this Agreement and after its expiration. Any elimination contemplated to these plans will only be a result of the Company no longer offering



the specific plan. If and when these situations arise, the Company will notify the Union prior to taking such action.

SECTION 25.2: OPT OUT

Full-time employees who Opt-Out of Medical provided benefits will receive a taxable amount of two-hundred dollars (\$200.00) per week.

The Opt-Out option would become ineffective and subject to renegotiation in the event it is determined that the arrangement may result in non-compliance with the Affordable Care Act. In order to be eligible for the Opt-Out credit, individuals who Opt-Out of Medical benefits may be required to certify, on an annual basis, that they are receiving coverage elsewhere. If such negotiations fail to modify such plan(s), in an effort to avoid the excise tax thresholds, then the Company has the right to modify the plans up to the point where the premium falls below the threshold but no further than administratively practicable.

It is the intent of both the Company and Union that none of the benefits provided in connection with the aforementioned health insurance benefits (e.g. medical, health care spending accounts) will cause the application of an excise or High Cost Coverage Excise Tax (Cadillac Plan Tax) as a result of providing such benefits with respect to the Patient Protection and Affordable Care Act (the "PPACA"). Accordingly, in order to avoid such a tax and in keeping with the intent of the parties, the Company reserves the right, both during the term of this Agreement and after its expiration, to amend, modify and/or alter the health insurance benefits provided above solely for the purpose of avoiding implementation of a High Cost Coverage Excise Tax pursuant to PPACA, and to do so without requiring the reopening of other terms and conditions of the CBA to further negotiations. It is considered to be in the best interests of both Parties, that advanced discussions and communications with the Union Leadership on decisions to amend, modify and/or alter the health insurance benefits provided above be conducted prior to announcement and/or implementation thereof. Without limiting the right of the Company to affect such decisions, it is agreed that such communications will be conducted as promptly as practicable, prior to formal announcement and/or implementation.

SECTION 25.3: SAVINGS PLAN (401(K))

The Company will provide a 401(k) Plan for bargaining unit employees, to which plan eligible employees may defer compensation within the limitations provided by the plan document. The Company will provide a four percent (4%) contribution on behalf of the employees. All conditions of participation, eligibility, vesting and distribution of benefits will be governed by the Company's 401(k) Plan document. In no event will the Company contributions exceed the maximum contribution permitted by the language of the 401(k) plan.

SECTION 25.4: EDUCATIONAL ASSISTANCE

Employees will be reimbursed according to the Company Educational Assistance Policy.

ARTICLE 26: WAGE RATE SCHEDULE

Effective January 1, 2014, a Subject Matter Expert (SME) classification shall be established. SMEs are a separate and distinct job classification from Contract Instructors for the purposes of this Agreement. It is hereby agreed that no Contract Instructors shall be involuntarily moved into a SME position or laid

off directly as a result of the creation of a SME position. Employees classified as Instructors who are performing SME work will be compensated at their Instructor rate.

The rate of pay for all employees will be as follows in the following table. Rates have been established by applying the following rate adjustment terms and conditions:

WAGE RATE TABLE

Classification	Current	1/1/2020	1/1/2021	1/1/2022
Pilot	\$60.22	\$68.00	\$69.02	\$70.06
Flight Engineer/Navigator	\$57.49	\$65.00	\$65.98	\$66.96
Loadmaster	\$53.74	\$62.00	\$62.93	\$63.87
SME	\$39.79	\$45.10	\$45.78	\$46.47
CAD Technician	\$47.27	\$48.69	\$50.15	\$51.65
CBT Specialist*	\$46.13	\$47.51	\$48.94	\$50.41
CBT Specialist (Two Tier)**	\$38.22	\$39.37	\$40.55	\$41.76
Computer System Analyst III	\$40.70	\$41.92	\$43.18	\$44.47
Computer System Analyst II	\$31.55	\$32.50	\$33.47	\$34.48
Computer System Analyst I	\$26.27	\$27.06	\$27.87	\$28.71
NVG Tech	\$36.24	\$37.33	\$38.45	\$39.60
Training Analyst	\$35.87	\$36.95	\$38.05	\$39.20
Librarian	\$34.01	\$35.03	\$36.08	\$37.16
Primary Crew Member (Pilot)	\$45.00	\$50.21	\$50.96	\$51.73
Primary Crew Member (FE/Nav)	\$43.00	\$47.12	\$47.83	\$48.54

* Any employee hired into the CBT Specialist classification before November 4, 2016 shall be grandfathered into the CBT Specialist Classification. This shall include any employees on recall status at the time of the signing of this agreement. Grandfathered CBT Specialists will be subject to recall to their original classification for as long as they hold recall rights.

** New Hires after November 4, 2016 shall be placed into the CBT Specialist (Two Tier) Classification.

ARTICLE 27: SUCCESSORS AND ASSIGNS

The Agreement shall be binding upon the successors and assigns of the parties hereto until expiration, or until it is changed by mutual agreement of the parties.

ARTICLE 28: SECURITY

The Union recognizes that the Company may now have, or may incur in the future, obligations with respect to the security of information and materials under contract with the Government.

The Union agrees that nothing contained in this agreement shall place the Company in violation of security agreements with the Government.



It is understood by and between the parties hereto that as a necessary condition of continued employment, employees shall be subject to investigation for security clearance or national agency check and/or unescorted entry authorization under regulations prescribed by the Department of Defense, or other agencies of the United States Government on government work, and that denial of such clearance and/or unescorted entry authorization by such governmental agency shall be cause for release from the Company due to inability to meet job requirements.

It is understood that there shall be no liability on the part of the Company for any release growing out of the denial of clearance and/or unescorted entry authorization by the United States Government.

The Company will reinstate the seniority of an employee who is denied security clearance is reinstated by the Federal Government. A non-probationary employee who loses his security clearance or site access for any reason will not lose his seniority until final adjudication of his appeal. Any employee whose seniority is reinstated under this provision will be reinstated in his previously held occupational title.

ARTICLE 29: EFFECT OF LAW

In the event that now or hereafter there is any State or Federal Law or any directive order, rule or regulations made pursuant, thereto, which is in conflict with any provision or provisions of any agreement between the parties, the same shall supersede such provision or provisions and thereafter shall govern and control the relations and conduct of the parties so long as such law, directive, order, rule or regulations shall remain in force and effect. In the event that this or any other agreement existing between the parties hereto, now, or thereafter requires the approval of any Government authority before becoming effective, the same will and shall be subject to such approval. Furthermore, it is mutually agreed that within thirty (30) calendar days after such provision or provisions become unlawful, the parties shall meet to discuss a modification of such provision or provisions to comply with the law. In all other respects the provisions of this Agreement shall continue in full force and effect for the duration of this Agreement.

ARTICLE 30: ENTIRE AGREEMENT

This Agreement expresses the complete understanding of the parties on the subject of wages, hours of labor, and conditions of employment. However, this Agreement may be amended in writing by mutual agreement at any time. For the purpose of this Agreement the contract includes the C-130 Aircrew Training System (ATS) at Little Rock Air Force Base.

The Company and the Union acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, except as provided below, the Company and the Union, for the term of this Agreement, each voluntarily and unequivocally waives the right and each agrees that the other shall not be, obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement.



The Company shall not be deemed to have agreed to any term or condition of employment not specifically set forth in this Agreement. Any alleged past practice of the Company which is not included in this Agreement shall not be considered agreed to. The Company has not agreed to, and will not be bound by, any alleged past practice by a former Company, or under a prior collective bargaining agreement concerning employees at this location. Any such alleged past practice will have no consideration or authority upon the parties to this Agreement.

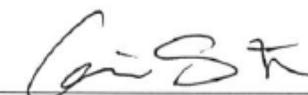
ARTICLE 31: TERM AND NOTICE OF CHANGE OR TERMINATION

This Agreement shall be effective and shall continue in full force and effect through expiration: 6:00pm (Central) on December 31, 2022 and therefore be automatically renewed from year to year, unless the party desiring termination or modification of the agreement serves written notice, by certified mail, upon the other party at least sixty (60) days prior to the expiration date of the agreement.

In witness whereof, the parties have caused this agreement to be executed by their authorized representatives as of October 24, 2019.

For the Company:


Chris Sens, Labor Relations Specialist


Carrie Stawski, HR & Labor Relations Manager

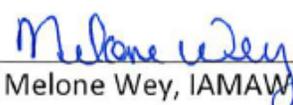

Skip Deacon, Program Manager

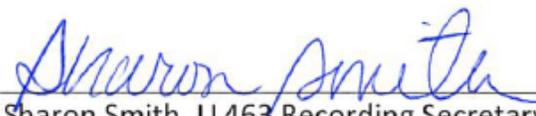

Inna Konyayeva, HR Business Partner

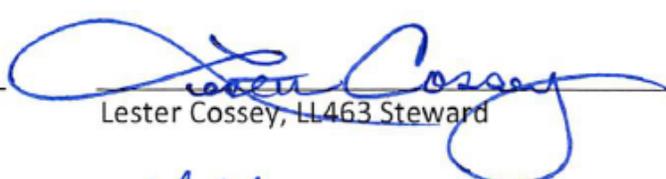

Terry Wheeler, C-130H ATS Program Manager

For the Union:


Jody Bennett, IAMAW Chief of Staff


Melone Wey, IAMAW W2 ADBR

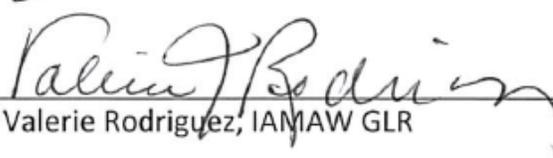

Sharon Smith, LL463 Recording Secretary


Lester Cossey, LL463 Steward


Chris Carr, LL463 Chief Steward


Neil Truscello, LL463 Steward


Greg Reinhardt, LL463 Committee Member


Valerie Rodriguez, IAMAW GLR



MOU 1: RECALL RIGHTS

Employees not reemployed by the successor company shall have twenty-four (24) months recall rights. Employees reduced in classification to a lower classification will have first right of refusal to the highest original classification.



MOU 2: TWENTY PERCENT PART-TIME

This Memorandum of Understanding (MOU) confirms discussion & agreement between International Association of Machinist and Aerospace Workers (IAMAW) District W2 Local Lodge 463 Little Rock, Arkansas (UNION) and CAE USA (COMPANY) regarding the utilization of part-time employees as referenced in [ARTICLE 20: PART-TIME EMPLOYEES](#) of the collective bargaining agreement.

Effective January 1, 2020, and for the life of this collective bargaining agreement, part-time employees may be utilized at the discretion of the Company to a maximum of twenty percent (20%) of full-time positions per classification. Normal rounding rules apply as to the number of part-time employees. The percentage may be increased upon mutual agreement of the Company and the Union.

The Primary Crew Member (PCM) classifications are not restricted by the twenty percent (20%) part-time requirement. PCM positions can all be part-time.

The Memorandum of Understanding will expire on December 31, 2022, at 6:00pm Central Time.