



INDEPENDENT AGREEMENT

BY AND BETWEEN

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO
DISTRICT LODGE #190

And

PENINSULA AUTOMOTIVE MACHINISTS
LOCAL LODGE #1414

AND

IAP WORLD SERVICES, INC.

Clerical Unit

Effective June 1, 2011 to
September 30, 2014

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**CLERICAL UNIT
INDEPENDENT AGREEMENT**

Between IAP World Services, Inc. Contract NNA04CB37C, and the
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS,
AFL-CIO

DISTRICT LODGE #190, for and on behalf of Local Lodge #1414

Effective: June 1, 2011

Termination: September 30, 2014

This agreement is made and entered into between IAP World Services Inc., party of the first part, and hereinafter referred to as "the Employer", and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge #190, for and on behalf of Local Lodge #1414, party of the second part hereinafter referred to as "the Union".

GENERAL PURPOSE OF AGREEMENT

The general purpose of this Agreement is to set forth the hours of work, rates of pay and conditions to be observed by the Employer and the Union; and to provide orderly and harmonious procedures between the Employer and the Union. It is the further purpose of the Agreement to prevent interruption of work and to promote the efficient operation of the business.

WITNESSETH:

It is hereby mutually agreed as follows:

ARTICLE I - UNION RECOGNITION AND WORK JUSTIFICATION

Section 1. Coverage

This Agreement shall cover all full-time and regular part time administrative assistants, production control clerks, general clerks, drafter/CAD operators, accounting clerks, and computer operators employed by the Employer at the NASA facility located at Moffet Field in Mountain View, California, in accordance with the provisions of the Service Contract Act of 1965 as amended and coming under the Jurisdiction of the Union as described in the unit of NLRB Case No. 32-RC-5789.

Section 2. Recognition and Jurisdiction

The Employer recognizes the Union as the sole bargaining agent for its maintenance employees who are hired under its contract with National Aeronautics and Space Administration, as discussed in Article 1, Section 1.

Section 3. Specifically Excluded Are:

- (a) All employees who are presently represented by collective bargaining agreements with other unions.
- (b) Supervisors, Professional and Technical Personnel, Engineering Personnel, Secretarial, Clerical and Administrative Personnel who do not use tools of the trade, except in acquiring data or a supervisory capacity, and all other employees of a like kind unless they are covered by an amendment to this agreement.

(c) Temporary workers, defined as full time employees of a Temp. Agency, not directly employed by IAP. These workers are not to exceed 90 work days. It is agreed that this exclusion does not apply to any worker employed by the employer. It is further agreed that the Employer will not use temporary workers to circumvent the provisions of the collective bargaining agreement.

Section 4. Union Retains Jurisdiction

The Union and The Employer agree that during the life of this Agreement they will not surrender jurisdiction over any of the employees covered by this Agreement to any other union.

Section 5. Union Representation

(a) Stewards Provided: For the purpose of representation, the Union shall be entitled to a reasonable and adequate number of Stewards, who shall restrict their activities to the handling of grievances and benefits within Union business and in this connection shall be allowed a reasonable amount of time for this purpose. One half hour at the end of day shift shall be set aside for the Shop Steward when he/she is available and there is Union business to conduct with an employee. The Union may conduct member meetings on premises during lunch or after normal duty hours. Such meetings must be requested at least 48 hours in advance in writing and approved by the employer.

(b) The Shop Steward or Assistant Shop Steward will be present during all adverse personnel actions whenever the member of the bargaining unit requests that the Steward be present. The Shop Steward will be verbally informed that an adverse personnel action is scheduled and that his/her presence has been requested or his/her presence has been refused by the employee involved. The Employer's disciplinary action form shall indicate whether the presence of a Shop Steward was requested or declined and signed by the individual being disciplined.

(c) Business Representative to Act for Steward: Where for any reason a steward has not been designated, Union members may be represented by a Business Representative of the Union who may process a grievance in place of the Steward. The Union shall make every effort to maintain an active Steward with credentials and authority to act as such.

(d) Access to Establishment: Business Representative of the Union, for performance of official Union duties, upon application to the offices of the Employer, shall be permitted to enter the premises of the Employer during working hours. The Business Representative shall not unreasonably interfere with the normal work duties of employees or the operation of the plant. Union Business Representative shall be permitted to meet one-on-one with any member of the bargaining agreement at any time. The Business Representative will not be permitted to conduct meetings unless so requested of and authorized by management. Management will only give consideration for such request which it deems a qualified emergency.

(e) Union May Use Bulletin Board: The Union will have the privilege of suitable space on bulletin boards, for posting notices of official Union business, provided that copies of such notices are delivered to the Employer, prior to posting for review and approval by management that the contents are not offensive or in the Employer's opinion adverse to the company.

Section 6. Posting of Employer Policy Change

The Union representative will be provided an advance copy of the policy change prior to the posting, and afforded 10 days to meet and discuss the impact on the unit. Employer policy changes affecting bargaining unit members shall be posted for five (5) working days on the bulletin board. After five (5) days of posting, policy changes will be in effect.

ARTICLE II - UNION

SECURITY Section 1. Hiring of Employees

All employees covered by this Agreement shall become members of the Union. Membership shall be a condition of employment. On the 31st calendar day following the beginning of employment, or the 31st calendar day following the effective date of this Agreement; or the 31st calendar day following the date of the signing of this Agreement, whichever is later, the employee must become a Union member, or pay fees equivalent in amount to Union dues.

Section 2. No Discrimination

The employer and the Union agree to abide by all Federal and State laws prohibiting discrimination against any employee on the basis of race, color, creed, national origin, age, union membership, handicap, or sex.

ARTICLE III - MANAGEMENT SECURITY

Section 1. No Strike - No Lockout

(a) During the life of this Agreement the Union will not cause a strike or production stoppage of any kind, nor will any employee or employees take part in a strike, intentionally slow down the rate of production, or in any manner cause interference with or stoppage of the Employer's work, provided the Employer follows the grievance procedure for which provision is made herein. Likewise, the Employer agrees that there shall be no lockouts during the life of this Agreement provided the Union follows the grievance procedure for which provision is made herein.

(b) In exception to the above, the union shall not observe a picket line set at our place of business that is not an issue regarding the Union/Employer Bargaining Agreement.

Section 2. Employees Considered as Quit

In the event an employee or group of employees violates the provisions of this Article, he/she or they shall be deemed to have quit their employment. If such an employee or groups of employees are re-employed by the Employer, any restoration of benefits shall be by mutual agreement with the Union.

Section 3. Falsification of Employment Application

Any individual who makes application for employment with the Employer and who makes false or incorrect statements shall be subject to termination.

Section 4. Management Direction

(a) Union Bargaining Agreement members are employees of the Employer, paid by the Employer, and shall comply with the supervision, directions, and instructions both oral and written, of the Employer's management and supervisory personnel.

(b) Management shall be the sole determinant of an employee's qualifications and level of performance for job classification, assignment, premium pay, and/or promotion.

(c) The exercise of the foregoing powers, rights, authority, duties and responsibilities by the Employer, the adoption of policies, rules, regulations and practices in the furtherance thereof, shall only be limited by the specific and express terms of this agreement and then only to the extent such specific and express terms are in conformance with the constitution and laws of the state of California and the laws of the United States.

ARTICLE IV – WAGES

Section 1. Pay Periods

Employees shall be paid weekly, no later than Friday. There shall be no unreasonable delay in the payment of wages on payday.

Section 2. Method of Computing Pay

- (a) Employee's pay shall be computed by multiplying the number of hours worked by the applicable rate.
- (b) Vacation paid for, holidays paid for and jury duty paid for shall be computed as time worked.

Section 3. Deductions from Pay

(a) The Employer agrees to deduct Union membership dues from the wages of each employee who furnishes the Employer with a written assignment and authorization to deduct such Union membership dues monthly from his/her wages and remit such membership dues to the Union, IAM Local Lodge #1414, 150 South Boulevard, San Mateo, CA 94402. Such authorization shall continue for the term of this contract unless withdrawn in writing by the employee within ten (10) days immediately preceding the end of any anniversary date of such assignment, with a copy sent to the Union by registered mail. The authorization to deduct Union dues hereunder can also be withdrawn by the employee when he/she is transferred to another classification provided he/she gives written notice to that effect to the Company and a copy thereof to the Union. "Any number of paid hours in a month shall cause the employee to be liable for one month's union dues."

(b) Except as stipulated in the preceding paragraphs, there shall be no deduction from employee's pay covered by this Agreement except for the replacement of safety shoes, prescription safety glasses, tools and any other items for which the employee has a responsibility and which must be replaced because of loss or mutilation, except as provided for in this Agreement or as required and in the manner prescribed by law, or as mutually agreed to by the Employer and the Union and as authorized in writing by an employee.

Section 4. Pay for Temporary Work in a Higher Classification

- (a) No employee shall work in a higher-paying classification of work without the prior written approval of the employee's Department Manager.
- (b) A temporary assignment may be assigned for whatever duration is appropriate. The Employer reserves the right to make this determination.
- (c) Pay during training in a higher classification for possible promotion: Pay rate shall be in existing classification until training for advancement is completed, or sixty (60) working days have passed, whichever occurs first. After that time, if the individual is qualified he/she shall be promoted to the higher - classification position if an authorized vacancy exists for the position. If the individual is determined by Employer's management not to be qualified he/she will remain in his present classification and shall not

be assigned to the position authorizing the higher classification. Associated training required by the company will be reimbursed after satisfactory completion.

(d) When an employee in any of the classifications in the Agreement is temporarily assigned to a higher classification of work, they shall receive pay at the higher rate for actual hours worked.

Section 5. New Work

In the event the Employer introduces new work which the Union believes does not fall within the existing classification, the Employer and the Union shall, upon written request, enter into negotiations for the necessary classifications of work and shall agree on the wage scale applicable thereto. If no agreement is reached, the dispute shall be referred to a Grievance Procedure Committee as provided for in STEP 4 of the Grievance Procedure and/or to Arbitration as provided in STEP 5 of the Grievance Procedure. Pending final settlement of the proper rate for the new work, the work shall be performed at the rate of pay established by the Employer. When a rate is established, it shall become effective on the date the work was first performed in the facility.

Section 6. No Reduction in Pay

No person shall suffer a reduction in his/her hourly rate of pay because of the adoption of this Agreement.

Section 7. Overtime Pay

Overtime will be paid for hours worked in excess of 8 hours worked in a normal duty day and when a member is required to work on a holiday according to the following schedules:

(a) A member scheduled to work regular scheduled hours on a Holiday will be paid double time, regular time plus holiday pay, for the scheduled hours. If a member works in excess of 8 hours on a Holiday all hours in excess of 8 hours will be paid in accordance with paragraph (b).

A member required to work unscheduled hours on a Holiday will be paid double time for all hours worked when the hours worked coincide with the regular hours of the member's regular shift hours. Hours worked on a Holiday that do not coincide with the member's regular shift will be treated under the provisions of Call-Back Pay (Section 11 below).

(b) No employee shall be paid for overtime who has not first worked eight (8) straight time hours in that day except when such overtime is an uninterrupted continuation of overtime work started the previous day and which continues into the next day's regular work shift. The ninth and tenth hour will be paid at the rate of 1-1/2 times the straight time rate. All time continued to be worked thereafter will be paid at the rate of 2 times the straight time rate.

(c) Hours worked on the employees regularly scheduled first day off will be paid at the rate of 1-1/2 times the straight time rate for the first eight (8) hours worked. All time continued to be worked thereafter will be paid at the rate of 2 times the straight time rate.

(d) Hours worked on the employee's regularly scheduled second day off will be paid at the rate of 1-1/2 times the straight time rate unless the employee worked at least eight (8) hours on his/her regularly scheduled first day off. In this event the hours worked will be paid at 2 times the straight time rate

(e) If overtime work from one day extends into the following day's normal shift, it will be considered that the overtime is continuation of the previous day's overtime work, and paid accordingly until the employee is relieved from his/her overtime work by Management. If an employee elects not to finish out the remainder of the regular shift, he/she will not be entitled to pay for the balance of the shift. Management reserves the prerogative to relieve any employee from work.

Section 8. Sick Leave and Vacation

(a) Employees shall accrue 96 hours of sick leave per year at the rate of 8 hours per month. Sick leave may be used in increments of thirty (30) minutes or more and should be pre-approved by the appropriate manager or supervisor.

Vacation

(a) Qualifying Period: Employees must have completed their probationary period before any vacation hours will be granted.

Vacation:

2 weeks paid vacation after 1 year of service with a contractor or Successor; 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or Successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility.

Scheduling of Vacation: Where it does not interfere with the efficient operation of the Employer's business, the Employer will cooperate with the individual preference of senior employees in scheduling vacations. The Employer reserves the right to deny vacation requests due to operational considerations. Employees shall schedule one (1) week of each year's accrual. Remaining vacation time may be scheduled in no less than one (1) hour increments at a time, provided the employee notifies management at least 24 hours prior to the day in which the vacation is desired.

When production problems necessitate shutting down the entire Ames Research Center or a part thereof at one time, the Employer, where possible, and as determined by the Employer, will provide work for employees who desire to work and who have not earned a full vacation.

(b) Accumulation of Vacation: An employee may carry over from each year's vacation accrual two times their current accrual amount. An employee may also elect to be paid for up to 40 hours of unused vacation at any time once per calendar year. An employee will schedule vacation of sufficient length/time to ensure the accumulated vacation hours at the end of a calendar year are not in excess two times their current accrual amount. Employees with balances over two times their current accrual amount on December 31 of each calendar year will receive an automatic payout of accrued vacation balances in excess of two times their current accrual amount.

(c) Length of Vacation and Vacation Pay: The length of vacation and the corresponding amount of vacation pay for each employee shall be determined by totaling all hours worked during the preceding years, including the following:

(1) Employees who work a full shift shall be credited with (8) hours worked in computing vacation hours. Where they work less than a full shift, they shall be credited only with hours worked.

(2) Where SDI or Industrial Compensation payments are made for working days lost due to sickness, non-industrial accident or industrial accident, such days lost shall be considered as days worked for purpose of computing length of vacation and vacation pay up to the following amounts:

sickness or non-industrial accident - 65 days (520 hours)

industrial accident - 130 working days (1040 hours).

(d) Advance Personal Leave: On those occasions where by the Employer grants advance Personal Leave or Vacation the Employer reserves the right to recover the overpayment from any pay due and unpaid to the employee.

Section 9. Pay for Jury Duty

Employees, who are called for examination for Jury Duty, or serve on Jury Duty by being impaneled in a Jury Box, and actively serving as a juror, shall be paid their straight time pay lost upon furnishing written proof of such service.

Employees will notify management on the next duty day following their receipt of notice of jury duty. Proof of jury duty will be an official record of attendance from the court.

Section 10. Funeral Pay

(a) An employee shall be granted an excused absence for the purpose of attending the funeral of a member of their immediate family, and will be paid their regular straight time rate for up to three (3) regularly scheduled work days. If the employee can verify attendance at the funeral and it required travel of 600 miles or more, the employee shall be granted one (1) additional day of funeral pay. This provision does not apply to probationary employees or if the death occurs during the employee's personal paid leave, or while an employee is on leave of absence.

(b) For the purpose of this section, the term "a member of his/her immediately family" shall be defined as follows: spouse, children, brothers, sisters, parents, mother-in-law, father-in-law, and grandparents.

Section 11. Subordinate Clause

In the event any authorized Governmental agency or court of competent jurisdiction determines that the wages and fringe benefits contained in this Agreement are improper, the Employer shall be obligated to pay only the wages and fringe benefits specified in the appropriate wage determination issued by the Department of Labor. Should the Union appeal said determination, the Employer's obligation will be governed by the terms of the final decision resulting from said appeal.

ARTICLE V - GROUP INSURANCE

Section 1. Employer Participation and Contribution

Employees will continue to participate in the employer's Health and Welfare plan. The Employer will contribute the following amounts:

| | |
|----------|-------------|
| Current | \$606/month |
| 1/1/2012 | \$650/month |
| 1/1/2013 | \$700/month |
| 1/1/2014 | \$750/month |

Any unused portion of the above amounts will be remitted to the employees on their paycheck.

ARTICLE VI - PENSION PROGRAM

Section 1. IAM National Pension Fund

(a) The Employer shall contribute to the I.A.M. National Fund Benefit Plan C for each straight time hour worked or credited to the employee, not to exceed forty (40) straight time hours per week at the following rates:

| | |
|----------|-----------|
| 10/01/11 | \$0.90/hr |
| 10/01/12 | \$1.00/hr |
| 10/01/13 | \$1.15/hr |

(b) The Employer shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays except that the Employer and the Union have agreed to exclude contributions for:

- (1) Jury Pay
- (2) Pay for apprentice school time which is outside the Employer's regular working hours.

(c) Contributions for new employees are payable upon the employee's completion of the first day of employment.

ARTICLE VII - HOURS & SHIFTS

Section 1. Standard Straight Time Hours of Work

1) Eight (8) hours shall constitute a day's work. There will be one-half (1/2) hour unpaid lunch period and two (2) paid fifteen (15) minute breaks occurring as close to the midpoint of each four (4) hour work period before and after the lunch break.

2) The Employer may establish weekly shifts of four (4) consecutive days at ten (10) hours per day either Monday through Thursday or Tuesday through Friday. Pay for those 10 hour days will be at the straight time hourly rate. As prescribed by California's Overtime Law, candidates selected by the company to work a four day, 10 hour/day workweek, will be given the opportunity to vote for this shift by secret ballot, which requires a two-thirds vote to implement.

a) Any hours worked in excess of ten (10) hours per day or forty (40) hours per week will be paid at the rate of time and one half (1-1/2). Any work performed in excess of twelve (12) hours per day or forty-eight (48) hours per week shall be paid at double (2X) time.

b) Employees scheduled to work regular scheduled hours on a holiday will be paid double time, regular ten(10) hours plus holiday pay at (10) hours, for the scheduled hours. If employee(s) works in excess of ten (10) hours on a Holiday, all hours in excess of ten (10) will be paid in accordance with paragraph 2 (a) of this Article.

3) In exception to the above and at the request of either party, the Employer and the Union shall meet and confer on an addendum covering a work week or work hours that may be required by special conditions on the Employer's Contract and also, by mutual agreement between the Union and the Employer, special hours of work may be established for an individual employee.

Section 2. Multiple Shifts

(a) When necessary for Employer to meet contractual obligations, more than one shift may be necessary.

(b) Each shift shall consist of eight and one-half (8-1/2) hours including an unpaid one-half (1/2) hour lunch break. The overlap in time is for shift-changeover coordination conference.

(c) Assignment of employees to shifts shall first be made on the basis of volunteers by seniority if they qualify for the job requirements. If there are insufficient volunteers, the Employer shall have the right to assign employees to shifts using qualifications and seniority as the criteria. Assignments shall be in the reverse order of seniority to fill the shift vacancies. The Employer shall be the sole determinant of whether an individual has the requisite qualifications for the assignment.

Section 3. Overtime

(a) Depending upon the needs of the government, overtime work will be known and scheduled as far in advance as possible. Supervisors shall have sole discretion in assigning overtime.

(b) Because the Employer must meet contractual obligations to the government, overtime is mandatory for the (employees) selected. Employer will give 24 hours notice of overtime where practicable.

Section 4. Holidays

(a) Recognized Holidays:

(1) There shall be eleven (11) paid holidays in each contract year: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day and a Floating Holiday.

(2) Additional holidays granted by the Government and pre-approved for reimbursement by the contracting officer during the term of this Agreement, will also be granted to the employees.

(b) Qualification Requirements:

(1) The employee must be in the employ of the Employer for twenty-one (21) days worked preceding the day on which the holiday is observed.

(2) The employee worked the regularly scheduled work day prior to and the regularly scheduled work day following the holiday. If the employee received pay for the time worked anytime during that preceding two (2) weeks prior to the date in which the holiday is observed, she/he will receive pay notwithstanding absence on the work day following the holiday, where such absence was due to:

- a. Industrial Accident;
- b. Bona fide illness documented by a physician's certificate;
- c. A temporary lay-off which extends ten (10) working days or less after the day on which the holiday occurred; or
- d. Absence approved by the Employer to include scheduled vacation.

(c) The employees covered by this contract shall observe holidays that occur on the employee's first regularly scheduled day off as management determines the day in which the company shall observe a contractual holiday. In general Holidays occurring on Saturdays will be observed on the preceding Friday; and holidays occurring on Sundays will be observed on the following Mondays.

(d) Holiday During Vacation: When one of the paid holidays occurs within an employee's vacation period, he may take it immediately before, immediately after, within his/her vacation in lieu of a day of vacation, or following, his/her vacation and he/she shall receive holiday pay as provided in this Section. The exceptions in Section 4 (b) (2) above, of this Article, shall also apply to this Section.

Section 5. Leave of Absence

(a) Employees who request leave of absence shall submit documented verifiable information acceptable to the Employer before leave of absence is authorized.

(b) In all cases where leaves of absence are granted by the Employer to employees covered by this Agreement, the Union shall be notified in writing of the name of the employees, the effective date and termination date of the leave of absence. In the event a leave of absence is extended, such extension shall be made in writing to the employee with a copy to the Union. Any employee who does not return or overstays a leave of absence, will be considered to have quit his employment, and if rehired, shall be considered a new employee.

(c) Provided it will not interfere with the efficient operation of the Employer, upon written request of the Union, the Employer shall grant a leave of absence to an employee for official Union business and such leave shall not to exceed six (6) months.

ARTICLE VIII - JOB CLASSIFICATIONS

Section I. Management Prerogative

(a) The selection for Job Classifications and determination of the qualifications of any employee therefore shall be solely at the discretion of the Employer's management.

(b) Work Assignment flexibility: the Employer reserves the right to assign employees to any task due to operational necessity and not affecting the employee's safety to reduce need for lay-offs when possible.

Section 2. Apprenticeship Program

(a) At a later date, the union will offer an employee initiated apprenticeship program for consideration by the company.

Section 3. Job Skill Classification and Pay Rates

The Employer's Contract with NASA specifies providing a Level of Effort (LOE) of job skills necessary to successfully complete the Employers mission at Ames Research Center. For the purpose of this agreement the following job classifications and wage rates are in effect. Changes to the list will be mutually agreed upon by the Employer and the Union providing that the classification does not fit the exclusions cited in Article 1, Section 3.

GENERAL WAGE INCREASE

| | |
|----------|-------|
| 10/01/11 | 3.00% |
| 10/10/12 | 2.5% |
| 10/10/13 | 2.75% |

WAGE SCHEDULE

| | <u>Ratification</u> | <u>10/01/11</u> | <u>10/10/12</u> | <u>10/01/13</u> |
|--------------------------|----------------------------|------------------------|------------------------|------------------------|
| General Clerk II | \$17.31 | \$17.83 | \$18.28 | \$18.78 |
| General Clerk III | \$19.37 | \$19.95 | \$20.45 | \$21.01 |
| Accounting Clerk* | \$19.53 | \$20.12 | \$20.62 | \$21.19 |
| Production Control Clerk | \$28.05 | \$28.89 | \$29.61 | \$30.43 |
| Drafter/CAD operator II | \$28.74 | \$29.60 | \$30.34 | \$31.18 |

ARTICLE IX – SENIORITY RULES

Section 1. Seniority Rules

(a) In the absence of written seniority rules agreed to by the Employer and the Union the following provisions shall apply.

(b) An employee shall not attain seniority until he/she has completed a probationary period of ninety (90) days worked in the employ of the Employer, after which time his/her seniority shall be from his/her date of hire.

(c) An Employee's seniority is defined as his/her length of continuous service with the Employer in the job classification provided for in his Agreement. It shall be applied as follows with the following exception. The employer may elect to lay off employees that have not demonstrated through their most recent Performance Appraisal that they have performed at the minimum acceptable level without regard to the employee's Seniority dates. The minimum acceptable level of performance is defined as a composite overall performance rating actual score of 3.0 which is defined as the expected level of performance. Any employee with a performance evaluation rate of less than 3.0 shall be subject to layoff in any class in which a layoff occurs. Because the performance is deemed to be below the minimum accepted level of performance that employee is excluded from invoking any bumping rights in any other

skill classification. The employee has the right to grieve an evaluation under the grievance procedure. Layoff cannot be implemented until the grievance has been resolved.

(1) In the event the Employer deems it necessary to reduce the working force in any of the classifications, the employee with least seniority in that classification shall be the first employee laid off. It is provided, however, that if such employee has worked with the Employer in a lower classification he/she may, at his/her option, in lieu of lay off, exercise total seniority in said lower job classification plus any seniority accumulated in the higher classification for the purpose of bumping the employee with the least seniority in the lower classification and shall accept the pay rate for the lower job classification, as determined by the Employer.

(2) In rehiring and recalling, the reverse of the above procedure shall be used. If any employee has not exercised his/her option for a lesser position the eligibility of his/her recall to work will be limited to the position from which he/she was laid off.

(3) An employee so reduced in job classification due to curtailment of employment shall have the first opportunity to resume his/her higher classification when his/her former job is available in line with his/her seniority.

(4) Employees who exercise their option to bump an employee in a lateral or lower classification because of seniority must be willing, competent, and qualified to perform the work remaining to be done in the classification to which they are assigned.

(d) Employees with the same date of hire:

(1) In the event that two or more employees are hired into the same Classification on the same day, seniority shall be determined by the last four digits of the Social Security Account Numbers of the individuals with the individual having the lowest number being determined by presumption to have the highest seniority.

(2) In the event that a lay-off is required, and current project staffing needs do not require a continuity of effort by the individuals assigned to that project, lay-off of the individual or individuals identified in the conditions set forth in paragraph (1) above will be determined by that seniority.

(e) Where there are special conditions or complications due to special multiple job titles and addenda, it is the intent that the Union and the Employer involved will thoroughly and completely arrive at a mutually acceptable solution covering these special conditions.

(f) For reasons other than requirements of the job, the Employer may retain an employee without regard to seniority by special agreement with the Union prior to lay off. The Employer reserves the right to retain a minimum of 10% or not less than one, whichever is greater, of the affected classification.

(g) Shop Stewards or Acting Shop Stewards shall have top seniority while acting in the capacity of Shop Stewards.

Section 2. Loss of Seniority

Continuous service shall be broken and recall rights forfeited by:

(a) Failure to notify the Employer and the Union of intent to return to work within two (2) working days after the date recall notification is sent the Employee's last address on record with the Employer and failure to report for work within five (5) working days after the date recall notification is sent to the

employee's last address on record with the Employer (a copy of the recall notification shall be sent to the Union at the same time it is sent to the Employee).

- (b) Absence from work for a period equal to an employee's length of continuous service, not to exceed eighteen (18) months.
- (c) Voluntary quit.
- (d) Discharge for cause.
- (e) Any employee whose total absence for accumulated medical leave amounts to a period of time in excess of the employee's seniority recall rights shall lose seniority. Seniority and/or medical leave rights may be extended by mutual agreement.

Section 3. Notice to Lay Off

- (a) The Union and the Shop Steward shall be notified as far in advance as possible, but in no event less than three work days prior to any layoff.
- (b) On the date that employees are laid off or terminated, the Union shall be notified in writing of the names and job classifications of all employees laid off or terminated and the date such lay-off or termination occur.

Section 4. Retrenchment in Operations

The Employer agrees to cooperate in every way possible to retain regular working forces. When business conditions at Ames Research Center necessitate, the Employer agrees to make every effort to distribute the work by rotation of employees or reduction of the standard work week in lieu of a reduction of the working force, provided such changes are consistent with efficient operation of the business. Prior to any retrenchment, the Employer shall give the representatives of the Union an opportunity to meet with them and discuss any proposed retrenchment, but the final determination of the retrenchment program shall be with the Employer.

Section 5. Information Furnished the Union

Within ninety (90) days subsequent to the signing of this Agreement, the Employer shall furnish Union with a seniority list covering all employees within the bargaining unit listing their names, classifications, and status, (Active, Leave of Absence, Layoff, Etc.).

Section 6. Promotions outside the Bargaining Unit

Any employee transferred or promoted to a position outside the bargaining unit shall be credited for seniority at the time of his promotion out of the bargaining unit, such credit to remain in effect for a period not to exceed two (2) years. However, the employee shall not accrue seniority credit while outside the bargaining unit.

ARTICLE X – GRIEVANCES

Section 1. Grievance Defined

- (a) A grievance is defined as a condition that exists as a result of an unsatisfactory adjustment or failure to adjust a claim or dispute by an employee or employees, the Steward or Stewards or the Union concerning rates of pay, hours or working conditions set forth herein, or the interpretation or application of this Agreement.
- (b) All grievances shall be processed in accordance with the following procedures and must state on the Grievance the Article, Section, and Paragraph of this Bargaining Agreement which is the basis of the grievance. Any grievance without the foregoing citation shall not be considered a bona-fide grievance.

Section 2. Grievance Procedures

- (a) Step 1. Oral Procedure - No matter shall be considered a grievance until it is first taken up orally by the employee and/or Shop Steward with the immediate Supervisor within five (5) working days of the alleged occurrence or discovery thereof, who will attempt to settle the matter. If the alleged grievance is not settled, it shall be reduced to writing and processed directly into Step 2, at which time is considered an official grievance and subject to the time limits set forth herein.
- (b) Step 2. Steward And Supervisor - (Written Grievance) The Shop Steward shall take up the grievance with the supervisor who will attempt to adjust the grievance and the Employer will render a decision in writing within three (3) working days from the time of its presentation to him. When an unsatisfactory answer is received, the grievance may be referred to Step 3 in writing. If the grievance is unanswered at the expiration of two (2) working days, the grievance will automatically be referred to STEP 3.
- (c) Step 3. Business Representative And Management - The Business Representative or authorized Union representative (not a Shop Steward) and an authorized representative of the Employer, or the Employer's representative authorized to handle such matters, shall meet within seven (7) working days.. The Employer shall render an answer in writing within seven (7) working days after such meeting. When an unsatisfactory answer is received, or if the grievance is unanswered within the above time limit, the grievance will go directly to a Grievance Review Committee as set forth in Step 4 or by mutual agreement between the parties to arbitration as set forth in Step 5.
- (d) Step 4. Grievance Review Committee

(1) There shall be a committee known as the Grievance Review Committee, composed of two (2) Employer representatives and two (2) Union Representatives. It is understood that no Union representative or Employer representative shall have been direct or indirect participants in previous steps.

(2) The Employer shall designate an Interim Chairman of the Committee until the Grievance Review Committee is formed and they elect one of their own.

(3) The Committee shall meet at a place and time designated by the Interim Chairman of the committee to hear cases referred to it in the order received.

(4) The Grievance Review Committee shall review the cases presented to it, investigate the circumstances and facts, hear testimony and question witnesses. The decision of the majority of the Grievance Review Committee shall be final and binding on the Employer and the Union, such decision shall be within the scope and terms of this Agreement but shall not add to, subtract from, alter or change

the scope and terms. The decision shall be rendered in writing within ten (10) days from the time of presentation to the Grievance Review Committee and shall specify the effective date of the decision.

(5) In the event the Grievance Review Committee cannot reach a majority decision or fails to render a written decision within the above set time limit, the grievance may appeal to Step 5, Arbitration. Such appeal shall be made in writing within five (5) working days.

(e) Step 5. Arbitration

(1) Organization of Arbitration Committee - Upon receipt of a written request for arbitration of a grievance or dispute under this procedure, one member representing the Employer and one member representing the Union shall be named to the Arbitration Committee. They shall meet within three (3) working days to choose an Impartial Chairman of the Arbitration Committee and to arrange for the time and place for the arbitration to take place within the following seven (7) working day period.

(2) Selecting an Impartial Chairman - In the event that agreement cannot be reached on an Impartial Chairman within the three (3) working day limit set forth in paragraph (e) (1) above, the United States Conciliation Service shall be requested to submit a panel of five (5) established arbitrators from the States of Washington, Oregon and California. Both the Employer and the Union shall have the right to strike two (2) names from the panel submitted by the U.S. Conciliation Service. The remaining name on the panel shall automatically become Impartial Chairman of the Arbitration Committee. This selection of the Impartial Chairman shall be made within six (6) days after the Employer and the Union members of the Arbitration Committee cannot reach agreement on an Impartial Chairman. The selection of an impartial Chairman so made will be equally effective as if made directly by the parties hereto.

(3) Decision is Binding - The decision of the majority of the Arbitration Committee shall be final and binding on the Employer and the Union. Such decision shall be within the scope and terms of this Agreement but shall not add to, subtract from, alter or change the scope and terms. The decision shall be rendered in writing within ten (10) days from the time of presentation to the Arbitration Committee and shall specify the effective date of the decision.

Section 3. General Rules

(a) The expenses authorized and incurred by the Arbitration Committee shall be borne equally by both the parties.

(b) Time limits may be extended by mutual agreement.

(c) In the event the Union, as such, and not a Union member as an individual, has a grievance. The grievance shall be processed directly into Step 3.

(d) Any grievance shall be considered settled unless it is referred in writing to the next succeeding step within five (5) working days from the date a written decision is given on the grievance.

(e) Grievances regarding alleged improper discharge or layoff must be filed within three (3) working days after such discharge or layoff.

(f) Other grievances shall be without effect and void unless presented in writing to the Lowest applicable step with five (5) days from the date the employee, employees or the Union first acquire, or by ordinary observation should have acquired, knowledge of the fact or facts upon which the grievance is based. Retroactive pay shall be limited to a maximum of thirty (30) working days except that in cases of willful violation of the Agreement the Arbitrator may waive the thirty (30) working day limitation on retroactivity.

ARTICLE XI - WORKING CONDITIONS

Section 1. Industrial Accidents

(a) When an Employee is injured so seriously as to require that he/she be excused from work by an authorized representative of management, he/she shall be paid for the balance of the shift on which the industrial injury occurred provided said employee reports to the Employer's designated physician in accordance with the requirements contained in the California Labor Code, Section 4600.

(b) When, after the employee returns to work, there is a bona fide recurrence of the injury on the job and an authorized representative of management, acting on the recommendation of the Employer's designated physician, excuses the employee from work, he shall be paid for the balance of the shift.

(c) Employees who are working after having a compensable injury or illness and who are required to take a time off during a regular working day to receive medical treatment for such compensable injury or illness shall be paid their regular hourly rate of pay for such time off providing a physician's written authorization is submitted to the Employer, for each absence, for verification upon employee's return to work.

Section 2. Safety Rules

(a) In the interest of maintaining high standards of safety, and to minimize industrial accidents and illness, the following is agreed:

(1) The employer will comply with all State and Federal safety sanitary laws. Suitable washrooms and lockers shall be maintained and kept in clean and sanitary condition.

(2) Adequate safety devices shall be provided by the Employer, and when such devices are furnished, it shall be mandatory for employees to use them.

(3) No employee shall be discharged or disciplined for refusing to work on a job if his/her refusal is based upon the claim that said job is not safe, or might unduly endanger his/her health, until it has been determined by the Employer's Safety Department at Ames Research Center that the job is, or has been made safe or will not unduly endanger his health.

(4) Once every twelve (12) months the Employer will pay up to \$150, all inclusive, toward the cost of safety shoes provided by a vendor of the Employer's choice.

(5) The Employer and bargaining agreement members shall comply with OSHA Safety Laws 2206 General Industry and 2207 Construction current editions and the Union agrees to endorse and support OSHA's Voluntary Protection Program.

Section 3. Dress Code

Union Members are required to wear clean, neat, professional clothing throughout the work shift. Employees may not wear jeans without prior written approval.

SIGNATURES

DATE: _____

FOR THE EMPLOYER:

IAP World Services, Inc.:

Mark Gow
Director, HR BOSS & Labor Relations

David B. Warhol
VP, Human Resources

Marc Siedband
General Manager, AFMS

David M. Burns
VP, BOSS, Navy, Marine & Federal Programs

FOR THE UNION:

IAM & AW, Machinists Automotive Trades,
District 190, Local 1414

Pedro Mendez
Business Representative

Steve Older
Business Representative

Chris Perry
Shop Steward

