Highlights of Tentative Labor Agreement IAMAW LOCAL S7 and Bath Iron Works

Three (3) Year Agreement April 5, 2021 to April 7, 2024

Wages

\$1,200 Ratification Bonus and Wages increase more than 9% over 3 years

Year 1	Year 2	Year 3
3.00% + \$1,200	3.00%	3.00%

Insurances

Maintaining the same plans, adding benefits to the PHAP, and increasing A&S benefit

- Maintain same three benefit plan options (POA, PCPS, PHAP)
- No increase to PHAP employee contributions
- Added BIW-funded HSA seed in 2022, 2023, and 2024 for PHAP (\$600 for Employee Only, \$1,200 for all other coverage levels)
- Accident and Sickness to increase to 50% of Employee's weekly base wage in 2022
- Expanded options for employee Supplemental Life Insurance (1X through 8X annual base wage) in 2022
- Supplemental Life Insurance options for Spouse and Child in 2022

Compensated Time Off

64 hours of CTO added between three seniority tiers

Seniority Tiers	СТО
0-<1 year	+16 hrs (64 to 80)
1-<5 years	+8 hrs (104 to 112)
30+ years	+40 hrs (240 to 280)

• Ability to sell back accrued Compensated Time Off

Retirement Program

• 401(k) match increases 17% to \$0.60 over the course of the contract

Other Improvements

- Apprenticeship program now included in Article 49 of the CBA
- Joint Schedule Recovery Committee formally established in contract

ARTICLE #	ARTICLE NAME	AGREED TO CHANGE
	PREAMBLE	NO CHANGE
1	RECOGNITION	NO CHANGE
2	NO STRIKE NO LOCK OUT	NO CHANGE
3	NO DISCRIMIN ATION	AMENDED
4	DEFINITIONS	AMENDED
5	CHECKOFF	NO CHANGE
6	UNION REPRESENTAION	AMENDED
7	RESPONSIBILTIES	NO CHANGE
8	CONSENSUS DECISION MAKING	AMENDED
9	PARKING	NO CHANGE
10	SUPERVISORS NOT TO WORK WITH THE TOOLS	NO CHANGE
11	SENIORITY AND ENTITLEMENTS	AMENDED
12	ASSIGNIMENT DOLIGIES	AMENDED
12	ASSIGNMENT POLICIES	AMENDED
13	JOB OPENING PROCESS	AMENDED

14	LAYOFF & RECALL	NO CHANGE
15	LEAVE OF ABASENCE	NO CHANGE
16	PERFORMANCE EVALUATION/ MERIT WAGE PROGRESSION	NO CHANGE
17	COMPENSATED TIME OFF	AMENDED
18	HOLIDAYS	AMENDED
19	JURY/MILITARY/WITNESS PAY	NO CHANGE
20	BEREAVEMENT	NO CHANGE
21	INJURED EMPLOYEE PAY	NO CHANGE
22	EMPLOYEE BENEFIT PROGRAM	NO CHANGE
23	HEALTHCARE	AMENDED
24	ACCIDENT AND SICKNESS	AMENDED
25	LIFE INSURANCE COVERAGE	AMENDED
26	SUPPLEMENTAL LIFE INSURANCE	AMENDED
27	BUSINESS TRAVEL ACCIDENT INSURANCE	NO CHANGE
28	WELLNESS PROGRAM	NO CHANGE

29	GENERAL DYNAMICS 401(k) PLAN FOR HOURLY EMPLOYEES	AMENDED
30	PRESCRIPTION GLASSES	AMENDED
31	RETURN TO WORK/STAY AT WORK PROCESS	AMENDED
31	RETURN TO WORN STAT AT WORK PROCESS	AWENDED
32	BATH IRON WORKS CORPORATION PENSION PLAN FOR HOURLY EMPLOYEES	NO CHANGE
22		A CEVEE
33	IAM NATIONAL PENSION PLAN	AMENDED
34	VISION CARE PLAN	NO CHANGE
35	HEALTHCARE FLEXIBLE SPENDING ACCOUNT (FSA)	NO CHANGE
26	DEBENDENT CARE ELEVIDLE CRENDRIC ACCOUNT	NO CHANGE
36	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT	NO CHANGE
37	PERSONAL LINES OF INSURANCE	NO CHANGE
38	COMPENSATION	AMENDED
39	HOURS OF WORK	AMENDED
39	HOURS OF WORK	AWIENDED
40	OVERTIME	AMENDED
41	REPORTING-IN PAY, MINIMUM PAY, CALL BACK PAY	NO CHANGE
42	PAYDAY AND PAY CHECKS	AMENDED
42	TAIDAT ANDTAT CILCAS	AMENDED
43	SEA TRIAL PAY	NO CHANGE

44	SECOND AND THIRD SHIFT PREMIUMS	AMENDED
45	PROTECTIVE CLOTHING	NO CHANGE
46	SAFETY AND HEALTH	AMENDED
47	GRIEVANCE PROCEDURE	AMENDED
48	ATTENDANCE AT WORK	AMENDED
40	EDUCATION AND TRANSIC	AMENDED
49	EDUCATION AND TRAINING	AMENDED
50	RULES OF CONDUCT	AMENDED
	NOZZO OF COMPCCI	THIRD VE BE
51	DURATION OF AGREEMENT	AMENDED
52	NEW BUSINESS OPPORTUNITIES	NO CHANGE
TBD	COMMUTER FSA	NEW

TENTATIVE AGREEMENT BETWEEN BATH IRON WORKS AND LOCAL S7

NOTES:

- 1. Proposed deletions are in "strikethrough"
- 2. Proposed new contract language appears in "bold italics"

Dated: April 3, 2017 April 5, 2021

Effective: April 3, 2017 April 5, 2021

Expiring: Midnight, April 4, 2021 April 7, 2024

PREAMBLE (NO CHANGE)

Local S7 and BIW recognize the value of a Labor Organization and its role as a partner in administering this Labor Agreement. Through mutual recognition and respect of each other's roles and responsibilities we will develop and achieve an environment of trust.

Article 1 (NO CHANGE) RECOGNITION

BIW recognizes the Union as the exclusive representative in respect to all rates of pay, wages, hours of employment, and all other conditions of employment for all employees in job classes in Local S7.

Article 2 (NO CHANGE) NO STRIKE, NO LOCKOUT

The Union agrees that during the term of this Agreement it shall not authorize or engage in any strike (including a sympathy strike).

The Company agrees that for the duration of this Agreement it shall not lockout any employee.

It is further agreed that there shall be no liability on the part of the Union, its officers, or representatives for any damages resulting from a strike, stoppage of work, or work slowdown unless the strike, stoppage or slowdown has actually been called, instigated, authorized, sanctioned or ratified by the Union or any of its Officers or Representatives.

Article 3 NO DISCRIMINATION

BIW and the Union will not tolerate discrimination against you or any applicant for employment based on race, color, religion, gender, sexual orientation, age, national origin, marital status, disability, or veteran status, or membership in any lawful organization.

BIW and the Union will not discriminate against you or any applicant for employment based on race, color, religion, gender, gender identity, sexual orientation, age, national origin, marital status, disability, or veteran/military status or service, or any membership in a lawful organization.

All members have the right to work in an environment free of sexual harassment and other forms of unlawful harassment. BIW will not discriminate against members for affiliation with lawful union activities.

Article 4 DEFINITIONS

Unless otherwise specified, the term "days" will mean "working days."

In referring to employees, the masculine gender is used for convenience only and will refer to both males and females. *The term "employee" hereinafter, will mean any employee included within the bargaining unit.

*Administrative Changes

Article 5 (NO CHANGE) CHECKOFF

BIW agrees that you will not be retained unless you pay your periodic dues, initiation or reinstatement fees to the Union. Failure to pay these items by the thirty-first (31st) calendar day after the date of hire and any other delinquency of dues or initiation/reinstatement fees will be cause for discharge.

BIW will deduct dues, initiation and reinstatement fees as authorized weekly.

Each new employee may sign a checkoff authorization and initiation authorization card when entering the employ of BIW.

BIW will provide Local S7 members a weekly checkoff for the Machinists Non-Partisan Political League with a monthly check to the Machinists Non-Partisan Political League forwarded to Local S7, attention Secretary/Treasurer.

BIW will provide Local S7 members a weekly checkoff for Guide Dogs of America with a monthly check to the Guide Dogs of America forwarded to Local S7, Attention: Secretary/Treasurer.

Upon receipt of checkoff authorization, a weekly check for the Local S7 Dental Plan & Long Term Disability will be forwarded to the appropriate Plan Administrator.

Any additional checkoff(s) will be jointly agreed upon.

Article 6 UNION REPRESENTATION

Section 1: Union Representatives

The Union shall have the right to name one employee as President. The Union shall have the right to name one (1) Steward for second and third shifts to cover all locations. The Union shall have the right to name Stewards from any classification within the bargaining unit, not to exceed a ratio of one steward for every 27 bargaining unit members (rounded to the nearest whole number.) In addition, the President and Vice President are stewards at large.

Section 2: Union Representatives Leaving Their Job

Union Representatives are permitted to leave the job for reasons described below:

- Union business (the Union pays, as applicable).
- Conferring with the Company (the Company pays).
- Joint committee activities (the Company pays).
- Grievance avoidance activities as authorized by the Union President with notification to the appropriate Company Officials (the Company will pay up to three hundred (300) hours per year).
- The Company will pay up to twenty (20) hours per week for Union business conducted by the President or Acting President combined including time spent conferring. On a case by case basis, the Manager Director of Labor Relations may authorize additional hours of conferring time to handle special issues.
- The Company will provide the Union with a maximum of 120 hours annually at base wage to attend IAM-sponsored training courses. On a case by case basis, the Director of Labor Relations may authorize additional hours of training time to handle special issues, and such authorization will not be unreasonably withheld.

When leaving the job, the Union Representatives, excluding the President and Vice President, will first notify their Supervisors. All Company paid charging shall be authorized by Management by use of the current Company provided green books. The Union will utilize stewards within the facility to the greatest extent possible. The Company will not be required to pay for time the Representative is off the job unless this process has been followed.

Whenever a Union Representative is off the job and is being paid by the Company, he *they* will be paid at the same rate as if he *they* were not off the job.

To improve payroll efficiency, BIW will pay for Code 13 time used by Union Representatives in addition to any hours worked. Such payment will occur weekly. Affected employees will receive one (1) W-2 document annually. BIW will bill the Union monthly for all Union Officials and Code 13 labor charges, including FICA, tax deductions, and State and Federal unemployment.

Section 3: Recognized Committees

The following Local S7 Committees are recognized by this Agreement having sign-off privileges, which provide a service to our employees:

- Grievance Committee.
- Negotiating Committee.
- Joint Safety and Health Committee.
- Legislative Committee.
- Human Rights Committee.
- Committee on Healthcare Costs and Quality.
- Benefits Committee.
- Joint Apprenticeship Committee
- Joint Schedule Recovery Committee*
- Veterans Committee †
- Women's Committee †

*MOA dated 10-22-2020, Joint Schedule Recovery Committee Conferring Time, made OBE by proposal.

† Recognized as having 8813 signoff privileges only.

† Any time spent conferring by these committees will require advanced approval from the Director of Labor Relations.

This list may be modified by mutual agreement.

The Union may organize additional committees to meet off hours to discuss items of importance to the membership. Such committees may request to meet with the Manager Director of Labor Relations and/or other Company officials. Approval to conduct these meetings during working hours will be on a case by case basis based on the topic by the Manager Director of Labor Relations.

Section 4: International Representatives

International Representatives shall have the privilege of access to any site, plant or facility of BIW during regular work hours while these plants are in operation *after receiving* approval by the Director of Security or their designee.

Article 7 (NO CHANGE) RESPONSIBILITIES

Section 1: Management Develop/Implement Through Consensus Decision Making (Joint Approval)

- Implementation of technological changes including equipment, machines, software, system upgrades and/or process changes that result in staffing reductions to the bargaining unit. The Union acknowledges that it has the burden of proof to show that staffing reductions are causally connected to the implementation of technological changes and/or process changes. It is not the intent of the parties to have this Article be the reason or vehicle for transferring Local S7 work to non-bargaining unit employees to erode the bargaining unit.
- Recognition and reward program(s).
- Plan to scope/rescope work.
- Plan to transfer employees into or out of the unit.
- Subcontract plan.
- New job classifications.
- Reasonable rules and regulations.
- Loans into the bargaining unit.

Intentions to do the above will be communicated in a timely manner with the Union. Both parties will follow the consensus decision making process prior to implementation.

Section 2: Management Develop/Implement With Information Available to the Union

Management will be responsible for:

- Hiring and recall decisions.
- Merit raises.
- Discharge decisions.
- Assigning jobs.
- Providing Company tools.
- Promotion decisions.
- Disciplinary decisions.
- Regulating equipment and property.
- Medical decisions.
- FML administration.
- Employee performance evaluations.
- Yard closure decisions.
- Decrease the workforce.
- Strategic Business Plan.
- Change of health insurance carrier and/or third party administrator.
- 401(k) Plan design and third party administrator (with the exception that the matching contribution shall be fixed per Article 29).

Management has approval authority for these decisions unless otherwise covered by the Labor Agreement. Information will be provided to the Union either voluntarily or by request.

Section 3: Shared Responsibilities

Management and Local S7 Officials share responsibility for all or part of the following topics:

- Safety and health of employees.
- Investigative findings.
- Represent employees and their work.
- Payment of dues.
- Community involvement (i.e., United Way, Blood Drives, community services).
- Support teamwork.
- Protect the environment (i.e., recycling, pollution control, conservation of energy).
- High quality of work.
- Solve problems at the lowest level.
- Preservation of jobs.
- Promote maximum efficiency.
- Administration of this Agreement.
- Communications affecting the Labor Agreement.

Where information is developed, it will be provided either voluntarily or by request.

Section 4: BIW Employees' Responsibilities (Management and Local S7)

In addition to the roles and responsibilities for the Union and the Company, all of us have to be responsible and accountable for the following:

- Work within the Labor Agreement.
- Work safely.
- Provide personal tools (when required).
- Notice for family and medical leave.
- Do high quality work.
- Follow rules and regulations.
- Work efficiently.
- Offer suggestions for improvement where you can.
- Resolve problems at the lowest level.
- Be responsible for your actions.
- Change of address (LS6 and LS7 employees) to the Craft Administration 87AT.

Through shared responsibility we will ensure our success in the future.

Article 8 CONSENSUS DECISION MAKING

Section 1: Process

Where joint approval is required, implementation will not occur until the consensus decision making process has been followed. Reasonable options must be explored. We are committed to rapid decision-making based on facts. You cannot just say "No." It is the intent of the Company and the Union that a primary goal of this Contract is to promote decision making at the lowest level possible and to make those decisions by consensus consistent with the purpose of this Article.

In the course of reaching consensus decisions, the following criteria will be used to evaluate the merits of the issue being discussed:

Does the proposal....

- Promote the safety and health of our employees.
- Improve the competitive position of the Company.
- Provide maximum efficiency to help ensure the long-term preservation of jobs for Local S7.
- Alleviate lack of equipment/facility issues.
- Help resolve delays in the schedule or major milestones.
- Improve the level of support provided to Manufacturing.
- Help resolve a lack of skills or manning issues.
- Place the Company in a favorable position to win new work.
- Support corporate initiatives or customer directives.
- Promote full utilization of the bargaining unit.

It will be the objective of both parties to utilize the above criteria, to the extent practicable, when reaching consensus decisions to ensure we achieve our collective vision of a prospering shipyard.

During the consensus decision making process, the following documentation must be jointly developed in order to promote a mutual understanding of the issues:

- Agreed to facts.
- Description of current and proposed process (focused on the functions, not the people).
- Cost/benefit analysis.
- List of pro's/con's.
- Impact on employees.
- Areas where agreements cannot be reached.
- Actions taken to reach consensus.

Once reasonable efforts have been made to reach consensus, including meeting offsite at the request of either party represented by appropriate personnel from both parties who can address the relevant issues, and to document relevant factors, but within five (5) working days after notification in writing of the intent to enter into consensus decision making and a preliminary presentation by the Company to describe the need requiring consensus decision making, either party may initiate review by the Union President and Divisional Vice President or designee.

The jointly developed documentation will form the foundation of presentations to be provided to the Union President and the appropriate Divisional Vice President or designee. Such presentation will be held within five (5) working days of failure to reach consensus. The Divisional Vice President or designee shall render a decision within five (5) working days of the presentation. Should all efforts as described above fail to achieve consensus, then the Company may at this point implement its decision. Either party shall have the right to demand accelerated arbitration. The Arbitrator shall be empowered to rule on the good faith efforts of either party to reach a consensus agreement within the above-referenced criteria.

In limited cases where the Company believes that short-term subcontracting is necessary due to schedule and manning constraints, and where, due to time limits, the consensus decision making process beyond the initial five (5) working day period is not feasible or practical, the parties will enter into mediation during the five (5) working day period with a mediator selected from the standing list of arbitrators or with a mediator selected by the FMCS. Such cases will be limited to short-term (three months or less) subcontracting of exigent surveying, machine programming or welding lab technician work where the affected classifications are not on layoff and where qualified in-house resources have been exhausted during the mediation process. The mediator's decision, rendered by the bench at the conclusion of the mediation, will be final and binding. The cost of the mediator will be borne by the Company.

When the timelines above are not possible, the parties will conduct the consensus decision making process within the available time frame. The time frames cited above may be extended by mutual agreement in writing.

Section 2: Accelerated Arbitration

BIW or the Union may institute accelerated arbitration proceedings as outlined in the consensus decision making process. The Union and the Company will select eight (8) Arbitrators by mutual agreement who will, by rotation, hear any accelerated case filed with the American Arbitration Association. The Arbitrator will follow the American Arbitration Association Rules for Arbitration except for the provisions outlined below.

- The American Arbitration Association will advise the appropriate Arbitrator, by alphabetical rotation, of his *their appointed case within five (5) days. The Arbitrator will hear his *their appointed case within ten (10) days. If an Arbitrator is unable to fulfill his *their appointment, the American Arbitration Association shall move to the next Arbitrator on the list.
- If multiple days are needed, the Company, Union, and Arbitrator will use the next available workday to complete the hearing.

- Either Party may elect to submit briefs or give a closing argument. Parties electing to submit a brief shall have a maximum of 10 days from the conclusion of the hearing or receipt of transcript, whichever occurs later.
- The Arbitrator will have five (5) days from receipt of briefs, if applicable, to render his *their decision unless mutual agreement is reached to extend the timeline or both parties agree to a decision from the bench.
- The Arbitrator will follow all other provisions outlined in the American Arbitration Association Rules for Arbitration that are not in conflict with this Agreement. Where conflict exists, the Agreement shall prevail.

^{*}Administrative Changes

Article 9 (NO CHANGE) PARKING

Whenever possible, BIW employees will have preference on assignment on proximity parking lots. The Company agrees to maintain parking lots in a satisfactory condition. Special parking areas for car-poolers [four (4) or more employees in one (1) vehicle] will be established. The Company will encourage car-pooling and has established a central location for information and assistance in establishing car-pools in the Main Gate Security Office (extension 2266).

Article 10 (NO CHANGE) SUPERVISORS NOT TO WORK WITH TOOLS

Supervisors will not be permitted to perform work on any hourly-rated job except in emergencies or in the instruction, training or limited assistance of employees.

Article 11 SENIORITY AND ENTITLEMENTS

Section 1: Purpose

We recognize the value of each employee's length of service with BIW. We will administer this agreement through the use of seniority. The contents of this Article will also ensure every employee will be protected under this Labor Agreement pertaining to State and Federal laws and regulations.

Section 2: Seniority

Seniority means your length of service from date of hire, unless otherwise specified.

Your seniority will be fixed as of the first day of involuntary layoff or leave of absence. All time on involuntary layoff and leave of absence will accrue for seniority purposes upon your return to work.

Seniority will be accumulated when you are elected to a Local (city council, town selectman position only), State, or Federal Government office that requires your full-time presence.

If you are elected or appointed to a full-time Union position at the International Union level within the IAMAW, AFL-CIO, IAMAW District Lodge 4 or AFL/CIO, up to a maximum of three (3) employees, you will be granted a leave of absence without pay during the term of your office. Benefits to those individuals shall be limited to healthcare, basic and supplemental life insurance, personal lines of insurance, and pension(s) under the terms of this agreement and in accordance with appropriate plans. You will accumulate seniority during your term of office.

The President, Vice President, Stewards and members of the Grievance Committee shall for the term of their office have top seniority rights within their classification for purposes of layoff and recall.

If you have never worked at BIW, you will, for the first four hundred and eighty (480) hours, be considered a probationary employee. Your performance will be evaluated in writing **using the standard evaluation form** on or before completing one hundred and twenty (120) and two hundred and forty (240), **and three hundred and sixty (360)** hours of work. You and your Steward will receive copies of your evaluation. If BIW decides to discontinue your employment during your probation period for performance, that decision is grievable if the decision to discontinue such employment is discriminatory, arbitrary or capricious.

Management is encouraged to engage stewards to attempt to correct attendance, engagement, job knowledge, safety and work practice, attitude, productivity, workmanship and/or skill deficiencies when such deficiencies become apparent. Any unsatisfactory evaluation

resulting in termination will be reviewable by the Director of the appropriate area at the request of the employee's assigned steward.

Seniority will be broken in all cases if:

- a. You quit.
- b. You are discharged.
- c. (i) You went on either a non-occupational or occupational leave of absence prior to March 26, 2007, *April 17*, 2019, the date upon which seniority will be broken is determined under the prior contract.
 - (ii) You go on a non- occupational leave of absence on or after March 26, 2007 April 17, 2019, the date upon which seniority is broken is your length of service or twenty-four (24) months from your leave of absence date, whichever is less.
 - (iii) You go on an occupational leave of absence on or after March 26, 2007, *April* 17, 2019, the date upon which seniority is broken is your length of service or forty-two (42) months from your leave of absence date, whichever is less.
 - (iv) The period of such leave of absence will not be broken in the case of recall of an employee who cannot return to work from leave.
- d. You fail to notify BIW of an address change while on involuntary layoff or leave of absence.
- e. Upon recall, you fail to report for work or provide reasonable excuse for failing to report for work to your regular job or any selected job on your rehire questionnaire within five (5) days from date of receipt of telephone or letter notification [fourteen (14) days from date of mailing], whichever first occurs.
- f. You are on involuntary layoff for a period longer than your length of service.

Section 3: Transfer

In lieu of transferring employees between bargaining units, the parties commit to utilizing intra-bargaining unit loans in accordance with Article 7 to maximize BIW employees without compromising the seniority of the bargaining unit employees.

If you are transferred into this bargaining unit, your Company service will always be used to determine all applicable benefits.

If you are transferred into this bargaining unit from a BMDA, LS6, *Local 5257 or IGA represented position, your seniority date will be fixed from date of transfer for purposes of involuntary layoff and all other seniority driven assignments, except transfers from Local S6 represented positions will regain all of their previous Local S7 bargaining unit seniority upon the date of transfer back to Local S7, provided their date of transfer to Local S7 is on or after April 3, 2017.

Should you be transferred within this bargaining unit from one job classification to another, your seniority date will not change.

Section 4: Supervisor Regression

Supervisors who manage employees on a day-to-day basis may be re-assigned by BIW to the bargaining unit in their prior classification. These employees, at the time of regression, will have seniority equal to one (1) day less than the least senior employee in the bargaining unit for purposes of layoff and rehire.

Supervisory staff means that the person is a Supervisor as defined by the National Labor Relations Act.

Only Supervisors who had Local S7 bargaining unit seniority at the time they were hired as a Supervisor may be regressed into the bargaining unit.

Section 5: Termination of Employees on Non-Occupational Leave of Absence

Prior to the separation of employees that are out of work on a non-occupational leave of absence pursuant to Section 2, BIW shall attempt to provide at least two (2) weeks notice by certified mail of the planned termination at the employee's last known address if the following circumstances exist:

- 1. The employee has been totally disabled.
- 2. The employee is eligible to apply for pension benefits.

The purpose of this requirement is to ensure that employees have an opportunity to apply for pension benefits that they are entitled to receive.

*Administrative Changes

Article 12 ASSIGNMENT POLICIES

Section 1: Shift Assignments

A standing list of volunteers for shift assignments shall continue to be centrally maintained by classification by LS7-represented 87ATs. It is the employee's responsibility to add or remove *his their name from the standing list by contacting the responsible 87AT. Polling will not be utilized in the absence of volunteers. Employees may add or remove their names from the standing list at any time prior to assignment. An employee adding his/her name to the standing list may not displace an employee who has already been advised of an assignment. Assignments from the list for shift changes will be as follows:

- Volunteers by seniority by classification (most senior within a Facility).
- Assignment by seniority by classification (least senior within a Facility).

Once the Company and the Union are made aware of a need on a shift, the list for that shift will become frozen.

If no volunteers exist for a second or third shift assignment, then direct assignment will be on a three (3) month rotation basis, by reverse seniority.

Any employee involuntarily assigned to a new shift will be given five (5) working days notice.

Hardships which would prevent an employee from working an assignment will be handled on a case-by-case basis. Hardships will be a consensus decision between the Functional Area Manager Department Head and Union President or their designees.

The most senior qualified person will be used whenever skill and ability needs to be applied. Skill and ability assignments will be a consensus decision of the Functional Area Manager and the Steward(s).

Section 2: Temporary Shift Changes

BIW may involuntarily assign employees to other shifts for periods of ten (10) working days or less to cover short-term needs. For these short-term shift changes, BIW will seek qualified volunteers among available employees by division, by facility with preference by seniority.

Section 3: Out of Town Job Assignments (See MOA dated 2/16/12)

Out of town job assignments will be made utilizing a seniority list, by classification, maintained by a LS7 Administrative Technician. A separate list will be used for short term

assignments of thirty (30) days or less. Assignments will be voluntary by seniority, by classification, by rotation. Consideration will be given to skill and ability and work record.

Each person is solicited once and will not be solicited again until every person has been solicited. Rotation on this list shall continue.

For PSAs, the above-referenced out of town job assignment criteria will be utilized with the following understanding:

- Assignments will be made in advance to support the pre-production process and the off-site assignment.
- The pre-production portion of the assignment may require part-time assignment to other BIW facilities.
- The assigned employee will be responsible for his/her own transportation between BIW facilities.
- The pre-production planning assignment supersedes other facility standing lists.
- Once assigned, the employee must remain committed to the entire PSA assignment including off-site. BIW may assign a trained, qualified volunteer should the assigned employee fail to complete the assignment.

BIW and Local S7 will work to establish terms and conditions for employees asked to work out of town that meet the needs of the employees and allows BIW to continue to gain more out of town work.

Section 4: Assignment Between Facilities

Assignments between facilities will be made utilizing the following criteria:

- Volunteers by seniority by classification (most senior).
- Assignments by seniority by classification (least senior).

Management will meet and discuss assignments between facilities with the Local S7 President and designated steward and provide notice of its intent to deviate from the standing list of volunteers based on legitimate business needs including qualifications. Should the parties disagree with Management's need to deviate from the standing list of volunteers, Management may assign subject to the Union's right to file a grievance challenging the assignment.

Standing list of volunteers for assignment between facilities shall continue to be centrally maintained by classification by LS7-represented administrative support. It is the employee's responsibility to add or remove his name from a standing list. Polling will not be utilized in the absence of volunteers. Employees may add or remove their names from any standing list at any time prior to assignment. An employee adding his/her name to a standing list may not displace an employee who has already been advised of an assignment.

These lists will be maintained by a Local S7 87AT.

Hardships which would prevent an employee from working an assignment will be handled on a case-by-case basis.

*Administrative Changes

Article 13 JOB OPENING PROCESS

Section 1:

When a position *(other than Apprentices) needs to be filled, the following steps will be followed in order of listing:

- 1. Out of work within classification not on involuntary layoff.
- 2. Involuntary layoff within classification.
- 3. Out of work yard wide (Local S7 only) (senior qualified).
- 4. Involuntary layoff yard wide (Local S7 only) (senior qualified).
- 5. Transfer yard wide (Local S7 only) (senior qualified).
- 6. New hire.

Section 2:

Relocation within a classification and facility: Employees will be polled once annually for interest in transferring to other positions within their classification and facility. Employees not on the list may submit a letter of intent to the hiring manager declaring their interest in any job opening at any time during the year. Management retains the right to proceed with hiring under Step 6 of Section 1 above after considering all interested employees, and such decisions are not grievable. Employees may not apply for a job opening in their current classification.

Transfers between classifications: Interested employees must apply for the open position, and will be considered in accordance with Step 5 of Section 1 above. Once an internal applicant accepts a job offer, the transfer must begin within two weeks. If an employee is held beyond two weeks, the employee will be promoted to their new rate of pay, if greater than their current rate of pay. Exceptions may be made on a case by case basis after a review and a concurrence by the President of Local S7 or their designee and the Director of Human Resource Services or their designee.

The Company and the Union commit to address issues relating to staffing and transfers within the bargaining unit as an ongoing topic at the Joint Schedule Recovery Committee.

*Administrative Changes

Article 14 (NO CHANGE) LAYOFF & RECALL

Section 1: Involuntary Layoff

"Involuntary layoff" means a termination of employment for more than five (5) days.

All involuntary layoff and recall will be by seniority within your primary job classification. If needed, a tiebreaker will be based on your last name at time of hire. You will not be retained or recalled out of seniority order for reasons of skill and ability without joint approval.

Prior to the execution of an involuntary layoff, BIW will poll for volunteers from the impacted classification for voluntary layoff. Such polling may occur concurrent with the notice provisions of this article. Management will offer voluntary layoffs by seniority (most senior to least senior) unless there is a legitimate business need to deviate from the list of volunteers. Any deviation from the volunteer list must be clearly communicated to Union Leadership.

BIW will provide ten (10) days' notice to the Union and seven (7) days' notice to you. In the event you are absent on the day of notice, BIW will send you a certified letter of notice (copy to Local S7). The date of mailing will be the notice date.

The notice period begins with the next day following the notice.

Your date of involuntary layoff will be the expiration date of your notice or the date of accepting twenty-four (24) hours' pay in lieu of work.

You may accept twenty-four (24) hours' pay in lieu of working your notice period. Should BIW elect to retain you for working during the notice period, you will receive twenty-four (24) hours' pay in addition to your pay if involuntarily laid off.

In the event of layoff, payment of unused accrued compensated time off and banked compensated time off will be paid in accordance with Article 17, Section 5.

BIW will give as much notice as is possible for involuntary layoffs for reasons beyond the control of BIW, such as power or machinery breakdown, fire, floods, and hurricanes or blizzards.

Section 2: Voluntary Layoffs

"Voluntary layoff" means a voluntary termination of employment for more than five (5) working days with an agreed upon return to work date.

Under circumstances mutually agreeable between BIW and Local S7, you may have the opportunity to participate in a voluntary layoff. These voluntary layoffs will be for an agreed upon length of time. Most senior volunteer(s) will have preference.

Section 3: Healthcare Continuation

If you are laid off, your healthcare coverage will continue as follows:

	Healthcare Coverage Beyond	
Years Service	Month of Layoff	
Less than 8	3 months	
8 or more	6 months	

Section 4: Recall

"Recall" means a return to employment from involuntary layoff for not less than thirty (30) calendar days.

You will be required to complete a rehire questionnaire at time of layoff. This important document will determine which jobs could become available to you during your involuntary layoff.

Local S7 will be notified in advance of any recall.

For members who are on layoff status outside of BIW, once contacted by telephone by BIW Personnel, you will have twenty-four (24) hours to make a decision to accept or decline recall. Should we be unable to contact you by telephone for any job vacancy that may exist which you listed on your rehire questionnaire, BIW will certify mail (copy to Local S7) your recall notice to your address of record. Final notice of recall shall be five (5) working days from receipt or fourteen (14) working days from date of mailing, whichever first occurs.

For members on layoff status but employed within BIW, once contacted by BIW Personnel, you will have twenty-four (24) hours to make a decision to accept or decline recall.

Should you be recalled from layoff into another job class within this bargaining unit, you will maintain your full seniority rights. You will continue your recall rights back to your job class. Should you subsequently be involuntarily laid off from the new job class, you will also have recall rights back to that job class.

Article 15 (NO CHANGE) LEAVE OF ABSENCE

Section 1: Leave of Absence

The Local S7 Benefits Committee or the Benefits Department can assist employees in understanding entitlements related to leave of absence.

BIW will continue healthcare for employees on an occupational or non-occupational leave of absence under the BIW Healthcare Program until such time as their seniority is broken pursuant to the Seniority Section of Article 11, Section 2c, as long as the employee:

- (1) Pays the employee contribution in a timely manner (see Contributory Premiums for employees under the Employee Benefit Program), and
- (2) Applies for Social Security Disability coverage within twelve (12) months of the leave of absence, and
- (3) Notifies the BIW benefits administrator regarding their eligibility for SSDI and/or Medicare.

An employee that is eligible for Medicare because of SSDI entitlement must provide documentation and a signed release form whenever requested by the BIW benefits administrator regarding continued eligibility for SSDI and/or Medicare. BIW will coordinate benefits under the BIW Healthcare Plan as a secondary payor to Medicare and reimburse the Employee Medicare Part B premium. Any employee whose seniority is broken due to leave of absence during the life of this Agreement who is Medicare eligible will be reimbursed their Part B premium for a combined leave of absence and termination period equal to their prior length of service. An employee that does not qualify for SSDI and/or Medicare shall continue to be covered by healthcare in accordance with the healthcare terms of this agreement until seniority is broken.

For a period equal to length of service, employees terminated as a result of the length of their leave of absence will be offered employment to a position within the bargaining unit with reinstated seniority upon release for work through medical certification from primary care physician. If BIW's Medical Director disagrees with the decision, a third party (medical physician) will be called in and selected by mutual agreement between the employee's medical primary care physician and Yard Medical Director. The third party physician will decide the issue.

All leave of absence for sickness, injury or mental or physical disability will be granted with medical certification acceptable to BIW and the Union.

For purposes of determining occupational and non-occupational leave of absence time limits only, any controverted worker's compensation case being actively pursued by any employee who is covered by this Agreement will be treated as occupational until such time as a formal decision is received.

If BIW prevails in controverting the claim, we will treat the entire time on leave of absence as non-occupational. If the employee prevails, it will continue as occupational. In the event that an employee files claims under both State and Federal law, the initial formal decision in either forum shall serve to determine whether seniority will be controlled by non-occupational or occupational time limits, subject to final determination.

Section 2: Occupational Leave of Absence

Should you incur a yard injury that prevents you from working within your job classification and accept work within your limits in another bargaining unit at BIW and be subsequently involuntarily laid off prior to linking up your full seniority, you will be transferred back into Local S7 to protect your seniority rights in your prior classification and rate of pay.

Article 16 (NO CHANGE) PERFORMANCE EVALUATION/MERIT WAGE PROGRESSION

Section 1: Performance Evaluation

You will receive a performance evaluation in the month of January. Should a merit increase result from this evaluation, it shall be effective on the first working day in February.

Since the evaluation is intended to show both strong and weak points in your performance, your Supervisor may evaluate you at any other time during the year. Although a performance evaluation does not guarantee a merit increase, one must accompany any recommended merit increase.

Throughout the year, Supervisors and employees share responsibility to communicate regarding performance.

Section 2: Merit Wage Progression

Employees who receive a performance evaluation with at least "average" ratings for all factors/criteria in the performance evaluation will progress through the merit wage steps within a job classification.

Article 17 COMPENSATED TIME OFF

Section 1: Entitlements

Compensated time off is for vacation and sick leave. Your annual compensated time off allowance, which will be accrued monthly during the year, is as follows:

Employees in bargaining unit as of March 26, 2007:

Years Service	Annual Allowance (In Hours)	Monthly Accrual (In Hours)
0-1	84	7.0
1 less 5	168	14.0
5 less 10	200	16.67
10 less 15	224	18.67
15 less 20	240	20.0
20 less 25	256	21.33
25 or more	280	23.33

Employees entering into the bargaining unit after March 26, 2007:

Years Service	Annual Allowance (In Hours)	Monthly Accrual (In Hours)
0-1	64 80	5.33 6.66
1 less 5	104 112	8.66 9.33
5 less 10	136	11.33
10 less 15	160	13.33
15 less 20	184	15.33
20 less 25	200	16.67
25 less 30	216	18.00
30 or more	240-280	20.00 23.33

Section 2: Accrual

The compensated time off allowance accrues during any calendar month in which you received payroll compensation for eighty (80) or more hours in that month. During the calendar year in which you complete a service anniversary that brings you to a higher allowance, you accrue compensated time off at the higher rate for the entire year. Any hours not paid marked by an asterisk in the "Excused Absence Codes" section of Article 48 that are covered by an absentee code not held against perfect attendance (refer to Article 48) will be credited for the accrual of your compensated time.

Section 3: Usage

You may use the following at any time during the calendar year: Accrued compensated time off, banked compensated time off, and accrued compensated time off you anticipate for that year. Compensated time off will be at the convenience of the Company. It may be taken in increments of one half (1/2) hour or more (e.g., 36 minutes, 42 minutes, 48 minutes, etc.).

If you are working reduced hours, a compensated day off will be equal to your hours of work.

If you transfer into this bargaining unit, you will be entitled to compensated time off based on your seniority less that taken in the year of your transfer.

In the interest of efficient operations, you are encouraged to give as much notice as possible to your supervisor for planned compensated time off.

Effective January 1, 2018, the following notice provisions will apply:

- a) For use of CTO for vacation five days or longer you must provide notice at least three (3) days in advance of the start of the CTO.
- b) Employees may provide notice by calling the Call-In Center at either the toll free number (1-866-805-3665) or, if local, 442-3456, or by notifying their supervisor *and or Manager*, or, if it becomes available, by using the web based system. Failure to provide notice in accordance with these guidelines will result in compensated time off being changed to no report (code 02).
- c) In the event you encounter an unforeseen circumstance and wish to use compensated time off without the ability to meet the notice requirements above, your supervisor may specifically approve use of compensated time off based on the nature of the unforeseen circumstance and the business needs of the Company. This decision shall not be grievable but is reviewable at the director level.

Section 4: Carryover

Any unused compensated time off in a calendar year may be carried over for future use to a maximum of seven hundred and twenty (720) hours, including any banked vacation hours.

- a.) You may request to sell back accrued Compensated Time Off.
 - I. Sell back requests must be submitted to Human Resources no later than November 15 of each year.
 - II. Sell back requests must be a minimum of 10 hours and cannot exceed the total amount of accrued Compensated Time Off you have available at the time of the request.
 - III. Once submitted to Human Resources, sell back requests may not be revoked.
 - IV. Payments will be made based on your regular base pay rate at that time.

V. Payments will be subject to applicable withholding elections, state and federal regulations.

Section 5: Payment

You will receive payment for compensated time off at your current base hourly wage rate.

In the event you separate employment from BIW, you will be paid for all your unused accrued compensated time off and banked compensated time off at your regular base rate. Any compensated time off taken in excess of your accrued compensated time off and banked compensated time off will be deducted from your final paycheck. In lieu of payment, your unused accrued compensated time off and banked compensated time off will be frozen pending your return to work upon employee request. Should you fail to return to work by year-end, payment will occur at the end of the year. In the interim, you may request full payment at any time. Payment will be made during the next regular pay period.

Article 18 HOLIDAYS

Section 1: Holiday Schedule

You will be entitled to the following holidays:

2017

Memorial Day (Monday, May 29, 2017)
Day before Independence Day (Monday, July 3, 2017)
Independence Day (Tuesday, July 4, 2017)
Labor Day (Monday, September 4, 2017)
Thanksgiving (Thursday, November 23, 2017)
Day After Thanksgiving (Friday, November 24, 2017)
Christmas (Monday, December 25, 2017)

<u>NOTE:</u> December 26, 27, 28 and 29, 2017 will be scheduled workdays, with the option of Code 14 for the aforementioned dates. Employees will be expected to provide advanced notice to Supervision of their intent to take a Code 14 through a polling conducted and completed by Friday, December 15, 2017.

2018

New Year's Day (Monday, January 1, 2018)
President's Day (Monday, February 19, 2018)
Memorial Day (Monday, May 28, 2018)
Independence Day (Wednesday, July 4, 2018)
Labor Day (Monday, September 3, 2018)
Thanksgiving (Thursday, November 22, 2018)
Day After Thanksgiving (Friday, November 23, 2018)
Christmas (Tuesday, December 25, 2018)

<u>NOTE:</u> You will have two (2) floating holidays per year which can be used at your discretion in full day increments with three (3) days' notice. Floating holidays may not be rolled over into the following year. December 24, 26, 27 and 28, 2018 will be unpaid winter shutdown days (employees may use CTO, floating holiday, or transferable holidays to cover these days).

2019

New Year's Day (Tuesday, January 1, 2019) President's Day (Monday, February 18, 2019) Memorial Day (Monday, May 27, 2019) Independence Day (Thursday, July 4, 2019) Labor Day (Monday, September 2, 2019) Thanksgiving (Thursday, November 28, 2019) Day After Thanksgiving (Friday, November 29, 2019) Christmas (Wednesday, December 25, 2019)

<u>NOTE:</u> You will have two (2) floating holidays per year which can be used at your discretion in full day increments with three (3) days' notice. Floating holidays may not be rolled over into the following year. December 26, 27, 30 and 31, 2019 will be unpaid winter shutdown days (employees may use CTO, floating holiday, or transferable holidays to cover these days).

2020

New Year's Day (Wednesday, January 1, 2020)
President's Day (Monday, February 17, 2020)
Memorial Day (Monday, May 25, 2020)
Day Before Independence Day (Friday, July 3, 2020)
Labor Day (Monday, September 7, 2020)
Thanksgiving Day (Thursday, November 26, 2020)
Day After Thanksgiving (Friday, November 27, 2020)
Christmas (Friday, December 25, 2020)

<u>NOTE:</u> You will have two (2) floating holidays per year which can be used at your discretion in full day increments with three (3) days' notice. Floating holidays may not be rolled over into the following year. December 28, 29, 30 and 31, 2020 will be unpaid winter shutdown days (employees may use CTO, floating holiday, or transferable holidays to cover these days).

2021

New Year's Day (Friday, January 1, 2021)
President's Day (Monday, February 15, 2021)
Memorial Day (Monday, May 31, 2021)
Day After Independence Day (Monday, July 5, 2021)
Labor Day (Monday, September 6, 2021)
Thanksgiving (Thursday, November 25, 2021)
Day After Thanksgiving (Friday, November 26, 2021)
Day Before Christmas (Friday, December 24, 2021)

NOTE: You will have one (1) (or (2) if they have one remaining from 2017-2021 CBA) floating holiday which can be used at your discretion in a full day increment with three (3) days' notice. Floating holiday may not be rolled over into the following year. December 27, 28, 29 and 30, 2021 will be unpaid winter shutdown days (employees may use CTO or floating holidays to cover these days).

2022

Day Before New Year's Day (Friday, December 31, 2021) President's Day (Monday, February 21, 2022) Memorial Day (Monday, May 30, 2022) Independence Day (Monday, July 4, 2022) Labor Day (Monday, September 5, 2022) Thanksgiving (Thursday, November 24, 2022)
Day After Thanksgiving (Friday, November 25, 2022)
Day After Christmas (Monday, December 26, 2022)

NOTE: You will have two (2) floating holidays per year which can be used at your discretion in full day increments with three (3) days' notice. Floating holidays may not be rolled over into the following year. December 27, 28, 29 and 30, 2022 will be unpaid winter shutdown days (employees may use CTO or floating holidays to cover these days).

2023

Day After New Year's Day (Monday, January 2, 2023)
President's Day (Monday, February 20, 2023)
Memorial Day (Monday, May 29, 2023)
Independence Day (Tuesday, July 4, 2023)
Labor Day (Monday, September 4, 2023)
Thanksgiving (Thursday, November 23, 2023)
Day After Thanksgiving (Friday, November 24, 2023)
Christmas (Monday, December 25, 2023)

NOTE: You will have two (2) floating holidays per year which can be used at your discretion in full day increments with three (3) days' notice. Floating holidays may not be rolled over into the following year. December 26, 27, 28 and 29, 2023 will be unpaid winter shutdown days (employees may use CTO or floating holidays to cover these days).

2024

New Year's Day (Monday, January 1, 2024) President's Day (Monday, February 19, 2024)

NOTE: You will have one (1) floating holiday to be used by the end of 2024 which can be used at your discretion in a full day increment with three (3) days' notice. Floating holiday may not be rolled over into the following year.

Section 2: Entitlement

First time employees will receive holiday pay after completing three hundred and sixty (360) work hours of the four hundred and eighty hour probationary period.

If you are excused from work you will receive holiday pay if excused time started-within fifteen (15) calendar days preceding a paid holiday.

If you are laid off in the week prior to or in the week of a holiday you will receive that holiday pay.

Section 3: Holiday Pay

Holiday pay will be paid at your current base hourly rate.

When a holiday falls on a workday while you are on compensated time off, you will receive pay for the holiday.

If you work on a holiday you will receive time-and-one-half for the hours worked in addition to the holiday pay.

If your regular scheduled workday falls on a holiday (limited to Payroll, Mail Room, and Data Processing), you will be eligible to take a day off later without pay within six (6) months at the convenience of you and your Supervisor.

Section 4: Transferable Holidays

You will have the ability to earn Transferable Holidays each year during Special Workweeks. This program provides you the opportunity to avoid using CTO to cover the winter shutdown period. The Special Workweeks are as follows:

2018 (May Earn Up To Two (2) Transferables)

President's Day Week (Monday, February 19, 2018 Sunday, February 25, 2018) Memorial Day Week (Monday, May 28, 2018 Sunday, June 3, 2018) Independence Day Week (Monday, July 2, 2018 Sunday, July 8, 2018) Labor Day Week (Monday, September 3, 2018 Sunday, September 9, 2018)

2019 (May Earn Up To Two (2) Transferables)

President's Day Week (Monday, February 18, 2019 — Sunday, February 24, 2019) Memorial Day Week (Monday, May 27, 2019 — Sunday, June 2, 2019) Independence Day Week (Monday, July 1, 2019 — Sunday, July 7, 2019) Labor Day Week (Monday, September 2, 2019 — Sunday, September 8, 2019)

2020 (May Earn Up To Two (2) Transferables)

President's Day Week (Monday, February 17, 2020 Sunday, February 23, 2020) Memorial Day Week (Monday, May 25, 2020 Sunday, May 31, 2020) Independence Day Week (Monday, June 29, 2020 Sunday, July 5, 2020) Labor Day Week (Monday, September 7, 2020 Sunday, September 13, 2020)

2021 (May Earn Up To One Two (1)(2) Transferables total for 2021)*

President's Day Week (Monday, February 15, 2021 Sunday, February 21, 2021) Memorial Day Week (Monday, May 31, 2021 – Sunday, June 6, 2021) Independence Day Week (Monday, July 5, 2021 – Sunday, July 11, 2021) Labor Day Week (Monday, September 6, 2021 – Sunday, September 12, 2021)

*If one 2021 transferrable was earned under previous CBA, one remaining to earn in 2021. If no 2021 transferable was earned under previous CBA, two remaining to earn in 2021.

2022 (May Earn Up To Two (2) Transferables)

President's Day Week (Monday, February 21, 2022 – Sunday, February 27, 2022) Memorial Day Week (Monday, May 30, 2022 – Sunday, June 5, 2022) Independence Day Week (Monday, July 4, 2022 – Sunday, July 10, 2022) Labor Day Week (Monday, September 5, 2022 – Sunday, September 11, 2022)

2023 (May Earn Up To Two (2) Transferables)

President's Day Week (Monday, February 20, 2023 – Sunday, February 26, 2023) Memorial Day Week (Monday, May 29, 2023 – Sunday, June 4, 2023) Independence Day Week (Monday, July 3, 2023 – Sunday, July 9, 2023) Labor Day Week (Monday, September 4, 2023 – Sunday, September 10, 2023)

2024 (May Earn Up To One (1) Transferable)

President's Day Week (Monday, February 19, 2024 – Sunday, February 25, 2024)

Section 5: Transferable Holiday Ground Rules

- Transferable Holidays can only be earned in the Special Workweeks described in Section 4 of this Article.
- Transferable Holidays can only be earned or used in whole day increments (8 hours).
- Transferable Holidays can only be used during the winter shutdown period and cannot be carried over for use in the following year.
- Full-time employees terminating employment for any reason will be paid for unused earned Transferable Holidays. Employees transferring to other pay groups with transferable holidays will be given the option to carry over or be paid for any unused earned Transferable Holidays. Employees transferring to other pay groups without Transferable Holidays will be paid for any unused earned Transferable Holidays.
- To earn a Transferable Holiday during a Special Workweek, you must work and/or charge to a paid benefit forty (40) straight time hours during that week, excluding the eight (8) hours for the holiday itself. The forty (40) straight time hours can only be earned by working and/or charging to a paid benefit four (4) ten-hour days, excluding the holiday itself. The four (4) ten-hour days can only be worked during the normal workweek Monday through Friday, excluding the holiday itself. The four (4) ten-hour days will be paid at straight time rates and are exempt from overtime. Management reserves the right to set the hours for the four (4) ten-hour days in order to properly align resources to business need.
- It is intended that employees be free to take the scheduled holiday. If employees are required to work on a holiday they will be paid overtime holiday pay for the time worked. Such time will not count toward the Transferable Holiday.
- Management will allow schedule flexibility when unavoidable events occur that impact an employee's ability to work and/or charge to a paid benefit for the entire shift required to earn a Transferable Holiday Monday through Friday excluding the holiday. For example: an employee who receives eight hours of jury pay during a special workweek will be allowed to make up the remaining hours required to achieve their scheduled shift during the remainder of the special workweek Monday through Friday excluding the holiday.

• In the event an employee is on FML, Accident and Sickness or Workers' Compensation leave, or is asked to work during the winter shutdown period, the employee will bank any earned Transferable Holiday(s) to be used before the end of the following year.

*Note: Supervisors have the obligation to poll employees no later than the week prior to working the transferrable week. Failure to poll employees will result in the employees receiving the transferrable holiday.

Article 19 (NO CHANGE) JURY/MILITARY/WITNESS PAY

Your daily base wage for each regular working day served on a jury, on active duty training, or as a witness on behalf of the State of Maine in a court of law not in contravention to BIW interests will be protected through payment by BIW of the differential in pay you receive for those services and eight (8) hours at straight time as follows:

<u>Jury</u>: Unlimited number of days.

<u>Witness</u>: Maximum three (3) days per year.

Military: Up to ten (10) days (two (2) additional days for advance training

requirements).

Application forms may be obtained through your 87AT or Employee Records. Evidence of service and pay received must be submitted with the application.

Article 20 (NO CHANGE) BEREAVEMENT

Section 1: Relationship/Days Schedule

You will be compensated eight (8) hours at straight time for each day's absence during the scheduled workweek as follows:

Relationship:	Paid Bereavement Day:
Spouse, child, stepchild, mother, father: Domestic Partner who has met the registration requirements of Title 22, Section 2710 of the Maine Revised Statutes:	Six (6) days
Mother-in-law, father-in-law, sister, brother, stepmother, stepfather, stepbrother, stepsister, grandfather, grandmother, legal guardian relationships, grandchild:	Three (3) days
Spouse's grandparents, brother-in-law, sister-in-law, son-in-law, daughter-in-law	One (1) day

If you are on vacation at the time of the death in your family, you may call your Supervisor to cancel your vacation and change it to be reavement pay.

Section 2: Notes

- The intent of this benefit is for direct relief during the mourning period (i.e., within a reasonable time after the death). If a death occurs during the winter season and a burial is planned for milder weather, the time for burial will be allowed as part of the benefit.
- An employee absent due to grieving or services related to the loss of significant relationships will be eligible for a reasonable amount of excused time under Code 4D.

Article 21 (NO CHANGE) INJURED EMPLOYEE PAY

Section 1: Entitlement

You are eligible for injured employee pay when you are put out of work for the day at the direction of Employee Health for a yard injury/illness as follows:

- First day of injury which falls on a regular workday or a Saturday or Sunday when you report the injury to Employee Health that same day.
- Second day of injury where the injury/illness does not present itself fully until after you have left work for the day providing:
 - a. You report to Employee Health;
 - b. Employee Health determines you are unable to work; and
 - c. Employee Health determines the injury or sickness is related to the prior regular workday's events.
- Injured on a Saturday or Sunday with verification.

Section 2: Pay

If you are injured during a regular workday, you will be paid for the balance of that shift at straight time.

If you are injured on a Saturday or Sunday, you will be paid for the balance of that shift at time-and-one-half and double time respectively.

If you are injured on an overtime assignment during the regular workweek, you will be paid for the balance of that overtime shift at the overtime rate.

If your injury requires outside medical treatment beyond the end of your regular shift, you will continue to receive pay:

- a. Through the time of admission; or
- b. Completion of outpatient care; or
- c. Return to work to clock out.

Section 3: Transportation

You will be provided transportation to and from treatment for occupational injuries or illnesses during normal working hours.

Article 22 (NO CHANGE) EMPLOYEE BENEFIT PROGRAM

Your Benefits Program consists of plans that provide you financial security and policies that provide you paid time-off away from work.

Health and welfare plans include healthcare, accident and sickness (A&S) insurance, basic life insurance, supplemental life insurance, vision care, and business travel accident insurance. Retirement plans include pensions and 401(k). All of these plans require you to be a full-time employee. All of the health and welfare plans require you to complete 360 work hours of your probationary period (not to exceed 90 days*) from date of hire before you can participate. For the IAM Pension Plan, that eligibility period is 60 calendar days from date of hire. The 401(k) plan does not have a service requirement for eligibility. BIW pays the full cost of your pensions, basic A&S insurance, basic life insurance and business travel accident insurance, and pays most of the cost of your healthcare. These plans are ERISA plans and their terms and conditions are governed by plan documents and/or insurance contracts, all of which are available through the BIW Benefits Department. Therefore, the language contained in this Agreement for these plans is intended to represent only highlights of the plans. Summary Plan Descriptions for each of these plans give you further information in addition to these highlights. These SPD's are available on the General Dynamics Service Center website or at the BIW Benefits Department.

* For clarification purposes only and to comply with PPACA requirements

In addition to the ERISA plans above, BIW sponsors a wellness program and offers a program where you can obtain insurance for personal property. Policies that provide you paid time-off away from work include compensated time-off, bereavement, jury/military/witness pay, and holidays.

Additionally, Local S7 sponsors a dental plan and a long-term disability plan. Each of these plans requires you to make contributions if you choose to participate in them. The language contained in this Agreement is limited to the terms and conditions that BIW and Local S7 have agreed to so that if you elect to participate in them, your contributions to these plans will be deducted from your paycheck. To the extent permitted by law, your contributions for the dental plan will be deducted from your paycheck on a pre-tax basis. Your contributions for long-term disability will be deducted on a post-tax basis. For information on the benefit provisions of these plans, contact Local S7.

Article 23 HEALTHCARE

The Healthcare Program in effect on April 24, 2017 2021 will continue unchanged through December 31, 2018 2021 including but not limited to plan co-payments, and plan deductibles and co-insurances.

Effective January 1, 2019 2022, there will be changes to the Program.

The highlights of the Healthcare Program are described below.

Section 1: Choice

You are eligible for BIW's Healthcare Program once you have completed 360 work hours of your probationary period. There are three healthcare plan options available to you:

- Physician Open Access (POA)
- Primary Care Physician Select (PCP Select)
- Personal Health Account Plan (PHAP)

All options cover doctor visits, hospitalization, surgery, prescription drugs, mental health and substance abuse treatment, routine physical exams, child immunizations and check-ups, mammograms and other services. The options differ in the amount you must contribute from your weekly paycheck and the amounts you pay when you obtain services.

Other options may be available to you if your primary residence is outside the Network Area.

Section 2: Enrolling in the Healthcare Program

Once you have completed 360 work hours of your probationary period, you must have medical coverage through BIW, unless you are covered under another healthcare plan (such as your spouse's employer) in which case you would indicate that during your initial open enrollment process by the due date specified. If you are not waiving coverage as specified in the previous sentence, you will be enrolled in the Program as specified by you during your initial enrollment. If you fail to enroll, you will automatically be enrolled in the PHAP Option with single coverage and a smoking status.

Section 3: Choosing Your Healthcare Option and Coverage Level

You will be able to choose the healthcare option you want to participate in and your coverage level each year through the annual open enrollment process. If you and your spouse are both employed by BIW, one of you can choose to cover your spouse and children, while the

other can choose the no coverage option. You can each cover yourselves, but your spouse and/or dependents cannot have "double" coverage.

Annual enrollments provide you the opportunity to change your healthcare option, coverage level, or smoking/non-smoking status. If you do not enroll by the due date specified, you will automatically be re-enrolled in the same option and at the same coverage level and smoking/non-smoking status you had as of the last day of that calendar year.

Section 4: Contributory Premiums for Employees

Although BIW pays the majority of the cost of the Healthcare Program, you share in the cost through your employee contributions which are deducted from your paycheck. To the extent permitted by law, these contributions will be deducted before taxes are withheld. If you are not receiving a paycheck, and are not placed on a leave of absence, your missed contributions will be deducted when you start receiving paychecks again. If you are not receiving a paycheck and are placed on a leave of absence, you will be responsible to make payment when billed. Failure to pay by the grace period, which is 60 days, will result in termination of coverage.

The amount of your contribution will depend on the healthcare option and coverage level you select, and whether you or your covered family members are non-smokers and have the non-smoking discounts for that calendar year. Your spouse and children under the age of 26 are eligible dependents that you may enroll in the Program. Also, children who are totally disabled at the time that they would no longer be eligible for healthcare coverage because of the age limits may be eligible for continued coverage under the Program. Weekly contributions for each coverage level for each healthcare option are shown in the last part of the section that explains that particular option.

Section 5: Eligibility for Non-Smoking Discount

Open Enrollment each year provides you with an opportunity to declare your smoking/non-smoking status for the following year. You are required to designate your smoking/non-smoking status if it has changed.

You are eligible for the non-smoking discount if: 1) you and your covered dependents have not used tobacco products more than three (3) times in the month before you complete the enrollment process, 2) you are committed to remaining tobacco-free, and 3) you declare yourself and your dependents non-smokers.

You are not eligible for the non-smoking status if you and your dependents do not meet all three requirements stated in the above paragraph.

Section 6: Option 1: Physician Open Access (POA)

The POA gives you "open access" to the doctor (or hospital) of your choice, without requiring a referral. Each time you need care, you decide which type of doctor to see and

whether to receive services from an in-network provider (one who participates in the plan network) or from an out-of-network provider.

Even though you may seek care from any provider, it's still important to review the extensive network of participating hospitals, doctors, and other providers. That's because more of your out-of-pocket costs are covered when you use an in-network provider.

You're free to receive care from any network provider to qualify for in-network benefits. When you do, office visits are covered at 100% after a co-payment. Preventive care office visits are covered at 100%. Prescription drugs are covered at 100% after a co-payment that is determined based upon whether the drug is filled with a generic, preferred brand name, or non-preferred brand name. You can receive up to a 30-day supply through a retail pharmacy, and a 90-day supply through the mail-order program. Most other services are subject to an annual deductible, coinsurance, and an out-of-pocket maximum. Listed below is a summary of some fees for commonly used services from network providers.

		Through	After
		<u>12/31/21</u>	<u>12/31/21</u>
•	Preventive Care Office Visit	\$-0-	\$-0-
•	Office Visits (PCP)	\$ 20 35	\$35
•	Office Visits (Specialist)	\$ 50/25 100/50	\$100/50
•	Cardiac Rehabilitation	\$-0-	\$-0-
•	Physical Therapy Office Visit	\$ 25 50	\$50
•	Chiropractic Office Visit	\$ 25 50	\$50
•	Allergy Shots Office Visit	Office Visit	Office Visit
•	Prescription Drugs		
	• Retail (30-day supply)	\$10/ 30 50/ 70 120	\$10/ 50 60/ 120 130
	• Mail Order (90-day supply)	\$20/ 60 100/14024	<i>(0</i> \$20/ 100 <i>110/</i> 240 <i>250</i>
•	X-rays, Labs, Diagnostics	20%	20%
	• • •	After Deductible	After Deductible
•	Emergency Room	20%	20%
		After Deductible	After Deductible
•	Inpatient Hospital Stay	20%	20%
		After Deductible	
•	Outpatient Surgery	20%	20%
		After Deductible	After Deductible

Here is how your share of the cost for care is determined for those services where coinsurance applies. (Co-payments for office visits and prescription drugs do not count toward the annual deductible and out-of-pocket maximum.)

Unless specifically stated above, you need to meet the annual deductible. For in-network care, the annual deductible is:

	2017	2018	2019	2020	<u> 2021</u>
Per Person	\$450	\$450	\$600	\$600	\$600
Maximum Per Family	\$900	\$900	\$1,200	\$1,200	\$1,200
	<u> 2021</u>	<u> 2022</u>	<u> 2023</u>	<u> 2024</u>	
Per Person	\$600	\$800	\$800	\$800	
Maximum Per Family	\$1,200	\$1,600	\$1,600	\$1,600	

Once you meet the annual deductible, you will begin to pay a percentage of covered services.

After your deductible and share of coinsurance reaches the out-of-pocket maximum for coinsurance services, then the plan pays the remainder of covered services (excluding copayments) for the rest of the year. This means the plan pays 100% of the usual, customary and reasonable costs for covered services where coinsurance applies. The out-of-pocket maximum is:

	2017	2018	2019	2020	2021
Per Person	\$1,800	\$1,800	\$1,900	\$1,900	\$1,900
Maximum Per Family	\$3,600	\$3,600	\$3,800	\$3,800	\$3,800
	<u> 2021</u>	<u> 2022</u>	<u> 2023</u>	<u> 2024</u>	
Per Person	\$1,900	\$2,500	\$2,500	\$2,500	
Maximum Per Family	\$3,800	\$5,000	\$5,000	\$5,000	

Your total out of pocket costs associated with all in-network, covered services shall not exceed the maximum amount allowed under Section 1302(c)(1) and (c)(2) of the Patient Protection and Affordable Care Act.

To participate in the POA Option, the following contributions will be deducted from your weekly paycheck. These contributions will be effective the first paycheck of each of the calendar years shown below:

<u>POA</u>	2017		2018-	2021
Coverage Level	Non Smoker	Smoker	Non Smoker	Smoker
Employee Only	\$13.59	\$20.35	\$11.33	\$16.99
Employee & Spouse	\$24.86	\$39.09	\$20.76	\$32.64
Employee & Child(ren)	\$24.86	\$39.09	\$20.76	\$32.64
Employee & Family	\$38.45	\$59.43	\$32.09	\$49.59

<u>POA</u>	202	21	2022		2023		2024	
	<u>Non-</u> <u>Smoker</u>	<u>Smoker</u>	<u>Non-</u> <u>Smoker</u>	<u>Smoker</u>	<u>Non-</u> <u>Smoker</u>	Smoker	<u>Non-</u> Smoker	<u>Smoker</u>
Employee Only	\$11.33	\$16.99	\$11.78	\$17.67	\$12.13	\$18.20	\$12.49	\$18.75
Employee & Spouse	\$20.76	\$32.64	\$21.59	\$33.95	\$22.24	\$34.97	\$22.91	\$36.02
Employee & Child(ren)	\$20.76	\$32.64	\$21.59	\$33.95	\$22.24	\$34.97	\$22.91	\$36.02
Employee & Family	\$32.09	\$49.59	\$33.37	\$51.57	\$34.37	\$53.12	\$35.40	\$54.71

Section 7: Option 2: Primary Care Physician Select (PCPS)

The PCPS plan is primarily a copay-based plan. If you select the PCPS you must receive your care from a specific network of doctors, hospitals, and other health care providers. Out-of-network care is not covered. Except for emergencies and services preapproved by the health care carrier, if you receive care from out-of-network providers, you will be responsible for the entire cost of the service.

Listed below is a summary of some fees for commonly used services from network providers:

		Through	After
		<u>12/31/21</u>	<u>12/31/21</u>
•	Preventive Care Office Visit	\$-0-	\$-0-
•	Office Visits (PCP)	\$ 20- 25	\$25
•	Office Visit (Specialist)	\$ 50/25- 60/30	\$60/30
•	Cardiac Rehabilitation	\$-0-	\$-0-
•	Physical Therapy Office Visit	\$ 25 -30	\$30
•	Chiropractic Office Visit	\$ 25 -30	\$30
•	Allergy Shots Office Visit	Office Visit	Office Visit
•	Prescription Drugs		
	• Retail (30-day supply)	\$10/ 30 4 0 / 70 10	0 \$10/4050/100110
	• Mail Order (90-day supply)	\$20/ 60 8 0 / 140 2	<i>00</i> \$20/ 80 90/ 200 210
	V maria I alsa Diagnastica	20% Coinsuran	ace 20% Coinsurance
•	X-rays, Labs, Diagnostics	(annual max:	(annual max:
		\$250 \$475 /pers	`
		\$ 290 \$4 73/pers \$ 500 \$950 /fami	*
	Emergency Room	\$ 300 \$930/1ami \$ 175- 200	\$200
•	•	\$ 450- 500	\$500 \$500
•	Inpatient Hospital Stay	,	
•	Outpatient Surgery	\$ 225- 250	\$250

Beginning in 2019, y You will need to meet an annual deductible before the co-pays and coinsurance are applicable. Once you have met the annual deductible, you will then pay co-pays and/or coinsurance for healthcare services as outlined above. For in-network care, the annual deductible is:

Year	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Per Person	NA	NA	\$150	\$150	\$150
Maximum Per Family	NA	NA	\$300	\$300	\$300

Year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Per Person	\$150	\$250	\$250	\$250
Maximum Per Family	\$300	\$500	\$500	\$500

Your total out of pocket costs associated with all in-network, covered services shall not exceed the maximum amount allowed under Section 1302(c)(1) and (c)(2) of the Patient Protection and Affordable Care Act.

To participate in the PCPS option, the following contributions will be deducted from your weekly paycheck. These contributions will be effective the first paycheck of each of the calendar years shown below:

<u>PCPS</u>	2017		2018-2021		
Coverage Level	Non Smoker	Smoker	Non Smoker	Smoker	
Employee Only	\$27.12	\$33.90	\$21.55	\$27.22	
Employee & Spouse	\$54.24	\$67.81	\$44.85	\$56.18	
Employee & Child(ren)	\$54.24	\$67.81	\$44.85	\$56.18	
Employee & Family	\$77.29	\$96.63	\$64.65	\$80.79	

<u>PCPS</u>	202	21	202	22	202	23	2	024
	<u>Non-</u> <u>Smoker</u>	Smoker	<u>Non-</u> Smoker	Smoker	<u>Non-</u> Smoker	Smoker	<u>Non-</u> <u>Smoker</u>	<u>Smoker</u>
Employee Only	\$21.55	\$27.22	\$22.41	\$28.31	\$23.08	\$29.16	\$23.77	\$30.03
Employee & Spouse	\$44.85	\$56.18	\$46.64	\$58.43	\$48.04	\$60.18	\$49.48	\$61.99
Employee & Child(ren)	\$44.85	\$56.18	\$46.64	\$58.43	\$48.04	\$60.18	\$49.48	\$61.99
Employee & Family	\$64.65	\$80.79	\$67.24	\$84.02	\$69.26	\$86.54	\$71.34	\$89.14

Section 8: Option 3: Personal Health Account Plan (PHAP)

The PHAP is designed to conform to IRS regulations and federal legislation associated with the use of a Health Savings Account (HSA). The PHAP covers preventive care at 100% with no deductible when you use in-network providers. For all other covered service you must meet the annual deductible and then pay coinsurance until you meet your annual out-of-pocket limit. After meeting the annual out-of-pocket limit (which includes the deductible), all covered services are covered at 100% for the rest of the year.

	2017-2021 2021-2024				
Coverage Level	Deductible	Out-of-Pocket Maximum			
Employee Only	\$1,700	\$2,200			
Employee & Spouse Employee & Child(ren) Employee & Family	\$3,400	\$4,400			

You can use any health care provider you wish in the insurer's network and are encouraged to select and use a primary care doctor. If you use providers not in the network, you will have a higher deductible, coinsurance, and out-of-pocket maximum. Listed below are the coinsurances you would pay after meeting the deductible for commonly used services from network providers:

Preventive Care

Office Visits (PCP, Specialists, Chiropractic,
Physical Therapy, Cardiac Rehab, etc.)

Prescription Drugs (Retail and Mail Order)

X-rays, Labs and Diagnostics

Emergency Room

Hospitals (Inpatient and Outpatient)

Covered in full; no deductible

10% after deductible

10% after deductible

10% after deductible

To participate in the PHAP Option, the following contributions will be deducted from your weekly paycheck. These contributions will be effective the first paycheck of each of the calendar years shown below:

<u>PHAP</u>	2017		2018-2021- 2 <i>021-2024</i>	
Coverage Level	Non-Smoker	Smoker	Non-Smoker	Smoker
Employee Only	\$6.71	\$13.34	\$3.62	\$8.28
Employee & Spouse	\$13.41	\$26.67	\$6.53	\$16.42
Employee & Child(ren)	\$13.41	\$26.67	\$6.53	\$16.42
Employee & Family	\$21.70	\$43.15	\$10.27	\$24.67

Employees that elect the PHAP in any year 2022-2024 will be eligible for a seed deposited into their HSA. The seed will be deposited in 2022, 2023, and 2024 for employees enrolled in the PHAP in those years. The amount of the seed will be \$600 for Employee Only coverage and \$1,200 for all other tiers.

Section 9: Changes During the Year

You can only make changes in the Healthcare Program during the annual enrollment period, unless you have a life event or "qualifying change in status" that affects the type of coverage you need. You or your dependents can enroll in or change your level of coverage during the year, consistent with the legal requirements for a qualifying change in status, only if one of the following events occur and you and your dependents sign up within 31 days to reflect the life event. Life events and status changes are:

- Marriage, divorce, legal separation or annulment.
- Birth, adoption or placement for adoption of a child.
- Death of a covered dependent.
- Change in your dependent's eligibility status (for example, your child reaches an age when coverage stops).
- You lose coverage provided under another plan (for example, your spouse's plan is no longer offered).
- Change in location (that is, your current medical coverage is not available in your new location).
- Termination or start of employment by yourself, your spouse or your dependent.
- Change in your or your spouse's employment status that results in a gain or loss of benefit eligibility. (For example, a change in work schedule, termination of employment, or new employment.)

<u>Section 10: Participation and Contributory Premiums for Employees on a Medical Leave</u> of Absence

BIW will continue healthcare for employees on a medical LOA and their eligible dependents under the conditions specified in Article 15, Section 1. Contributions equal to the active employee contribution will be required. Failure to pay these contributions in a timely manner (See Contributory Premiums for Employees), will result in termination of healthcare benefits.

Section 11: Participation and Contributory Premiums for Retirees

If you are eligible to retire under the Pension Plan directly from employee status for any reason and are under age 65, you may elect to participate in the Healthcare Program by making monthly payments equal to BIW's average cost for the coverage level you select.

Section 12: Participation for Eligible Dependents of Deceased Employees

An employee's spouse and/or eligible dependent children will be covered by the Healthcare Program for one full year from the end of the month of employee's death, with no contributory premiums required.

Section 13: Coordination of Benefits for SSDI/Medicare

BIW will coordinate benefits under the BIW Healthcare Plan as a secondary payor to Medicare for all subscribers who are Medicare eligible as a result of an SSDI award.

Section 14: Joint Committee on Healthcare Costs and Quality

BIW and LS7 are committed to ensuring that employees have access to cost effective, quality healthcare coverage. Because of their ongoing concern about the quality of healthcare and costs, the parties agree to a Joint Committee on Healthcare Costs and Quality. The Committee will have an equal number of representatives, including a co-chair, from each party. When appropriate, healthcare experts and representatives from BIW's health plans will be invited to attend Committee meetings. Each party may have their benefits consultants and advisors attend Committee meetings. The Committee also will meet with healthcare providers to express the parties' interest in obtaining quality healthcare at affordable prices.

In furtherance of these objectives, any savings on the annual cost of healthcare will be passed on to employees. If annual gross per capita costs for healthcare for all BIW employees decline between July 1 and June 30 of the following year, then employee's weekly premiums will be reduced by 50% of the weekly equivalent decrease as of January 1. In a year or partial year where plan design changes occur, the claims experience incurred during the time-frame that the previous plan design was in effect, will be actuarially adjusted to reflect the new plan design.

Section 15: Changes in Healthcare Plan Design

As healthcare information and tools to evaluate quality become available to BIW and Local S7, either party may propose using financial incentives or disincentives within the Healthcare Plans that will encourage members to use certain providers that have better outcomes. Proposals that reduce aggregate costs to both BIW and employees will be carefully evaluated by the other party for inclusion into existing plan design.

To the extent the plan design contained within this Agreement cannot be administered by the current or a future healthcare carrier, both BIW and Local S7 will work together in whole or in part in order to provide the health insurance coverage and benefits which are comparable as a whole to the coverages and benefits described in this Agreement.

The Parties understand that the Patient Protection and Affordable Care Act and other potential related legislation (ACA) have or will dramatically alter how health care is offered to employees. The Parties also recognize that many rules and regulations have not been fully completed, written or published. The parties, therefore, agree as follows:

1.) If the health benefits provided under this Article fail to meet the requirements of the ACA or subject the Company to penalties, taxes or fines, BIW will provide notice to the Union. The Parties then will meet immediately to bargain over any changes necessary to ensure compliance and to avoid any penalties, taxes or fines. Absent agreement by the parties to re-open this Agreement, bargaining

- shall be limited to health care. Bargaining will occur for a period of up to sixty (60) days.
- 2.) If the parties are unable to reach agreement, BIW may unilaterally implement the minimum changes required to ensure compliance and to avoid any penalties, taxes or fines, subject to the Union's right to grieve and arbitrate the issue. Any changes that create additional costs may be offset by plan changes, including plan design and/or employee contributions.

If a dispute under this provision proceeds to arbitration, the arbitrator will be empowered to rule on the good faith efforts of both parties to reach agreement, whether BIW implemented only what it believed in good faith were the minimum changes necessary to ensure compliance and to avoid any penalties, taxes or fines, and BIW's efforts to minimize the impact on employees.

Article 24 ACCIDENT AND SICKNESS

Section 1: Basic Accident and Sickness

The Basic Accident and Sickness Plan in effect on April 2, 2017 April 4, 2021, in the weekly benefit amount of two hundred and fifty dollars (\$250) will continue unchanged through December 31, 2021. the duration of this agreement. Effective January 1, 2022 the Basic Accident and Sickness Plan will move to a weekly benefit amount of 50% of the employee's base wage and continue unchanged through the duration of this agreement.

Section 2: Banked Sick Leave

*Note: Supplemental Income Benefits eliminated effective 1/1/18 (refer to details on page 92)

Banked sick leave may be approved for any valid medical absence. The employee must provide a valid medical report which describes the illness, treatment, and verification that he or she was unable to work and what dates the illness kept him or her out of work to the Medical Department on their first day back to work. The medical report must be written by a state licensed physician or chiropractor based on their personal observations and treatment. Usage of Banked Sick Leave that is not associated with approved A&S claims must be authorized by BIW's Chief of Occupational Medicine. Banked sick leave will be used for approved A&S claims, including the benefit waiting period. However, for any instance not covered by a valid medical absence, the time associated with the benefit waiting period will revert to Code 06, personal business. In such case, the employee shall be responsible for reimbursing the Company for any pay received during the waiting period that is associated with the denied medical absence. Payroll will provide you with the number of your banked hours once a year upon request.

Run Rules for Banked Sick Leave Usage

- 1. Call the Call In Center using Code 1BP.
- 2. They must be seen by their doctor. A self-diagnosis will not be acceptable.
- 3. Upon return to work the employee must report to Medical with a valid medical report from their Physician or Chiropractor.
- 4. If the report is found to be unacceptable the member will be asked to provide an acceptable report within three (3) working days pursuant to Article 48, Section 6. For any instance not covered by a valid medical report, the time associated with the absence will be reverted to Code 06, unexcused personal business, and the member will be required to reimburse the Company for any pay received during the waiting period that is associated with the denied medical absence.

Retirement Banked Sick Leave Payout

Any employee retiring or resigning their employment from a Local S7 represented position having attained age fifty-five (55) with ten (10) or more years of service shall receive

compensation at their rate of pay in effect at that time for 100% of their banked sick leave banked on or before April 2, 2017 subject to applicable withholdings.

Section 3: Responsibilities of the Medical Director

The Medical Director may review and approve any Code 26 (accident and sickness) absence and may request that you provide a valid medical report which describes the illness, treatment and verification that you were unable to work and what dates the illness kept you out of work. The medical report must be written by a licensed board certified physician, licensed mental health professional or chiropractor or by a health care provider working under the license of a board certified physician, licensed mental health professional or chiropractor (physician assistant, nurse practitioner) based on their personal observations and treatment. Upon request, the employee shall have up to five (5) days to provide the medical report.

In the event the Medical Director disapproves absences related to an accident and sickness claim previously approved by the Company's short term disability administrator, the Company shall notify the affected employee by certified mail of the reason(s) for the disapproval. The Company shall also notify the LS7 President of the disapproval (omitting specific reasons and medical information). Failure of the employee to respond to the letter or provide the required medical documentation within five (5) days of receipt or refusal of the certified letter will result in all absences taken subsequent to the date of the five day notification period being unexcused.

*Administrative change

Article 25 LIFE INSURANCE COVERAGE

Basic Life Insurance:

The Basic Life Insurance coverage in effect on April 1, 2017 in the amount of \$50,000 or one times base annual wage (whichever is greater) will continue to April 9, 2017. Effective April 10, 2017 April 4, 2021, the minimum coverage of \$50,000 will increase to in the amount of \$60,000 or one times base annual wage (whichever is greater) and will remain unchanged through December 31, 2021. at that level for the duration of this Agreement. Effective January 1, 2022 the Basic Life Insurance coverage in effect will move to 1X of the employee's base wage and will continue unchanged through the duration of this agreement.

If you are eligible to retire under the Pension Plan directly from employee status with BIW, you will be eligible for life insurance coverage during your retirement. Your benefit amount will be the same amount that was in effect prior to your retirement. Then, on the first anniversary date of your retirement, your life insurance benefit will be reduced by 10%. Thereafter, every year on the anniversary of your retirement, your benefit will be lowered by the same amount it was reduced on your first anniversary date. The minimum benefit paid to your surviving beneficiary is \$5,000.

Article 26 SUPPLEMENTAL LIFE INSURANCE

You are eligible for additional life insurance for yourself.

You will have seven (7) *nine* (9) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No Coverage.
- Coverage at \$25,000. the annual amount of your base wage rate.
- Coverage at \$50,000. two times (2X) the annual amount of your base wage rate.
- Coverage at \$100,000. three times (3X) the annual amount of your base wage rate.
- Coverage at \$200,000. four times (4X) the annual amount of your base wage rate.
- Coverage at \$300,000. five times (5X) the annual amount of your base wage rate.
- Coverage at \$500,000. six times (6X) the annual amount of your base wage rate.
- Coverage at seven (7X) the annual amount of your base wage rate.
- Coverage at (8X) the annual amount of your base wage rate.

If you elect supplemental life insurance, you will pay the full cost of the premium. This cost will be deducted from your paycheck on an after tax-basis. The cost can change each year and depends upon the coverage level you select and your age.

Satisfactory proof of evidence of insurability is required for all increases.

Spousal Life Insurance:

You are eligible for life insurance for your spouse.

You will have six (6) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No coverage.
- Coverage at \$10,000.
- Coverage at \$25,000.
- Coverage at \$50,000.
- Coverage at \$75,000.
- Coverage at \$100,000.

Satisfactory proof of evidence of insurability is required for all increases.

If you elect spousal life insurance, you will pay the full cost of the premium. This cost will be deducted from your paycheck on an after tax-basis. The cost can change each year and depends upon the coverage level you select and your spouse's age.

Child Life Insurance:

You are eligible for life insurance for your child(ren).

You will have six (6) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No coverage.
- Coverage at \$5,000.
- Coverage at \$10,000.
- Coverage at \$15,000.
- Coverage at \$20,000.
- Coverage at \$25,000.

Satisfactory proof of evidence of insurability may be required for all increases.

If you elect child life insurance, you will pay the full cost of the premium. This cost will be deducted from your paycheck on an after tax-basis. The cost can change each year and depends upon the coverage level you select.

Article 27 (NO CHANGE) BUSINESS TRAVEL ACCIDENT INSURANCE

If you die as a result of an accident while you are traveling on Company business, your beneficiary will receive a lump sum benefit of four (4) times your annual base pay.

Article 28 (NO CHANGE) WELLNESS PROGRAM

A comprehensive program is offered to employees and their spouses on a variety of programs to improve their health. These programs will respect employee privacy and personal choice.

Article 29 GENERAL DYNAMICS 401(k) PLAN FOR HOURLY EMPLOYEES

The BIW matching contribution of fortyfifty cents (\$0.40) (\$0.50) on every dollar you defer up to the first 5% of straight time pay will continue unchanged through December 31, 20172021. Effective the first paycheck in January 20182023, BIW's matching contribution on every dollar you defer up to the first 5% of straight time pay will be increased to fortyfifty five cents (\$0.45) (\$0.55). Effective the first paycheck in January 20212024, BIW's matching contribution on every dollar you defer up to the first 5% of straight time pay will be increased to fiftysixty cents (\$0.50) (\$0.60) and remain at that level for the duration of this agreement.

- 1. All matching contributions, both retrospective and prospective, will be 100% vested, and
- 2. New hires and rehires will be auto enrolled with a contribution of 35% into the default investment fund selected by the Plan Administrator for auto enrollment under the Plan.

BIW will defer pay for all hours in which you are paid, calculated on a straight-time basis, up to a maximum of 2080 hours per year.

You are eligible for this Plan upon your hire date.

Article 30 PRESCRIPTION GLASSES

Should you damage or crack your prescription glasses while at work, your prescription glasses will be replaced at the BIW Main *Employee Store or Harding's Tool Room *Structural Fabrication Employee Store, upon presentation of the damaged or cracked glasses to be replaced. There is no (0) cost to you except for the prescription obtained from your optometrist for your glasses. This also covers prescription inserts for respirators.

*Administrative Changes

Article 31 RETURN TO WORK/STAY AT WORK PROCESS

Section 1: Purpose

To stay competitive in today's market, all employees must be utilized to their fullest capacity. If you are an injured or ill employee with work capacity, we will focus on your abilities and make a good faith effort to keep you productively employed.

Section 2: Initial Reporting of Injury/Illness

You should immediately report any yard injury to your supervisor. To comply with OSHA regulations, occupational injuries/illnesses must be reported to Employee Health. Non-occupational injury/illness resulting in lost time must be reported to Department Head or designee.

Section 3: Return to Work/Stay at Work Process

If you are injured/ill with reasonable work capacity (limits), the Return to Work/Stay at Work Process will be utilized to identify productive work for you in the following manner:

- 1. The employee presents Employee Health Status Form to Employee Health.
- 2. Employee Health will contact your Supervisor who will attempt to identify productive work with or without reasonable accommodation.
- 3. If it appears no work within your work capacity is available, your Supervisor will contact your Steward who will inform the Local S7 President and they will attempt to identify work with or without reasonable accommodation.
- 4. If no productive work within your work capacity is available in your classification Labor Relations and the Local S7 President or designee, will attempt to place you in another classification within the facility to which you were last assigned. Additionally, you may be placed in another classification in another facility or shift if there are insufficient volunteers.

Section 4: Employee Health Status Form

A Health Status Form has been developed to assure consistency in language and assignment of work capacity, regardless of healthcare provider. Everyone involved in the Return to Work/Stay at Work Process will be expected to use this form.

<u>Article 32 (NO CHANGE)</u> BATH IRON WORKS CORPORATION PENSION PLAN FOR HOURLY EMPLOYEES

If you participated in this Plan prior to September 1, 1994, you are also vested to a monthly benefit at your normal retirement age (65) equal to \$16.50 multiplied by your years and months of credited service in this Plan as of August 31, 1994.

Article 33 IAM NATIONAL PENSION PLAN

IAM National Pension Plan:

BIW became a Contributing Employer under the IAM National Pension Plan on September 1, 1994. BIW's contribution to the IAM Plan in effect on April 24, 2017 2021 of \$2.50 \$2.85 per employee per hour of service as defined in the Standard Contract Language will continue unchanged until April 9, 2018 when it will increase to \$2.60. Effective April 8, 2019, BIW's contribution to the IAM Plan will increase to \$2.70 per employee per hour of service. Effective April 6, 2020, BIW's contribution to the IAM Plan will increase to \$2.85 per employee per hour of service and remain at that level for the duration of the agreement, subject to the annual contribution rate increases required under the "Preferred Schedule" of the rehabilitation Plan set forth below in this Article. Those increases shall result in the following rates:

Effective Date:	Contribution Rate:
June 7, 2021	\$2.92
April 4, 2022	\$2.99
April 3, 2023	\$3.07

IAM National Pension Fund Rehabilitation Plan Schedule Adoption:

BIW and the Union agree, effective June 7, 2021, to adopt the "Preferred Schedule" contained within the Rehabilitation Plan adopted by the Board of Trustees of the IAM National Pension Fund on April 17, 2019. The Supplemental Agreement containing the Fund's recommended adoption language is included in this Article, along with the Fund's Standard Contract Language.

For purposes of applying the Continuity of Past Service rule as defined in the IAM National Pension Plan Document, the term "foreman" shall include all participants who are former salaried employees prior to regressing back into Local S7.

Pension Protection Act Impact Avoidance:

BIW and the Union agree, at the request of either party, to promptly meet mid-term to negotiate, in good faith, any modification of this agreement under a Funding Improvement Plan or Rehabilitation Plan recommended by the Plan Trustees as necessitated under the Pension Protection Act (PPA).

Article 34 (NO CHANGE) VISION CARE PLAN

You are eligible to participate in a vision care plan. This plan provides coverage for eye examinations, lenses, frames and contact lenses.

You will have five (5) options to choose from each calendar year during the annual open enrollment process, which will be conducted each Fall preceding the calendar year. Your options will include:

- No Coverage.
- Employee Only.
- Employee and Spouse.
- Employee and Child(ren).
- Employee and Family.

If you elect coverage under the vision care plan, you will pay the full cost of the premium. To the extent permitted by law, these contributions will be deducted before taxes are withheld. The cost can change each year and depends upon the coverage level you select.

Article 35 (NO CHANGE) HEALTHCARE FLEXIBLE SPENDING ACCOUNT (FSA)

This is a special account where the money in the account may be used on a tax free basis for almost any un-reimbursed expense related to medical, dental or vision coverage for you, your spouse or your dependents. For example, you can use the money to be reimbursed for deductibles, co-insurance, and co-payments under an established plan (like the BIW Healthcare Program, or the Local S7-sponsored Union Dental Plan, or a plan through your spouse's employer), or for out-of-pocket expenses you have if you are not covered under an established plan. Contributions you make as a requirement to participate in a benefits plan, like payroll deductions for healthcare or dental coverage, are not eligible.

You have access to either a full-use or limited-use FSA. A full-use FSA can be used to cover medical, dental, and vision expenses. However, you cannot elect a full-use FSA if you or your spouse has a Health Savings Account (HSA). A limited-use FSA can be used to cover dental and vision expenses and can be used in conjunction with an HSA.

You can establish your own account by setting aside a portion of your wages on a pre-tax basis, during the annual open enrollment process conducted each Fall preceding the calendar year. If you elect to participate in this account, you must indicate so during the open enrollment and decide how much to contribute during that year. Contribution limits will be consistent with federal laws and regulations.

To make sure you put the right amount of money in your account during open enrollment, you need to estimate your expenses for the next year. To the extent you have money remaining in your FSA at the end of the year, you can carry-over up to \$500 for use in the following year. Any amount beyond \$500 will be forfeited; notwithstanding that you have ninety (90) days after the end of the year in which to file receipts for services that were rendered in that year. See the BIW Benefits Department for a complete list of eligible and ineligible expenses.

Article 36 (NO CHANGE) DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

This is a special account where you can be reimbursed dependent day care expenses that meet certain requirements on a tax-free basis.

An annual open enrollment process will be conducted each Fall preceding the calendar year. If you elect to participate in this account, you must indicate so during the open enrollment and decide how much to contribute during that year. Contribution limits will be consistent with federal laws and regulations.

To make sure you put the right amount of money in your account during open enrollment, you need to estimate your expenses for the next year. If you put more money into the account than you have expenses for, any money remaining in your account by the end of the year will be forfeited; notwithstanding that you have ninety (90) days after the end of the year in which to file receipts for services that were rendered in that year. See the BIW Benefits Department for a complete list of eligible and ineligible expenses.

Article 37 (NO CHANGE) PERSONAL LINES OF INSURANCE

You are eligible to receive a free no-obligation rate quote from an insurance carrier that BIW chooses for several different types of personal insurance coverage (e.g., automobile, home). Each employee who chooses to apply and is accepted for one or more coverages would be individually underwritten and rated, and will also have the option to have premiums automatically deducted from paychecks in equal amounts each pay period.

Article 38 COMPENSATION

Section 1: Classifications and Wage Steps

Description of Classifications

*Trade Code	*Classification	Wage Steps
43WT	Welding Lab Technician	F-A
53PT	Planning Technician	O-AA*****
54MP**	Machine Programming Technician	K-AA*****
58DT****	Database Technician+	R-AAA
71SR	Surveyor	O-AA*****
77TT	Telecommunication Technician	Y-C
87AT****	Administrative Technician	Y-E***
93TI	Trades Inspector	K-AA*****

⁺ Change in title only

- * Trade Codes/Classifications reflect consolidations made through the 1994 and 2013 Labor Agreements. Classifications previously consolidated or with zero (0) populations and functions associated thereto remain with the unit represented by IAMAW Local S7 as defined in NLRB case 1-RC-17,360.
- ** For clarification purposes only, the 54MP classification shall be responsible for programming the following machines:

Machine	Current Work Center
Moriseki CNC Lathe	3A
Daewo Doosan CNC Lathe	3 ₩D
Viper Vertical Turning Lathe	4D
Koraki Horizontal Boring Mill	5H
Shenyang Milling and Boring Machine	5J
Monarch Vertical Boring Mill (VBM)	10D
Haas Mill VBM	10P
Hardings Structural Fab. HBM	14D
Ingersol Gantry Mill	5G
Topper CNC Lathe	18T
Flo Water Jets	Various

The Parties acknowledge that notwithstanding the "CNC" designation clearly marked on the Topp-Turn Lathe, this machine is essentially a manual lathe with some automated functions. As such, this machine does not fall within the jurisdiction of the 54MP classification. (Incorporation of MOA dated 12/16/11)

^{***} Separate wage rate chart for 87ATs with opportunity to progress to Grade D wage step in accordance with controlling MOA.

- **** 58DTs on payroll as of March 26, 2007 or recalled thereafter will be reassigned to departments requiring assistance with Microsoft programming or open shop computer applications without exclusivity as to jurisdiction.
- **** Administrative Technicians (87AT) who back-up for the Telecommunications Technician (77TT) will receive a while-assigned rate equal to Grade C while performing the functions of the 77TT classification.
- ***** Employees in the classifications of 54MP and 71SR will be eligible to progress to wage step AA upon demonstrating proficiency in the technologies and/or skills in accordance with signed MOAs.
- ****** Employees in the classifications of 53PT and 93TI will be eligible to progress to wage step AA in accordance with controlling MOA.

Section 2: Wage Rate Charts

If the contract is ratified by Midnight, April 4, 2021, a ratification bonus of one thousand two hundred dollars (\$1,200) subject to applicable withholdings will be paid on the April 22, 2021 pay date to all employees on the active payroll effective April 12, 2021, and those employees who return from layoff, leave of absence, Accident and Sickness, Workers' Compensation, and Family Medical Leave between April 13, 2021 and April 11, 2022, and who remain on the active payroll for four (4) full consecutive weeks.

Wage Rate Chart (87AT)

	As of
Wage Steps	<u>4/3/2017</u>
Ð	\$23.67
E	\$23.02
F	\$22.45
G	\$22.08
Ħ	\$21.49
I	\$20.83
Ŧ	\$20.37
K	\$19.90
Ł	\$19.41
M	\$18.95
N	\$18.00
θ	\$17.07
P	\$16.58
Q	\$15.92
R	\$15.15
S	\$14.70
Ŧ	\$14.22
¥	\$13.77

¥	\$13.37
W	\$13.00
X	\$12.60
¥	\$12.22

	Effective	Effective	Effective
Wage Step	4/19/2021	<u>5/2/2022</u>	<u>6/5/2023</u>
D	\$24.38	\$25.11	\$25.86
E	\$23.71	\$24.42	\$25.15
F	\$23.12	\$23.81	\$24.52
G	\$22.74	\$23.42	\$24.12
Н	\$22.13	\$22.79	\$23.47
I	\$21.45	\$22.09	\$22.75
J	\$20.98	\$21.61	\$22.26
K	\$20.50	\$21.12	\$21.75
L	\$19.99	\$20.59	\$21.21
M	\$19.52	\$20.11	\$20.71
N	\$18.54	\$19.10	\$19.67
О	\$17.58	\$18.11	\$18.65
P	\$17.08	\$17.59	\$18.12
Q	\$16.40	\$16.89	\$17.40
R	\$15.60	\$16.07	\$16.55
S	\$15.14	\$15.59	\$16.06

The wage rates for all grades above were determined based on the following General Wage Increases (GWIs):

• Contract Year 1: 3.00%

• Contract Year 2: 3.00%

• Contract Year 3: 3.00%

^{*}Within 60 days from the ratification of the CBA a MOA will be negotiated to bring over a minimum of 9 87ATs assigned to material group will be moved into the 53PT classification.

Wage Rate Chart (43WT)

Wage Steps	As of 4/3/2017
A	\$30.09
В	\$29.19
C	\$28.30
Ð	\$27.46
E	\$26.64
F	\$25.85

Wage Step	Effective 4/19/2021	<i>Effective</i> 5/2/2022	Effective 6/5/2023
A	\$30.99	\$31.92	\$32.88
В	\$30.07	\$30.97	\$31.90
C	\$29.15	\$30.02	\$30.92
D	\$28.28	\$29.13	\$30.00
E	\$27.44	\$28.26	\$29.11
F	\$26.63	\$27.43	\$28.25

The wage rates for all grades above were determined based on the following General Wage Increases (GWIs):

• Contract Year 1: 3.00%

• Contract Year 2: 3.00%

• Contract Year 3: 3.00%

Wage Rate Chart (58DT)

	Effective	Effective	Effective
<u>Wage Step</u>	<u>4/19/2021</u>	<u>5/2/2022</u>	<u>6/5/2023</u>
AAA	\$34.66	\$35.70	\$36.77
AA	\$32.86	\$33.85	\$34.87
\boldsymbol{A}	\$30.99	\$31.92	\$32.88
В	\$30.07	\$30.97	\$31.90
C	\$29.15	\$30.02	\$30.92
D	\$28.28	\$29.13	\$30.00
E	\$27.44	\$28.26	\$29.11
F	\$26.63	\$27.43	\$28.25

The wage rates for all grades above were determined based on the following General Wage Increases (GWIs):

*See MOA dated March 2021

• Contract Year 1: 3.00%

• Contract Year 2: 3.00%

• Contract Year 3: 3.00%

Wage Rate Chart (Apprentice)

		Wage Step	<i>Effective</i> 4/19/2021	<i>Effective</i> <u>5/2/2022</u>	<i>Effective</i> 6/5/2023
	1st 1,000 hours	Н	\$23.45	\$24.15	\$24.87
Basic	2nd 1,000 hours	\boldsymbol{G}	\$24.09	\$24.81	\$25.55
Ba	3rd 1,000 hours	F	\$24.50	\$25.24	\$26.00
	4th 1,000 hours	E	\$25.13	\$25.88	\$26.66
q	5th 1,000 hours	D	\$25.81	\$26.58	\$27.38
тсе	6th 1,000 hours	C	\$26.44	\$27.23	\$28.05
4dvanced	7th 1,000 hours	В	\$27.07	\$27.88	\$28.72
	8th 1,000 hours	A	\$27.86	\$28.70	\$29.56

The wage rates for all grades above were determined based on the following General Wage Increases (GWIs):

• Contract Year 1: 3.00%

• Contract Year 2: 3.00%

• Contract Year 3: 3.00%

Other than wage rate chart above, all Apprenticeship program terms per MOA dated 3/10/2021

Wage Rate Chart (All Classifications Except Apprentices, 58DT, 87AT and 43WT)

Wage	<u>As of</u>
<u>Steps</u>	<u>4/3/2017</u>
*AA	\$28.18
A	\$27.05
B	\$26.28
E	\$25.67
Ð	\$25.06
Æ	\$24.40
F	\$23.79
G	\$23.39
Ħ	\$22.77
Ŧ	\$22.05
J	\$21.59
K	\$21.07
Ł	\$20.56
M	\$20.08
N	\$19.07
0	\$18.07
₽	\$17.57
Q	\$16.85
R	\$16.04
S	\$15.56
Ŧ	\$15.08
U	\$14.58
¥	\$14.16
W	\$13.77
X	\$13.35
¥	\$12.95

	Effective	Effective	Effective
Wage Step	<u>4/19/2021</u>	<u>5/2/2022</u>	<u>6/5/2023</u>
*AA	\$29.03	\$29.90	\$30.80
A	\$27.86	\$28.70	\$29.56
В	\$27.07	\$27.88	\$28.72
C	\$26.44	\$27.23	\$28.05
D	\$25.81	\$26.58	\$27.38
E	\$25.13	\$25.88	\$26.66
F	\$24.50	\$25.24	\$26.00
G	\$24.09	\$24.81	\$25.55
Н	\$23.45	\$24.15	\$24.87
Ι	\$22.71	\$23.39	\$24.09
J	\$22.24	\$22.91	\$23.60
K	\$21.70	\$22.35	\$23.02
L	\$21.18	\$21.82	\$22.47
M	\$20.68	\$21.30	\$21.94
N	\$19.64	\$20.23	\$20.84
0	\$18.61	\$19.17	\$19.75
P	\$18.10	\$18.64	\$19.20
Q	\$17.36	\$17.88	\$18.42
R	\$16.52	\$17.02	\$17.53
S	\$16.03	\$16.51	\$17.01
T	\$15.53	\$16.00	\$16.48

The wage rates for all grades above were determined based on the following General Wage Increases (GWIs):

• Contract Year 1: 3.00%

• Contract Year 2: 3.00%

• Contract Year 3: 3.00%

Section 3: Meetings During Work

Should you be required to attend any meeting called by the Company, you will be compensated for that meeting. Attending meetings where your attendance is voluntary will not be compensated.

^{*} For 53PT, 54MP, 93TI, and 71SR classifications only.

Section 4: Lump Sum

A lump sum in lieu of general wage increase (GWI) subject to applicable withholdings will be paid to all LS7 employees according to the following schedule:

A three thousand dollar (\$3,000) lump sum amount subject to applicable withholdings will be paid on the April 13, 2017 pay date to all employees on the active payroll effective April 3, 2017, and those employees who return from layoff, leave of absence, Accident and Sickness, Workers' Compensation, and Family Medical Leave between April 4, 2017 and April 2, 2018, and who remain on the active payroll for four (4) full consecutive weeks.

A three thousand dollar (\$3,000) lump sum amount subject to applicable withholdings will be paid on the April 12, 2018 pay date to all employees on the active payroll effective April 2, 2018, and those employees who return from layoff, leave of absence, Accident and Sickness, Workers' Compensation, and Family Medical Leave between April 3, 2018 and April 1, 2019, and who remain on the active payroll for four (4) full consecutive weeks.

A two thousand dollar (\$2,000) lump sum amount subject to applicable withholdings will be paid on the April 11, 2019 pay date to all employees on the active payroll effective April 1, 2019, and those employees who return from layoff, leave of absence, Accident and Sickness, Workers' Compensation, and Family Medical Leave between April 2, 2019 and March 30, 2020, and who remain on the active payroll for four (4) full consecutive weeks.

A two thousand dollar (\$2,000) lump sum amount subject to applicable withholdings will be paid on the April 9, 2020 pay date to all employees on the active payroll effective March 30, 2020, and those employees who return from layoff, leave of absence, Accident and Sickness, Workers' Compensation, and Family Medical Leave between March 31, 2020 and April 5, 2021, and who remain on the active payroll for four (4) full consecutive weeks.

Article 39 HOURS OF WORK

Section 1: Hours of Work Chart

	Main Plant (currently) and All facilities	Hardings Structural Fabrication	EBMF Outfit Fabrication
	beginning August 2, 2021	Through August 2, 2021	Through August 2, 2021
1st Shift	2021	2021	2021
Start	7:00 a.m.	6:30 a.m.	6:18 a.m.
Break	9:30 - 9:40 a.m.	9:00 - 9:10 a.m.	9:00 - 9:10 a.m.
Lunch	11:30 a.m12:00 p.m.	11:30 a.m 12:00 p.m.	11:30 a.m. – 12:00 p.m.
End	3:30 p.m.	3:00 p.m.	2:48 p.m.
2nd Shift			
Start	4:00 p.m.	3:00 p.m.	3:30 p.m.
Lunch	8:30 p.m. to 8:50 p.m.	7:30 p.m. to 7:50 p.m.	7:30 p.m. to 7:50 p.m.
End	12:00 am	11:00 p.m.	11:30 p.m.
3rd Shift			
Start	11:00 p.m.	10:30 p.m.	10:30 p.m.
Lunch	3:30 a.m. to 3:50 a.m.	3:00 a.m. to 3:20 a.m.	3:00 a.m. to 3:20 a.m.
End	7:00 a.m.	6:30 a.m.	6:30 a.m.

	CW/Bissons	CROF/James	
	Through August 2, 2021	Through August 2, 2021	
1st Shift			
Start	6:24 a.m.	7:00 a.m.	
Break	9:00 - 9:10 a.m.	9:30 - 9:40 a.m.	
Lunch	11:30 a.m. – 12:00 p.m.	12:00 p.m 12:30 p.m.	
End	2:54 p.m.	3:30 p.m.	
2nd Shift			
Start	3:00 p.m.	3:30 p.m.	
Lunch	7:30 p.m. to 7:50 p.m.	7:30 p.m. to 7:50 p.m.	
End	11:00 p.m.	11:30 p.m.	
3rd Shift			
Start	10:30 p.m.	11:00 p.m.	
Lunch	3:00 a.m. to 3:20 a.m.	3:30 a.m. to 3:50 a.m.	
End	6:30 a.m.	7:00 a.m.	

	Trades Inspectors Bath Facility	
2nd Shift		
Start	3:30 p.m.	
Lunch	8:00 p.m. to 8:20 p.m.	
End	11:30 p.m.	

Section 2: Notes

- 1. All exceptions to hours of work must be mutually agreed to by Union and Management.
- 2. Parking will be dedicated for first and second shift.

- 3. Any employees on first shift currently assigned to take their lunch break from 12:00 12:30 p.m. will continue to do so.
- 4. Second and Third Shift will have a 20 minute paid lunch, but must remain in the facility.

Section 3: Hours of Work for Payroll and Timekeeping

Hours of work for Payroll and Timekeeping are 7:00 a.m. - 3:30 p.m., 6:00 a.m. - 2:30 p.m., 7:30 a.m. - 4:00 p.m., 8:00 a.m. - 4:30 p.m., and 3:30 a.m. - 12 Noon depending on employee assignments.

Article 40 OVERTIME

Section 1: Assignment

BIW will distribute all overtime. Supervision will notify Stewards, on the appropriate shift, of overtime in advance of working the overtime. Overtime will be administered across all classifications by volunteers, by rotation in the following priorities:

- a. Job ownership
- b. Crew ownership (by classification)
- c. By Division, by Facility
- d. Facility ownership (i.e., Bath, *EBMF Outfit Fabrication Facility)
- e. Yard wide (by seniority)

Should issues arise, they are to be jointly resolved.

Section 2: Policies/Records

Within a reasonable period of time following a Union request, the Company will make available overtime records indicating actual hours worked on overtime within a department.

Section 3: Overtime Rates

- a) Effective no earlier than January 1, 2018, you will not receive weekend overtime premium pay until you have accumulated a total of 40 hours in a week between straight time worked and excused codes, with the exception of codes for suspension or suspension pending investigation. In the event you have incurred a code that does not contribute to this 40 hour straight time requirement (as defined by Article 48, Sections 2 and 4), you may still accept and work an overtime assignment but will not be paid the premium rate until the 40 hour threshold is reached. The 40 hour threshold applies to regular work weeks. Shortened work weeks have a proportionately shortened threshold prior to premium pay.
- b) Once you have satisfied the hours requirement of a) above, you will be paid overtime at the following rates:

Event

Time worked outside of your regular shift Saturday*

Saturday* Sunday* Holiday

Rate (times base hourly wage rate)

Time-and-one-half
Time-and-one-half
Double Time
Time-and-one-half plus holiday pay

* Excluding regular working hours.

Section 4: Overtime Cancellation

You or your Supervisor may cancel your overtime assignment by notification to the other on or before the end of your lunch period on the day of the overtime, on Friday for Saturday, or Saturday for Sunday. (Exception to this policy is allowed where the work is suspended due to bad weather, machinery breakdown or other causes beyond the control of BIW.)

Section 5: Transferable Holiday Weeks

For members working to earn a transferable holiday see Article 18.

*Administrative Changes

Article 41 (NO CHANGE) REPORTING-IN PAY, MINIMUM PAY, CALL BACK PAY

Section 1: Reporting-In Pay

If you report to work as scheduled and then are not put to work, you will receive four (4) hours' pay unless canceled in a timely manner by BIW.

Section 2: Minimum Pay

If you are put to work on any shift, you will not receive less than four (4) hours' pay unless you voluntarily quit or the work is suspended due to bad weather, machinery breakdown or other causes beyond the control of BIW.

Section 3: Call Back Pay

If you are called back to work and have worked any part of your regular shift, you will receive a minimum of four (4) hours' pay if the job is completed in a shorter time.

Section 4: Rate of Pay

This pay shall be at your base hourly rate paid at either straight time or overtime as applicable.

Article 42 PAYDAY AND PAYCHECKS

- 1. You will receive your regular weekly paycheck on each Thursday.
- 2. All new employees will be automatically enrolled in direct deposit and electronic paystubs during new hire orientation.
- 3. All employees currently enrolled in direct deposit will be automatically enrolled in electronic paystubs effective 6/1/2017.
- 4. All employees may elect to opt-out of numbers two and three above to receive a paper check by completing a request through payroll.
- 5. BIW will provide electronic access to paystub information with the ability to print at no cost to the employee.
- 6. The Company will mail hard-copy checks to employees during unforeseen events that affect ingress into the facility.

Article 43 (NO CHANGE) SEA TRIAL PAY

Employees shall receive pay for all time spent on sea trials in accordance with the "Overtime Rates" section of this contract.

Article 44 SECOND AND THIRD SHIFT PREMIUMS

Section 1: Eligibility

If you work the second or third shift, you will be paid a shift premium of \$1.35 *per hour. You will receive shift premium where you work half or more of your shift on the second or third shift.

In addition, if you are assigned to the second or third shift, you will be eligible for shift premium for the following reasons:

- Injured employee pay
- Holiday pay
- Compensated time off pay
- Jury/military/witness pay
- Bereavement pay

Section 2: Docking/Undocking

Employees assigned to docking and undocking procedures will receive shift premium for any work outside of first shift.

*Administrative Change

Article 45 (NO CHANGE) PROTECTIVE CLOTHING

Employees working outside assigned to Departments 06, Surveyors, and 42, Quality Assurance, shall be issued two (2) pair of coveralls and two (2) pair of leather gloves per year.

Department 06 outside employees shall also receive one (1) set of raingear and one (1) pair of red rubber boots for the duration of this Contract.

Article 46 SAFETY AND HEALTH

Section 1: Purpose

Local S7 and BIW share in the common belief that the safety and health of all employees is the number one priority. Improving working conditions and having people remain healthy and safe at all times will improve everybody's quality of life. This will be accomplished through maintenance of safe working conditions, employee awareness and training and a strong commitment to resolve all safety and health problems as quickly as possible while maintaining and protecting the environment to the fullest. Unsafe conditions and acts must be treated seriously and resolved with a sense of urgency. We urge you to read this Article and help us make BIW a better, safer place to work in the future.

Section 2: Commitment

BIW will provide for the safety and health of its employees during the hours of their employment. Corrective action required on any safety deficiency or industrial hazard will be given top priority for resolution. BIW is committed to a safe work environment and will hold monthly safety talks.

Section 3: Problem Solving

Matters concerning safety and health will be prioritized and resolved by the Occupational Safety, Health and Environmental Department (Safety Inspectors), the Local S7 Safety and Health Committee and all concerned parties. Should a dispute arise over the resolution to a safety matter, it will be resolved in accordance with Article 47.

Section 4: Hazardous Materials

Hazardous materials are evaluated and approved by the Occupational Safety, Health and Environmental Department. In cases where you are required to work around hazardous material, you will be given access to appropriate safety data sheets and any required training.

Section 5: Reporting a Yard Injury

You should immediately report any yard injury to your supervisor. To comply with OSHA regulations, occupational injuries/illnesses must be reported to Employee Health.

Section 6: Unsafe Acts

Any Supervisor, Safety Inspector, or Joint Union-Management Safety and Health Committee member will stop an unsafe job or individual act where imminent danger exists. The person stopping the job or act shall either take corrective action to eliminate the unsafe situation or, if *he is they are unable to do so, immediately provide notification of such action to Area Management or Occupational Safety, Health and Environmental.

It is the employee's right and responsibility not to engage in unsafe jobs or acts.

Section 7: Subcontractor Requirements

Any subcontractor working on BIW premises will be required to adhere to all BIW Safety Rules and Regulations.

Section 8: Notice to the Joint Union – Management Safety and Health Committee

The Committee's designee will be notified immediately in the event of injuries resulting from on-the-job accidents which require treatment beyond the scope of BIW's Employee Health capability.

Section 9: Joint Union – Management Safety and Health Committee

The Joint Union-Management Safety and Health Committee is comprised of up to five (5) Local S7 members and up to five (5) Management members; a minimum of three (3) from each group. The Committee will be co-chaired by Labor and Management. The Committee's responsibility is to review, investigate and effectively recommend changes or corrective actions for unsafe acts or working conditions. They will also review appropriate data and may effectively recommend changes to the safety rules, regulations and policies. The Committee will include Management representatives from the Occupational Safety, Health and Environmental Department and the Facilities Department.

Section 10: Safety Programs

We recognize the value of a Company-wide safety program to employee safety awareness through jointly sponsored educational and safe behavior training. We will work together to promote programs which achieve this objective to include micro breaks and the 20-20-20 rule.

Section 11: Safety Resolution Procedure

The Safety Resolution Procedure is one (1) recognized method of resolving conditions. Under this procedure you should:

- Try to solve the problem within your job description.
- If unresolved, contact a D52 Safety Inspector or any Supervisor.
- If unresolved, call the Joint Union-Management Safety and Health Committee at 3993 or 3787.
- Finally, call the Safety Resolution line at 4777.

*Administrative Changes

Article 47 GRIEVANCE PROCEDURE

Section 1: Purpose

We are committed to finding resolutions to our mutual problems and to grievance avoidance. We will be open, honest and committed to fair and consistent administration of this Agreement.

Section 2: Problem Resolution Process

When a disagreement arises, you must first make a good faith effort to resolve the issue with your Steward and/or your Supervisor who must also make a good faith effort to resolve the issue.

Section 3: Grievance Defined

Any disagreement raised by an employee under the terms of this Agreement.

Section 4: Grievance Procedure

a) First Step

If the issue is not resolved within three (3) workdays from the initiation of problem resolution, a grievance will be put in writing and presented to BIW. The written grievance should set forth the facts giving rise to the grievance, and, where possible, should provide the remedy sought, and specify the sections of the Agreement alleged to be violated. A Local S7 87AT in Craft Administration will schedule a meeting between the grievant and the appropriate Union (Steward, President or designee) and Company (Functional Area Manager or designee and others as necessary) people. This meeting will be held within five (5) workdays.

During this meeting the issue and the information presented at the grievance shall be captured on a joint fact finding sheet. If the issue is not resolved within five (5) work days, the grievance along with the fact sheet will be sent to the 87AT in Craft Administration who will provide the Director of Labor Relations or designee and the Local S7 President with a copy.

b) Second Step

Upon receipt of the grievance and fact sheet, the 87AT will schedule a meeting with the grievant, steward and the Grievance Committee within five (5) work days. Absent agreement, Labor Relations will notify the President of Local S7 of its answer, in writing, within ten (10) work days.

c) Third Step

If the Union finds the answer to be unacceptable, the Director of Labor Relations and the Union President (or designees) and other relevant witnesses by mutual agreement will meet to attempt to settle the grievance. The meeting will be scheduled by the 87AT in Craft Administration and must be held within ten (10) days of the Second Step grievance answer. The

Third Step grievance answer must be provided in writing to the Union within ten (10) days of the Third Step meeting. The Union may waive this step and initiate the Arbitration Procedure within forty-five (45) days from the Second Step answer. If the meeting does occur, a written answer from the Director of Labor Relations (or designee) will be sent to the Union President within ten (10) days from the date of this meeting.-If the answer is unacceptable, the Union may initiate the Arbitration Procedure within forty-five (45) work days from the Third Step answer.

NOTE: Should the company fail to comply with or unreasonably delay the timeframes outlined in this process, the union may (with advanced notice) send the grievance straight to the arbitration step.

In lieu of arbitration, the parties may mutually agree to engage in mediation and select by mutual agreement an arbitrator/mediator through the Federal Mediation and Conciliation Services (FMCS).

d) Arbitration

The Union and the Company will select eight (8) Arbitrators by mutual agreement who will, by rotation, hear any arbitration cases filed with the American Arbitration Association.

There will be one arbitrator/mediator selected in accordance with the procedures of the FMCS. The Arbitrator will follow the American Arbitration Association FMCS Rules for arbitration. The Arbitrator shall make *his their own rules of procedure. *His Their decision shall be in writing and shall set forth what relief, if any, shall be granted. A decision of the Arbitrator shall be final and binding, except that *he they shall have no power to alter or modify the terms of this Agreement.

In any disputed matter the records of BIW shall be deemed to be correct, unless other evidence shall be introduced.

The decision of the Arbitrator shall be final and binding upon BIW and the Union for the duration of this Agreement unless mutually agreed.

The cost of the Arbitrator and administrative costs of the arbitration shall be shared equally between the Company and the Union, with the exception of witnesses who shall be paid by the party who called them.

NOTE: Non-binding mediation of any dispute/grievance may occur upon the agreement of both parties. The selection of a mediator will be made by mutual agreement of the parties. The rules of mediation will be negotiated with the mediator on a case by case basis. Either party may terminate the mediation at any point without prejudice.

Section 5: Additional Attendees

A Representative of the International Union may also be at any step of this process.

A representative grievant has the right to be present at any step of the process.

Section 6: Timeframes to File a Grievance

You normally have forty-five (45) work days to file a grievance from the date you find out about any event which you believe violates your rights under this Agreement, but only seven (7) work days to grieve in cases of discharge.

Time limits on specific steps to the grievance procedure may be extended by written mutual agreement.

NOTE: If the company and the union are or have been actively trying to resolve an issue, the forty five (45) days may be extended with mutual agreement.

*Administrative Changes

Article 48 ATTENDANCE AT WORK

Section 1: Purpose

Your attendance at work is vital and expected. We have adopted attendance at work policies that allow for reasonable accommodation of circumstances that might cause you to be out of work. Through fair and consistent administration of these policies, we will achieve our goal to maximize attendance at work.

Section 2: Excused Absence Codes

We recognize that certain absences from work may be unavoidable. The following codes are used for excused absences:

*01F	Employee Health passout	*17	Jury duty
*1BP	Banked sick leave	*18	Military duty
*03	Company excused	*18F	Family Military Leave
*4D	Death in family	*20	Split shift
*4DP	Death in family paid	*21	Elected Officials
*7W	Weather	*22	Company paid witness duty
09	Yard injury	*23	On-call fireman
*09L	Yard injury, FMLA	*24	Uncompensated time off, FMLA
*10	No work in the department	*25	Other Excused Time Off as Required by Law
12	Suspension	*26	Accident and sickness
*13	Union business	*26L	Accident and sickness, FMLA/ADA
*14	Scheduled day off	*44	Company paid union business
*15	Compensated time off	*46	Unpaid Union Time
*15L	Compensated time off, FMLA	*BHL	Banked Holiday
16	Leave of absence granted by Employee	*FHL	Floating Holiday
	Health		

Section 3: Notes

- The first 1,000 hours of yard injury in any one calendar year will count towards accrual of compensated time off.
- Qualified employees with a disability are responsible for requesting a reasonable accommodation including excused absence with or without compensation.
- Requests for Code 03 will be considered by Management on a case-by-case basis and are not grievable.
- Codes designated by an asterisk (*) will count toward the 80-hour monthly accrual for compensated time off (see Article 17, Section 2, "Accrual").
- Codes designated by an asterisk (*) will not be held against you for perfect attendance.

- Code 10M will not be held against you for up to two (2) days per occurrence.
 - An (X) or an (M) designation will make any code excusable:
 - (X) = Excused by Department
 - (M) = Excused by Medical
 - Code 21 for Selectmen, City Council or State Representative unpaid and for official business only, with prior approval from the Manager of Labor Relations.
 - Code 46 is for unpaid and official use only and requires a notification letter from LS7 President or designee to the Manager of Labor Relations.

Section 4: Unexcused Absence Codes

The following absences from work during your regular scheduled workweek will be considered unexcused:

- 02 No report
- 06 Personal business
- 11 Late

If an employee is late for work once during a calendar month for up to one half (1/2) hour, *he they may extend *his-their shift by that amount of time to fulfill *his their shift (assuming work is available; this does not apply to overtime shifts). An employee may also choose to work through their lunch break using the criteria above to fulfill their shift. In lieu of the above, for the months of November through April, there will be a grace period of one half (1/2) hour per month for lates. These excused absences covered during the grace period will not count against perfect attendance.

Section 5: Use of Code 10

Code 10 will be voluntary unless BIW must shut down operations on/in a ship, building, area or facility for reasons beyond the control of BIW (e.g., natural disasters, power outages, incidents or work requirements that impact safety and health).

We will first attempt to reassign affected employees to another area/building and after that forced Code 10 will be assigned junior to senior by area/building.

Where possible, volunteers first, senior to junior by area/building.

For skill and ability or for shift requirements, seniority guidelines may not be practical. Local S7 leadership will be involved in decisions in these instances. The Contract and consensus decision making process will be utilized.

Compensated time may be used in lieu of Code 10 if the employee has it available.

Section 6: Medical Absences

Absences for five (5) days due to illness or injuries will be excusable if you:

- a. Report to the Medical Department on your first day back to work.
- b. Provide a valid medical report which describes the illness, treatment and verification that you were unable to work and what dates the illness kept you out of work. The medical report must be written by a State Licensed Physician or Chiropractor based on their personal observations and treatment.
- c. If your note is found to be unacceptable, you will have three (3) days to provide an acceptable note. Should you not provide an acceptable note by the end of the three (3) day period, you will be terminated.

If an employee is absent for medical reasons for greater than sixteen (16) consecutive hours, but less than five (5) consecutive days, and the employee has no available compensated time off, then time greater than sixteen (16) hours will be excused upon receipt of a valid medical report as described in section b. above.

If you have an illness or injury requiring continuous medical treatment, such absence(s) may not count for disciplinary reasons providing the Yard Medical Director concurs with the absence(s) consistent with federal and state law.

If you are absent from work for five (5) consecutive days without satisfactory excuse you will be sent a certified letter with a copy to the Local 7 President requesting reasons for the absences to be submitted within five (5) calendar days from the date of the letter. Failure to timely respond will result in a certified letter of discharge with a copy to the Local S7 President.

Section 7: Family and Medical Leave (FML)

FML and/or ADA qualifying event(s) will be administered in accordance with the provisions of law. FMLA will be appropriately designated to run concurrent with other forms of qualifying leave. The concurrent designation may be retroactively waived, in whole or in part, by the Medical Department to permit an employee to provide FMLA qualifying care for a family member. Parental bonding as permitted under the FMLA will be used within a 12-week period either as block time or intermittent time as pre-scheduled by the eligible employee.

Section 8: Disciplinary Steps

You will receive progressive discipline for unexcused absences as follows:

a) First Offense - Written Warning

• If you have more than five (5) unexcused absences in any six (6) consecutive calendar months.

• If you have unexcused absences in excess of twenty-four (24) hours in any six (6) consecutive calendar months.

b) Second Offense - Second Written Warning

• If you have any unexcused absence while under a first written warning for lost time, you will be subject to a 2nd written warning.

c) Third Offense - Discharge

• If you have any unexcused absence while under a 2nd written warning for lost time, you will be subject to discharge.

Section 9: Administration

- Local S7 will be provided with the due for discipline list weekly or upon request.
- Discipline will remain on your record for one (1) year from date of issuance.
- If discipline is withdrawn from your records, only those days/hours excused will be removed.
- For unexcused absences that are less than five consecutive days where the employee fails to be present at work to be issued the proper discipline, the following will apply:
 - If an employee has taken in excess of thirty-two (32) hours of unexcused time in twenty (20) consecutive days, BIW may issue the proper discipline through certified mail (with copy to LS7 President). Failure to accept a certified letter will not evade the disciplinary action.
- Unexcused absences which occur up to the date of a valid disciplinary step will be rolled into that disciplinary action.
- Any written warning on your record related to Lost Time (Rule IIA) will be removed effective April 3, 2017 and all employees will start off with a clean lost time slate.
- Your discipline will be reduced by achieving perfect attendance as follows:

CONSECUTIVE MONTHS	MONTHS REDUCTION	
PERFECT ATTENDANCE	OF DISCIPLINE	
2		
4	4	

An employee with active discipline on record who personally tracks *his or her their perfect attendance in calendar days as opposed to calendar months and reports such perfect attendance in calendar days to *his their immediate Supervisor before the perfect attendance thresholds above are applied, will have *his or her their discipline reduced, once verified, by achieving perfect attendance as follows:

MONTHS REDUCTION
OF DISCIPLINE
2
4

• A Union Representative must be notified for each of the disciplinary steps.

Section 10: Call-In/Report-In to Your Supervisor

- If you are on leave of absence you are required to call your Supervisor at least once monthly to ask if work is available and provide the date of your next Doctor's appointment.
- Should your limits change (increased work capacity) you must report in person to the Medical Department who will initiate the Return to Work/Stay at Work Process.

Section 11: Call-In Center

- You are encouraged to provide advance notice of an absence to your Supervisor where circumstances permit.
- You are required to call the Call-In Center on our Local S7 toll free number (1-866-805-3665) or, if local, 207-442-3456; within one (1) hour following the start of your shift although employees are expected to call in prior to the start of their shift unless such call could not be made due to extenuating circumstances beyond the control of the employee. You will be listed as "No Report" (Code 02) and subject to discipline should you not do so.
- Should the Call-In Center be malfunctioning, please call your Department *Supervisor*.
- Call-ins for compensated time off must be done in accordance with Article 17.

Should you fail to notify the Call-In Center or your Department as prescribed and report late for work, you are not in violation of the rules but the lateness will be treated as unexcused time.

*Administrative Changes

Article 49 EDUCATION AND TRAINING

Section 1: Purpose

Education and training of our workforce is a key ingredient in the continuous development of employees. We will jointly develop and implement a continuing education and training programs for employees that builds skills, recognizes and prepares for new technologies and markets in accordance with the business plan.

Section 2: Employee Education and Training

The Union and Management, working with the Director of Employee Development and Personnel Administration will be responsible, within available funding, to prioritize and approve training programs that promote the Local S7 members' ability to add value to the shipbuilding process. This training will include:

- Skills/Functions Training: You may contact your Front Line Supervisor or Shop Steward to request training for skills/functions you may be assigned to perform.
- Safety Training: The Joint Union-Management Safety and Health Committee shall maintain a training plan that provides for the safety & health of all employees including attendance at the Annual Safety and Health Conference by a portion of the committee.

Where training needs are identified that require additional resources, the requests will be submitted through the Director of Employee Development and Personnel Administration.

Section 3: Tuition Reimbursement

We encourage employees to enroll in outside education after hours courses that enhance the employees' value to BIW by providing tuition reimbursement based upon grade only, not to exceed \$5,250 per calendar year:

- "A" reimbursed at 70%
- "B" reimbursed at 60%
- "C" reimbursed at 50%
- Non-degree courses "Pass" if Pass/Fail ranking will be reimbursed at 70%
- Licenses (both initial and renewals), e.g., FE/PE, PLS, LSIT, that are directly related to, but not required to perform your job will be reimbursed at 70% subject to approval by your division management
- Licenses that are required to perform your job will be reimbursed at 100%

You will also be reimbursed for cost of books (excluding shipping and taxes) up to five hundred dollars (\$500) per course and graduation costs up to five hundred dollars (\$500). All other costs are excluded.

Upon completion of an accredited degree program only, you will receive a lump sum payout if employee meets the eligibility guidelines. Lump sum payouts:

- \$3,000 Masters Degree
- \$2,000 Bachelors Degree
- \$1,000 Associates Degree

Approval for course acceptance is required in advance by the Functional Area Manager.

NOTE: Other details regarding tuition reimbursement shall be determined pursuant to BIW Standard Procedure 02-09.

*Section 4:

The parties agree to jointly explore the possibility of an apprenticeship program for Local S7 in order to meet the training needs of the future workforce and build high quality ships for less cost. The parties further agree that it is in the mutual best interest of the Company and Local S7 to actively pursue external funding opportunities to support the development and implementation of the program.

Local S7 Apprenticeship Program:

Section 1 – Joint Apprenticeship Committee:

A Joint Apprenticeship Committee (JAC) will be formed to manage and develop the apprenticeship program in compliance with the labor agreement. The JAC will consist of two (2) members from Local S7 and two (2) members of Management.

Local S7 members of the JAC will participate in the interview process for apprentices and provide input to Management while selecting candidates. Management retains the right to make all hiring decisions as outlined in Article 7, Section 2, of the CBA.

Section 2 – Apprenticeships:

BIW may post for openings into the Basic and Advanced four thousand (4,000) hour apprenticeship programs in any Local S7 classification.

<u>Section 3 – Apprentice Seniority:</u>

Apprentices will not exceed 10% of employees in Local S7. Apprentices will be exempt from layoffs and out of state travel assignments. All other seniority driven assignments will be in accordance with the Collective Bargaining Agreement.

In the event staffing levels decrease and a layoff situation becomes a possibility for employees in the Apprenticeship, the parties agree that the JAC or designees will meet prior to the execution of an involuntary layoff and discuss alternative options.

An employee that switches from any other bargaining unit to Local S7 to start the Basic or Advanced Program will be paid the wage rate on the Apprentice Wage Table in Section 7 of this MOA that is closest to their current wage rate at the time of entry into the program and shall progress in accordance with that table.

Section 4 – Apprenticeship Program:

The apprenticeship program will consist of two (2) - 4,000 hour programs, Basic and Advanced. The Basic Program is a prerequisite for admission into the Advanced Program.

Apprentices graduating from the Basic Program will receive a certificate of completion from BIW, the State of Maine, and an accredited education institution. This program will have a labor history course.

Graduates of the Advanced Program will receive an Associate Degree from Maine Maritime Academy, a certificate of completion from the state of Maine and a diploma from BIW.

Section 5 – Apprenticeship Qualifications:

For Local S7 represented applicants, your rate of pay at entering the Apprenticeship Program will be your current base rate.

Graduates of the Basic Program within the previous four (4) years will have equal consideration for admission into the Advanced Program. Applications submitted by graduates

after the four (4) year period must be submitted in writing to the JAC and approved by the Trade Superintendent.

Management maintains the right to select candidates for the Advance Program based on the applicants Basic Program grade point average and performance evaluations.

Local S7 represented applicants that meet the minimum score requirements (as determined by the JAC) for enrollment in the Basic Program will always be given first option. This includes members that are laid-off with recall rights.

In the event applicants (outside of LS7) for the Basic Program have equal qualifications, first consideration will be given to any current BIW bargaining unit members. This includes members on that are laid-off with recall rights.

Apprenticeships will not be offered in any classification where employees are laid-off involuntarily at the time of the posting.

<u>Section 6 – Apprenticeship Restrictions:</u>

An external applicant who fails to complete their apprenticeship may be offered a position in a Local S7 classification.

<u>Section 7 – Apprentice Wage Scale:</u>

		Rate
	1st 1,000 Hours	Н
ic	2nd 1,000 Hours	G
Basic	3rd 1,000 Hours	F
-	4th 1,000 Hours	E
	5th 1,000 Hours	D
iced	6th 1,000 Hours	<i>C</i>
4dvanced	7th 1,000 Hours	В
7	8th 1,000 Hours	A

^{*}Administrative

Article 50 RULES OF CONDUCT

Section 1: Purpose

The primary purpose of BIW's disciplinary system is to serve as a corrective, not punitive tool; it is intended as a means to improve substandard performance or correct improper behavior. It is not intended for the purpose of building a record against any employee.

Discipline will not be imposed in an arbitrary, capricious or discriminatory manner but will be applied with just cause and uniformly amongst all employees whose behavior or conduct warrants corrective action.

Section 2: Counseling and Discipline Sections

SECTIONS

- I. Counseling
- II. Written Warning
- III. Suspension
- IV. Discharge

A Union Representative will be present for each disciplinary and counseling action taken. BIW management will inform the Union of the meeting and considered action prior to meeting.

BIW shall notify the Union of each disciplinary action taken through direct conversation with a Local S7 Shop Steward, Vice President or President. BIW will attempt to provide this notice at least four (4) hours in advance of issuance. In the event that the employee leaves work after notice has been given, but prior to the scheduled issuance of discipline, the discipline may be issued via certified mail to the employee.

SECTION I – Counseling:

The following offenses may result in formal counseling (not grievable). Second violation may result in written warning. Third violation may result in suspension up to three (3) days. Subsequent violation may result in discharge.

A. Repeatedly neglecting to clock in or out

Each employee is required to clock in/out at a *TAS WFM terminal (in areas utilizing automated time accounting) at the beginning of shift and after the pick up whistle. You are also required to egress and ingress, on *TAS WFM, when passing through the gate during working times.

B. Entering a restricted area

No employee shall enter restricted areas without proper authorization.

C. No report

Every employee is required to report an absence through the Call-In Center within one (1) hour of the start of shift. For absences of five (5) consecutive work days, employees must communicate with their Functional Area Manager or designee at least weekly. Unless such call could not be made due to extenuating circumstances beyond the control of the employee.

D. Housekeeping/hygiene

Every employee is expected to maintain their worksite and maintain personal hygiene in a manner which is non-offensive to other employees.

E. Smoking

The use of any smoking- or tobacco-product of any type is strictly prohibited at any time on or within any Company-owned, leased, rented, or controlled properties, including, without limitation, the following:

- Offices;
- Warehouses or any other type of building or structure;
- Vehicles;
- Parking lots, except that smoking or tobacco products may be used during non-working hours in personal vehicles located in a parking lot that is otherwise covered by this rule;
- Out-of-state premises, except that smoking or tobacco products may be used in out-of-state housing accommodations that are provided or paid for by the Company as long as such use otherwise conforms with all applicable legal restrictions or establishment rules and/or policies;
- Ships or any other vessels under construction, except that smoking or tobacco products may be used on ships that are underway on trials as long as such use takes place only in specified exterior areas of the ship and only during times expressly allowed by the bridge;
- Open spaces of any kind.

F. Quality/quantity of work

Every employee is expected to perform a reasonable day's work of high quality.

G. Off the job/wasting time

Every employee is expected to be at their appointed worksite at start of shift, following breaks and to remain productive until breaks and pick-up whistle blows. After the pick-up

whistle, you may clean up, put away your tools and proceed to the gate. You will remain inside the yard until the end of shift whistle.

H. <u>Safety</u>

Safety rules have been established for the well being of all employees. Every employee must comply with these rules.

I. Horseplay

Horseplay, scuffling, running, throwing things, are all improper behavior for the work environment.

J. Physical examination

Any employee may be required to submit to a physical exam by the Company Physician or the employee's Physician as a matter of protection. Employees absent due to sickness or injury for five (5) consecutive days or more will report to Employee Health prior to starting work on the day of return.

K. Terms of this Labor Agreement

All employees are required to observe and comply with the terms of this Labor Agreement.

L. Overtime commitment

Any employee selected for overtime work is expected to fulfill that commitment (See Article 40, Section 4). Habitual failure may result in disciplinary action under this section. (In excess of two (2) occurrences such as late, no show, early departure, in a twelve (12) month period.

SECTION II – Written Warning:

The following offenses may result in a written warning. Second violation may result in suspension up to five (5) days. Subsequent violation may result in discharge.

A. <u>Absenteeism</u>

This is covered under Attendance at Work, Article 48.

B. Others tools/Company tools

It is improper conduct to use other people's tools or tools signed out to other employees without first gaining their consent.

C. <u>Negligent/mistakes</u>

All employees are expected to follow instructions and to exercise due diligence in the performance of their duties.

D. <u>Malicious statements</u>

It is inappropriate conduct to make derogatory or malicious statements toward any employee or the Company.

E. <u>Misuse of property</u>

All employees are expected to use Company property or the property of another person for the purpose in which it was intended. To the extent such training exists and is a part of the company's normal training protocols, prior to issuing discipline the Company will ensure an employee was properly trained and or informed of policies/information on appropriate use.

F. Dozing

All employees are required to remain alert while on the job.

G. Leaving plant/failure to return

Any employee who leaves the plant during work hours or who is not returning from lunch break must have authorization.

SECTION III – Suspension:

The following offenses may result in suspension up to five (5) days. Subsequent violations may result in discharge.

A. Refusal to cooperate

Refusal to show badge or pass to any Supervisor, Management or Plant Protection or altering of badge or pass, or interfering with or refusal to cooperate with Plant Protection Officers or Supervisor in the performance of their duties. (However, when an employee is being investigated for possible discipline, *he they may exercise the right to remain silent.)

B. Sleeping

All employees are required to stay awake while at work.

C. Under the influence

It is a violation of this rule to be on Company premises under the influence of alcohol (.08 or higher), illegal drugs or non-prescription drugs or to refuse to submit to a test, where probable cause exists to determine if under such influence.

D. <u>Negligent disregard of instructions</u>

Negligent disregard of instructions which affect the safety of any person or result in damage to property or disregard for red tape barriers is a serious matter.

E. <u>Creating a disturbance</u>

No employees shall provoke, create, instigate or engage in a disturbance on Company premises.

F. <u>Illegal gambling</u>

Illegal gambling on Company time or on Company premises is unacceptable conduct.

G. Insubordination

Refusal to comply with a reasonable assignment given by a member of Supervision.

SECTION IV – Discharge:

The following offenses may result in discipline up to and including discharge.

A. Violent conduct

Violence, threatened violence, including threatening, intimidating, fighting, assault, attempted assault or taking action that could result in injury on Company premises will not be tolerated. Suspensions or discharges under this rule will be reviewed by the Legal Department.

B. Committing a nuisance

A course of unreasonable conduct which interferes with the rights of other employees or impedes production, by causing annoyance or inconvenience to others or the Company will not be tolerated.

C. Fraud

Engaging in or knowingly benefiting from any activity for the purpose or with result of causing unearned or unwarranted payment, benefits to himself or any other person; unauthorized altering of any document, falsification of any record or intentional omission of fact will not be tolerated.

D. <u>Badges</u>

No employee may permit another person to use their Company badge or use another person's badge.

E. Employment abandonment

Absence for five (5) consecutive work days without satisfactory excuse.

F. Unauthorized possession

Firearms or explosives of any type or use or threat of use of firearms, explosives or dangerous weapons on Company time or premises will not be tolerated. This rule will be enforced consistent with state laws regarding guns in vehicles on Company premises.

G. <u>Drugs/alcohol</u>

Use, possession, distribution, sale or offering for sale narcotics, dangerous drugs (including marijuana) or alcoholic beverages on Company premises at any time.

H. <u>Immoral conduct/indecency</u>

Immoral or indecent conduct at work is unacceptable behavior.

I. <u>Theft/damage</u>

Willful destruction or damage, theft, attempted theft or removal from Company premises, without proper authorization of any property not belonging to you will not be tolerated.

J. <u>Habitual offender</u>

Accumulation of four (4) or more disciplinary steps within a twelve (12) month period (formal counseling is not a disciplinary step).

K. Discrimination and Sexual Harassment

The Union and the Company will not tolerate discrimination or sexual harassment of or by its employees. Such behavior constitutes a severe infraction of Company policy and, as such, may be grounds for disciplinary action, up to and including dismissal.

Section 3: Notes

•	The Union and the Company reserve the right to negotiate a "last chance agreement" w	hen it
	is deemed appropriate.	

*Administrative Changes

Article 51 DURATION OF AGREEMENT

This Agreement between the BIW and the Union in respect to rates of pay, wages, hours of work and other conditions of employment of the employees in the bargaining unit will remain in full force and effect beginning *April 3, 2017 April 5, 2021 and ending midnight, *April 4, 2021 April 7, 2024.

Either party may within the thirty calendar days preceding sixty calendar days prior to the expiration date of this agreement serve a written notice upon the other of its desire to terminate or modify this agreement.

*Administrative Changes

Article 52 (NO CHANGE) NEW BUSINESS OPPORTUNITIES

In exercising its responsibilities under Article 7 of this Agreement the Company will continue to seek out new business opportunities. The Company agrees that if it decides to pursue new business opportunities that would require changes in terms and conditions of employment to successfully bid and win the work in question, the Company will inform the Union as soon as practicable but prior to bidding on the work. The Parties agree that upon such notification they will promptly confer with respect to the terms and conditions of employment of the affected bargaining unit employees and to negotiate, if necessary, over any changes to existing terms and conditions under the collective bargaining agreement including work practices. Any areas of unresolved agreement after thirty (30) working days will be resolved via Article 8, Consensus Decision Making.

<u>Article TBD</u> <u>COMMUTER FLEXIBLE SPENDING AC</u>COUNT

This is a special account where you can put aside money from your paycheck in a pretax account to pay for qualified commuting and parking expenses.

You can enroll in this benefit at any time during the plan year. You must enroll by the 10^{th} of the month for the benefit start the following month. For example, if you want to utilize this benefit in April you will need to sign up by March 10^{th} . There is no annual "use it or lose it" rule as long as you remain employed by GDBIW.

Letter of Commitment

The parties agree that no later than sixty (60) days after ratification of the new agreement, the Joint Schedule Recovery Committee will meet in good faith to discuss and review employee schedule and attendance issues related to unforeseen and extraneous circumstances, e.g., COVID-19. The committee will explore all avenues and channels within the bargaining agreement to support the needs of employees.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.

Letter of Commitment

The parties agree that no later than sixty (60) days after ratification of the new agreement, the Joint Schedule Recovery Committee will meet in good faith to discuss the criteria for specialists in Local S7 classifications.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.

Letter of Commitment

The parties agree that no later than sixty (60) days after full implementation of the new shift schedules at the offsite facilities, the Joint Schedule Recovery Committee will meet in good faith to discuss and review the implementation's impact on manufacturing performance and employee needs. The committee will work in good faith to address the needs of the business and any specific employee issue, within the bounds of the current bargaining agreement.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.

GENERAL DYNAMICS Bath Iron Works

Letter of Commitment

The parties agree that no later than sixty (60) days after ratification of the new agreement, the Joint Schedule Recovery Committee will meet in good faith to discuss and review employee schedule and attendance issues related to unforeseen and extraneous circumstances, e.g., COVID-19. The committee will explore all avenues and channels within the bargaining agreement to support the needs of employees.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.

GENERAL DYNAMICS Bath Iron Works

Letter of Commitment

The parties agree that no later than sixty (60) days after full implementation of the new shift schedules at the offsite facilities, the Joint Schedule Recovery Committee will meet in good faith to discuss and review the implementation's impact on manufacturing performance and employee needs. The committee will work in good faith to address the needs of the business and any specific employee issue, within the bounds of the current bargaining agreement.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.

GENERAL DYNAMICS Bath Iron Works

Letter of Commitment

The parties agree that no later than sixty (60) days after ratification of the new agreement, the Joint Schedule Recovery Committee will meet in good faith to discuss the criteria for specialists in Local S7 classifications.

All concepts discussed will support our collective objective to improve schedule, increase shipbuilding velocity, and support our efforts to meet our US Navy customer's requirements.