

TABLE OF CONTENTS

ARTICLE 1	BARGAINING UNIT	3
ARTICLE 2	PERIOD OF AGREEMENT	3
ARTICLE 3	RIGHT TO MANAGE PLANT	4
ARTICLE 4	COMPANY AND UNION COOPERATION, TECHNOLOGY & TEAMING	4
ARTICLE 5	WAGES	4
ARTICLE 6	REGULAR HOURS OF LABOR	7
ARTICLE 7	HOLIDAYS	9
ARTICLE 8	LEAVE OF ABSENCE	11
ARTICLE 9	BUSINESS REPRESENTATIVE	12
ARTICLE 10	DETERMINATION OF DISPUTES	12
ARTICLE 11	DISCRIMINATION	15
ARTICLE 12	SENIORITY	16
ARTICLE 13	VACATIONS	19
ARTICLE 14	SAFETY COMMITTEE	20
ARTICLE 15	WAIVER	21
ARTICLE 16	BULLETIN BOARDS	22
ARTICLE 17	PAYROLL DEDUCTIONS	22
ARTICLE 18	SABOTAGE	23
ARTICLE 19	UNION SECURITY	23
ARTICLE 20	DISTRIBUTION OF AGREEMENT	23
ARTICLE 21	NO STRIKE CLAUSE	23
ARTICLE 22	FUNERAL LEAVE	24
ARTICLE 23	JURY/WITNESS DUTY	24
ARTICLE 24	SICK LEAVE	25
ARTICLE 25	OVERTIME	26
ARTICLE 26	MILITARY RESERVE, SERVICE PAY	28
ARTICLE 27	GROUP INSURANCE, SAVINGS, AND RETIREMENT INCOME PLANS	29
ARTICLE 28	SUBCONTRACTING	29
ARTICLE 29	TOTAL AGREEMENT	30
LETTER OF UNDERSTANDING A	BOEING LABOR DISPUTE EFFECTS	31
LETTER OF UNDERSTANDING B	PENSIONS	31
LETTER OF UNDERSTANDING C	GKN HIRING OF BOEING EMPLOYEES	32
LETTER OF UNDERSTANDING D	GROUP INSURANCE PLAN EFFECTS FOR PEOPLE LEAVING THE COMPANY FOR FULL-TIME POSITIONS WITH THE UNION	32
LETTER OF UNDERSTANDING E	PRE-TAX SAVINGS PLAN	33
LETTER OF UNDERSTANDING F	HEALTH CARE	33
LETTER OF	EEO JOINT COMMITTEE	34

UNDERSTANDING G		
LETTER OF UNDERSTANDING H	NEW WORK	35
FACTORY JOB DESCRIPTIONS		40
DRUG & ALCOHOL TESTING POLICY		
SUBJECT INDEX		
AUTOMATIC WAGE PROGRESSION		3
BENEFITS FOR DISTRICT 837 EMPLOYEES		39
BOEING DISPUTES		46
BULLETIN BOARDS		30
BUSINESS REPRESENTATIVE		15
COOPERATION		2
COST-OF-LIVING ALLOWANCE		6
DISCRIMINATION		19
DRUG AND ALCOHOL TESTING		83
FUNERAL LEAVE		34
GROUP INSURANCE, SAVINGS AND RETIREMENT		39
HEALTH CARE		48
HOLIDAY PAY		13
HOLIDAYS		11
IAM NATIONAL PENSION PLAN		46
JOB DESCRIPTIONS		68
JURY/WITNESS DUTY		34
LAYOFF		20
LAYOFF NOTICE		25
LEADPERSON		5
LEAVE OF ABSENCE		14
MILITARY RESERVE		38
NO STRIKE CLAUSE		33
OVERTIME		37
OVERTIME PAY		9
PAYDAY		10
PAYROLL DEDUCTIONS		31
PERFORMANCE SHARING		8
PERIOD OF AGREEMENT		1
PROBATION		21
RECALL		21
REGULAR HOURS OF LABOR		8
RIGHT TO MANAGE PLANT		2
SABOTAGE		32
SAFETY COMMITTEE		28
SAFETY GLASSES		29
SAVINGS PLAN		48
SENIORITY		19
SENIORITY LIST		21

SHIFT PREFERENCE	22
SHIFT PREMIUM	9
SICK LEAVE	35
SUBCONTRACTING	39
TEAMS	2
TRANSFER OF BENEFITS	47
UNION SECURITY	32
VACATIONS	26
WAGE INCREASE	8
WAGE RATES	67
WAGES	3

PREAMBLE

THIS AGREEMENT is made and entered into by and between GKN AEROSPACE NORTH AMERICA, INC. (Company), Lambert St. Louis International Airport, St. Louis, Missouri, and DISTRICT LODGE NUMBER 837, INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS, AFL-CIO and the INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS, AFL-CIO, hereinafter referred to jointly as the Union

ARTICLE 1 - BARGAINING UNIT

Effective on the Effective Date as defined below in Article 2, the Company recognizes the International Association of Machinists and Aerospace Workers Union, AFL-CIO, and its District Lodge 837, as the sole and exclusive bargaining agent for all employees working in the job classifications in Schedule A employed by the Company at its St. Louis International Airport, St. Louis, Missouri, facility, excluding office and clerical employees, plant clerical employees, professional employees, guards and supervisors as defined in the National Labor Relations Act.

ARTICLE 2 - PERIOD OF AGREEMENT

Section 1

This Agreement shall be effective for a three (3) year period and shall become effective on January 9th, 2006 and shall remain in force through the third anniversary thereof (January 11, 2009). This Agreement shall remain in force from year to year thereafter, unless either party shall notify the other, in writing by registered mail, not more than seventy (70) calendar days nor less than sixty (60) days prior to the anniversary of the Effective Date in the year in which contract termination is desired. Unless terminated, this Agreement shall remain in full force and effect from year to year thereafter.

Section 2

Notice shall be served on the Director of Human Resources for the Company and the Directing Business Representative for the Union. Notification of opening of the Contract must be accompanied by a written proposal. The party receiving such proposal must submit his written counter-proposal within one (1) week. The first negotiation meeting shall take place within two (2) weeks of the receipt of notice of contract termination.

Section 3

If proper notice is made of the desire to change this Agreement and agreement on such requested change is not reached by the expiration date, then either party at any time thereafter may terminate this Agreement by giving seven (7) days advance notice to the other no earlier than the expiration date.

ARTICLE 3 - RIGHT TO MANAGE PLANT

Subject to the provisions of this Agreement, the Company has and will retain the unquestionable and exclusive right and power to manage the plant and direct the working forces, including the right to hire, suspend, discharge, promote, demote, or transfer its employees for just cause.

ARTICLE 4 –COMPANY AND UNION COOPERATION,TECHNOLOGY & TEAMING

Section 1

The parties recognize that the Company must compete in a highly competitive global economy and commit to achieving the highest level of quality and productivity possible. Both parties recognize that ultimate job security can only be realized in a work environment that creates operational effectiveness, continuous improvement and competitiveness. This Agreement has been constructed so as to maximize the likelihood of realizing these objectives and is to be interpreted accordingly.

Section 2

Consistent with the objectives set forth above, the Company and Union will work together to achieve advances, improvements and significant changes in methods, materials and technology. The Company and the Union will share information regarding significant developments, including purchases of major capital equipment. The assignment of new machine tools and/or equipment will be assigned in accordance with Schedule A of this agreement.

Section 3

Also consistent with the objectives set forth above, the Company and the Union agree to work together to establish joint teams, such as the IAM's High Performance Work Organizations or other like programs.

ARTICLE 5 - WAGES

Section 1

An employee will advance from the minimum rate applicable to his job classification and grade to the maximum rate in the same job classification and grade automatically at the rate of twenty five cents (25¢) per hour each ten (10) weeks actually spent working in the same job classification. If the last increment to reach the maximum rate is less than the twenty-five cents (25¢) it shall be added to the last increment.

Section 2

Changes in pay in accordance with the above shall be effective on the Monday following the completion of the ten-week period.

Section 3

Absence of one or more full workweeks shall not be counted toward the accumulated time necessary for automatic increases.

Section 4

A. If an employee is assigned work in a job classification rated lower than his rate, he shall retain the higher rate.

B. The above rule may be waived in lieu of layoff by mutual agreement in writing between the employee and the Company.

C. Employees shall not be assigned work in another classification for a period in excess of two (2) consecutive weeks if people are on layoff in that classification. In special circumstances, this period may be extended upon agreement with the Union.

D. It is agreed that a Bargaining Unit employee will not be laid off from a classification as a direct result of being assisted.

E. In the event the Company decides to return work in-house from any outside vendor that was previously performed by IAM CBU this work will be reclassified and added to Schedule A of this Agreement.

Section 5

A. If an employee for any reason is placed, promoted, changed or assigned to a higher rated classification he shall be paid the higher rate (for example, the employee will receive the difference between the maximum of their current classification and the higher classification maximum plus their base rate). If such employee is in this position for a period of forty (40) days he/she will be offered that classification at the end of the forty (40) working days or be returned to his former classification. Any portion of a day worked shall be counted as a full day. In case of infrequent assignments the days worked will accumulate. Should an employee not merit the higher classification, he will be returned to his previous work.

B. If an employee accepts a transfer to another equally rated job classification, he may decide at any time before he has worked forty (40) days in the new classification to return to his former classification. In case of unsatisfactory performance by the employee, the Company reserves the right to return the employee to his former classification at any time before he has worked forty (40) days in his new classification. No provision of this section shall be used contrary to section 4C above.

Section 6

Anyone required to act as a lead person shall be notified in writing by his Foreman after one week's trial as such and will receive thereafter one dollar and twenty five cents (\$1.25) per hour above the highest paid man assigned to him or one dollar and twenty five cents (\$1.25) per hour above his job classification rate, whichever is higher, and will be subject to automatic increases otherwise provided herein, and will continue as lead person until notified in writing that he is no longer to act as such.

Section 7

A. Anyone appointed lead person shall be given a list by his Foreman of those men assigned to him and such list shall be kept up to date when employees are added to or taken away from such lead person. A copy of this list shall be given to the Shop Steward. Not more than twenty (20) persons shall be assigned to any one lead person. It is further mutually understood and agreed that it is the prerogative of Management to select the lead person within the job classification, shift, and department involved.

B. Lead person shall not be transferred as lead person from the shift on which they were appointed.

Section 8

A. Rates of pay are set out in Schedule, "A" which is made a part of this Contract. Job Descriptions have been agreed to by the Parties and are made a part of this Contract.

B. Effective the first Monday following the date agreement is reached each affected employee's COLA in effect on 7 January 2006 will be folded into (made part of) each affected employee's pure base rate.

C. Plant Chairman will be paid at the maximum of the highest classification called out in Schedule A plus the Lead person premium of one dollar and twenty five cents (\$1.25) per hour or their wage rate plus Lead person premium of one dollar and twenty five cents (\$1.25) per hour, which ever is higher.

Section 9 Cost-of-Living Allowance

A. In order to protect the buying power of an hour's work of its employees against changes in consumers' prices, the Company agrees to a Cost-of-Living Allowance which shall be adjusted, as set forth in Subsection C of this Section, for changes in the cost of living during the life of this Agreement.

B. Eligibility for the Cost-of-Living Allowance (COLA) is extended to employees in the Bargaining Unit

C. The basis for determining Cost-of-Living Allowance adjustments will be as follows:
The Cost-of-Living Allowance (COLA) will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (United States City Average, All Items, 1982-84 = 100), published monthly by the Bureau of Labor Statistics (BLS), United States Department of Labor, and hereinafter referred to as the "BLS Consumer Price Index".

D. The amount of the cost-of living allowance shall be as set forth in this subsection. The company agrees to prepay COLA in the amount of \$0.34 cents on Jan 9th, 2006, an additional \$0.34 cents on Jan 8, 2007, and an additional \$0.34 cents on Jan 7th, 2008. If the COLA calculation generates more than \$0.34 cents per year, according to the process specified below, additional COLA will be added to the wages at the appropriate quarterly milestone.

Price Adjustment for:	Effective Date of Adjustment	Based on full .075% Change in Three (3) month Average CPI-W Index
First	23 January 2006	Oct., Nov., and Dec. 2005
Second	24 April 2006	Jan., Feb., and March 2006
Third	24 July 2006	April, May and June 2006
Fourth	23 October 2006	July, August, and Sept 2006
Fifth	22 January 2007	Oct., Nov., and Dec. 2006
Sixth	23 April 2007	Jan., Feb., and March 2007
Seventh	23 July 2007	April, May and June 2007
Eighth	22 October 2007	July, Aug., and Sept. 2007
Ninth	21 January 2008	Oct., Nov., and Dec. 2007
Tenth	21 April 2008	Jan., Feb., and March 2008
Eleventh	21 July 2008	April, May and June 2008
Twelfth	27 October 2008	July, Aug., and Sept. 2008

E. The amount of the COLA which shall be effective for any three month period as provided above shall be based on the percent of increase between the average for the prior calendar quarter and the Peg Point (192.7 or less = \$.00) with one-cent (\$.01) adjustment for each full 0.075% change in the average BLS Consumer Price Index for the appropriate three (3) month period indicated. In no event will a decline in the average of a quarterly period of the BLS Consumer Price Index cause a reduction in the Pure Base Rate. Retroactive Payments will be made as soon as practicable after agreement is reached.

F. Employees hired or rehired without seniority subsequent to a Cost-of-Living Adjustment date will be entitled to only those additional Cost-of-Living amounts, which become effective subsequent to their date of hire.

G. Employees recalled from layoff status will return at their last Pure Base Rate in the classification plus the same COLA additive they had at the time of layoff; if COLA has been folded in during their layoff status, their last held COLA additive will be folded into their Pure Base Rate upon their return to active status. An employee rehired/recalled with seniority will receive the same COLA at the time of rehire/recall which would have applied to an employee with the same seniority date who remained active.

H. The amount of any Cost-of-Living Allowance shall be included in computing overtime pay, vacation pay, holiday pay, call-in pay, jury duty/witness duty pay, funeral pay, sick pay, military leave pay, and shift premium.

I. No adjustments, retroactive or otherwise, shall be made due to any revision, which may later be made in the published figures of the BLS Consumer Price Index for any base month.

J. The parties to this Agreement agree that the continuance of the Cost-of-Living Allowance is dependent upon the availability of the official monthly BLS Consumer Price Index in its present form and calculated on the same basis as the BLS Consumer Price Index for September 2005.

Section 10

A. The parties agree to adopt the performance sharing plan that would provide a mechanism through which bargaining unit employees can materially benefit from improvements such as business performance, product quality, efficiencies, safety, etc. and paid on an annual basis. The parties agree that the performance sharing plan shall be established through a consensus of both parties within 60 days of ratification of this agreement.

B. The company agrees to prepay the full annual performance bonus as described in Article 5, section 11A based on a unit-wide average. Of the bonus, \$1,000 will be paid in the next scheduled pay date. (December 23, 2005) The balance will be paid on 13 Jan 2006. In subsequent years (2007 & 2008), we will prepay 3 days of the performance bonus on the first pay date after 01-April. If the actual payout for subsequent years is greater than 3 days, the additional days will be paid during the normal bonus schedule.

ARTICLE 6 - REGULAR HOURS OF LABOR

Section 1

The regular schedule of hours shall be as follows: First (daylight) Shift: Starting time will be from 5:00 A.M. to 9:00 A.M.; Second Shift: Starting time will be from 1:00 P.M. to 5:30 P.M.; and Third Shift: Starting time will be from 9:00 P.M. to 1:00 A.M., (unpaid thirty minutes for lunch) on Monday, Tuesday, Wednesday, Thursday, and Friday.

Section 1a

Saturday, Sunday and Holiday start times will be the same as the start times that the employee works Monday through Friday.

Section 2

The Company shall assign the initial starting times as stated above by department, unless legitimate business reasons exist for exceptions. Any subsequent change of starting times shall be in accordance with section three of this Article.

Section 3

Requests by individuals for deviation from the set times based on hardship will be considered. If it becomes necessary to change the schedule of hours, except as set forth in Section 1 above, it shall be mutually agreed to between the Company and the Union.

Section 4

An unpaid lunch period of thirty (30) minutes will be granted to employees working more than four (4) hours overtime during any one shift.

Section 5

The second and third shift shall be paid One Dollar (\$1.00) per hour above the employee's base rate.

Section 6

Time worked in excess of eight (8) hours in any one day during the regular workweek shall be paid for at one and one-half (1-1/2) times the regular rate for a standard shift. Time worked in excess of the regularly scheduled hours in the workweek shall be paid at the rate of time and one-half. Work performed on Saturdays shall be paid for at the rate of time and one-half. Work performed on Sunday shall be paid for at double the regular rate.

Section 7

Any person who is required to report for work earlier than his regular scheduled starting time shall be permitted to work his regular schedule of hours. Any person reporting for work at his scheduled starting time shall work their regular shift except:

A. In case of physical incapacity or shutdown for conditions beyond the control of the Company, he will be paid for the hours actually worked.

B. If work is not available and a reasonable effort is not made by the Company to notify him previously, making his reporting unnecessary, he will be allowed four (4) hours' pay. Radio announcements on Station KMOX at least two (2) hours before the start of the shift in question, shall be sufficient previous notice.

Section 8

A minimum of four (4) hours' pay at the prevailing overtime rate will be paid for any emergency work performed outside of his regular scheduled shop hours except in case of a continuation without interruption of work on the employee's regular shift.

Section 9

An employee called in to work on an overtime basis will be paid overtime based on his regular shift rate and will be paid at the rate of time and one-half that regular rate except for call-in work starting on Sundays, when the rate will be double time, or holidays, when the rate will be three (3) times. The overtime rate will be paid for all hours worked up to the start of his regular shift when his rate will revert to his regular rate for that day. In case of a continuation without interruption of work beyond the employee's regular shift, his shift and/or overtime rate shall be determined by the Contract requirements setting the rate at the time he begins work until the start of his next regular scheduled shift.

Section 10

First and third shift employees shall be paid weekly on Friday. Second shift employees shall be paid weekly on Thursday. If Thursday and Friday are recognized holidays in a workweek, all employees shall be paid on Wednesday. If Thursday is a recognized holiday in a workweek, second shift employees shall be paid on Friday. Paychecks may be issued at any time after the start of the employee's shift but will be issued by the end of the second break on the days mentioned unless unforeseen conditions make a change necessary.

Section 11

An employee absent three (3) days without notifying his or her supervisor or manager of the Company or the absence reporting line as listed below will be considered to have resigned and automatically will be terminated. Said three (3) day notification period will end at the starting time of the fourth (4th) workday the absent employee would have worked if he had not been absent. Extenuating circumstances will be considered by the Company.

Metals 314-264-GKNM (4566)
Composites 314-264-GKNC (4562)
Maintenance 314-264-GKNF (4563)

ARTICLE 7- HOLIDAYS

Section 1

The Company will provide 36 holidays over the life of this agreement.

Section 1A

Employees will be allowed to utilize an "O" Day, vacation day, or sick day in observation of MLK holiday.

The holiday schedule during the term of this Agreement will be as follows:

2006 = 11 days

Memorial Day Monday 29 May 2006
Day before

Independence Day	Monday	03 July 2006
Independence Day	Tuesday	04 July 2006
Labor Day	Monday	04 September 2006
Thanksgiving Day	Thursday	23 November 2006
Day After		
Thanksgiving Day	Friday	24 November 2006
Christmas Shutdown	Monday	25 December 2006
	Tuesday	26 December 2006
	Wednesday	27 December 2006
	Thursday	28 December 2006
	Friday	29 December 2006

2007 = 12 days

New Year's Day	Monday	01 January 2007
Memorial Day	Monday	28 May 2007
Independence Day	Wednesday	04 July 2007
Labor Day	Monday	03 September 2007
Thanksgiving Day	Thursday	22 November 2007
Day After		
Thanksgiving Day	Friday	23 November 2007
Christmas Shutdown	Monday	24 December 2007
	Tuesday	25 December 2007
	Wednesday	26 December 2007
	Thursday	27 December 2007
	Friday	28 December 2007
	Monday	31 December 2007

2008 = 12 days

New Year's Day	Tuesday	01 January 2008
Memorial Day	Monday	26 May 2008
Independence Day	Friday	04 July 2008
Labor Day	Monday	01 September 2008
Thanksgiving Day	Thursday	27 November 2008
Day After		
Thanksgiving Day	Friday	28 November 2008
Christmas Shutdown	Wednesday	24 December 2008
	Thursday	25 December 2008
	Friday	26 December 2008
	Monday	29 December 2008
	Tuesday	30 December 2008
	Wednesday	31 December 2008

2009 = 1 day

New Year's Day	Thursday	01 January 2009
----------------	----------	-----------------

Section 2

All employees not working on the above-named recognized holidays will be paid straight time therefore; all employees working on the above-named recognized holidays shall be paid double time in addition to the above. Any hours worked outside the employee's normal scheduled hours on the above holidays will be paid at the rate of three (3) times the employee's normal rate of pay.

Section 3

Any employee instructed to work on a recognized holiday shall not be paid if he does not work unless he has a reasonable excuse, which is acceptable to the Company.

Section 4

It is understood and agreed that where more than one premium over the normal rate is payable under this Contract, only the highest single premium rate shall apply, for example: Overtime work done on a specified holiday is paid for at three (3) times the regular schedule rate of pay and not at four and one-half (4-1/2) times the regular scheduled rate.

ARTICLE 8 - LEAVE OF ABSENCE

Section 1

Leave of absence (not covered by FMLA or any other company provided benefits) may be granted to any employee for any reason deemed satisfactory to the Company. Where practical, requests for leaves of absence must be made in writing to the Human Resource Department three (3) days prior to the beginning of the leave.

Section 2

Leaves of Absences will be granted in accordance with the Family and Medical Leave Act (FMLA) and GKN's policy. Employees are required to use available vacation, sick days or any other paid leaves concurrently with their FMLA absence. In such cases employees will be allowed to retain up to five (5) days of vacation. Falsification or misrepresentation of facts in connection with a FMLA request shall be cause for discharge.

Section 3

An employee given a leave of absence as stated above will not lose seniority accrued at the time of taking such leave, and seniority shall continue to accumulate during said leave.

Section 4

An employee accepting other employment or engaged in business for himself while on leave of absence shall be discharged by the Company unless the Union and the Company have jointly, prior to the commencement of such leave of absence, agreed in writing that it could be done. In the case of leaves for physical disability, an exception can be made by joint agreement between the Company and the Union before the commencement of such work.

Section 5

If during the term of this Agreement any employee is called into active military service or in time of emergency volunteers in the armed forces of the United States, the leave will be governed by Article 26 (Military Reserve Service Pay).

Section 6

The Selective Training and Service Act of 1940, as amended, and subsequent amendments and regulations of the Selective Service System will govern reinstatement of former employees who have been on military leaves of absence.

Section 7

Seniority shall accumulate while on military leave of absence.

Section 8

An employee who becomes pregnant shall be entitled to a Non-occupational Disability Leave. Such an employee must report her pregnancy as soon as she is aware of her pregnancy to the Human Resources Department. Leave will commence when employee's physician provides information deeming it advisable for her to discontinue work or the Company's physician deems it medically advisable based on medical information and consultation with her physician. Within six weeks (normal delivery) or eight weeks (for C-section) after termination of pregnancy, she will be required to furnish a letter from her attending physician attesting to her physical condition and stating the date she will be able to return to work. If she is physically unable to return to work as a result of complications of delivery, she may request an extension of the leave supporting such a request with a statement from her personal physician. Time away from work for the period of the medically required pregnancy leave will not count towards the employee's FMLA entitlement.

ARTICLE 9 - BUSINESS REPRESENTATIVE

Section 1

The Business Representative of the Union shall have access to the appropriate company facilities during working hours for the purpose of investigating grievances. All union Officers, including Business Representatives, shall make notification to the Director of Human Resources or his designee prior to entering the plant. Such visit shall be subject to such regulations as may be made from time to time by the U.S. Army, the U.S. Air Force, the U.S. Navy, NASA or other governmental agency, or the Company. The Company will not impose regulations, which exclude the Business Representative from the plant or render ineffective the intent of this provision.

Section 2

Upon request, Human Resources will apply promptly for temporary clearance and appropriate escort so that the President-Directing Business Representative, or a Designated Business Representative, may have access to a "closed" area provided clearance can be obtained and access is necessary to investigate an alleged grievance.

ARTICLE 10 - DETERMINATION OF DISPUTES

Section 1

Definition: The Term "grievance" shall mean a complaint involving the interpretation or application of this Agreement. A grievance does not include a complaint about any act, communication or omission, which occurs after the termination of this Agreement.

Section 2

Grievance Steps:

A. Step 1 (Oral) Employee and/or Shop Steward discuss issue with immediate Team Leader. Shop Steward fills out a Steward Complaint Log. Team Leader responds to complaint by answering on the Steward Complaint Log. The Team Leader's answer must give facts and details supporting his decision. The team Leader will give his answer within five working days of the discussion. If the matter is settled, no further action is required.

B. Step 2 (Written) The immediate Team Leaders decision will be final and binding unless within five working days of the issuance of that decision, the complaint is appealed in writing on a steward complaint log to the Operations Manager. Within 10 days of receipt of the steward complaint log, the Operations Manager will meet with the Plant Chairman or designee in an attempt to adjust the grievance. The Operations Manager or his designee shall give a written answer to the Plant Chairman or designee within five working days after the meeting.

C. Step 3 (Pre-Arbitration) The Department Operations Manager decision will be final and binding unless, within five working days of the issuance of that decision, the Plant Chairman appeals to Labor Relations in writing on a Plant Chairman complaint log. The Company will assign a grievance number on the Plant Chairman complaint log and return a copy to the I.A.M. Union Hall. Within 20 days of the Unions appeal, the Business Representative will schedule a meeting with a Labor Relations Representative, the aggrieved employee, Union Business Representative, Plant Chairman and Shop Steward to hear the grievance. After such meeting the Labor Relations Representative or his designee, will give a written response to the Union within five working days of such meeting. Both parties attending such meetings shall have full authority to make final and binding settlements.

D. Step 4 (Arbitration) The decision of the Labor Relations Representative will be final and binding unless within ten working days of the issuance of that decision, the grievance is appealed in writing to arbitration. Such appeal shall be directed to the Labor Relations Department. An impartial arbitrator shall then be appointed by mutual agreement by both parties, or failing such an agreement, a request shall be initiated by the parties to the Federal Mediation and Conciliation Service to submit a panel of seven names, from which a selection shall be made by the parties striking one person on the panel alternately, with the Union striking first, with the last person remaining to serve as the impartial arbitrator. The fees and expenses of the arbitrator and any other joint expense incurred in connection with the arbitration proceedings shall be shared equally by the Company and the Union. The decision of the arbitrator will be binding on the Company, Union, and the Union's membership and the aggrieved employee or employees.

Section 3

The jurisdiction and authority of the Arbitrator shall be confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at issue between the Union and the Company. The Arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of this Agreement or impose on any party a limitation or obligation not explicitly provided for in this Agreement. The Arbitrator shall have no authority or power to limit or impair any right that Article 3 of this Agreement reserves to management as a management prerogative.

Section 4

The Company shall not be required to process any complaint not presented in Step 1 within five working days after the occurrence of the act, from the date that the Union became aware of or had reasonable knowledge that the grievance existed. Extenuating circumstances will be considered.

Section 5

Unless otherwise mutually agreed by the Company and the Union, each grievance appealed to arbitration shall be the subject of a separate and distinct arbitration hearing and decision and no Arbitrator shall be selected by the parties to hear or decide more than one grievance in any one arbitration proceeding.

Section 6

A. To promote harmonious relationship there shall be two (2) Plant Chairman, one on first shift and one on second shift. It is agreed that the first shift Plant Chairman shall be invited to participate in business meetings, such as, safety meetings, General Managers staff meetings, STAR meetings, Diversity committee meetings, performance team meetings (HPWO's) and others defined by the Director of Human Resources. The second shift Plant Chairman will be invited to participate in appropriate meetings that occur on his shift as defined by the HR Director. The Plant Chairman will notify the director of HR or his designee when he leaves the company's property. If the active population of the IAMAW represented employees reaches fifteen hundred (1500) the number of Plant Chairman's will increase to three (3).

Section 7

A. The Company agrees that whenever the term "Shop Steward" is used herein, it shall designate the Shop Steward for a given area and shift. The Shop Steward will represent all employees in his designated area on his shift, and may process a grievance only concerning matters affecting employees within his designated area. The total number of Shop Stewards shall be that number resulting from the application of a ratio of one (1) Shop Steward per fifty-five (55) employees in the bargaining unit. The Union shall notify the Company if they feel they need additional or less Shop Stewards and the parties shall mutually resolve the matter.

The Company agrees that all newly hired or departmental transfers assigned to departments within the IAM Job Classifications will be introduced to the appropriate certified Union Shop Steward within a few days on the shop floor.

B. If a Steward finds it necessary to leave his work to handle a grievance in the plant, he shall obtain permission from his Team Leader before leaving his work and shall advise his Team Leader of his return to work. The Steward and/or Plant Chairman shall notify the appropriate Team Leader before entering that Team Leader's area to talk to an employee(s) regarding a grievance. The Steward's handling of a grievance shall be confined to his specific certification and shift.

C. It is intended that Shop Stewards continue to work in the area for which they are certified to provide experience and continuity.

D. The Union shall furnish to the Company a complete list of Shop Stewards designated for each area and shift, and no Shop Steward shall be recognized except those so certified. The Union shall notify the Company in writing at least five (5) days in advance of the certification of a Shop Steward. Extenuating circumstances will be considered. The Company shall notify the Union in writing of the termination of any Steward.

E. The Company and the Union shall meet quarterly to insure that Shop Stewards use the reasonable and necessary time to handle Union business.

Section 8

A. In case of a verbal warning, written warning, discharge, or a disciplinary suspension of an employee, the employee and a Shop Steward shall be present except as noted in 8B. If the Shop Steward is not

available in a discharge case, the appropriate Plant Chairman shall be present if he is available. The employee shall be given the opportunity of filing a grievance before leaving the plant unless, in the Company's judgment, circumstances necessitate his immediate removal from the premises, in which case the Shop Steward shall have the privilege of talking to the employee in a place designated by Labor Relations. If a Steward is not present for any reason at the time of a disciplinary suspension, the five (5) day limit for the filing of a grievance shall run for a period of five (5) days from the end of suspension.

B. If an employee is absent when attendance discipline is to be administered, the employee's shop steward will be given a copy of the disciplinary action. When the employee returns to work the discipline will be administered to the employee by his Team Leader for all violations of the company's attendance policy which have occurred prior to his return to work. In case of termination a certified letter will be sent to the employee's last known address and a copy will be provided to the Union.

ARTICLE 11- DISCRIMINATION

Section 1

The parties agree there shall be no discrimination, interference, restraint, or coercion by either party, or by an agent or representative of either party against any employee for Union activities. The employer will not discriminate against any employee selected to serve as a Shop Steward or Safety Committeeman.

Section 2

The Company and Union agree that the requirements set forth under Title VII of the Civil Rights Act of 1964 and Revised Order No. 4 of the Department of Labor pertaining to race, color, religion, national origin, and sex will be observed by both parties. The Company and the Union further agree that employees will not be discriminated against because of age or physical or mental disability. This also applies to the qualified disabled veterans and veterans of the Vietnam era. The Company and the Union agree to work together in the investigation and resolution of any such claims of discrimination by employees within the bargaining unit.

Section 3

The words "he," "his," "him," "her," "she," and "leadman," or any other male/female noun or pronoun as used in this Agreement, refer to both male and female employees.

ARTICLE 12 - SENIORITY

Section 1

Seniority as used herein designates an employee's length of service within the bargaining unit covered by this Agreement, the possession of which entitles him to certain rights hereinafter provided.

Section 2

A. Seniority shall be by job classification. In case of identical seniority dates, the employee with the lower clock number will be the senior employee.

B. New hires, as well as employees who transfer from non-union positions may be required to attend some type of training to perform work covered under this Agreement, prior to beginning their probationary period. Seniority dates for employees who complete their probationary period, as defined in Section 4 of this Article, will be the date he/she began training. It is understood that these employees will

not be covered by the terms and conditions of this Agreement during their training period. It is recognized that this is an exception to the definition of seniority under Section 1 of this Article.

Section 3

Layoff

A. In case of a layoff within a job classification, the sequence of layoffs in the job classification shall be: first, employees transferred in lieu of layoff within the preceding thirty (30) working days; second, by seniority in the job classification as defined in Section 2A above.

B. An employee due to be laid off may apply at the Human Resources Department for a transfer and senior qualified applicants will be given first consideration for available openings.

C. An employee who is transferred in lieu of layoff may accept the layoff from his previous classification, instead of the transfer; any time before he has worked thirty (30) days after the transfer has been made.

D. In case of unsatisfactory performance by an employee transferred in lieu of layoff, the Company reserves the right to cancel the transfer and layoff the employee from his previous job classification within a period of thirty (30) days actually worked from the date of the transfer.

Section 4

All new employees will be considered on probation for a period of forty (40) working days from the date of initial employment in the bargaining unit.

Section 5

If, in the opinion of Management, they fail to make satisfactory progress, this fact shall be deemed sufficient grounds for immediate dismissal. There shall be no responsibility for the re-employment of probationary employees if they are discharged or laid off during this period. After the required accumulated employment period, the names of such employees shall then be placed on a Seniority List in order of the date of their initial employment in the bargaining unit.

Section 6

The Company shall keep a Seniority List by job classification and, whenever the union requests such lists, the Company will make such lists available for inspection. Said Seniority List shall be made available within 60 (sixty) working days after the effective date of this Agreement and be revised semi-annually during the life of this Agreement. This list may be challenged by the Union within thirty (30) days after each revision; otherwise, it shall be considered correct. In addition, one (1) copy of the revised Seniority List will be forwarded to the office of the Directing Business Representative.

Section 7

Laid off employees shall be called back to work in accordance with their seniority. The Company shall notify them in writing, by mail forwarded to the employee's last known address on the Company's records, and the employee will be required to notify the Company within four (4) working days that he will report back to work within twenty-one (21) days of the receipt of this notice. Failure to do so will result in automatic loss of seniority and the Company will be relieved of any obligation to reinstate the employee. It is the sole responsibility of the employee to keep the Personnel Department of the Company properly informed as to his address and telephone number.

Section 8

Any employee laid off for a continuous period of thirty-six (36) months shall be dropped from the Seniority List.

Section 9

An employee will accumulate seniority while laid off.

Section 10

Shift Preference

A. Subject to the Company's right to make any temporary shift transfers to not exceed ten (10) working days' duration, senior employees shall have preference for shift assignments as provided below. On temporary shift transfers, at the expiration of the tenth (10th) working day the employee shall be returned to his original shift except that for training purposes this time may be extended up to an additional six (6) weeks. Time extensions beyond that allowed here must be mutually agreed to.

1. An employee with at least nine (9) months of continuous service may request of his immediate supervisor, in writing, a transfer to another shift which shall be limited to his present job classification and department. He shall be permitted, within fifteen (15) working days following the date of his request, to displace the employee having the least amount of seniority on the shift of his preference. The employee who is being displaced shall be given five (5) working days advance written notification of displacement.

2. Employees who are transferred at the direction of the Company from one shift to another will be given five (5) working days advance written notification. Notification to be given by the end of the shift preceding the five (5) working days. Extenuating circumstances will be considered by both the Union and the Company.

B. Shift transfer will be made no later than the Monday of the workweek in which the fifteenth (15) working day falls.

C. No displacement, for shift preference, of or by a probationary employee shall be permitted.

D. An employee, having once exercised his shift preference rights whether displacing another employee or not, will not be permitted to request a change in shifts for a period of twelve (12) months from the date of his transfer to the shift of his preference. If an employee is transferred to another shift by the Company, his shift preference rights will be reinstated.

E. The Company shall not be required to make shift transfers exceeding ten percent (10%)(but at least one (1) employee) of those employees in a given job classification, department and shift, who are subject to displacement during any calendar month.

F. Any employee may cancel his request for shift transfer at any time prior to his notification of shift transfer by the Company. Such cancellation must be made in writing to his Foreman and signed by the requesting employee. Cancellation of a request for shift transfer will prohibit that employee from submitting any further request for shift transfer for six (6) months.

Section 11

An employee, who has been or will be transferred from a job classification covered by this Agreement to a supervisory position not within the bargaining unit, and over CBU personnel, will retain previous seniority and will assume such seniority in case he returns to the bargaining unit. However, any employee in a supervisory position and over CBU personnel who is promoted to a third line or higher supervisory position will lose all credited union seniority rights.

Section 12

An employee covered by this Agreement who is elected or appointed to one of the following District 837 Offices: President, Business Representative, Financial Secretary, or other full time staff members, or becomes a Representative of the Grand Lodge, and leaves the employ of the Company to serve in this office for full time and full pay will retain previous seniority and accumulate seniority while serving in these positions, for the purpose of reemployment only, provided he applies for employment in the bargaining unit immediately.

Section 13

A. Plant Chairmen certified by the Union to the Company will be the last to be laid off by seniority while they are officially certified by the Union as such. Shop Stewards will be the last to be laid off by seniority within the job classification and for shift preference while they are officially certified by the Union to the Company as such.

B. Union members who are elected or appointed delegates to Union conventions or assignments of one (1) week, but not more than two (2) weeks, will not be affected by a loss in seniority provided such absences are approved in advance by the Union President – Directing Business Representative and the Company Human Resources Manager/Director. Leaves will also be granted to the employee members of the Union’s negotiating committee during contract negotiations without loss of seniority.

Section 14

Employees are expected to provide On-the-job-training as part of their regular duties. However when four (4) hours or more of classroom style instruction is requested by management and performed by an employee, the employee will be paid at the leadman rate for such classroom training. Upon completion of the training the employee will return back to his normal rate of pay.

Section 15

With the approval of the Union, a member of this bargaining unit who is temporarily appointed to a salaried position and stationed at vendor or customer facilities shall accumulate seniority while he is assigned, providing he maintains his good standing in the Union. The seniority of the individuals mentioned in the above two sections for layoff purposes shall be treated the same as other off-site personnel.

Section 16

In case an employee is returned to his original classification before he has worked twenty (20) days in a position outside the collective bargaining unit, he will not lose any seniority acquired prior to and accrued during the twenty (20) working day period.

Section 17

A. Temporary layoffs shall not exceed ten (10) days in any one (1) year period. Such layoffs shall be deemed necessary for the following reasons only: an act of God, cancellation of contract by the customer

without prior notice, or moving of a department. Seniority as defined in Article 12, Sections 2A and 3 shall not apply, providing that the temporary layoff shall affect the entire department.

B. In order to expedite the moving of a department, as stated above, the Company may stagger the layoff periods, providing that each employee of the department involved shall be temporarily laid off an equal amount of time. The entire layoff period for the department involved shall not exceed ten (10) days.

C. If only part of a department is being moved, then that part shall be considered to be a department within the meaning of the above sections.

Section 18

The Company will give at least one hundred twenty (120) hours written notice prior to layoff to the employees affected, except when layoffs are caused by termination of a Government or other production contract, temporary layoffs, or to employees who are absent.

ARTICLE 13 - VACATIONS

Section 1

All vacations must be approved in advance by a supervisor. The amount of vacation depends upon the employee's length of continuous service. Employees may take half-day or full-day vacations up to maximum accrual.

- A. On the first January 1st on which the employee is a non-probationary employee, the employee will be entitled to a prorated portion of two weeks' vacation based upon the Company's calculation regarding the amount of time which the employee has worked in the calendar year prior to January 1.
- B. On the second through the ninth January 1st on which an employee is working for the Company, the employee shall be entitled to two weeks of vacation with 80 hours pay.
- C. On the tenth through seventeenth January 1st on which an employee is working for the Company, the employee shall be entitled to three weeks of vacation with 120 hours pay.
- D. On the eighteenth January 1st and every January 1st thereafter on which an employee is working for the Company, the employee shall be entitled to four weeks of vacation with 160 hours
- E. A lead person will be paid his lead person's pay in addition to his base rate.
- F. Night shift employees will be paid their shift bonus in addition to their base rate.
- G. The above vacation earned schedule is for those employees hired on or after January 9, 2001. All others will continue to earn vacation as they have in the past i.e. their vacation earn date was established by their hire-in date.

Section 2

Continuous employment shall accumulate during a leave of absence not in excess of four (4) weeks, but shall not accumulate during any part of a leave of absence in excess of four (4) weeks, or during a layoff for lack of work, except that continuous employment for the purpose of calculating vacation pay shall accumulate during a leave of absence for non-occupational disability not in excess of thirteen (13) weeks,

but shall not accumulate during any part of a leave of absence in excess of thirteen (13) weeks. Occupational disability leave will not effect calculation of vacation pay or change anniversary date.

Section 3

All vacations must be taken before the expiration of twelve (12) months after date vacation is earned. However, up to five (5) vacation days may be carried over into the succeeding vacation year. Those vacation days carried over must be taken before the expiration of six (6) months after the new vacation year anniversary date.

Section 4

If a recognized holiday falls within a vacation period the employee shall add one (1) day off with pay to the end of his vacation.

Section 5

All vacations shall be taken at a time when they will not seriously interfere with scheduled operations, and so far as practicable, the Company will schedule all vacations for the period for which employees express a preference, those who have the most seniority being given the first consideration. A minimum of 10% of the employees by classification and department will be allowed to take a forty (40) hour vacation at one time and additional 15% of the employees by classification and department will be allowed to take one, two, three, or four days vacation at one time. Scheduling of the one to four day vacations shall not be by seniority but rather be a first come first serve basis.

Section 6

Vacation pay will not be allowed in lieu of an actual vacation, nor will accumulated vacation or vacation pay be allowed on a pro rata basis except that (a) accumulated vacation and vacation pay, on a daily pro rata basis including the last full day worked, will be allowed to employees with twelve (12) months or more continuous employment who are terminated for any reason and (b) accumulated vacation and vacation pay, on a daily pro rata basis including the last full day worked will be allowed to all employees other than probationary employees, as defined in Article 12 hereof, who leave the Company to and actually do serve in the armed forces of the United States, provided they furnish satisfactory proof of their military service within a period of forty (40) days after leaving the Company.

Section 7

Should an employee leave the Company for any reason whatsoever and be re-employed, vacation allowances shall start from the date of reemployment.

Section 8

If an employee with continuous service with the Company is laid off and later reinstated, he will be given credit for the time worked prior to his layoff toward the accumulated time necessary to earn a vacation.

Section 9

Employees will receive vacation paychecks on the last scheduled payday prior to going on full week vacations.

ARTICLE 14 - SAFETY COMMITTEE

Section 1

It is the desire of both parties to this Agreement to maintain high standards of safety and health in the plants of the Company in order to eliminate, as far as possible, industrial accidents and illness. The Union will appoint at least one safety committeewoman for each building and shift who will be a participating member of the ESAT committee. The Plant Chairman will be invited to the Executive Safety Council as a participant.

Section 2

The duty of the Safety Committee is to be aware of all applicable Federal, State, and Municipal safety and health regulations and make recommendations for the maintenance of proper standards and to discuss Health and Safety Hazard Reports and other specific safety or health problems or concerns relating to work areas.

Section 3

The ESAT committee members shall receive and investigate complaints within their designated building and shift regarding alleged unsafe and unhealthy working conditions. Proper and modern safety devices shall be provided for all employees working on potentially unsafe and hazardous work. Such devices will be furnished by the Company, and it shall be mandatory for employees to use same.

Section 4

The Company shall maintain on all full shifts an emergency first aid station and will provide access to emergency medical care.

Section 5

A. The Company will continue to furnish personal protective equipment in particular situations where it is now the practice to do so unless circumstances in such situations change, making the use of such personal protective equipment unnecessary.

B. Two pair of OSHA approved prescription safety glasses including eye examination shall be furnished by the Company for the three (3) year life of the contract. Extenuating circumstances will be considered. The glasses and exam will be provided by a vendor selected by the Company. This benefit will apply only to employees who are required by the Company to wear safety glasses on their job.

C. The Company will pay for one (1) pair of OSHA approved steel-toe safety shoes annually. The company will pay up to \$100 per year for OSHA approved steel toe safety shoes. All shoes must be purchased from a company approved vendor.

D. The Company is committed to a smoke-free work environment based on the evidence that tobacco smoke and second-hand smoke is detrimental to employee health.

Section 6

An employee serving as Union safety committeeman shall not at the same time serve as Shop Steward. It is intended that Union safety committeemen continue to work in the building where they are appointed to provide experience and continuity. However, for reasons of production, it may be necessary at times to transfer them to another building. The Company shall notify the Union in writing five (5) days prior to the transfer of a safety committeeman.

Section 7

The drug and alcohol-testing program dated January 6, 1992; reference Attachment #1, used by the Boeing Company is adopted and modified to be applicable to GKN's processes and facilities. A copy will be attached to this agreement as attachment (1).

ARTICLE 15 - WAIVER

The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any future enforcement or waiver of such breach or condition.

ARTICLE 16 - BULLETIN BOARDS

Section 1

The Union shall have the right to use designated bulletin boards on the Company property for the purpose of posting notices of Union meetings and other activities which are officially approved by the Union and the Company prior to posting. The Company will act promptly on such notices sent to the Labor Relations Department by the Union.

Section 2

No other notices or distribution of pamphlets, advertising matter or any kind of literature will be permitted in the plant or on Company property excepting matter the distribution of which is protected by Section 7 of the National Labor Relations Act as amended. Violators of this rule shall be subject to immediate disciplinary action up to and including discharge.

ARTICLE 17 - PAYROLL DEDUCTIONS

Section 1

Whenever an employee shall so request in writing, the Company will deduct from such employee's pay each month dues payable by such employee to the Union in a sum specified by the Union. The Union will promptly notify the Company of any changes in the rate of dues during the term of this Agreement. Each such request shall specify that the employee reserve the right to withdraw such request by notice in writing. Such request for deduction of Union dues shall be valid only for the duration of this Agreement. The agreed forms for use of employees in making a request for deduction, as well as form of notice of withdrawal, will be furnished by the Union.

Section 2

The Company will offer direct deposit to the credit union, banks, and other financial institutions.

Section 3

Upon receipt by the Company of a signed voluntary authorization by an employee on a form approved by the Company, requesting that there be deductions made from his wages, in a weekly amount designated by the employee, such deductions to be forwarded to the Union for use by the District 837 PAC and M.N.P.L. Committee, the company will thereafter make such deductions and forward them monthly to the District 837 PAC and M.N.P.L. Committee, care of the Union. Such authorization will remain in effect for the duration of this agreement, unless earlier canceled in writing by the employee.

Section 4

Upon receipt by the Company of a signed voluntary authorization by an employee on a form approved by the Company, requesting that there be deductions made from his wages, in a weekly amount designated by the employee, such deductions to be forwarded to the Union for use by the Guide Dogs of America

Committee, the company will thereafter make such deductions and forward them monthly to the Guide Dogs of America Committee, care of the Union. Such authorization will remain in effect for the duration of this agreement, unless earlier canceled in writing by the employee.

ARTICLE 18 - SABOTAGE

The Union agrees to report to the Company any acts of sabotage or damage to or taking of Company, Government, customer, or any other person's or employee's property, and the Union further agrees if any such acts occur, to use its best efforts in assisting to determine and apprehend the guilty person.

ARTICLE 19- UNION SECURITY

Section 1

As a condition of employment all employees subject to the provisions of this Contract shall become and remain members of the Union in good standing. Good standing shall consist only of the payment of dues and initiation fees.

The Company shall be required to terminate an employee for non-membership in the Union only if the Union certifies that membership in the Union was denied or terminated solely by reason of the employee's failure to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union.

Section 2

New employees shall, before the expiration of their probation period (Article 12, Section 4) make application for membership.

Section 3

The Union shall indemnify, defend and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken by the Company under Section 1 in reliance upon representation by the Union that an employee may be lawfully discharged under Section 1. Such requests for discharge shall be made by registered mail from the Directing Business Representative (or his designee) to the Director Human Resources (or his designee).

ARTICLE 20 - DISTRIBUTION OF AGREEMENT

The employer agrees to furnish a copy of this Agreement to all present employees, all newly employed persons and CBU leadership as required who come under the terms of this Agreement.

ARTICLE 21 - NO STRIKE CLAUSE

Section 1

During the term of this Agreement, and regardless of whether an unfair labor practice is alleged, there shall be no slowdowns, picketing, boycotts, cessation of work, strikes, sympathy strikes, interference with the business of the Company or other disruptive activities by employees or the Union, and no lockouts by the Company.

Section 2

The Union will not directly or indirectly authorize, encourage or approve any refusal on the part of employees to proceed to the location of normal work assignment where no rare or unusual physical hazard is involved in proceeding to such location.

Section 3

The above prohibition on strikes shall not be binding on the Union sixty (60) days after notice has been served on the Company pursuant to Section 8(d) of the National Labor Relations Act as amended when no agreement for a new contract has been reached.

ARTICLE 22 - FUNERAL LEAVE

Funeral leave will be granted per the schedule below:

Relationship to Employee:	Paid Bereavement Days
Spouse, Child, Stepchild	5 Days
Parent, Stepparent, Documented Legal Guardian	4 Days
Brother, Sister, Stepbrother, Stepsister, Half-Brother, Half-Sister, Father-In-Law, Mother-In-Law, Son-In-Law, Daughter-In-Law, Brother-In-Law, Sister-In-Law, Grandparent, Great Grandparent, Grandchild,	3 Days

Such pay shall be 8 hours working rate including shift differential. Funeral leave pay may be allowed from the day of death up to 10 calendar days after the funeral or the memorial service not to exceed the schedule above, provided that the employee attends the funeral or memorial service, but no funeral leave pay shall be allowed for any funeral leave day for which holiday, vacation, sick leave, weekly disability or similar payment is paid. All days taken after the date of the funeral or memorial service must be taken consecutively. Written proof satisfactory to the company (such as a death notice confirmation from a corner, undertaker, doctor or hospital) must be submitted by the employee to his Team Leader or designee no later than five (5) working days after return to work.

ARTICLE 23 - JURY/WITNESS DUTY

Section 1

When an employee is required to and actually does serve on jury duty on a regularly scheduled working day, he shall receive eight (8) hours pay at his base rate (plus shift bonus and leadman’s pay if applicable). Employees shall receive holiday pay if a holiday occurs while on jury duty. Such payments shall be limited to thirty (30) days in any one calendar year. Proof of such services satisfactory to the Company must be given before this section shall apply.

Section 2

When an employee is subpoenaed as a witness in a Federal court, or state court of law in the state in which he is working or residing, he shall receive eight (8) hours pay at his base rate (plus shift bonus and

leadman's pay, if applicable). Such payment shall be limited to thirty (30) days in any calendar year. Proof of such services satisfactory to the Company must be given before this Section applies. However, an employee will not receive wages under the above provisions if he is called as a witness against the Company, or its interests; or is called as a witness on his own behalf in an action in which he is a party; or he voluntarily seeks to testify as a witness; or is a witness in a case arising from or limited to his outside employment or outside business activities.

Section 3

Time spent on jury/witness duties is not to be counted as absenteeism for purposes of disciplinary action or adjusting vacation or sick leave anniversary dates.

ARTICLE 24 - SICK LEAVE

Section 1

All employees who complete one (1) year of continuous employment will be granted during the following year, one (1) day of sick leave; after the completion of two (2) years of continuous employment, three (3) days during the following year; after the completion of three (3) years of continuous employment, six (6) days during the following year, subject to Sections 2 through 9.

Section 2

Any employee who is absent due to leave of absence or termination on his annual earn date for the purpose of sick leave will not be eligible to receive his following year's sick leave, until he returns to work. Otherwise, all employees will be eligible on their annual earn date for their following years' sick leave. For the purposes of this Section only, the term "annual earned date" shall be considered to mean the employee's employment anniversary date (as adjusted in accordance with Sections 3 through 8) and not the Monday following such date.

Section 3

Sick leave pay shall be calculated at the employee's working rate at the time the leave is taken. At the end of the second year and at the end of each year thereafter, any unused part of the sick leave allowed each year will be paid to each employee at his working rate he is then earning. Sick leave will be taken and paid only in units of two (2), four (4) or eight (8) hours. For sick leaves less than eight (8) hours, the employee must notify the Team Leader 24 hours in advance, extenuating circumstances will be considered. For hours of less than eight (8) the leave must coincide with the beginning or end of the shift. An employee must notify the company (by contacting the absent reporting line) by their first break of their regular scheduled shift to take a sick day, extenuating circumstances will be considered. An employee who takes a disability leave of absence will not receive any sick leave pay for which he is eligible for any of the days in question unless he makes a written request to Human Resources Department.

Metals	314-264-GKNM (4566)
Composites	314-264-GKNC (4562)
Maintenance	314-264-GKNF (4563)

Section 4

Sick leave days are considered to be only those days falling within the employee's regular schedule of hours.

Section 5

Continuous employment for sick leave eligibility shall accumulate during a leave of absence, other than a personal leave, not in excess of four (4) weeks, but shall not accumulate during any part of a leave of absence in excess of four (4) weeks, or during a layoff for lack of work, except that continuous employment for the purpose of calculating sick leave eligibility shall accumulate during a leave of absence for non-occupational disability not in excess of thirteen (13) weeks, but shall not accumulate during any part of a leave of absence in excess of thirteen (13) weeks. Occupational disability leave will not affect calculation of sick leave eligibility.

Section 6

If an employee with continuous service with the Company is laid off or enters military service and is later reinstated, he will be given credit for the time worked prior to his layoff, or military leave, for purposes of computing future sick leave eligibility.

Section 7

Any employee who is terminated for any reason will be granted sick leave pay on a daily pro rata basis including the last full day worked, which he has earned but not used, except that the entire unused portion of sick leave which was earned on his last anniversary date will be granted as sick leave pay to an employee who is retired or laid off for lack of work. An employee, who is granted sick leave pay earned on his last anniversary date, may upon his return from layoff status, request amount granted as time off without pay.

Section 8

Should an employee leave the Company for any reason whatsoever and be reemployed, continuous employment for the purpose of computing sick leave shall start from the date of reemployment.

Section 9

Days of sick leave, as defined in Section 1 of this Article, shall not be considered as absenteeism for purposes of disciplinary action or adjusting vacation or sick leave anniversary dates.

ARTICLE 25 – OVERTIME

It is the desire of the Company to distribute overtime as equally as practicable in light of the work to be performed by shift, department, and classification. Both the Union and the Company recognize that the individuals who perform the work must be qualified for and familiar with the specific work. Every effort will be made to adjust any unequal distribution of overtime to sixty (60) hours between the maximum and minimum hours of overtime within the shift, department, and job classification which may have occurred in any calendar quarter during the next succeeding calendar quarter. The Supervisors and Stewards shall review the overtime records on a monthly basis to see that the above policy is being followed. The Company will strive to meet its overtime requirements on a voluntary basis when practical. In reviewing the distribution of overtime:

A. All hours worked or refused involving overtime shall be charged. Except as provided elsewhere in these guidelines.

B. All time to be charged to the nearest 1/10 of an hour.

- C. A probationary employee may not work overtime unless his entire shift and department is scheduled to work that day.
- D. Refusal of overtime during a funeral leave, vacation, jury duty or short-term military reserve training shall not be charged.
- E. When an employee is transferred into another department or to another shift, he will be charged with the average number of hours worked by the appropriate workers of the new department. If a transferred employee returns to his original department and shift within 30 days, he will be charged with the actual number of hours he had there if that number is higher than the average of that department and shift.
- F. On a weekly basis, each Steward shall be given a list of the employees within his certification who have worked overtime or been charge for overtime during the preceding week.
- G. An employee who is absent on a leave longer than thirty (30) days will, upon returning to his department and shift, be charged with the average number of hours worked by others in his classification if his actual hours worked are lower than that average.
- H. If an employee is offered overtime work in a department other than his own, he is to be charged with those hours (whether he works or declines) on the record of his own department.
- I. Company will strive to ask employees for weekend overtime by end of shift on Thursdays. From time to time, extenuating circumstances may prevent the Company from asking for overtime on Thursdays. The overtime list will be posted before the first break on Fridays. Once a month, if needed, the Plant Chairman will meet with the Business Unit Director to discuss overtime distribution. If moving forward, the balance of hours spread is not satisfactory to the Union, the Directing Business Representative and the Director of Human Resources will meet and make a sincere effort to resolve said issue.
- J. When business events necessitate an extended workweek, affected personnel within the department(s) will be notified in writing at least three (3) days prior to the extension. Overtime shall not be recorded on the overtime distribution record during the extended workweek(s). Employees with scheduled full week vacations will not be required to work the Saturday or Sunday immediately prior to, during or following the scheduled week(s).
- K. Employees who accept weekend overtime and are subsequently absent on the Friday before must contact their supervisor within the first four (4) hours of the employee's normal Friday to confirm their overtime for that weekend.
- L. Employees who accept weekend overtime and are absent on the Friday before and do not contact their supervisor within the above time frame will be considered by management to have cancelled their overtime and will be replaced for that weekend.
- M. Employees who are absent on Friday and confirm their overtime with their supervisor will be contacted by supervision if their weekend overtime is subsequently cancelled. It is the responsibility of the supervisor (in the presence of a Shop Steward) to notify the employee or make a reasonable effort to notify the employee that the overtime has been cancelled. If a reasonable effort to contact the employee is made, management will have no obligation for any overtime pay for that weekend.

N. All employees maintain the right to cancel all future overtime by the end of the shift preceding the O/T. All efforts should be made by the employee to inform their supervisor by the end of their second break. Extenuating circumstances for same day O/T cancellations will be considered by the Company.

O. If the distribution of overtime exceeds sixty (60) hours between the maximum and minimum, the Shop Steward shall document it utilizing the overtime out of balance form. A copy of this form will be given to the supervisor of the area and Labor Relations. The company will correct the out of tolerance condition within the next quarter. If the corrections are not made by the end of that quarter, in order to facilitate the correction, all employees outside the 60 hours will be the next to be offered available overtime in their department.

P. Overtime hours accumulated by each employee during the life of the previous agreement will not be reduced to zero. Only the employee with the lowest overtime hours within each shift, department, and job classification will be reduced to zero and each other employee within the same shift, department, and job classification, will be reduced by a like amount.

ARTICLE 26 - MILITARY RESERVE, SERVICE PAY

Employees who are in the United States Armed Forces Reserve or National Guard, and required to participate in active duty, are eligible for pay and benefits as defined below. In addition to items identified below, the Company will comply with all other provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

1. Employees shall receive the difference between their normal pay and their military duty pay, providing the military duty pay is less than their current normal pay, up to a maximum of ninety calendar days. The requirement of ninety calendar days will be re-evaluated prior to the ninety day expiration of the first employee to serve on active duty.

In order to receive pay under this policy, the employee must be a regular full time employee, provide prior notice of the leave requirement, and provide Human Resources with the statement of the military pay received for performing such duty. The process is as follows:

- a. Employee must present official military compensation documentation to Human Resource Dept. This can be done on a monthly basis or completed once returning to work.
- b. Generally military pay is less than an employee's normal company pay. Therefore, the difference will be calculated and if the employee's monthly GKN gross salary is greater than the employee's gross military compensation, the employee will be compensated that amount.
- c. Any required contributions that are normally a payroll deduction will be billed to the employee's home address and must be paid in order for coverage to continue. The employee is responsible for payment of all required health care premiums. The GKN Aerospace Benefits Service Center will coordinate payment by mailing a monthly statement to the employee's home address. Military insurance will become the primary insurer. Disability plans, AD&D coverage and Business travel coverage will be suspended immediately during a military leave. Life insurance for the reservist/employee may not be effective due to an official act of war.

- d. After the first (6) months, health care coverage may continue under a self-pay arrangement that conforms to federal COBRA regulations. In this instance, COBRA information and details on converting life insurance to a private plan will be sent from the GKN Aerospace Benefits Service Center.

2. Employees who are in the United States Armed Forces Reserve or National Guard, and participate in annual active reservist duty (2 weeks), are eligible for pay as defined below.

- a. Normal pay will discontinue while the employee is on Military Reserve leave.
- b. Employees shall receive the difference between their normal pay and their military duty pay, providing the military duty pay is less, up to a maximum of ten (10) days per year.
- c. In order to receive pay under this policy, the employee must be a regular full time employee, provide prior notice of the leave requirement, and upon their return to work, provide Human Resources with the statement of the military pay received for performing such duty.
- d. Upon meeting all requirements stated above the Company will provide pay as described in C. above.
- e. Any required contributions that normally are a payroll deduction will be billed and sent to the employee's home address and must be paid for coverage to continue.

ARTICLE 27 - GROUP INSURANCE, SAVINGS, AND RETIREMENT INCOME PLANS

Section 1

The parties have agreed that the Company will continue in effect group insurance, retirement, and savings plan benefits. The Company will advise the Union of any change in the companies which currently administer these plan benefits.

Section 2

The benefits of the foregoing plans will be subject to the provisions of this Agreement except that they will not be subject to the grievance procedure and the arbitration procedure provided in this Agreement.

Section 3

Company health benefits should not duplicate the benefits of public health insurance programs. If any applicable legislation is enacted, the Company may implement changes in company health benefits to effect cost reductions necessary to bring its liability for costs of Company health benefits plus any tax or premium contribution required from the Company by such legislation (or regulations thereunder) to the level in effect.

ARTICLE 28 – SUBCONTRACTING

OFFSET AND SUBCONTRACTING ARRANGEMENTS

Section 1

The Company and Union agree that an increasingly productive workforce is critical to the continued success of the enterprise and that domestic and international sales represent opportunities for employment growth and stability. The parties also recognize that a variety of business factors, including the Company's ability to secure sales, may require offsets as part of such transactions. While the parties acknowledge agreeing that the Company has the right to enter into offset arrangements, the parties agree that the Company and the Union will meet periodically to discuss the status of offset arrangements.

Given these conditions, and in acknowledgment of Company and Union concerns regarding employment stability, the parties agree to meet periodically to discuss the impact of subcontracting on bargaining unit jobs.

With respect to the subcontracting of work currently performed by bargaining unit employees, the parties recognize that from time to time such subcontracting may be necessary. To enable the Union to suggest competitive alternatives which might allow the retention of work within the bargaining unit, the Company will, at least sixty (60) days prior to signing any agreement to subcontract work currently being performed by bargaining unit employees, provide notice to the Union of its plans to subcontract work which would directly result in the displacement of bargaining unit positions. The Company will provide information related to the potential subcontracting other than information it considers to be confidential, proprietary or subject to nondisclosure provisions.

The parties recognize that some subcontracting decisions cannot be disclosed within the sixty (60) day period referred to above, due to confidentiality concerns. In such circumstances, the Company will provide the Union as much notice as practicable.

Following notice of specific plans to subcontract work currently performed by bargaining unit employees, the parties shall, upon the request of the Union, meet and discuss the impact on the bargaining unit. The Company agrees to consider any proposal the Union might make which would result in a materially less costly way to retain such work in the bargaining unit. The Union must present any such proposals within 30 calendar days of receipt of the Company's plans. The parties will meet periodically to review the implementation of any such union proposals accepted by the Company. Should the Union's projected savings not be realized within any ninety (90) day review period during implementation, the Company will have the right to subcontract the work.

Section 2

Employment Stability Income Continuation Plan: In the event the Company subcontracts work resulting in the termination of employment of active bargaining unit members, affected eligible employees shall receive severance payments equal to one week's pay (which shall be defined as Base Rate plus COLA) for each complete year of Company service up to a maximum of 26 weeks, with medical benefits for an equal amount of time.

ARTICLE 29 - TOTAL AGREEMENT

Section 1

These Articles of Agreement, together with the Job Descriptions referred to in Article 5, Section 8, and the Letter of Understanding listed in Section 3 below, constitute the total agreement between the two parties. All other agreements and understandings between the Company and Union are rescinded. Furthermore, the parties agree, any amendments, changes, or qualified exceptions shall be by an instrument in writing and duly signed by the parties hereto.

Section 2

If any provision or the enforcement of performance of any provision of this Agreement is or shall at any time be contrary to law, then such provision shall not be applicable or enforced or performed, except to the extent permitted by law. If, at any time thereafter, such provision or its enforcement or performance shall no longer conflict with the law, then it shall be deemed restored in full force and effect. If any provision of this Agreement, or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Section 3

Letter's of Understanding

- A. Boeing Labor Dispute Effects
- B. Pensions (Historical)
- C. GKN Hiring of Boeing Employees (Historical)
- D. Group Insurance Plan Effects for People Leaving the Company for Full Time Positions with the Union
- E. Pre-tax Savings Plan (Historical)
- F. Health Care (Historical)
- G. Letter on Early Retirement Window dated July 17, 2003
- H. Letter on Early Retirement Window dated September 27, 2004
- I. Letter on COLA Peg Point (Historical)
- J. Clarification of LOU C (letter dated November 20, 2003) (Historical)
- K. EEO Joint Committee
- L. New Work Assignment

LETTER OF UNDERSTANDING A BOEING LABOR DISPUTE EFFECTS

To: GKN

Recognizing the unique relationship of the GKN facility within the BOEING St. Louis operation, the IAM commits that any labor dispute involving any union and BOEING at the St. Louis operation will have no effect on the GKN facility pursuant to Article 21, as long as GKN provides a separate, secure entrance from those used by BOEING employees.

LETTER OF UNDERSTANDING B

For historical purposes only

PENSIONS

The Parties agree that for the term of the Agreement, and unless GKN chooses to participate in the IAM National Pension Plan as described below, IAM-represented employees of GKN at the ST. Louis fab ops facility will continue to receive the same pension benefits they currently receive under The BOEING retirement plan (MDC Hourly East pension plan), adjusted for any improvements negotiated between the IAM and BOEING in 2001

In the event that the IAM National Pension Plan proposal of August 28, 2000, with a five year contribution hiatus at \$1 per hour, is guaranteed with the same asset funding BOEING would have moved to GKN, then the Parties agree to fully evaluate the prospect of IAM-represented employees of GKN moving into the IAM National Pension Plan. If additional years of contribution hiatus are possible at the end of the five year period given the asset funding level of this pool of money, then the funding hiatus may be continued at the discretion of the plan trustees.

LETTER OF UNDERSTANDING C

FOR HISTORICAL PURPOSES ONLY

GKN HIRING OF BOEING EMPLOYEES

Contingent upon successful purchase of BOEING St. Louis Fabrication Operations, GKN intends to hire a significant number of employees who currently work in such operations. Any such employee whom GKN hires for the St. Louis Fabrication Operations will be credited his or her seniority, including for purposes of determining benefit eligibility.

Although it is not obligated to do so, GKN may also choose to hire some employees formerly employed by BOEING who have been laid off, and remain on BOEING's recall list. If GKN hires any such employee at a time he or she is still on such list prior to closing, in accordance with BOEING's regular schedule, GKN agrees that GKN will credit such employee with his or her seniority, including for purposes of determining benefit eligibility. In addition, any such employee hired off the recall list will be entitled to retiree medical benefits on the same basis as those hired who are currently working in St. Louis Fab Ops.

LETTER OF UNDERSTANDING D

GROUP INSURANCE PLAN EFFECTS FOR PEOPLE LEAVING THE COMPANY FOR FULL TIME POSITIONS WITH THE UNION

This is to confirm the understanding reached during our recent discussions regarding coverage under our Group Insurance Plan for persons who leave the employ of the Company for full time positions with District 837.

We agreed that, effective the first Monday after the signing of the contract:

Life Insurance, Accidental Death & Dismemberment, Transition and Bridge benefits will be provided at Company expense until the end of the first full month following termination of Company employment. Thereafter, the Union will compensate the Company for the cost of such benefits, until such time as the person leaves his full time position with District 837.

Weekly Disability benefits (Sickness & Accident) will be provided for the duration of his employment with District 837, with the Union to compensate the Company for the cost of such benefits.

Health Care and Dental Care benefits will be provided at Company expense for the duration of his employment with District 837.

The above benefits will be available only to persons who leave the employ of the Company for full time positions with District 837 as President, Business Representative, Financial Secretary-Treasurer or other full time staff members. No more than 11 persons will be eligible for such benefits at any given time.

The Company will advise the Union as to the dates and amounts of contributions required from the Union for the benefits described above.

**LETTER OF UNDERSTANDING E
FOR HISTORICAL PURPOSES ONLY
PRE-TAX SAVINGS PLAN**

The Company will provide a pre-tax Savings Plan that continues the same level of employer match and employee contribution limits in force at Boeing. In addition to savings plan options made available through Cigna, the IAM Shares fund managed by State Street Global Advisors (SIAMX) will be included as a savings plan option, subject to the review and approval of the Plan's Trustees.

**LETTER OF UNDERSTANDING F
FOR HISTORICAL PURPOSES ONLY
HEALTH CARE**

Health care Letter of Understanding between GKN and the Union.

GKN and the Union are committed to ensuring that employees have access to cost effective, quality health care coverage. Because of their ongoing concern about the quality of health care and costs, the

parties agree to a Joint Committee on health care costs and quality. The committee will have an equal number of representatives, including a co-chair from each party. When appropriate, health care experts and representatives from GKN's health plans will be invited to attend committee meetings. Each party may have their benefits consultants and advisors attend committee meetings. The committee will meet at least twice each year to discuss issues related to the health care program. The committee also will meet with health care providers to express the parties' interest in obtaining quality health care at affordable prices. Among the topics that the parties will consider and discuss are:

- Costs under the HMO, POS and out of network area plans available to IAM members.
- Overall plan design.
- Cost management programs to address specific costs areas, including: disease management of selected high-cost chronic diseases, targeted health risk assessment and catastrophic case management.
- Measurement tools for evaluating health plans, including accreditation from a nationally recognized group such as National Committee for Quality Assurance (NCQA) or the Foundation for Accountability (FACCT).
- Benchmark data from other employers.
- Opportunities to work with other employers, unions or other parties interested in obtaining quality health care at affordable prices.

GKN and the Union also will undertake initiatives to expand health care plan accountability for quality. Among these initiatives will be:

- Provider performance reporting (quality scorecards) of standardized quality measures drawn from NCQA, Joint Commission on Accreditation of Healthcare Organization (JCAHO) and Peer Review Organizations (PRO).
- Provider programs focused on specific high-yield quality innovations shown to substantially improve patient safety.
- Computerized physician order entry. Physicians will be required to enter prescriptions into a hospital database to screen for inappropriate medications and dosages and avoid potential adverse drug reactions/interactions.
- Evidence-based hospital referral. Physicians will be required, where practical, to guide patients to facilities with superior outcomes (linked significantly to lower patient mortality).
- Closed ICU physician staffing. Where available, only ICU physicians will provide medical care in these units using their particular expertise in critical care.

GKN and the Union are committed through these and other initiatives to improve quality and maintain reasonable costs, and they will recognize and endorse contracting decisions with physicians, hospitals and health plans based on compliance with these joint initiatives.

In furtherance of these objectives, the Parties agree that the weekly employee contributions set forth in the attached summaries will be in place for the five-year period beginning 2001 through 2005. However, effective January 1, 2003, if medical inflation adjusted costs go down, employee contributions will be reduced a proportional amount. GKN will continue to offer dental and vision coverage at no cost to the employee.

LETTER OF UNDERSTANDING K
EEO JOINT COMMITTEE

This is a joint commitment by the Company and the Union to cooperate and resolve EEO complaints and promote harmonious relations among employees at GKN.

1. The Company commits to involve the Union, where appropriate, in assisting its investigation of EEO complaints of discrimination and harassment within the bargaining unit.
2. The Union commits to work together with the Company to resolve any EEO complaints.
3. The Union recognizes that every effort will be made to conduct a fair and impartial investigation, the notes and results of all such investigations will be confidential, and discipline will be the responsibility of the Company.
4. The parties recognize that this Letter Of Understanding is not covered by the grievance and arbitration provisions of the Collective Bargaining Agreement.
5. The Union will designate one of its Business Representatives as a specialist to work with the Company in the resolution of EEO complaints.
6. It is our hope that this new approach to this vital aspect of employee relations will help all employees realize our mutual objective of equal opportunity and fairness for all.

LETTER OF UNDERSTANDING L NEW WORK ASSIGNMENT

The parties agree to establish a joint “New Work Committee” between GKN Aerospace and District 837 to discuss classification assignments, cost savings, process improvements and safety of all new work introduced to the shop floor in accordance with the contract. The parties agree that the Company and Union will have a like number of representatives on this committee. The committee will be formed and meet within sixty (60) days after the contract is ratified.

Health and welfare benefits become effective April 1, 2006. This includes retirees and dependent eligibility.

Health Care Contribution Schedule:

The company accepts the union proposal (E14) at the contribution levels below (10% [2006], 11%, [2007] and 12% [2008]):

	MONTHLY			WEEKLY		
	2006 EPO, Dental & Vision	2006 PPO, Dental & Vision	2006 PPO Sav., Dental & Vision	2006 EPO, Dental & Vision	2006 PPO, Dental & Vision	2006 PPO Sav., Dental & Vision
	2006 Monthly Max Contribution 10%			2006 Weekly Max Contribution 10%		
Employee Only	\$37.12	\$37.23	\$32.56	\$8.57	\$8.59	\$7.51
Employee & Spouse	\$77.64	\$77.86	\$68.05	\$17.92	\$17.97	\$15.70
Employee & Child(ren)	\$70.36	\$70.56	\$61.69	\$16.24	\$16.28	\$14.24
Employee & Family	\$114.77	\$115.11	\$100.63	\$26.49	\$26.56	\$23.22
	2007 Monthly Max Contribution 11%			2007 Weekly Max Contribution 11%		
Employee Only	\$44.92	\$44.64	\$39.04	\$10.37	\$10.30	\$9.01
Employee & Spouse	\$93.94	\$93.36	\$81.60	\$21.68	\$21.54	\$18.83
Employee & Child(ren)	\$85.13	\$84.60	\$73.96	\$19.65	\$19.52	\$17.07
Employee & Family	\$138.87	\$138.01	\$120.65	\$32.05	\$31.85	\$27.84
	2008 Monthly Max Contribution 12%			2008 Weekly Max Contribution 12%		
Employee Only	\$53.90	\$53.08	\$46.42	\$12.44	\$12.25	\$10.71
Employee & Spouse	\$112.73	\$111.01	\$97.02	\$26.01	\$25.62	\$22.39
Employee & Child(ren)	\$102.16	\$100.60	\$87.95	\$23.58	\$23.22	\$20.30
Employee & Family	\$166.65	\$164.11	\$143.46	\$38.46	\$37.87	\$33.11

GKN Health Care plans

MEDICAL PLAN (S)	UNION EPO	United Healthcare PPO Health	Healthcare PPO Savings
Annual Deductible			
➤ Individual	Not applicable	\$250 in network \$500 out of network	\$1000
➤ Family	Not applicable	\$500 in network \$1000 out of network	\$2000
Coinsurance		90% in network 70% out of network	80% in network 60% out of network
Annual Out-of-Pocket Maximum			
➤ Individual	\$1,000 in network	\$2,000 in network \$4,000 out of network	\$3,000 in network \$3,000 out of network
➤ Family	\$1,000 in network	\$4,000 in network \$8,000 out of network	\$6,000 in network \$6,000 out of network
Lifetime Maximum	\$1.5 million	\$2 million	\$2 million
Office Visits	\$10	\$15 non-specialist in network \$25 specialist in network 70% out of network	80% in network 60% out of network
Emergency Room	\$50 Waived if admitted	\$100 90% in network 70% out of network	80% in network 60% out of network
Preventive Care (routine physical)	\$10 copay subject to age, sex and health history criteria	\$15 in network \$25 specialist in network No coverage out of network	100% up to individual \$200, family \$400. Expenses over are covered 80%
Hospitalization	\$100 hospital co-payment per confinement	Deductible 90% in network 70% out of network	Deductible 90% in network 70% out of network
Prescription Drugs (Retail)			

➤ Generic	\$5	\$10	80% in network 60% out of network
➤ Formulary	\$15	\$25	
➤ Non-Formulary Brand	\$20	\$50	
Prescription Drugs (Mail-order) 90 Day Supply			
➤ Generic	\$5	\$20	80% in network 60% out of network
➤ Formulary	\$15	\$50	
➤ Non-Formulary Brand	\$20	\$100	

DENTAL PLAN	
Carrier	Union United Concordia
Annual Deductible	
➤ Individual	\$25 per person
➤ Family	\$75 maximum
Coinsurance	
Type I – Preventive	100%
Type II – Basic	80%
Type III – Major	50%
Type IV – Orthodontia	50%
Maximum Benefits	\$1,500
Orthodontia (child under 19 only)	50% up to \$2000
VISION CARE	
Examination Frequency	Annual
• Examination	\$15
• Lenses	\$10 Annual
• Frames	\$10 Every 2 years

BASIC LIFE/AD&D BENEFIT	GKN Plan
Company Paid	1 times salary

EMPLOYEE OPTIONAL LIFE	
Age	Up to 5 times salary
DEPENDANT LIFE	
Spouse	Up to \$100,000
Child	Up to \$20,000
SHORT TERM DISABILITY	
Weekly benefits	\$410 per week (increasing \$10/week each year.)

Defined Benefit	Retirement Multiplier \$55 per month times years of service. Monthly amount ERS/LISA is \$550
401(k) Plan	
Company match	50% up to \$20/wk
Discretionary contribution	Annual based upon performance
Limit on Contributions	50% up to \$14,000
Catch-up contributions	\$3,000
Vesting of Company Match	3 years
Loans Permitted	One
Investment Choices	International Blend Boston Co. Boeing Stock - no new contributions in Small Cap Growth Timesquare Guaranteed Income Fund Janus Advisor Balanced Fund Large Cap Value - John Levin Lifetime 20, 30, 40, 50, 60 Mid Cap Growth Artisan Partners Mid Cap Value Wellington Mgmt Large Cap Growth Goldman Sachs Dryden S & P 500 Index Fund State Street Global Advisors Interim Bond State Street Global Advisors Russell 3000 Cohen & Steers Realty Inc. Franklin Balanced Sheet Waddell & Reed Advisors Templeton Growth
Employee Assistance Program	Yes
Debit Card For Flexible Spending Account	Yes

Those eligible for retirement medical benefits shall participate in one of the PPO options with the prescription drug benefit schedule below. Those eligible for retirement medical benefits will pay 30% of the monthly premium.

- **Generic** **\$10**
- **Formulary** **\$20**
- **Non Formulary** **\$35**
- **Mail order = Three months for the price of two.**

Schedule A			2006	2007	2008
		Wage Increase:	3.0%	2.0%	2.0%
		From Minimum:			
<u>Code</u>	<u>Classification</u>		<u>2006</u>	<u>2007</u>	<u>2008</u>
1	Bonding Mechanic	\$ 14.00	\$ 26.44	\$ 26.97	\$ 27.51
2	Machinist	\$ 14.00	\$ 26.94	\$ 27.48	\$ 28.03
3	Machine Repair Mechanic	\$ 15.00	\$ 27.10	\$ 27.64	\$ 28.19
4	Process Operator	\$ 11.00	\$ 25.15	\$ 25.66	\$ 26.17
5	Spray Painter	\$ 11.00	\$ 25.55	\$ 26.07	\$ 26.59
6	Pipefitter	\$ 15.00	\$ 26.86	\$ 27.40	\$ 27.95
7	Metal Fabricator	\$ 14.00	\$ 26.55	\$ 27.08	\$ 27.63

Factory Job Descriptions

**GKN
St. Louis, Missouri**

And

**District Lodge No. 837
International Association of
Machinists and Aerospace Workers, AFL-CIO**

Job Description

Title: Bonding Mechanic

Job Code: 1

General Statement:

Responsible for fabrication, assembly, painting, rework and repair of composite products. Includes, but not limited to, operation of machines, fabrication of temporary tooling, tooling maintenance and first level maintenance related to composite products. Responsible for safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job including but not limited to the following:

1. -Layup and bond various material.
2. -Assemble composite components and sub-assemblies.
3. -Operate all machines, processes (including chemical processes) and related procedures.
4. -Fabricate shop aids, required tooling, test specimens and developmental parts.
5. -Assure product quality including first article inspection.
6. -As directed, assist any employee in any job classification in the performance of their duties.
7. -Perform any other activity including movement, packaging, protection and crating of material, product, equipment, supplies, other manufacturing related items, and operation of material handling equipment. Responsible for the storage and retrieval of production tooling.
8. -When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform shop work.

Education and Training:

Must have knowledge of shop mathematics, production methods, shop practices and working quality of composite materials and machine operation. Work from information such as drawings shop sketches, sample parts, specifications and engineering instructions.

Experience Required:

Four to five years experience in this or comparable classification.

Job Description

Title: Machinist

Job Code: 2

General Statement:

Responsible for the machining, finish, inspection and sub-assembly of components. Sets up and operates machine tools, hand and power tools, and gages and measuring instruments. Responsible for delivery of finished product to the next operation. Responsible first-level maintenance, tool maintenance and repair. Responsible for maintaining a safe work area, safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job functions including but not limited to the following:

1. Layout, setup and operation of all machine tools, including the operation of multiple machines, and other related equipment.

2. Finish, repair and rework parts.
3. Fabricate, rework and repair tools, parts and assemblies.
4. Assure product quality including first article inspection.
5. As directed, assist any employee in any job classification in the performance of their duties.
6. Perform any other activity as directed, including movement, packaging, protection and crating of material, product and any manufacturing related items and operation of material handling equipment. Responsible for the storage and retrieval of production tooling.
7. When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform shop work.

Education and Training:

Must have knowledge of shop mathematics, machine speeds and feeds, cutting qualities of materials, production methods and shop practice. Work from information such as drawings, sketches, charts, handbook formulas and verbal instructions.

Experience Required:

Four to five years experience in this or comparable classification.

Job Description

Title: Machine Repair Mechanic **Job Code:** 3

General Statement:

Responsible for the mechanical repair and mechanical maintenance of machinery and equipment. Responsible for maintaining a safe work area, safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job functions including but not limited to the following:

1. Maintain, modify, install, rebuild diagnose and repair mechanical machinery and equipment.
2. Develop and maintain procedures for mechanical maintenance activity.

3. Prioritize and schedule mechanical maintenance activities.
4. Assure that plant and equipment meet production quality expectations including the Boiler house.
5. As directed, assist any employee in any job classification in the performance of their maintenance duties.
6. Perform any other activity, as directed, required for maintenance. This shall include movement, packaging, protection and crating of material, product and any manufacturing related items and operation of material handling equipment as required to successfully complete their mechanical maintenance tasks.
7. When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform maintenance work.

Education and Training:

Must have knowledge of shop mathematics, applied mechanics, industrial machinery, plant and equipment. Must be able to use personal computer and electronic diagnostic equipment. Work from handbook formulas, drawings, sketches and diagrams.

Experience Required:

Two years experience in this or comparable classification.

Supplement of Understanding

During the 2006 I.A.M.A.W. contract negotiations, the following understandings pertaining to job descriptions as between Pipefitter and Machine Repair Mechanic were reached and agreed to as follows:

1. Pipefitter will install the pipe between the component part of the machine that sits over 15 feet (i.e., 15' 1") from the machine, as measured from the machine housing to the closest part of the component housing.
2. Machine Repair Mechanic will install and maintain the pipe between the machine and the component part of the machine if the distance as measured from the machine housing to the closest part of the component housing measures 15 feet or under.
3. Machine repair will install and maintain all piping between a machine or a component part of a machine and the first shut off valve or union closest to the machine or component of a machine.

Job Description

Title: Process Operator **Job Code:** 4

General Statement:

Responsible for plating and chemical treating of all machined and sheet metal parts. Responsible first-level maintenance, maintaining a safe work area and safe work practices.

Duties:

Performs all functions necessary to:

1. Setup, load, operate and maintain chemical and plating equipment and plating process tanks.
2. Measure and check parts for completion.
3. Use hand and power tools and measuring equipment to complete parts and processes.
4. Assure product quality including first article inspection.
5. As directed, assist any employee in any job classification in the performance of their duties.

6. Performs any other activity including movement, packaging, protection and crating of material, product, equipment, supplies, other manufacturing related items, and operation of material handling equipment. Responsible for the storage and retrieval of production tooling.
7. -When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform shop work.

Education and Training:

Must have knowledge of shop mathematics, chemical milling processes and shop practice. Work from information such as drawings, specifications, templates, complete knowledge of government and process specifications covering cleaning and anodizing process. Read indicating and recording instruments.

Experience Required:

1 to 2 years experience in this or comparable classification.

Job Description

Title: Spray Painter **Job Code:** 5

General Statement:

Responsible for mixing and application of sealers, paint, fillers and coatings to components and assembled products. Responsible for first-level maintenance and repair of related equipment. Responsible for maintaining a safe work area, safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job functions including but not limited to the following:

1. Apply various coatings and finishes.
2. Assure product quality including first article inspection.
3. As directed, assist any employee in any job classification in the performance of their duties.

4. Perform any other activity as directed, including movement, packaging, protection and crating of material, product and any manufacturing related items and operation of material handling equipment. Responsible for the storage and retrieval of production tooling.
5. When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform shop work.

Education and Training:

Must have a knowledge of shop mathematics and shop practice. Work from information such as drawings, sketches, work orders, instructions, and specifications.

Experience Required:

One to two years experience in this or comparable classification.

Job Description

Title: Pipefitter **Job Code:** 6

General Statement:

Responsible for the repair and maintenance of chemical and industrial process piping and equipment. Responsible for maintaining a safe work area, safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job functions including but not limited to the following:

1. Maintain, modify, install, rebuild, diagnose and repair chemical and industrial process piping and equipment.
2. Develop and maintain procedures for maintenance activity.
3. Prioritize and schedule maintenance activities.
4. Assure that plant and equipment meet production expectations, including the Boiler house.

5. As directed, assist any employee in any job classification in the performance of their maintenance duties.
6. Perform any other activity, as directed, required for maintenance. This shall include movement, packaging, protection and crating of material, product and any manufacturing related items and operation of material handling equipment as required to successfully complete their maintenance tasks.
7. When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform maintenance work.

Education and Training:

Must have knowledge of industrial chemical, water, and process systems. Knowledge of industrial piping requirements.

Experience Required:

Three to four years of experience in this or comparable classification.

Supplement of Understanding

During the 2006 I.A.M.A.W. contract negotiations, the following understandings pertaining to job descriptions as between Pipefitter and Machine Repair Mechanic were reached and agreed to as follows:

1. Pipefitter will install the pipe between the component part of the machine that sits over 15 feet (i.e. 15'1") from the machine, as measured from the machine housing to the closest part of the component housing.
2. Machine Repair Mechanic will install and maintain the pipe between the machine and the component part of the machine if the distance as measured from the machine housing to the closest part of the component housing measures 15 feet or under.
3. Machine repair will install and maintain all piping between a machine or a component part of a machine and the first shut off valve or union closest to the machine or component of a machine.

Job Description

Title: Metal Fabricator **Job Code:** 7

General Statement:

Responsible for fabricating, finishing, rework and repair of metal components and welding fabrication of component parts, tools, fixtures and other articles. Responsible for the heat treating of machined and sheet metal parts. Responsible for first-level maintenance, tool maintenance and tool repair. Responsible for maintaining a safe work area, safe work practices, for high quality, for high productivity, for integrity, and for compliance with Company instructions and directives, including the Company's prohibition against discrimination and harassment.

Duties:

Performs all necessary job functions including but not limited to the following:

1. Layout and set-up details to be fabricated.
2. Fabricate, fit, and setup details to be welded.
3. Fabricate, rework and repair of tools, parts and assemblies.

4. Layout, setup and operation of various pieces of fabrication and welding equipment.
5. Load, unload and operate degreasing, heat treating equipment and related accessories
6. Assure product quality including first article inspection.
7. Use of hand and power tools and measuring equipment is required.
8. As directed, assist any employee in any job classification in the performance of their duties.
9. Perform any other activity as directed, including movement, packaging, protection and crating of material, product and any manufacturing related items and operation of material handling equipment. Responsible for the storage and retrieval of production tooling.
10. When assigned as Leadperson: Assist and direct personnel to meet quality, cost and schedule requirements. Coordinate production problem resolutions and process improvements. Communicate with production and support personnel. Instruct and train personnel. Perform shop work.

Education and Training:

Must have knowledge of shop mathematics, production methods, shop practices and working quality of materials and equipment operation. Must be able to work from information such as drawings shop sketches, sample parts, specifications, job instruction sheets or layouts, handbooks, formulas, and engineering instructions. Read indicating and recording instruments, hand operated heat recorder. May require knowledge of arc, gas, tungsten and metal inert gas welding methods, specifications and shop practice. May be required to pass welding certification test.

Experience Required:

Four to five years experience in this or comparable classification.

January 8, 2006

Attachment #1

MEMORANDUM OF UNDERSTANDING

GKN Aerospace (hereinafter referred to collectively as the “Company”)

and

District Lodge No. 837, International Association of Machinists and Aerospace Workers, AFL-CIO

and

The International Association of Machinists and Aerospace Workers, AFL-CIO (hereinafter referred to jointly as the “Union”)

PREAMBLE

WHEREAS, the parties have a joint interest in workplace safety and in job performance; and

WHEREAS, the parties recognize that illegal drug use/prescription drug and alcohol abuse create serious problems for workers, their families, the workplace and the community, that drug/alcohol use and abuse acknowledge no boundaries of age, race, or socioeconomic status, that punishing the employee will not eradicate the problem, and that efforts must focus on treatment, education and restoration of the employee to a meaningful productive life, and

WHEREAS, the parties recognize that a cooperative and constructive effort is needed to overcome the impact of drug/alcohol use and abuse on safety, productivity, quality of work, and morale, and that such a policy must apply to abuses of alcohol and certain prescribed medicines, as well as illegal drugs, and

WHEREAS, the parties have zero tolerance for drug pushers and providers or those persons who are in control of these activities or those who knowingly assist in permitting such activities by acting as couriers, dispensers, bankers, or as any other key participant in a drug trafficking operation, and

WHEREAS, the parties recognize the national concerns related to drug abuse, as demonstrated by the Drug Free Workplace Act and regulations promulgated pursuant to that Act by the U. S. Department of Defense and other Federal agencies, and

WHEREAS, the parties recognize the keys to this effort will be the providing of education, assistance to employees and their families, encouraging the employees to receive treatment as needed, fostering and encouraging an environment which is free of drug/alcohol use and abuse and which deters the use and abuse of drugs/alcohol.

THEREFORE, in implementing the general principles stated above, the parties agree as follows:

1. -EDUCATION AND TRAINING

A. -Employees are to be advised in writing of the GKN Aerospace Drug and Alcohol Education, Testing and Rehabilitation Program. Information is provided to cover various aspects of the Program including the reasons for the Program, benefits for employees and the Company, Employee Assistance Services (“EAP”), effects of drugs/alcohol on individuals and their families, and drug/alcohol tests.

B.-Management officials, medical professionals, designated union officials, supervisors, plant security personnel and other selected employees are to be trained on the following issues:

1. ---Drug/alcohol abuse recognition, symptoms and effects;
2. -Methods of visually identifying employees who may be under the influence of drugs/alcohol;
3. -Methods of referring employees who might be suffering from personal problems that could signal possible drug/alcohol problems to the EAP;
4. -Procedures related to handling employees who appear to be under the influence of drugs/alcohol;
5. -Documenting observations and impressions of persons who may be under the influence of drugs/alcohol;
6. -Drug/alcohol testing program, procedures, and safeguards;
7. -Benefit programs and alternatives that are available; and
8. -Safety aspects of drug/alcohol problems in both work and social environments.

2. DRUG AND ALCOHOL TESTING

A. -REASONABLE SUSPICION DRUG AND ALCOHOL TESTING POLICY

(1) -This policy covers any employee who exhibits abnormal behavior at an employee’s worksite, such as Company owned or leased property, vendor or customer facilities, or in any vehicle while on Company business. Following reasonable suspicion that an employee has exhibited abnormal behavior within the scope of this policy, the Company may require that employee submit to drug/alcohol testing. Union steward or plant chairman will be notified immediately.

(2) -Initial suspicion will be followed by a confirmatory evaluation. Testing will be administered as soon as practicable following suspicion of drug/alcohol use or being under the influence. The Company will follow the procedures set forth in Attachment 1 entitled “CBU Procedural Flow Chart, Handling of Employees Under the Influences of Alcohol/Drugs.”

(3) -The requirements of this policy constitute conditions of employment and refusal or failure to submit to testing following an order or instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(4) -The consequences related to drug/alcohol use or influence in the workplace or on Company business are set forth in Section 5 of this program.

(5) -For the purposes of this testing policy, “abnormal behavior” may include, but is not limited to, sudden, unexpected changes in physical appearance, difficulty in maintaining balance, difficulty in speech, gait, engaging in an unsafe practice which endangers the employee or others, the distinct odor of drugs/alcohol, engaging in physically aggressive behavior or in unusual emotional behavior such as uncontrollable laughter or uncontrollable crying.

(6) -When the Company has reasonable suspicion that an employee is demonstrating signs of abnormal behavior, the employee shall be escorted to the Medical Department or other Company designated offsite medical/testing facility for evaluation by a medical professional. A management official and a Security personal both of whom are trained under provisions of subsection 1.B above shall each complete a written report of the observed signs of impairment.

(a)-If judged appropriate by a medical professional, after assessment of the employee, tests for drugs/alcohol shall be required. The employee’s visit to the Medical Department or other designated testing facility will be conducted in a manner consistent with any other medical conditions, i.e., privacy, confidentiality of records.

(b)-In the event a Medical Department is not available, a trained management official will determine whether the employee should be escorted to a Company designated offsite medical/testing facility for evaluation by a medical professional.

B.-POST-ACCIDENT DRUG AND ALCOHOL TESTING POLICY

(1) -As soon as possible following a “work-related accident” the Company may require the employee to submit to drug/alcohol testing if the employee’s action or inaction either contributed to the accident or cannot be completely discounted as a contributing factor. No testing will be necessary if the Company determines that the employee’s action or inaction could not have contributed to the work-related accident using the best information available at the time of the accident. For the purposes of this testing policy, the following definitions shall apply:

-“Work-related Accident” is defined as an occurrence arising out of or in the course of employment in which any person suffers death or serious bodily injury requiring immediate medical care.

(2) -The Company may require employees involved in accidents not covered by this subsection to submit to drug/alcohol testing under the terms of the Reasonable Suspicion Drug and Alcohol Testing Policy.

(3) -An employee covered by this policy who is injured at the time of the work-related accident shall authorize the Company to obtain records, reports, and other documents that would indicate the presence and extent of drugs/alcohol in the employee’s system. If the employee is unable to submit to

drug/alcohol testing after the work-related accident, the employee shall authorize testing of any samples taken by examining or treating medical facilities. If the employee refuses to grant such authorization outlined above, such refusal will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(4) -The requirements of this policy constitute conditions of employment and refusal or failure to submit to testing following an order or instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(5) -The consequences related to drug/alcohol use or being under the influence in the workplace or on Company business are set forth in Section 5 of this program.

C.-RANDOM DRUG AND ALCOHOL TESTING POLICY

(1) -The following groups of employees have been identified as being in sensitive positions and are included in the random testing program.

(a)-Employees in Safety Sensitive jobs are set out on Attachment 2.

(b)-The following groups of employees having access to classified information:

1. -Employees applying for or in possession of Secret or Top Secret clearance;

2. -Employees applying for or in possession of Special Access Programs/Special Access Required clearances.

(2) -Employees covered by this policy will be selected for random drug/alcohol testing using a verifiable random number or computer-based number generator.

(3) -The requirements of this policy constitute conditions of employment and refusal or failure to submit to required testing following an order and instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(4) -The consequences related to drug/alcohol use or being under the influence in the workplace or on Company business are set forth in Section 5 of this program.

D. -RETURN TO DUTY DRUG AND ALCOHOL TESTING POLICY

(1) -This policy covers any employee who commences or returns to work after failing a required drug/alcohol test. Such employee shall be subject to unannounced drug/alcohol testing consistent with the provisions of Section 5 of this program.

(2) -The requirements of this policy constitute conditions of employment and refusal to submit to testing following an order or instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(3) -The consequences related to drug/alcohol use or being under the influence in the workplace or on Company business are set forth in Section 5 of this program.

E. -REHIRE/REINSTATEMENT DRUG AND ALCOHOL TESTING POLICY

(1) -This policy requires any employee whose employment with the Company was terminated and who returns to employment more than ninety (90) days after such termination to be tested prior to returning to work unless otherwise agreed to by the parties or as ordered by an arbitrator.

(2) -If prior to rehire/reinstatement an employee has any record of positive drug/alcohol test results while employed by the Company, these results will be carried forward as positives under this policy.

(3) -The requirements of this policy constitute conditions of employment and refusal or failure to submit to required testing following an order and instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(4) -The consequences related to drug/alcohol use or being under the influence in the workplace or on Company business are set forth in Section 5 of this program.

3. PROCEDURES FOR DRUG OR ALCOHOL TESTING

A. PRE-TESTING PROCEDURE

(1) -A representative of the union will be notified prior to testing unless employee requests otherwise. If a representative is not immediately available, the union will be given a reasonable opportunity to obtain one. In the interest of privacy, the union representative will not be present during medical examination or sample collection.

(2) -Employee Refusal of a Drug/Alcohol Test - An employee's refusal to submit to testing following an order or instruction will be treated in the same manner as a positive test result under Section 5 of this program subject to the terms of the grievance and arbitration provisions of the Articles of Agreement.

(3) -Precollection Interviews - Prior to the administration of an alcohol test and/or the collection of a urine specimen for drug testing, individuals will be thoroughly interviewed to determine if there may be any medications (over-the-counter or prescription) or other substances that may have been inhaled, ingested, or injected, which could result in a positive test. Such information will be considered part of an employee's medical record and will be treated with the same level of confidentiality.

(4) -Any employee who alters a specimen, submits a false specimen or assists anyone else to alter or submit a false specimen will be terminated.

(5) -The President-Directing Business Representative or the Assistant Directing Business Representative will have access to drug/alcohol test results upon obtaining a release from an individual IAM-represented employee. In addition, the President or his designee will have access to information on a "no-name basis" for all IAM employees and will have access to such statistical information as number of employees participating in drug/alcohol referrals to EAP, the number of employees subjected to drug testing, the number of employees who test positive for drugs/alcohol. Employees will have the right to obtain copies of their drug/alcohol test results.

B. TESTING PROCEDURE

(1) -Alcohol Testing - The administration of an alcohol test shall be in accordance with the test equipment manufacturer's instructions and the procedures and in accordance with Missouri law and regulations. Upon a positive alcohol test by breathalyzer, an employee may take a second breathalyzer test within fifteen (15) minutes of the first test. In lieu of a breathalyzer test, an employee may request a blood test upon the signing of a release. Any blood alcohol test will be in accordance with Missouri law and regulations for such tests.

(2) -Collection Site - Any employee subject to drug testing must be allowed to provide a split double urine specimen in private and in an enclosed room. Both sealed specimen bottles will be shipped to the laboratory

(3) -Chain of Custody - Collection and shipment of all samples will follow strict chain of custody procedures documented in writing. The employee will be given an opportunity to verify the handling and sealing of their samples at the collection site.

C. -ANALYTICAL LABORATORY PROCEDURE

(1) -Laboratory - The Company will select only laboratories certified by the National Institute on Drug Abuse for drug testing. The Company will provide two other laboratory choices if the employee requests the second portion of the sample tested.

(2) -Confidentiality - The identities of employees who have tested positive shall be limited to those persons having a "need to know." Information and records regarding positive drug/alcohol testing will be considered part of an employee's medical record and will be treated with the same level of confidentiality.

(3) -Retention of Sample - All urine samples confirmed positive will be frozen by the testing laboratory and retained for one year except that where the results of a test are subject to arbitral or legal challenge, the specimen will be retained until final resolution of such challenge. Blood samples will be retained in accord with acceptable medical practices.

D. PROCEDURES FOR RESULT NOTIFICATION

(1) -Notification - A Medical Review Officer (MRO) reviews and interprets positive test results to assure a scientifically valid result and to determine whether a legitimate medical explanation could account for the confirmed positive drug test result. All individuals who test positive shall be so notified by the Company and given an opportunity to provide the Company any reasons he/she may have which would explain the positive test. If the individual provides a reasonable explanation that can be substantiated to the satisfaction of the MRO, the test result will be reported as negative to the employee and the employee's supervisor and the record will be retained.

(2) -Employees have the right to have the same sample drug specimen retested within seventy-two (72) hours of the employee's notification of test result at the same lab at their expense, or to have the second split specimen tested at their expense at another laboratory in accordance with paragraph 3(C) (1) above. Should the outcome of the tests differ, the negative test will be assumed correct and the employee will be reimbursed for the actual cost of the negative test.

(3) -Drug Test Results - All positive test results and records will be retained and become a part of the employee's medical records. Negative test results will be retained only if the employee has also had a prior positive test result.

(4) -The Company is responsible for the actions of its employees and agents, including the MRO and the laboratories used in the administration of this program. The Company shall hold the union harmless against any and all claims against the union arising out of selection of MRO or laboratory used in administration of this program. This Hold Harmless provision shall not apply to any Duty of Fair Representation claim unless the claim relates solely to selection of the MRO or the laboratories.

4. DEFINITIONS

A. -Alcohol - A colorless, volatile, and flammable liquid that is the intoxicating agent in fermented and distilled liquors. Includes, but is not limited to, beer, wine and liquor.

B.-Alcohol Test - A scientifically valid test utilizing detectors to determine the percent (%) blood alcohol content. The test is non-invasive and requires the test subject to exhale into the detector chamber. If employee requests, a scientifically valid method utilizing a measurement of an actual sample of blood of employee to determine a percent of blood alcohol present will be used.

C.-A Positive Test for Alcohol or Drugs - Means to have the presence of alcohol, a drug or a drug metabolite in an employee's system as determined by appropriate testing of a bodily specimen that is equal to or greater than the levels specified below for the confirmation test. This shall be referred to as a "positive level," "prohibitive level," or "positive screen."

-The presence of any of the below listed drugs in an amount equal to or greater than what is identified constitutes a positive drug test:

	<u>Initial Test Levels</u>	<u>Confirmation Test Levels</u>	
1. alcohol	0.04%	0.04%	*
2. marijuana metabolite	100 ng/ml	15 ng/ml	**
3. cocaine metabolite(s)	300 ng/ml	150 ng/ml	***
4. opiates	300 ng/ml	300 ng/ml	
5. phencyclidine (PCP) (and or metabolites)	25 ng/ml	25 ng/ml	
6. amphetamine and/or methamphetamine	1000 ng/ml	500 ng/ml	

* percent blood alcohol content.

** delta-9-tetrahydrocannabinol—carboxylic acid.

*** benzoylecgonine, ecgonine methyl ester, and/or ecgonine.

D. -Drug Test - A multiple step urine test enzyme multiplier immunoassay test screening method (EMIT) screening method and a confirmation by use of Gas Chromatography and Mass Spectrometry (GC/MS).

E.-Drug - Means a controlled substance as defined by Section 802 (8) of Title 21 of the United States Code, the possession of which is unlawful under Chapter 13 of that Title: marijuana, cocaine, opiates, phencyclidine (PCP), amphetamine and/or methamphetamine.

F.-Medical Review Officer - A physician knowledgeable in the medical use of prescription drugs and the pharmacology and toxicology of illicit drugs. MRO will be reviewed on an annual basis upon request by either party.

5. PROCEDURES FOLLOWING TESTS FOR DRUGS OR ALCOHOL

A. The following procedures describe the rehabilitation opportunities and consequences which shall apply to employees who test positive for the presence of drugs/alcohol under the following Drug Testing Policies:

- (1) Pre-Employment
- (2) Reasonable Suspicion
- (3) Post-Accident
- (4) Random
- (5) Return to Duty
- (6) Rehire/Reinstatement

B. Employees who have been tested under the Reasonable Suspicion and Post-Accident policies will be suspended, without pay, pending receipt of test results. Employees testing under the Random policy shall not be suspended pending receipt of test results. Suspended employees who test negative for the presence of drugs/alcohol will be reimbursed for straight time and overtime wages lost by virtue of their removal from service. The parties agree that when an employee has violated Company rules other than those relating to drug/alcohol use that the Company may impose appropriate discipline for those rule violations.

C. An Alcohol/Drug Violation form (“ADV”) will be issued to an employee for each positive test result. The ADV form will state that a positive test for drugs or alcohol was received as a result of Reasonable Suspicion, Post Accident, Random, Return to Duty or Rehire/Reinstatement testing policy and the discipline issued for the positive test result. ADVs for a positive alcohol test will be removed from the employee’s personnel file provided the employee is not issued a subsequent ADV for either drugs or alcohol within three (3) years. ADVs for a positive drug test will be removed from the employee’s personnel file provided the employee is not issued a subsequent ADV for either drugs or alcohol within five (5) years.

D. Employee discipline and/or discharge under this section are subject to the grievance and arbitration provisions of the labor agreement.

E. LEAVE OF ABSENCE

In the event that an employee enters a drug/alcohol treatment program, the employee will be granted such leave of absence as is necessary to allow the employee to complete the rehabilitation program in accordance with Article 8 of the Articles of Agreement.

F. FIRST POSITIVE TEST RESULT

(1) -Following notice of an individual’s initial positive drug/alcohol test result under any of the listed policies, the employee’s suspension, without pay, will be initiated or continued for a minimum of ten (10) working days. The time lost due to removal from service pending receipt of test results under Reasonable Suspicion and Post-Accident policies shall be applied against the suspension. The employee will be made aware of the Company EAP and will be encouraged to use the services of the program.

(2) -If the employee selects the option of using the Company EAP services after a positive drug/alcohol test, the use of such services shall be considered as a management-referred entry rather than a self-referred entry. This would result in the referral being termed “Adverse Information” which must be reported to the government for employees holding security clearances.

(3) -The employee will not be allowed to return to active employment until a negative test result is obtained from a Company-directed drug/alcohol test, given no later than sixty (60) days from the date of receipt by the Company of the initial positive test.

(4) -Employees who fail to make themselves available for retesting within this sixty (60) day period shall be deemed to have resigned their employment from the Company. Employees who retest in this sixty (60) day period and test positive again will fall under subsection 5.G, below, describing the second positive test result except as set out in paragraph 5.F(5) below.

(5) -When an employee's first return to work test result is positive and the employee reimburses the Company for the expenses of that test, that positive test result will not be considered to be a positive test result under subsection 5.G.

(6) -After receipt by the Company of a negative drug/alcohol test result, the employee may return to active employment, subject to the following condition:

-Employee will be subject to four (4) unannounced drug/alcohol tests during the twelve (12) months after the employee returns to work.

(7) -If an employee tests between .040 - .059 for alcohol on his/her first positive test, the employee will not be given a disciplinary suspension but the test will be considered as a positive test under this program and the employee will be sent home for the remainder of the shift. Employees testing .06 or greater will be given a disciplinary suspension in accordance with this policy.

G. SECOND POSITIVE TEST RESULT

(1) -If for a second time, the employee tests positive for drugs/alcohol under any testing policy, a minimum fifteen (15) working day suspension, without pay, will be initiated or continued. The employee will also be required as a condition of employment to be interviewed by a representative of EAP. The employee's failure to appear for the interview during the fifteen (15) day suspension will be treated in the same manner as a positive test result under subsection 5.H of this program.

(2) -The employee will not be allowed to return to active employment until a negative test result is obtained from a Company-directed drug/alcohol test given no later than sixty (60) days from the date of receipt by the Company of the second positive test result. Employees who fail to make themselves available for retesting within this sixty (60) day period shall be deemed to have resigned employment with the Company.

(3) -After receipt, by the Company, of a negative drug/alcohol test result, the employee may return to active employment subject to the following conditions:

(a)-Employee will be subject to eight (8) unannounced drug/alcohol tests during the twenty-four (24) months after employee's return to work,

(b)-A third positive drug/alcohol test following return to work from the second positive test will result in termination.

H. THIRD POSITIVE TEST RESULT

-If an employee tests positive a third time under this policy, the employee will be terminated.

6. CONFORMITY TO LAW

-In the event this agreement is in violation of any applicable law, the parties will negotiate such changes as are necessary to conform this agreement to such law. Additionally, the parties agree that this Agreement shall not diminish the rights of individual employees under state and federal law.

7. -This will be incorporated as a supplemental understanding to the Articles of Agreement.

Signed this 8th day of January 2006.

GKN Aerospace

Attachment 2

The following job classifications will be considered to be safety sensitive positions:

- 1) Licensed Mobil Equipment Operators
- 2) Machine Repair Mechanics
- 3) Pipefitters
- 4) Process Operators
- 5) Spray Painters