

# AGREEMENT

between

**Solar Turbines Incorporated**

and

**IAM & AW, Local Lodge No. 389**

*September 21, 2020 – May 18, 2025*

**Solar<sup>®</sup> Turbines**

*A Caterpillar Company*





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## PREAMBLE

This Agreement is made and entered into this \*21st day of \* September, \*2020, between the International Association of Machinists and Aerospace Workers, Local Lodge 389 and District Lodge No. 947 hereinafter referred to as the Union, and Solar Turbines Incorporated, a wholly owned subsidiary of Caterpillar Inc., hereinafter referred to as the Company.

The essence of this Agreement reflects the belief of Solar Turbines and the International Association of Machinists and Aerospace Workers that the interests of both parties are best served by a successful business. Fundamental to this premise is an understanding that customer and employee satisfaction are keys to this success and that these can only be achieved by a focus on safety, uncompromising quality, a commitment to continuous quality improvement, and a highly productive, cost effective, work environment based on shared values, mutual respect and which provides for the opportunity for meaningful, widespread employee involvement, teamwork and personal satisfaction.

## NOTE:

\*Indicates deleted language from previous agreement.

**Double Underlined language is new to this agreement.**



## ARTICLE 1 - STRIKES AND LOCKOUTS

1.01 During the life of this Agreement, no work stoppages, strikes, slowdowns, or lockouts shall occur for any cause whatsoever.

1.02 The Union agrees that, as a part of the consideration of this Agreement, it will, within twenty-four (24) hours, take steps to end any unauthorized work stoppages, strikes, intentional slowdowns, or suspension of work, and shall notify its members by newspaper and Company and Union bulletin boards of such violation of this Agreement, and instruct its members to return to work immediately.

1.03 The Union agrees that it will not assist employees participating in such unauthorized work stoppages, strikes, intentional slowdowns, or suspension of work against whatever action the Company may take as a disciplinary measure, which disciplinary action shall be subject to the regular grievance procedure.

1.04 As part of the consideration of this Agreement, provided the above stated provisions are fully complied with, the Company agrees that the Union, its officers, agents, or nonparticipating members shall not be held liable for damages for work stoppages, strikes, intentional slowdowns, or suspension of work which have not been properly authorized.

## ARTICLE 2 - RECOGNITION

2.01 The Company recognizes the Union for the purpose of collective bargaining with respect to rate of pay, wages, hours of employment and other conditions of employment, for all Production, Maintenance, and Indirect employees of the Company as listed in Appendix "A", and other occupations falling under the categories of production, maintenance and such other occupations as may be subsequently negotiated by the Company and the Union or certified by the National Labor Relations Board and made a part of Appendix "A".

2.02 The Company acknowledges the requirement for security inherent in the nature of the Union's operation and the need for a feeling of job security on the part of Maintenance, Production and Indirect employees covered by this Agreement which places the responsibility upon the Company to avoid the assignment of presently established bargaining unit work to non-bargaining employees of the Company.

2.03 Notwithstanding the foregoing, non-bargaining unit employees may perform bargaining unit work on an occasional basis for purposes of facilitating production provided that such action by non-bargaining employees does not cause the elimination of any bargaining unit classification or result in the layoff of bargaining unit employees.

2.04 The Company agrees to apply this Agreement to Solar plants in the County of San Diego. The Company agrees that its Sky Park location is considered as part of the Kearny Mesa plant.

2.05 The Company and Union have agreed that there are mutual advantages in permitting the assignment of employees covered by this Agreement to certain functions which they traditionally have not performed or have not exclusively performed. Examples of these functions are:

- a. The process of entering data using a computer terminal to add, retrieve and/or change stored information;
- b. Programming and maintenance of computers and robots;
- c. Identifying training needs, developing training materials and conducting training;
- d. Leading or participating in teams where activities may cover a wide range of functional areas;
- e. Special assignments given to employees to accommodate temporary medical restrictions.
- f. Materials and logistics activities such as scheduling, planning, purchasing, etc.
- g. Engineering activities.

- h. Team-related activities such as input into employee selection, and performance appraisal records.

However, these functions are not exclusively, and will not exclusively be, the work of employees covered by this Agreement or within the scope of the unit.

2.06 The parties also agree that there is mutual advantage in having salaried employees be more familiar with and have a better understanding of the work performed within the scope of the bargaining unit. Accordingly, the parties encourage salaried employees to spend up to forty (40) hours per year in the shop with bargaining unit employees learning and actually performing shop operations under the guidance of a bargaining unit employee. It is understood that performing such work will not cause the layoff of any employee or result in the elimination of any bargaining unit classification. The company will notify the area steward when salaried employees perform bargaining unit work.

### ARTICLE 3 - UNION MEMBERSHIP

3.01 Employees who wish to become Union members may do so at any time. Union membership is not a condition of employment.

3.02 Upon receipt of authorization signed by the employee, the Company shall deduct from the employee's pay period each week the initiation or reinstatement fee and monthly dues, payable immediately to the Union in an amount as directed by the Union for the period specified, so long as the employee remains a member of the Union. Deductions provided shall be remitted monthly to District Lodge 947 by check drawn by the Company to the order of District Lodge 947, International Association of Machinists and Aerospace Workers sent monthly not later than the fifteenth (15<sup>th</sup>) day of the month following the month in which the deductions were made. The Company's obligation to make such deductions shall terminate automatically upon termination of the employee or upon his/her transfer to a position not covered by this Agreement, except that such deductions shall be resumed if an employee, terminated by layoff, is rehired with seniority rights.

**On or after the effective date of this agreement, the Company may, at its sole discretion, implement electronic funds transfers (EFT) for monthly dues and fees. Prior to implementing EFT, the Company will meet with the union to review the process and answer questions.**

Employees desiring to pay their union dues in cash may elect to cease having their dues deducted by the Company by requesting in writing to the Company, with one (1) copy to the Union, sent certified mail, return receipt requested.

3.03 All new hires, rehires, transfers, farm-outs, redeployed and recalled employees covered by this Agreement shall be introduced to the applicable Stewards by the supervisor not later than the first day of assignment to the department. The applicable Stewards are the Stewards of the departments where the work is being performed.

3.04 The Company agrees to furnish to the Union the following information concerning bargaining unit employees.

- (1) Seniority lists by classification (one (1) copy monthly for each Chief Shop Steward).
- (2) Recall lists (one (1) copy monthly for each Chief Shop Steward).
- (3) Recall drop list (~~one~~ (1) copy as required).
- (4) Union dues report (one (1) copy monthly).
- (5) Facility Safety Report (~~one~~ (1) copy monthly).
- (6) One (1) address and phone number listing each year, provided that such information will be used only for purposes of collective bargaining and that employee privacy will be maintained.
- (7) Facility Overtime Report (one (1) copy monthly for each Chief Shop Steward).

In addition, upon request the Company will supply to the Union one (1) copy of PCN's reflecting change in status of bargaining unit employees and an additional Union dues report.

#### ARTICLE 4 - UNION REPRESENTATION

4.01 The Union will be represented by Business Representatives, two (2) Chief Shop Stewards, Safety Representatives and Stewards, who shall be selected by the Union and recognized by the Company. The Chief Shop Stewards, Safety Representatives and Stewards shall be employees of the Company.

4.02 The assigned Business Representative of the Union, for the purpose of investigating grievances, complaints, or matters arising out of the applications of this Agreement, will have access to all Company facilities in San Diego County covered by this Agreement during working hours upon two (2) hours notification to the appropriate site Director/Manager of Human Resources or his/her designated representative. The Company will not impose regulations which will exclude the assigned Business Representative from Company facilities covered by this Agreement nor render ineffective the intent of this provision.

The Business Representative, when a member of the IAM Local 389 and an employee on a Leave of Absence as provided in Section 14.02 of this Agreement, will continue to receive seniority accrual as long as he/she is on the full-time staff of Local Lodge 389 and/or District 947 and/or the Grand Lodge of the IAM&AW.

4.03 Chief Shop Steward: The Union will be represented by two Chief Shop Stewards; one each for the Harbor Drive and Kearny Mesa facilities.

- (A) Each Chief Shop Steward shall be assigned to the first (day) shift at their respective facilities. Upon request of the Chief Shop Steward(s), he/she may elect to have his/her shift start time occur up to one (1) hour earlier or later than the regular day shift start time provided this is considered his/her normal shift assignment. In addition, by mutual agreement, the Chief Shop Steward shall be allowed to have a different shift start time on an occasional basis provided that:
  - (a) This different shift start time does not occur more than four (4) times in any month and;
  - (b) He/she has received approval from Human Resources Department at least twenty-four (24) hours in advance of the shift start time.
- (B) Each Chief Shop Steward shall have jurisdiction over all Union representatives referred to in Section 4.01 (except the Business Representative) on all shifts at his/her respective facility. However, it is understood between the parties that the Chief Shop Stewards will not get involved in the Union Safety Representative's responsibilities on a day-to-day basis.
- (C) At his/her facility, the Chief Shop Steward will be assigned to a classification listed in Appendix "A" and shall perform work in that classification. In addition, the Chief Shop Steward will handle all day-to-day Union business arising out of this Agreement as it applies to employee/Union complaints and grievances pertaining to wages, hours and working conditions.

When not performing work in his/her assigned classification, the Chief Shop Steward may spend up to three (3) hours at the end of his/her regularly scheduled shift, if necessary on Union business as described above. This shall include time spent with employees, Stewards, the assigned Business Representative, Human Resources personnel, or management. The Chief Shop Steward may spend more than three (3) hours on Union business in any single day provided such time beyond three (3) hours has been authorized by the Human Resources department. In no case shall the Chief Shop Steward be eligible for more than eight (8) hours

pay while conducting Union business in any regularly scheduled workday unless approved by the Human Resources department.

- (D) The Chief Shop Steward will be compensated by the Company at the maximum rate of his/her assigned classification as long as he/she holds the position. At such time as he/she is no longer serving as Chief Shop Steward, he/she shall return to the relative pay rate of his/her classification existing immediately prior to the Chief Shop Steward assignment.
- (E) If the Chief Shop Steward enters an area during working hours to see an employee on Union business, he/she must contact the applicable department supervision prior to discussion with the employee. If the production efficiency would be hindered at that time, the supervisor and the Chief Shop Steward will mutually agree on another time for the required meeting, but in no event later than the end of shift of the day the initial request was made.

The Chief Shop Steward will, at the time of initial contact with the department supervisor, explain the nature of the problem he/she will be discussing and identify the aggrieved employees. It is not the intent of this paragraph to restrict the Chief Shop Steward from carrying out his/her prescribed function in the grievance procedure and in the proper representation of employees.

- (F) Additional duties of the Chief Shop Steward will be to pick up grievances from Stewards and refer them to the second step and to conduct second step grievance discussions and/or investigations with a Human Resources Representative on his/her respective shift and plant location as defined in Article 7 in preparation for his/her attendance at third step grievance meetings. The Chief Shop Steward may discuss with the grievant or other involved persons, the grievance being investigated. Such time spent in this activity will be included in the hours provided in Section 4.03 (c).

4.04 Stewards: The Union will be represented by one (1) Steward for each manufacturing unit as follows:

HARBOR DRIVE

CMA South  
CMA North  
Adv Comb Sys  
Exper Mfg & Tooling  
Maintenance  
Demand Mgmt

KEARNY MESA

Structures  
Package Assembly & Test  
Controls  
Maintenance  
Receiving & Central Stores  
Shipping  
Turbine Assy. & Test  
Gas Comp. Assy. & Test

This shall apply for each shift where there are 25 (twenty-five) or more employees assigned to the unit. Where less than 25 (twenty-five) are assigned to a unit, the Steward from a unit with closest physical proximity will provide representation as required. Where a manufacturing unit (or a combined area where a unit has less than twenty-five (25) employees) has more than seventy-five (75) employees on a shift, an additional Steward may be added. Where a manufacturing unit has more than one hundred fifty (150) employees on a shift, a third Steward may be added. The Company and Union may mutually agree to more Stewards as required.

Stewards will be selected by the Union and the Company will recognize Stewards effective the next working day following the date the Human Resources office receives written notice from the Union. Stewards shall have a minimum of one (1) year of seniority with the Company unless otherwise mutually agreed upon.

- (A) Stewards will represent employees in their unit or agreed upon areas, on their respective shifts, concerning alleged violations of this Agreement.

- (B) Before a Steward conducts Union business as described above, he/she will contact his/her supervisor and explain the nature of the problem he/she will be discussing and the identity of the aggrieved employee. The Steward will be allowed to use a company telephone to notify the Chief Shop Steward of the existing grievance.

If the production efficiency would be hindered at that time, the supervisor and the Stewards will mutually agree on another time for the required meeting, but in no event later than four (4) regular working hours after the initial request was made.

Such time spent in this activity will not be unreasonable.

- (C) Stewards will continue to perform their normal work assignments when not conducting Union business under this Section.
- (D) Stewards may make decisions which are not in violation of the intent of this Agreement.
- (E) When Stewards are absent for any reason, the Union will appoint an alternate within the same unit or agreed upon area and inform the applicable supervisor(s) of such appointment. The alternate must have one year of seniority with the Company, unless otherwise mutually agreed upon.

4.05 Pay for Union Representatives: Chief Shop Stewards, and Stewards shall be afforded time off from their jobs without loss of pay during their regularly scheduled working hours as may be reasonably necessary in carrying out the Union functions within the plant as set forth in Sections 4.03 and 4.04 above, provided such Union Representatives have properly followed the procedures set forth in those sections and the amount of paid time so spent does not exceed thirty (30) hours per week at each facility, non-accumulative . There shall be no responsibility by the Company to reimburse any employee[s] after the thirty (30) hours are exhausted. All union business time thereafter will be conducted off-the-clock. Except where specifically authorized by the Human Resources Manager/Director, any union business time in-plant for reasons other than specified in Sections 4.03(c), 4.04(a) and 4.05(a) and (b) will be considered a Misuse of Company Time. The Business Representative for Local Lodge 389 will be notified immediately of any instances of unreasonable use of time prior to any denial of pay or disciplinary action regarding the provisions of this Section. In any case in which a Union Representative is denied pay and the Union challenges such denial, the matter may be processed through the grievance procedure commencing with Step Three.

4.06 Decisions affecting more than one (1) Steward's area and not in violation of the intent or provisions of this Agreement or which establish a precedent for contract interpretation and all precedent setting grievance settlements will be valid when reduced to writing and signed by an assigned Union Business Representative, the Chief Shop Steward and two (2) representatives of the Human Resources department.

4.07 When employees in the bargaining unit are to be absent from their work station for the purpose of conducting union business, the District business office will notify the Human Resources Office at the employee(s) assigned facility in writing normally twenty-four (24) hours prior to the day such employee will be absent. Such notification will be for the purpose of allowing the Company adequate time to schedule manpower requirements.

In those instances where application of this section would curtail the operation of any department, not more than one (1) employee on the same shift from those departments affected will be excused.

Where more than one Local Lodge 389 officer and/or steward is assigned to the same department and shift, the Local Lodge officer may be transferred to another department and/or shift by mutual agreement.

## ARTICLE 5 - WORKING CONDITIONS

5.01 Committees: The following committees will be active joint committees of the Company and the Union:

- (A) Contract
- (B) Grievance
- (C) Safety
- (D) Labor/Management Committee

5.02 The Contract Committee shall consist of four (4) elected members, one (1) alternate, the Chief Shop Stewards, the assigned Business Representative and/or duly accredited Union and Company representatives.

5.03 The Grievance Committee shall consist of the assigned Business Representative, the Chief Shop Steward or his/her designee, and one (1) member selected by the Chief Shop Steward and three (3) members of management.

5.04 The Labor/Management Committee shall consist of the assigned Business Representative, the Chief Shop Stewards, the Director of PSO, the Director of TMO, Director of Gas Compressor Mfg and the facility Human Resources Managers. The function of this committee is to enhance communication between the union and the company, and to discuss issues not handled by the grievance procedure, including topics such as those described in Article 16.06 – Resourcing. This committee will meet at least once per year, or on a more frequent basis when requested by either party, and may be scheduled by either party.

5.05 The Union shall be represented in matters of safety by a Safety Representative at each facility and by each department or area Steward. For purposes of this Section, Harbor Drive and Kearny Mesa shall be considered facilities entitled to a Safety Representative.

## ARTICLE 6 - SAFETY

6.01 The Company agrees to maintain safe, sanitary and healthful working conditions in all of its plants.

- (A) The responsibility of day-to-day safety is assigned to the supervisor/unit leader of each department. Employees are expected to work in a safe manner and conform to all safety rules and instructions. All unsafe practices are to be corrected immediately. If an unsafe condition exists and the supervisor/unit leader cannot correct it, he/she shall immediately contact the Company Safety Representative who in turn will immediately investigate such unsafe conditions.
- (B) An employee who believes his/her job is not safe or might unduly endanger his/her health, shall contact his/her immediate supervisor/unit leader to report the condition. If after discussion with the immediate supervisor/unit leader, the employee's complaint has not been satisfactorily adjusted, the department Steward will be notified. The supervisor/unit leader will immediately contact the Company Safety Representative. The Company's Safety Representative, along with the Union's Safety Representative, will investigate the problem. While the question is being investigated, the employee will be assigned to other work that the employee is qualified to perform. The final determination of whether or not the job is safe will be made by the Company's Safety Representative and provided to the Union in writing. This decision is subject to the grievance procedure, beginning with the second step. When it has been determined that the job is or has been made safe, the employee shall be returned to the job.
- (C) The Company will provide a First Aid Center at all of its plants in San Diego County. First Aid Centers will be staffed with a nurse on each shift when a sufficient number of employees are present or when special conditions exist as determined by Solar's Medical Director. When a nurse

is not present, an employee will be available, trained and certificated in Red Cross First Aid or an equivalent trained employee, to handle the emergencies. In the event an employee requires emergency medical treatment while at work, immediate steps will be taken by the Company to arrange for transportation to the nearest qualified medical facility.

- (D) The Company may, at its sole discretion, implement regulations to limit or eliminate smoking anywhere on Company premises.
- (E) Each manufacturing unit shall have a Safety Team consisting of both represented and non-represented employees. The Steward for the unit will also be a member of the Safety Team. The purpose of the team is to insure that Company and Unit safety practices and expectations are met. The team may also counsel and instruct employees not meeting safety expectations to assure future conformance.
- (F) Each manufacturing unit shall have at least one (1) safety meeting each month.

6.02 Multiple Machine Tool Assignment. When a situation regarding a multiple job assignment arises and the Department Safety Steward thinks it unsafe, it will be reviewed by the Company and the Union Safety Representative. Final disposition will be made by the Company Safety Representative. Such decision will be subject to the grievance procedure. Where safety, quality and/or productivity issues arise in the course of a multiple machine assignment, diligence will be taken to ensure the employee is not unduly penalized or disciplined for issues outside of their control.

## ARTICLE 7 - GRIEVANCE PROCEDURE

7.01 For the purpose of this Agreement, the term "Grievance" means a dispute between the Company and the Union or between the Company and any employee in the bargaining unit concerning the interpretation, application, claim of breach or violation of this Agreement.

7.02 Grievances pertaining to matters general in character which cannot be settled by the immediate supervisor or the next level manager shall be valid when signed by the Chief Shop Steward for the facility or assigned Business Representative of the Union and referred to the Human Resources Department for the affected facility in Step Two of the Grievance procedure.

7.04 Grievances concerning other conditions of employment not specifically covered by the terms and conditions of this Agreement, except for suspensions and/or disciplinary actions where there is economic harm, shall be subject to the Grievance Procedure up to but not including Step Four. The decision given in Step Three by the party whom the grievance has been filed against shall be final and binding on both parties of this Agreement.

7.05 The Chief Shop Steward shall be notified in advance and be present when an employee is discharged. In those instances where an employee is suspended for just cause, the Chief Shop Steward or area steward of the shift involved shall be present. It is understood and agreed that in cases involving acts of violence, threats of violence, or dangerous conduct, the presence of Union officials may not be possible or practical and shall have no consideration in the disposition of the issue involved. In such cases, the Chief Shop Steward will be notified as soon as possible thereafter. The Department Steward will be notified by the Supervisor upon receipt of an employee's resignation. The Union will be notified in advance when an employee is discharged while the employee is absent from the plant. At the time an employee is discharged, the Company shall provide the Union with the reason(s) for such discharge in writing. The employee shall have ten (10) working days to grieve his/her suspension or discharge, in Step Two of the grievance procedure, after he/she could have had knowledge of the event. Unless the written grievance signed by the employee has been delivered to the Human Resources office within the time limits specified above, the grievance shall be waived without precedent or prejudice.

7.06 No matter shall be considered as a grievance unless it is initiated within ten (10) working days after the cause of the complaint or the date on which the employee could have had knowledge of events on which he/she bases his/her grievance. Failure on the part of the grieving party to file or process grievances within the specified time limits (except as provided in Section 7.09) shall constitute a waiver of such grievances. Once a grievance has been initiated within specified time limits, failure by one party to act within the time limits set forth in any step of the grievance procedure shall entitle the other party to proceed to the next step.

7.07

- (A) Step One: When an employee has a complaint, he/she and the Steward must take up the complaint with the employee's supervisor. The supervisor will discuss the matter with the employee and the Steward unless their absence from the job will have an adverse effect on production. In that event, the supervisor and the Steward will schedule a time to discuss the grievance within a reasonable period of time after the complaint is brought to his/her attention, but in no event shall the discussion be delayed beyond four (4) regular working hours after the initial request was made. The immediate supervisor shall give his/her oral answer to the complaint not later than the end of the employee's regular shift on the employee's next regular working day.

In order to encourage the settlement of grievances in Step One, the parties agree that their respective actions or decisions in reaching such settlements shall not constitute a precedent for the settlement of any future grievance in any step of the grievance procedure or in support of either party's position in arbitration. Any complaints involving the misuse of this provision shall be discussed at a meeting with the Union Business Representative and Manager Human Resources.

If a satisfactory settlement has not been reached between the parties as a result of the Step One discussion, the complaint shall become a formal grievance and shall be reduced to writing by the Steward. The grievance shall contain the following information:

1. Reference to the section or sections of the Agreement alleged to be violated, if any.
2. A statement describing the circumstances surrounding the alleged violation.
3. The remedy requested.
4. The signatures of the appropriate Steward and affected employee. An affected employee is defined as one who is personally and adversely impacted as a direct result of the alleged violation.

By the end of the second working day following the supervisor's oral answer:

- a) The above referenced grievance shall be presented to the supervisor who at that time, shall initial and date the grievance form, retain a copy and return the copy to the Steward.
  - b) The Steward shall refer a copy to the Chief Shop Steward who shall register the grievance with Human Resources. Human Resources will retain a copy of the grievance as provided by the Chief Shop Steward.
- (B) Step Two: Within a reasonable time, but no later than ten (10) working days after receipt of the grievance by Human Resources, a Human Resources Representative and the Chief Shop Steward will meet in an effort to resolve the grievance.

Additional meetings necessary to discuss and/or investigate such grievance will be scheduled by mutual agreement.

An additional meeting with the grievant to supplement information provided during the Step One discussion may be arranged by mutual agreement.



Scheduling of time for witnesses will be by Human Resources Representative by prior arrangement with the witness' supervisor. Issues concerning the scheduling of witnesses will be discussed between the Manager of Human Resources and the Union Business Representative.

When the Step Two discussion and/or investigation is completed, the Human Resources Representative will give the Company answer to the Chief Shop Steward no later than five (5) working days after the discussion and/or investigation is completed.

If the Company's answer is deemed unsatisfactory by the Chief Shop Steward, he/she will refer the grievance to Step Three no later than five (5) working days from the date the Company's answer is received.

- (C) Step Three: As required, the Manager of Human Resources, or his/her designee, and the assigned Business Representative will meet and establish a mutually acceptable date on which to conduct Step III grievance hearings. The following persons shall meet as a committee in an attempt to resolve the grievances: the assigned Business Representative, the Chief Shop Steward or his/her designee and one (1) member selected by the Chief Shop Steward, and three (3) members of management consisting of the Manager of Human Resources or his/her designee and two (2) other members of management. Such hearings will not be unreasonably delayed.

During the Step Three meeting, the parties will draw their information from the grievance form and information presented by Company and Union representatives. However, when there is a dispute of the facts, the parties may mutually agree to call the aggrieved employee, his/her supervisor, and/or any pertinent witness(es) to the meeting for purposes of clarification. Their presence at the meeting shall be for the sole purpose of providing relevant facts after which they shall be dismissed from the meeting.

The grievant may initiate his/her own request to appear before the committee for the purpose of providing a relevant statement after which he/she shall be dismissed from the meeting. His/her appearance in the Step Three meeting is subject to mutual agreement.

The Company will give its written answer to the grievance to the Business Representative within five (5) working days after the Step Three meeting has concluded. If the Union does not refer the grievance to Step Four (Arbitration) in writing to the Company within ten (10) working days after receiving the Company's answer, the matter will be considered as resolved as stated in the Company's Step Three answer.

- (D) Step Four (Arbitration): The moving party may submit the matter to arbitration within three (3) working days after notice to the other party of its intent to arbitrate the dispute by writing the American Arbitration Association or the Federal Mediation and Conciliation Service (with a copy to the non-moving party) requesting a panel of arbitrators.

In the event information, documents, etc., which are material to the dispute are discovered subsequent to the notification of intent to arbitrate, such information will be disclosed to the other party as soon as possible. In any event, the information will be disclosed no later than five (5) working days prior to the date the case is to be heard in arbitration.

Upon receipt of a panel of arbitrators, the moving party must contact the other party and arrange a time and place to pick the arbitrator within five (5) working days after receipt of such panel. If the panel of arbitrators is unacceptable to either the Company or the Union, the party rejecting the panel shall notify the other party in writing of such rejection within five (5) working days from the date the initial panel is received. It shall be the responsibility of the party rejecting the panel to request a new panel in the manner previously described except that the parties may select an arbitrator from another source by mutual agreement. No more than one panel of arbitrators may be rejected in any single case. The representatives of the Company and the Union shall each have the choice of alternately striking the names of four (4) of the names on the panel until one remains and he/she shall be the

arbitrator. Failure of either party to exercise its right in this paragraph within the required time shall constitute agreement with the other party's position in the grievance. When the Union appeals a grievance to arbitration within the time limits mentioned above and such grievance involves accumulating liability to the Company, the Company shall have the right to request the scheduling of such grievance for arbitration as soon as practical under the circumstances.

Expenses of arbitration shall be borne by and divided equally between the Company and the Union. The fee of the arbitrator and the necessary expenses, exclusive of any payments to witnesses, or any arbitration proceedings shall be borne equally by the Company and the Union. However, each party shall pay the fees of its own counsel or representative. If an employee or other witness is called by the Union, the Union will reimburse him/her for lost time.

- (E) Subsequent to Step 3, the parties may mutually agree to submit an arbitrable grievance to a grievance mediation process. If so, the issue to be mediated shall be jointly submitted by the parties before mediation can proceed.

Selection of the mediator shall be by mutual agreement. Other terms and conditions of a mediation shall be mutually agreed upon by the parties prior to the mediation.

7.08 The Company and the Union shall enter a joint submission agreement clearly stating the issue or issues to be decided by the arbiter. If the parties fail to agree on a joint submission statement, each party shall prepare and submit a separate submission statement stating the issue or issues involved and the section or sections of the Agreement alleged to have been violated. Only issues processed through all applicable steps of the grievance procedure and unresolved may be submitted to arbitration, except that steps may be bypassed by mutual agreement.

7.09 It is agreed that time limits set forth for processing grievances may be extended by written agreements between the parties.

7.10 The functions of the arbitrator shall be to determine controversies arising out of interpretations of the provisions of this Agreement, and his/ her decision shall be final. However, he/she shall have no power to add to or subtract from or change any of the terms of this Agreement. In addition, in the event an employee is discharged or disciplined for violation of Article 10.19 of this Agreement or for violation of the Standards of Employee Conduct, the only question before the arbitrator will be whether the employee engaged in the alleged conduct. If so, the arbitrator shall have no power to alter or mitigate the degree of discipline imposed.

7.11 When the parties select an arbitrator as prescribed in 7.07 (D) above, they shall immediately write the selected arbitrator and ask for available dates to conduct the fourth step hearing.

If the selected arbitrator cannot hear the case within forty-five (45) days from the time he/she was first contacted, the parties must select another arbitrator from a new panel furnished by the Federal Mediation and Conciliation Service. The forty-five (45) day time limit may be waived by mutual agreement between the parties.

#### 7.12 Expedited Arbitration

- A. In carrying out the provisions of Section 7.07(D) of the labor agreement, the moving party may request expedited arbitration. This request must be made when notification of desire to arbitrate is sent to the other party. If the other party does not agree, the moving party must choose between regular arbitration or withdraw the grievance from arbitration.
- B. If expedited arbitration is mutually agreed upon the parties will meet within five (5) days of the date of that mutual agreement to schedule the expedited arbitration. The arbitrator will be selected from the agreed upon panel. Whenever possible, the

expedited arbitration will be scheduled within thirty (30) days after this meeting, subject to the availability of the arbitrator.

- C. Extensions of time limits above will be by mutual agreement only. Additional provisions will be adopted by mutual consent.
- D. Normal expedited arbitration hearing procedures are as follows:
  - 1. Conditional extensions/continuances may be granted by the Arbitrator.
  - 2. Regular rules of evidence will apply.
  - 3. The hearing on any single case will normally take no more than one day.
  - 4. The Arbitrator will have sole authority to rule on all motions and decide the case.
  - 5. No briefs shall be filed.
  - 6. All fees and expenses of the Arbitrator will be borne equally by the parties to the dispute. If both parties want a transcript the cost will be shared equally by the parties. In the event only one party wants a transcript, that party will pay the cost of the court reporter. If the Arbitrator wants a transcript, both parties will share the cost equally.
  - 7. The Arbitrator may issue a bench decision at the hearing or may render a written decision within three (3) working days following the conclusion of the hearing. Such decision shall be based on the record before the Arbitrator and may include a brief explanation of the basis of such conclusion.
  - 8. Treating the decision as precedential must be agreed to by both parties.
  - 9. The decision of the Arbitrator will be final and binding upon the parties subject to the laws and regulations in effect at the time.
  - 10. If, during the course of the hearing either party in good faith wishes to defer the case to regular arbitration it may elect to do so with a new Arbitrator being selected from an F.M.C.S. panel as provided in this Article. The party making this request will pay all of the fees and expenses for the cancellation of the expedited arbitration.

#### ARTICLE 8 - BULLETIN BOARDS

8.01 The Company will install and maintain glass enclosed bulletin boards to be used for official Union communications. There will be five (5) at Harbor Drive, five (5) at Kearny Mesa and locations will be mutually agreed upon. The Company will approve notices prior to posting. The Chief Shop Steward will be responsible for posting and removing approved notices. The Chief Shop Stewards will be given keys to the bulletin boards in the facilities.

## ARTICLE 9 - NONDISCRIMINATION

### 9.01

- (A) Neither the Company nor the Union in carrying out their obligations under this Contract shall act contrary to State, Federal or Local law on matters of discrimination in employment.
- (B) There shall be no discrimination by either party because of a person's sex (including pregnancy or breastfeeding), color, race, religion, national origin, age, mental or physical disability, covered veteran status, marital status, citizenship status, sexual orientation, gender identity or expression, genetic information, political affiliation, union activity, creed or any other group status protected by applicable law.

## ARTICLE 10 - SENIORITY

10.01 Definition: The purpose of this Article is to provide a declared policy of work security for employees measured by length of service. Seniority, as used herein, is defined as length of unbroken service with the Company in the bargaining unit. The Company will recognize seniority in all matters of promotions, upgrading, shift and workweek preferences, transfers, layoffs, recalls, and vacations, except as otherwise provided for in this Agreement.

10.02 For the purpose of seniority, employees hired on the same calendar day shall be in alphabetical order of surname, and if surnames are identical, in alphabetical order of initials. In the event employees change their surname after their hire date, their surname at the time of hire will be used for the purpose of this section.

10.03 Employees promoted or transferred from assignments under the jurisdiction of previous Agreements between the Company and the Union prior to July 1969 will retain, but not accumulate seniority, except those who forfeited bargaining unit seniority rights due to promotion or transfer out of the bargaining unit during the period from the effective date of the 1972 Agreement to July 16, 1978.

Employees returning to the bargaining unit from assignment outside the bargaining unit shall continue to accrue benefits as in the past.

Due to the nature of the Company's business, it is occasionally necessary to assign employees into salaried positions for temporary periods of time. It is therefore agreed that when such temporary assignment does not exceed twelve (12) consecutive months, the employee who is temporarily assigned shall be allowed to return to his/her former position in the bargaining unit with seniority unimpaired. It is understood that if the employee lacks sufficient seniority to assume his/her former position, he/she shall be placed in accordance with the provisions of Article 10, Section 10.10, of the Labor Agreement.

When a temporary assignment occurs, the Company shall notify the Chief Shop Steward in writing within three (3) working days and shall provide the following information:

1. The name, badge number, current department, classification and shift of the employee;
2. The effective date of such assignment;
3. The estimated duration of such assignment.

10.04 Ninety (90) calendar days after an employee starts work, he/she shall acquire seniority rights, and his/her seniority shall be retroactive to his/her starting date. During the first ninety (90) calendar days of his/her employment, he/she shall be considered probationary, and his/her retention as an employee shall be entirely within the discretion of the Company. In the event the employee is absent from work during the first ninety (90) days of employment with the Company, his/her probation period will be extended by the like

number of days he/she was absent. On matters other than discharge or layoff, such employees shall be entitled to the same representation as other employees as set forth in Article 2, Section 2.01.

#### 10.05 Farm-Outs

Farm-out assignments are defined as the temporary assignment of an employee to another shift, manufacturing unit and/or plant to perform work within his/her classification. Farm-out assignments may also occur within the employee's own department. Employees are encouraged to notify their Supervisor/Manager if they are interested in farm-out opportunities. The performance of lateral or lower rated work by an employee for less than eight **(8)** consecutive working hours is considered a normal part of an employee's job.

It is understood between the parties that the Company may make farm-out assignments subject to the following limitations:

1. Lateral or Lower Classifications: Farm-out assignments to lateral or lower classifications may not exceed thirty (30) working days within **ninety** (90) consecutive days in classifications having an employee on layoff with more seniority than employees farmed out to such classifications.
2. Higher Classifications: Assignments to higher classifications may not exceed thirty (30) consecutive working days. If an employee who is able to perform the farm out tasks has requested to be farmed out to the same job assignment, farm out assignments will be limited to thirty (30) days out of sixty (60) consecutive working days. Senior employees will be given proper consideration to farm out assignment to higher classifications. Employees farmed out to a higher classification, to which they have recall rights, for more than ten (10) consecutive days will receive their current rate of pay or the midpoint of the higher classification, whichever is greater.

Experience gained on a farm-out assignment to a higher classification may be cited by an employee seeking promotion to such classification provided that the work performed was of the higher skill level.

3. Other Shifts and/or Plants: An employee may not be farmed out to another shift and/or plant for more than sixty (60) working days in a calendar year unless otherwise mutually agreed between the farmed employee and the Company. **Where practical, employees will be given the opportunity to volunteer for farm-out assignments in seniority order, and if there are insufficient volunteers, the Company will assign employees in reverse seniority order.**
4. Union Notification: The department supervisor will notify the department Steward in writing when an employee in his/her department is farmed out for more than thirty (30) consecutive working days. The department supervisor will notify the department Steward in writing whenever an employee in his/her department is farmed out to a higher classification.

#### 10.06 Redeployment

It is recognized that the nature of Solar's business creates shifts in the types of work performed at the Company. It is further recognized that layoffs can be minimized or avoided by redeploying individuals or groups of employees to other classifications, facilities, and/or shifts for periods of time which are beyond the scope of a farm-out.

Employees may be offered redeployment to other classifications and/or facilities. Employees who accept redeployment assignments, including salaried employees placed in bargaining-unit positions, may be allowed to retain all or part of their pre-redeployment pay rate for up to two (2) years at the sole discretion of the Company.

It is understood that the above is notwithstanding the provisions of Article 10 and 13 except that an employee may not be redeployed into any classification where there are employees on the recall list for such classification.

#### 10.07 Job Posting for Classification Change

- (A) Any employee who has completed at least twelve (12) months in his/her classification and who does not have active, formal disciplinary action relating to attendance, work quality, productivity, misuse of company time, environmental health & safety or insubordination, and who has an overall performance rating of average/ meets expectations or above, may apply for a posted position to current, higher, lower, or lateral rated classifications. Where such employee currently holds the classification, the transfer process further described below in 10.09 (G) will be followed. Employees on layoff may utilize this provision for upgrades

only. When skill and ability is equal, within the skills needed for the classification, seniority shall be the determining factor.

- (B) Notices of job openings will be posted in a staffing bulletin on the HR website. Job postings shall include a brief description of the job, job qualifications, the hiring HR representative and the application cut off date. The application cut off date will be two (2) weeks from the original posting date. Employees wishing to be considered for an available opening must submit the required electronic application available on the HR Recruiting Office website to the designated HR/Recruiting Office representative no later than the end of the employee's shift on the application cut off date. Employees on authorized vacations may apply within seven (7) calendar days of their return for job postings announced during their vacation, provided the position has not been filled.
- (C) In the event a qualified candidate is not found through the job posting process, the company may fill the position with a qualified individual from any source. If the same position has been posted within thirty (30) days and no qualified candidates were found, the company is not required to re-post.
- (D) When an employee changes classifications under this Section, he/she must serve a trial period in the new classification. In the event the employee is absent from work for any reason during this trial period, the employee's trial period will be extended by his/her like number of days absent.
- (E) In the event an employee is found not qualified for the job under the job posting process system, the employee will be contacted and provided reasons and areas for improvement in writing. If the employee feels the reasons are not justified, he/she may seek recourse through the grievance procedure.

#### 10.08

- (A) When an employee has been selected through the Job Posting Process or has previously held the classification posted, an offer to change classification will be made to the employee. Employees who are currently working in the classification shall be given preference. Affected employees on the payroll shall have two (2) work days to accept or reject the proposed classification. Affected employees on layoff shall have three (3) working days to accept the proposed classification and five (5) working days to report to work after notification has been sent to the employee's latest address on file with the Company. When an employee accepts reclassification under this Section and it requires a transfer to another shift, the employee may defer the transfer for up to two (2) weeks if required to arrange for childcare or alternative transportation.

In the event a successful applicant declines a change in classification or a promotion, he/she must wait a minimum of six (6) months before he/she can become eligible to apply for that classification. Employees on layoff who do not accept the proposed classification within the time limits specified above, shall be precluded from reapplying for six (6) months.

- (B) When an employee changes classification under this Section, the employee must serve a trial period in the new classification as follows:

<u>Labor Grade</u>	<u>Trial Period</u>
SP-3	90 days
4-6	60 days
7-10	45 days

In the event the employee is absent from work for any reason during this trial period, the employee's trial periods will be extended by the like number of days absent.

If in the supervisor's opinion an employee in his/her trial period, whose performance is not satisfactory, the department Steward will be advised. If the decision is made by the supervisor that the employee will not be retained, the department Steward will be notified of the basis of the decision. If an employee does not satisfactorily complete the trial period and is returned to his/her former classification, he/she has the right to grieve the decision. In the event the employee does not pass the trial period and provided he/she has sufficient seniority to do so, the employee will be returned to the department, shift and classification held at the time of the change in classification.

If the employee wishes to return to his/her previously held classification during the trial period, they may do so and the supervisor/unit leader will notify the Steward of the decision.

All employees disqualified while serving their trial period will be permitted to apply for a job posting in accordance with the provisions of Section 10.07, after the expiration of three (3) months, provided the employee can demonstrate that the prior areas for improvement have been corrected.

10.09 Transfer of Employees Within a Job Classification. Consistent with efficient production, the following procedure will be followed:

- (A) An employee may request of his/ her immediate supervisor/unit leader a transfer to another shift which shall be limited to his/her present job classification within the department. He/she will be permitted upon expiration of thirty (30) days from the date of his/her written request, if there are no new employees within the department that would expedite the move, to displace the employee having the least seniority within the corresponding supervisor's/unit leader's work jurisdiction on the shift of his/her preference, provided his/her seniority is greater than that of the employee he/she is displacing. In the event that the employee cannot satisfactorily perform the work of the employee being displaced within five (5) working days from the date of entry to the new shift, both affected employees shall be returned to the previous shift assignment. An employee who displaces another employee within his/her cost center, will not be subject to the five (5) day requirement. In the event the employee being displaced is attending an accredited school pursuing his/her formal education and carrying a minimum of two (2) courses, he/she shall be permitted to complete the semester or a period of four (4) months, whichever occurs first, before being bumped under this Section. If there is another employee more senior than the employee attending school but less senior than the employee seeking to transfer, that least senior employee not attending school shall be transferred. No displacement for shift preference of or by a probationary employee or employee in his/her trial period will be permitted. An employee having once exercised his/her shift preference rights, will not be permitted to request a change in shift for a period of nine (9) months from the date of his/her transfer to the shift of his/her preference. If an employee is transferred to another shift by the Company or as a result of a more senior employee exercising his/her rights under this paragraph, his/her shift preference rights will be reinstated.
- (B) Shift transfer requests shall be submitted to the Supervisor/Area Controller who shall, in turn, notify the Chief Shop Steward and Department Steward and the location Human Resources office by e-mail or in writing.
- (C) If a shift is eliminated within a department:

- (1) Displaced employees will be assigned to shifts within such department on the basis of classification seniority.
- (2) If the department cannot absorb the employees in accordance with (1) above, such employees will be assigned to shifts in other departments designated by the Company on the basis of classification seniority.
- (3) If the employees who are being displaced want to transfer to another shift within the department and have the necessary seniority, they may bump onto another shift within the department and the less senior employees within the classification will be transferred to other departments designated by the Company.

The above procedure will be followed consistent with efficient production.

- (D) In the event of a reduction in personnel by layoff, and employees have the seniority to go to other departments designated by the Company, the same procedure described in (C) above shall apply.
- (E) In the event of a reduction in, or elimination of, a classification on a shift within a department, the same procedure described in (C) above will apply. Probationary employees and employees on a trial period will not be affected by this Section of the contract. Affected employees shall be given three (3) working days notice, where operational requirements permit.
- (F) Any transfer resulting from application of (C), (D), and (E) above will take place within ten (10) working days, except in the case of probationary employees and employees on a trial period.
- (G) Transfer:

#### Existing Department

In the event the Company deems it necessary to transfer employees to existing departments, senior employees working within the affected department and job classification shall be first given the opportunity to transfer on a voluntary basis. Should this action result in obtaining a lesser number of employees than is required, the least senior employees working in the affected classification and department will be transferred.

#### **Department and/or Facility Transfer**

In the event an Employee wishes to initiate his/her own voluntary department transfer, within their currently held classification, he/she may apply for such transfer by using the job posting procedure described in 10.07 (A through E) and 10.08 (A and B). A trial period of thirty (30) days will apply to such transfer. The Company may fill the posted position with the most qualified transfer applicant. Where qualifications for the posted position opening are equal, the senior employee will be given preference. An employee transferred within his/her classification to another department and/or facility may not submit another application for transfer within eighteen (18) months of their last transfer.

#### New Department

The Company reserves the right to staff newly created departments. Employees who are selected for the new department shall have the right of refusal by seniority. Should this action result in obtaining a lesser number of employees than is required, the least senior employees working in the affected classification and department will be transferred.

The above procedures will be followed consistent with efficient production.



#### 10.10 Layoff:

Layoff - Temporary: When reducing the work force, due to an emergency which is of a temporary nature not exceeding three (3) work days, those employees directly involved will be sent home according to their seniority in their classification and shift, excluding Senior Stewards and Stewards.

Layoff - Other: When it becomes necessary for the Company to reduce its work force in an occupation by reason of work needs, employees in the classifications affected shall be laid off in the inverse order of their plant-wide seniority in accordance with the following rules:

- (A) Officers and Stewards will be handled as outlined in the Preferential Seniority sections of this Article.
- (B) The Company will retain employees with the greatest seniority in each classification, provided such employees have the required qualifications to perform the work of junior employees. If a senior employee is to be laid off out of seniority then such employee will be given a trial period of thirty (30) days to prove that they have the ability to perform the work of the junior employee. Part time, probationary, trial period, trainee, and learner employees in classifications affected will be the first laid off.
- (C) An employee affected by such reductions in work force shall be entitled to displace other employees upon the basis of seniority and qualifications as follows:
  - (1) Equal and/or lower classifications held at Solar (completion of probationary period).
  - (2) Classifications held at other companies (equal or lower) and so indicated on his/her pre-employment application at the time of hire, rehire or recall. (Those classifications must be comparable with Solar's classifications in work requirements and job content, and the employee must have performed to those requirements.) To be considered, documentation must have been received prior to notification of layoff.
  - (3) The maximum trial period for an employee utilizing (2) above will be five (5) work days, minimum one (1) day. Upon completion of this period he/she will have recall rights to the job.
- (D) An employee at the time of layoff may decline a classification as defined in Section 10.10 (C) to which his/her seniority entitles him/her; however, he/she will forfeit recall rights to that (those) classification(s).
- (E) If the employee, subsequent to his/her layoff from the payroll, wishes to be reconsidered for the classification(s) to which he/she declined in (D) above, the individual shall make such request to Human Resources in writing. Upon receipt of this request, the individual will be returned to the recall list for the lower classification in accordance with his/her seniority. However, if for any reason the individual refuses a subsequent recall to this classification, he/she shall retain recall rights only to the classification his/her seniority entitled him/her to at the time of the layoff.
- (F) When an employee exercises 10.10 (C) (2) above and cannot successfully complete his/her trial period, he/she will revert to his/her former classification and be laid off and removed from the Company's payroll.
- (G) It is agreed that at any time active employees will be allowed to update their pre-employment applications concerning classifications held at other companies. Such additional information will be used in consideration of displacement rights as provided in Section 10.10(C)(3) of the Agreement.

It shall be the employee's responsibility to provide documentation to the Company prior to the employee's notice of layoff to confirm the type of work performed at the other company. Examples

of such documentation are: job descriptions, or a letter from a company representative indicating the type of work performed. If after review of such documentation there is a question concerning which duties the employee actually performed, the employee requesting a classification under Section 10.10(C) will be interviewed and evaluated by appropriate qualified management personnel to determine if the employee is qualified for the classification.

10.11 Notice of Layoff: In reducing the work force, an employee shall be given five (5) days notice. After receiving such notice of layoff, he/she shall continue to conform to all Company rules and regulations. Notice given prior to the midpoint of the shift will be considered the first day of the five (5) day notice. Employees will be compensated in lieu of such notice up to a maximum of five (5) working days except when the employee is not available to be notified.

10.12 Employees on layoff status shall continue to accumulate seniority up to forty-eight (48) months provided they register with the Company each July (either by letter or in person).

10.13 Recall:

- (A) Employees on the recall list shall be recalled in order of seniority applied by classification. The recall list consists of:
- (1) Employees on layoff from the classification and off the payroll.
  - (2) Employees who, in lieu of layoff, accepted placement in a lateral classification or downgrade from such classification.
  - (3) Employees who, in lieu of layoff, accepted placement in a lateral classification or downgrade from such classification and who were subsequently laid off.
  - (4) Employees on layoff, who, at the time of layoff, were unable to displace an employee in a lateral or lower paid classification previously held with the Company because of having less seniority than the least-senior employee in such lateral or lower classification provided the Company receives written notification as confirmed by Human Resources of such employee's desire to accept recall. Such written notice shall not supersede any job offers made prior to the date such notice was received.
- (B) When employees are on the payroll in a classification listed in Appendix "A", their names will be removed from the recall lists to lower rated jobs.
- (C) Within twenty-four (24) months of the date of layoff, employees laid off as learners or trainees have recall rights to the classification held as learners or trainees when open requisitions exist for learners or trainees. Recall will be in order of total accumulated time spent as a trainee in the classification.
- (D) Employees on layoff, who have maintained their recall rights, shall be considered for recall in order of seniority to openings in lateral or lower paid classifications not previously held with the Company for which they can qualify provided they have notified the Company in writing of their desire to accept recall, and can meet the qualifications required of a new hire for such classification.
- (E) Upon receiving medical release from the laid off employee a question regarding the refusal of the Company to recall an employee for medical reasons will be discussed with the Union. Where the employee's personal health care provider \*provides insufficient information on the employee's ability to safely perform the essential functions of the job to which he/she is being recalled with or without accommodations, the Union/employee may seek to obtain a third opinion where permitted and consistent with applicable Local, State and Federal Laws. Such medical health care provider shall be mutually agreed upon to conduct a medical examination consistent with the law and whose decision with respect to whether the employee is able to perform the essential functions of the job to which he/she is being recalled \*. This medical opinion shall be final and binding upon the Union, the

employee involved, and the Company. The expense of such examination and report shall be paid one-half (1/2) by the Company and one-half (1/2) by the employee.

If, because of sickness or injury, a laid off employee fails to report by telephone or in person for an interview for work within the time limits as specified in Section 10.19(D), the employee shall be required to:

1. Furnish documentation consistent with medical privacy laws from the employee's health care provider to the Company Medical Department that his/her failure or inability to report for recall was due to illness, injury, or required medical treatment.
  2. The employees shall remain on the recall list for a period not to exceed forty-eight (48) months from the date of the first recall notice, provided he/she reports for work as soon as possible upon release for work by his/her health care provider.
  3. Obtain medical certification from his/her treating health care provider to safely perform the usual and customary essential functions of the position to which he/she is recalled, with or without accommodations, and provide such certification to the Company Medical Department.
  4. Once an employee has been cleared by the Company Medical department to return to work, he/she will displace the less senior employee on the payroll in the returning employee's classification, providing there are no open requisitions for that classification. This Subsection also applies to employees on the payroll and on an approved medical leave of absence.
- (F) Upon responding to a Company notice to return to work within the time limit for such response provided for in Paragraph 10.19(D), a laid off employee shall not lose his/her place on the seniority list by reason of his/her refusal to accept recall in a classification or classifications held on downgrade or in a lower rated classification other than that in which such employee was working immediately prior to his/her layoff. A laid off employee shall lose his/her seniority for failure to accept recall to the classification held prior to his/her initial displacement due to a reduction in force.
- (G) An employee on the payroll who is offered recall to a lateral or higher classification must either accept or reject the recall within two (2) working days.
- (H) An employee eligible for recall may, by written notice to the Human Resources department of the Company submitted at least seven (7) days in advance of any notice of recall, request suspension of his/her right to recall to the classification specified in his/her written request in accordance with the following provisions:
1. An employee eligible for recall and off the Company payroll may suspend their recall for a maximum of six (6) months.
  2. An employee serving a trial period (reclassification) until the completion of the trial period.
  3. An employee attending school in accordance with Section 10.09, Paragraph (A) \*~~---~~ until the end of the semester or a period of four (4) months, whichever occurs first. Such a request will be granted, and during the period of suspension of recall rights, the Company shall not be obligated to notify the employee of available openings to any classification and the employee shall not be obligated to accept recall, provided the Company is able to fill its available openings from the recall list for the classification specified on the employee's written request.

If there are no other employees on the recall list for the classification in which the opening exists, the employee who requested and was granted suspension of his/her recall rights shall then be offered recall (by reverse order of seniority if there are two or more employees who have requested and been granted suspension of recall rights for a particular classification) and failure to accept recall shall result in termination.

Provided he/she has not been terminated for failure to accept recall under the provisions of this Section, an employee who had requested and been granted suspension of his/her recall rights may cancel the prior notice to the Company any time after the expiration of one (1) month from the date the notice of suspension is received in the Human Resources department. At such time, the employee will be placed on the recall list in accordance with his/her seniority.

10.14 Temporary Recall:

(A) Laid off employees eligible for recall shall be advised when the work for which they are being recalled is scheduled for three (3) months or less, and shall have the right to refuse such temporary recall and shall not thereby forfeit their recall rights. When the laid off employee accepts temporary recall, he/she shall report to the Human Resources office within twenty-four (24) hours after receipt of notice \*from the Company. He/she will be informed at that time as to the day, shift and department he/she is to be assigned.

(B) Employees on the payroll and eligible for recall will be advised when the work for which they are being recalled is scheduled for three (3) months or less and shall have the right to refuse such temporary recall without losing their recall rights to that classification, subject to the following:

1. If more than one (1) employee (on the payroll) is on recall to the classification needed, the most senior employee on the recall list will be offered the job first. If that employee refuses, then the next most senior employee will be offered the job and so on down the list until someone accepts. If none of the employees (on the payroll) accept, then the least senior employee will be assigned the job.

2. If only one (1) employee (on the payroll) is on the recall list for the classification needed, then that employee will be assigned to the classification for which the temporary recall is made.

(C) Temporary recall will be made in order of seniority on the recall list for the applicable classifications.

(D) Employees on temporary recall status shall not be granted preferential seniority under Article 10, Section 10.16 unless duly elected to a Union position while on temporary recall status.

10.16 Preferential Seniority: It is agreed that the facility Safety Representatives and the Chief Shop Stewards will all have preferred plant-wide seniority for the purpose of layoffs and shift preference. Preferential seniority for shift assignment shall be in accordance with the provisions of 10.09(A) except as otherwise provided in this Agreement.

10.17 The Steward shall be placed at the top of his/her classification on the seniority list of his/her department and will be the last to be transferred, farmed out, downgraded, or laid off while acting as such. In no event will a Steward have seniority over Union Representatives as defined in Section 10.16.

10.18 Seniority of Negotiating Committee Members: The Negotiating Committee members of the Solar unit, Lodge No. 389, who for the purpose of this paragraph are limited to six (6) active employees, shall during the year of contract negotiations for a new Agreement have preferred plant-wide seniority for the purposes of layoff and vacation scheduling. The Negotiating Committee members may be assigned to the first (day) shift during the two (2) months preceding the expiration of this labor agreement. Additionally, the Contract Committee members shall receive the following employee benefits while absent from work during the forty-five (45) day period immediately prior to the expiration of the Agreement for purposes of contract negotiations: seniority accrual, credited service for pension benefits, and basic life and group insurance. Such time may be extended by mutual agreement.

10.19 Loss of Seniority: An employee shall lose his/her seniority and will be removed from the seniority list if he/she:

(A) Quits.

- (B) Is discharged for just cause.
- (C) Fails to register with the Company at the time prescribed in Section 10.12.
- (D) Fails to notify the Company within five (5) work days and fails to report to work within ten (10) work days after recall notice has been sent to employee's latest address on file with the Company.
- (E) Is not recalled to the payroll within forty-eight (48) months of the effective date of layoff.
- (F) Is absent for three (3) consecutive work days without notifying the Company.
- (G) Works another full-time job.
- (H) Is absent for more than the prescribed time as called out in Article 14.
- (I) Falsifies any Company documents with the intent to deceive, either before or after employment (includes pertinent omissions). The time limits on any action to be taken by the Company is twenty-four (24) months from the date the falsifications or omissions occurred.

ARTICLE 11 - VACATIONS, HOLIDAYS AND LEAVES

11.01 Vacations: An employee shall be eligible for a vacation with pay upon completion of each year of \*service with the Company. The extent and duration of such vacation which shall apply shall be based upon the employee's total years of \*service, subject to the Leave of Absence, \*Article 14, of this Agreement. Vacations shall be as follows:

<u>After Years of</u> <u>*Service</u>	<u>Vacation</u>
1 year	80 hours
5 years	112 hours
10 years	120 hours
12 years	128 hours
15 years	144 hours
20 years	176 hours

**For the purposes of Article 11 and only for the purposes of calculating an employee's vacation entitlement, years of service for employees hired before January 1, 2020 will be based on employees' first original hire date. For employees hired on or after January 1, 2020, years of service will be based on employees' most recent date of hire.**

A. All employees shall have a vacation eligibility date of January 1 of each year. Employees recalled from layoff shall also be eligible for vacation in January 1 of the year following the year in which they were recalled. Vacation eligibility for recalled employees shall be on a pro-rated basis. Hours of vacation eligibility for recalled employees will be prorated using a standard daily rate calculation as described in Appendix D. Fractional days of eligibility are rounded up to the nearest two (2) hours to insure no loss of eligibility.

Years of service will be adjusted by all periods of layoff, and by non-occupational medical and/or personal leaves of absence of two (2) months or more.

B. After the completion of ninety (90) continuous days of service from initial date of hire, an employee may use up to forty (40) hours of vacation. Any days used after ninety (90) days and before the completion of one (1) year of service shall be deducted from the eighty (80) hours vacation eligibility earned at the completion of the first year of continuous service. On January 1 of the year following the year in which the employee completes one (1) continuous year of service, the employee shall have

prorated vacation eligibility. Hours of vacation eligibility for such employees will be prorated using a standard daily rate calculation as described in Appendix D. Fractional days of eligibility are rounded up to the nearest two (2) hours to insure no loss of eligibility.

- C. In a year in which an employee will achieve a service milestone such as five (5) or ten (10) years of \*service, the employee will be given the new vacation amount on January 1 of that year.

11.02 Pay as used above means the employee's working rate of pay at the time he/she takes his/her vacation.

11.03 Vacations may be completed within fifty (50) weeks of eligibility date. Vacations may be taken at times most desired by employees each eligibility year if they do not interfere with manufacturing schedules. \*Vacations may be taken in eight (8) or four (4) hour increments provided the employee has received approval from his/her supervisor no later than four (4) hours prior to the start of the employee's shift.

**For the vacation year ending December 31, 2020, employees may elect to have forty (40) hours of unused, earned vacation carried over to his/her next vacation eligibility year by notifying the Company in writing not less than forty-five (45) days prior to the end of the vacation year.**

**For the vacation year ending December 31, 2020, employees who receive vacation hours within the last forty-five (45) days of the year may elect to have up to forty (40) hours of vacation carried over to his/her next vacation eligibility year by notifying the Company in writing not less than forty-five (45) days prior to the end of the current vacation year.**

**Thereafter, at the end of each vacation year, for employees who have remaining vacation hours, up to forty (40) hours will be carried over to his/her next vacation eligibility year. Any remaining hours greater than forty (40), the employee will receive pay for each hour of unused vacation at his/her current working rate. An employee may not have more than forty (40) hours greater than his/her vacation entitlement under 11.01 available for use in any one year.**

The parties agree that plant vacation shutdown period(s) may be established. The shutdown(s) may be for a minimum period of one (1) working day or in no case for more than a period of ten (10) working days.

When a vacation shutdown is planned, the Company agrees to meet with the Union to discuss the mechanics involved and to provide for the posting of necessary notices so that employees will have ample time to plan their vacations. Employees will be notified at least sixty (60) days in advance of a planned vacation shutdown. There shall not be more than three (3) vacation shutdowns in any single year and the total of any vacation shutdown(s) in any one (1) year shall not exceed fifteen (15) working days.

Employees required to work during the shutdown period will have the opportunity to schedule their vacation in accordance with Section 11.04. Employees who have earned vacation time in excess of the shutdown period will schedule the balance of their vacation in accordance with Section 11.04. Employees may take a leave of absence in lieu of vacation for vacation shutdown.

11.04 The Company will attempt to grant vacations when requested in accordance with the following policy.

- (A) Employees desiring to exercise their seniority rights for vacation must submit their request for the date of vacation to the Company between January 1 and February 1. All requests received after February 1 will be scheduled by date received.
- (B) Employees who transfer to another classification, shift, and/or department will carry their vacation requests with them. In the event of a conflict, plant-wide seniority will be the determining factor.
- (C) Once an employee has submitted his/her request for vacation and received approval thereof, such dates may not be cancelled or changed within fourteen (14) days of the scheduled start date of the

vacation except as provided in (B) above or by mutual agreement between the employee and his/her supervisor/unit leader.

11.05 Sick Leave: As an employee becomes eligible each year for vacation under this Article he/she shall at the same time become eligible for forty (40) hours of sick leave with pay.

- A. On completion of one (1) year of continuous service, newly hired employees shall be eligible for forty (40) hours of sick leave. On January 1 of the year following the year in which the employee completes one (1) continuous year of service, the employee shall have prorated sick leave eligibility. Hours of sick leave eligibility for such employees will be prorated using a standard daily rate calculation as described in Appendix D. Fractional days of eligibility are rounded up to the nearest \*one (1) hour\* to insure no loss of eligibility.
- B. Employees recalled from layoff shall be eligible for sick leave on January 1 of the year following the year in which they were recalled. Sick leave eligibility for recalled employees shall be on a pro-rated basis. Hours of sick leave eligibility for recalled employees will be prorated using a standard daily rate calculation as described in Appendix D. Fractional days of eligibility are rounded up to the nearest \*one (1) hour\* to insure no loss of eligibility.
- C. Sick leave may be used in one (1) or two (2) hour increments provided the employee requests and is given approval by the Supervisor/Unit Leader:
  - 1. The workday preceding the workday for which it is requested when at the start of a shift.
  - 2. The first half of the shift when it is for the last one (1) hour or two (2) hours of that shift. Such approval will not be unreasonably withheld.
  - 3. Within thirty (30) minutes prior to the scheduled shift start time, providing that such a request is due to an unavoidable delay. A call-in or voice mail prior to the employee's shift start time constitutes a request and is subject to approval by the Supervisor/Unit leader upon the employee's arrival. Use of this sub-section is limited to 10 times in a calendar year.
- D. Sick leave may be used in one-half day units (four hours) provided the employee can complete at least one-half of his or her regular shift on the day in question, and providing the employee's supervisor has been notified of such absence and has given his/her approval. Such approval will not be unreasonably withheld.
- E. To ensure compliance with the City of San Diego's Earned Sick Leave Ordinance, the parties mutually agree to allow the forty (40) hours of vacation that drops after the completion of ninety (90) continuous days of service, to be used after ninety (90) calendar days of employment as either vacation or sick leave. The parties further agree that if the forty (40) hours of vacation is used as sick leave, Article 11.05 (C) & (D) will apply. When the 40 hours of vacation is used as sick leave, it may be taken in a minimum of one (1) hour increment.**

Pay as used in this Section means the employee's working rate of pay at the time the sick leave is taken. An employee in order to receive sick leave pay must request payment of same prior to the end of their first work day subsequent to return from sickness or injury. Employees may elect to use sick leave days in conjunction with and as an extension of their vacation. These days must be requested at the time the employee requests his/her vacation. \*At the end of each vacation year, for employees who have remaining sick leave hours, up to forty (40) hours will be carried over to his/her next vacation eligibility year. Any remaining hours greater than forty (40), the employee will receive pay for each hour of unused sick leave at his/her current working rate. An employee may not have more than eighty (80) sick leave hours available for use in any one year.

11.06 Pay in lieu of Vacation and/or Sick Leave: An employee at his/her discretion may elect to receive pay in lieu of vacation up to one-half (1/2) of his/her earned vacation hours. The pay in lieu part of his/her

vacation shall be issued during the pay period subsequent to a request from the employee after he/she has earned the vacation hours in question.

An employee at his/her discretion may elect to receive pay in lieu of sick leave from eight (8) full hours to forty (40) full hours of his/her earned sick leave hours. The pay in lieu part of his/her sick leave shall be issued during the pay period subsequent to a request from the employee after he/she has earned the sick leave hours in question.

11.07 Pro-Rata Pay: An employee terminated or laid off after one (1) month of continuous service shall be paid pro-rata vacation and pro-rata sick leave at the rate of one-twelfth (1/12) of eighty (80) hours for each month worked toward the next vacation and one-twelfth (1/12) of forty (40) hours for each month worked toward the next sick leave. Any fraction of a month will be paid rounded up to the nearest two (2) hours.

(A) An employee, upon notification and proof that he/she has been accepted for duty in the Armed Services of the Government, shall be granted a leave of absence and shall be paid by the Company an amount equal to his/ her pro-rated vacation accrued at that time provided he/she has completed one (1) month of service.

(B) Pay as described above means the employee's working rate of pay.

11.08 HOLIDAY SCHEDULE \*(2020-2025)

\*2020

Thanksgiving Day	Nov 26	Thursday
Day after Thanksgiving Day	Nov 27	Friday
Holiday Shutdown	Dec 24	Thursday
	Dec 25	Friday
	Dec 28	Monday
	Dec 29	Tuesday
	Dec 30	Wednesday
	Dec 31	Thursday

2021

New Year's Day	Jan 1	Friday
<b><u>Martin Luther King Jr. Day</u></b>	<b><u>Jan 18</u></b>	<b><u>Monday</u></b>
Memorial Day	May 31	Monday
Day after Independence Day	July 5	Monday
Labor Day	Sept 6	Monday
Thanksgiving Day	Nov 25	Thursday
Day after Thanksgiving Day	Nov 26	Friday
Holiday Shutdown	Dec 24	Friday
	Dec 27	Monday
	Dec 28	Tuesday
	Dec 29	Wednesday
	Dec 30	Thursday
	Dec 31	Friday

2022

<b><u>Martin Luther King Jr. Day</u></b>	<b><u>Jan 17</u></b>	<b><u>Monday</u></b>
Memorial Day	May 30	Monday
<b><u>Independence Day (Day, Night Shifts)</u></b>	<b><u>July 4</u></b>	<b><u>Monday</u></b>
<b><u>Independence Day (Dawn Shift)</u></b>	<b><u>July 5</u></b>	<b><u>Tuesday</u></b>
Labor Day	Sept 5	Monday
Thanksgiving Day	Nov 24	Thursday



Day after Thanksgiving Day	Nov 25	Friday
Holiday Shutdown	Dec 26	Monday
	Dec 27	Tuesday
	Dec 28	Wednesday
	Dec 29	Thursday
	Dec 30	Friday

2023

Day after New Year's Day	Jan 2	Monday
<b><u>Martin Luther King Jr. Day</u></b>	<b><u>Jan 16</u></b>	<b><u>Monday</u></b>
Memorial Day	May 29	Monday
Day before Independence Day	July 3	Monday
<b><u>Independence Day (Day, Night Shifts)</u></b>	<b><u>July 4</u></b>	<b><u>Tuesday</u></b>
<b><u>Independence Day (Dawn Shift)</u></b>	<b><u>July 5</u></b>	<b><u>Wednesday</u></b>
Labor Day	Sept 4	Monday
Thanksgiving Day	Nov 23	Thursday
Day after Thanksgiving Day	Nov 24	Friday
Holiday Shutdown	Dec 25	Monday
	Dec 26	Tuesday
	Dec 27	Wednesday
	Dec 28	Thursday
	Dec 29	Friday

2024

New Year's Day	Jan 1	Monday
<b><u>Martin Luther King Jr. Day</u></b>	<b><u>Jan 15</u></b>	<b><u>Monday</u></b>
Memorial Day	May 27	Monday
Independence Day	July 4	Thursday
Day after Independence Day	July 5	Friday
Labor Day	Sept 2	Monday
Thanksgiving Day	Nov 28	Thursday
Day after Thanksgiving Day	Nov 29	Friday
Holiday Shutdown	Dec 24	Tuesday
	Dec 25	Wednesday
	Dec 26	Thursday
	Dec 27	Friday
	Dec 30	Monday
	Dec 31	Tuesday

2025

New Year's Day	Jan 1	Wednesday
<b><u>Martin Luther King Jr. Day</u></b>	<b><u>Jan 20</u></b>	<b><u>Monday</u></b>

Each employee on the active payroll shall be compensated for each such holiday for eight (8) hours at his/her working rate for the holiday and will receive double time pay at his/her working rate for work performed on said holidays. In order to qualify for holiday pay an employee must:

- (1) Have completed at least thirty (30) days on the payroll, and,
- (2) Worked at least one **(1)** full regular shift during the workweek in which the holiday is observed.

A paid day off shall constitute one **(1)** full regular shift

**(3) To the above there shall be the following sole exception:**

**On Monday, December 23, 2024, the Company, in its sole discretion, may allow employees to leave after the completion of four (4) hours of work. Employees who work at least four (4) hours and who choose to cover the remainder of his/her shift with unpaid time, will for the purposes of qualifying for holiday pay, be deemed to have worked one full regular shift.**

11.09 Military Reserve Training Service: An employee with one (1) or more year's seniority who is called to and performs short-time active duty not more than two (2) times in any one (1) calendar year for a cumulative total of thirty (30) calendar days or less, including annual active duty for training as a member of the United States Armed Forces Reserve or National Guard, shall be paid as provided below for days spent performing such duty provided the employee would not otherwise be on layoff or leave of absence.

- (A) The employee will be paid the amount of straight time pay he/she would have received from the Company during the first ten (10) working days of such period or portion thereof that he/she is

called to such duty less his/her military pay earned during the fourteen (14) calendar days starting with the first day of such service. Such payment shall be limited to a maximum of ten (10) working days per calendar year. Military pay is defined as all military earnings including all allowances except for rations, subsistence, and travel. Subsistence will be considered as military pay if the duty station is within fifty (50) miles of the facility where the employee works.

- (B) In order to receive such payment under this Section, an employee must give Human Resources prior notice of such military duty through a Leave of Absence Request Form, and upon his/her return to work, furnish Human Resources with a statement of the military pay received for performing such duty.

11.10 Jury Duty: Employees summoned to perform jury service shall be compensated as provided in (A, B, and C) below. Such pay shall be limited to ten (10) working days in any calendar year. Employees are expected to request the court to excuse them from jury duty if they have served as a juror within the past three (3) years.

(A) Jury Service or Jury Examination

- (1) Jury service or jury examination on a regularly scheduled workday for a first shift employee shall be considered an excused absence and such employee shall receive jury duty allowances as follows:

If excused from jury service prior to the first half of their work shift, he/she will be required to report for work within one and one-half (1-1/2) hours from the time he/she is excused from jury service. If he/she returns to work and completes the shift on the day of jury service, he/she will receive eight (8) hours pay at his/ her regular rate. If he/she does not return to work when excused prior to the first half of his/her work shift, he/she will be paid only for those hours served on the jury. Employees serving past the first half of their work shift on the jury on such day of jury service will not be required to report for work after being excused from jury service on that day. He/she will be paid eight (8) hours at his/her regular rate for wages lost due to such absence on a regular eight (8) hour shift.

- (2) Jury service on a regularly scheduled workday for a second shift employee shall be considered an excused absence and such employee shall receive jury duty allowances as follows:

A second shift employee excused from jury service after serving three (3) hours or less will report for a full shift of work on the day he/she serves on the jury. If he/she serves on the jury more than three (3) hours, he/she will not be required to report for work on that day and will be paid eight (8) hours at regular rate.

- (3) A third shift employee will be excused with pay the first day of jury service. A third shift employee excused from jury service after serving three (3) hours or less will report for a full shift of work on the next following regularly scheduled shift.

If he/she serves on the jury more than three (3) hours, he/she will not be required to work the following shift on a regularly scheduled workday, except that a third shift employee serving on the jury on Friday will be required to report for the full shift of work the following shift on a regularly scheduled workday. An employee not required to report for work will be paid eight (8) hours at his/her regular rate of pay.

- (B) Pay for such work time lost shall be computed at the employee's regular rate of pay at the time of such absence excluding any overtime. In no case will payment be made for jury duty performed on the sixth or seventh workday of an employee's regularly assigned workweek or for hours in excess of an employee's regular eight (8) hour workday.
- (C) To receive pay for work time lost, an employee must promptly notify his/her supervisor of any notice the employee receives to report for jury examination or to report for jury duty and must provide the Company with a statement filed by an official of the court certifying as to the employee's service as a juror, or appearance in court for that purpose, the date or dates of attendance, and the hours of attendance.

## ARTICLE 12 - WORKDAY AND WORKWEEK

12.01 Workday: The established workday shall begin as follows **for the following shifts:**

Third (Dawn) Shift	<b><u>*6:01 p.m.</u></b>
First (Day) Shift	12:01 a.m.
Second (Night) Shift	6:01 a.m.

12.02 Regular Day of Work: Eight (8) hours for First (Day) and Second (Night) **shifts** and six and one-half- **(6.5)** hours for Third (Dawn) Shifts in an established workday shall constitute a regular day of work and shall be paid at straight time.

12.03 Workweek: The workweek shall begin **\*on Sunday at 6:01 p.m. for Third Shift, Monday at 12:01 a.m. for First Shift, and Monday at 6:01 a.m. for Second Shift.**

12.04 Regular Week of Work: Five (5) consecutive days of eight (8) hours each (40 hours), Monday through Friday, shall constitute a regular week's work for the First (Day) and Second (Night) Shifts.

Five (5) consecutive days of six and one-half **(6.5)** hours each (32.5 hours) Monday through Friday, shall constitute a regular week's work for the Third (Dawn) Shift.

### A) Non-Traditional Workweek

In order to maintain production efficiency, it may be necessary for the Company to establish non-traditional workweek schedules composed of four **(4) ten (10)** hour days. It is understood and agreed that the Company shall have sole discretion to establish a non-traditional workweek. In so doing, the Company will follow the California Industrial Work Orders applicable to manufacturing companies.

It is understood that pay rates and formulas for overtime, holidays, vacation and sick leave pay for employees working a non-traditional workweek will be adjusted in accordance with the spirit and intent of the applicable provisions of the agreement. Prior to assigning employees to a non-traditional workweek, the Company and the Union will meet to discuss the administration of the above-referenced provisions.

B) Special Workweek

The Company may assign employees in any department to a special workweek. The special workweek shall consist of five (5) consecutive work days starting on a day other than Monday, followed by two (2) days off.

The Company will make special workweek assignments by first asking for volunteers. If a sufficient number of volunteers are not obtained, employees will be assigned to the special workweek for their shift in inverse seniority order. Employees who are assigned to a special workweek will be notified no later than five (5) \*regular business days prior to the first day of such assignment.

Once an employee has exercised his/her request to volunteer for special workweek, that employee will not be permitted to request a change in shift/schedule for a period of nine (9) months from the date of his/her transfer to the special workweek shift/schedule, unless otherwise approved by the Company.

Employee requests to transfer onto or off of Special Workweek will be treated in the same manner as shift preference requests as called out in 10.09(A) and (B).

Employees assigned to a special workweek as provided in this section shall be paid a wage differential of two dollars (\$2.00) per hour for all hours worked while so assigned.

The shift start times for a special workweek shall be consistent with the provisions of Sections 12.05 and 12.06. Hours worked on the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) workdays of a special workweek shall be paid in accordance with the provisions of Section 12.07. [Example 1: In a special workweek starting on Sunday, Wednesday and Thursday would be the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) regular workdays and the first eight (8) hours worked on those days would be paid at the employee's regular working rate. In this example, Friday and Saturday would be the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) workdays for purposes of Section 12.07 and would be considered the employee's "weekend" for purposes of Section 12.08(L). Example 2: In a special workweek starting on Wednesday, Saturday and Sunday would be the fourth (4<sup>th</sup>) and fifth (5<sup>th</sup>) regular workdays and the first eight (8) hours worked on those days would be paid at the employee's regular working rate. In this example, Monday and Tuesday would be the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) workdays for purposes of Section 12.07 and would be considered the employee's "weekend" for purposes of Section 12.08(L)].

The overtime group for employees assigned to a special workweek shall be by department, cost center, classification, shift and workweek for purposes of Section 12.08.

When a holiday occurs on a normal day off for employees assigned to a special workweek, the employee's weekend will be extended to include the day following the weekend, unless the Company and the employee otherwise agree in advance.

Employees in Maintenance and/or Test Cell departments or on recall to classifications assigned to those departments as of July 27, 1987 may only be assigned to a special workweek on a voluntary basis. Employees hired before March 6, 1989, in other than maintenance or test cell departments, may only be assigned to a special workweek on a voluntary basis.

12.05 Shift Hours: The present established shift hours are as follows:

(A) Day Shift:		
5:30 a.m.	--	2:00 p.m.
6:00 a.m.	--	2:30 p.m.
6:30 a.m.	--	3:00 p.m.
7:00 a.m.	--	3:30 p.m.
7:30 a.m.	--	4:00 p.m.

(B) Night Shift:

2:00 p.m.	--	10:30 p.m.
2:30 p.m.	--	11:00 p.m.
3:00 p.m.	--	11:30 p.m.
3:30 p.m.	--	12:00 Midnight
4:00 p.m.	--	12:30 a.m.

(C) Dawn Shift:

10:30 p.m.	--	5:30 a.m.
11:00 p.m.	--	6:00 a.m.
11:30 p.m.	--	6:30 a.m.
12:00 Midnight	--	7:00 a.m.
12:30 a.m.	--	7:30 a.m.
1:00 a.m.	--	8:00 a.m.

Employees who have personal needs for different shift hours are encouraged to request of their supervisor a different shift start time. Special shift start times which result from approval of such requests will not be considered established shift hours for purposes of Article 12.05 and 12.06.

Sections 12.01 through 12.05 shall apply except where other understandings prevail.

12.06 The Company may change the shift hours by up to one half (1/2) hour from start times as described in Article 12.05 at its discretion. The shift hours for one or more days may be changed beyond one half (1/2) hour for individual employees provided the Company and the employees whose hours are changed agree in writing in advance of the change.

The shift hours for one (1) or more days may be changed beyond one half (1/2) hour for an entire department or cost center provided the Company and a majority of such employees agree, in writing, in advance of the change. When such agreement has occurred, should the Company determine that continuation of the agreed upon shift hours is not consistent with efficient production in a cost center, department or manufacturing unit, the Company may require employees to return to shift start times as provided in Section 12.05 above. Employees shall be notified at least ten (10) \*regular business days in advance of such change.

Individual employees may request up to thirty (30) days to make child care and/or transportation arrangements before beginning a new, long-term shift start time.

12.07 Overtime: One and one-half \*(1.5) times the working rate will be paid to employees on the First and Second Shifts for work as follows:

- (A) Work in excess of eight (8) hours to and including ten (10) hours in a workday other than in the sixth (6th) and seventh (7th) workdays.
- (B) The first ten (10) hours of work in the sixth day an employee works in his/her workweek, provided that the employee has previously worked or will have been paid for at least eight (8) hours of work each regular workday and forty (40) regular, straight-time hours during that workweek. Hours worked in the sixth (6th) workday shall be paid at the regular, straight-time rate until the forty (40) hour requirement has been met.

Double the working rate will be paid to employees on the First and Second Shifts for work as follows:

- \*(C) Work in excess of ten (10) hours in a workday other than in the seventh (7<sup>th</sup>) workday.
- \*(D) All work in the seventh (7<sup>th</sup>) day an employee works in his/her workweek, provided that the employee has previously worked or will have been paid for at least eight (8) hours of work each

regular workday and forty (40) regular, straight-time hours during that workweek and has also worked eight (8) hours at time and one-half on the sixth (6th) workday. Hours worked on the seventh (7th) workday shall be paid at the regular, straight-time rate until the forty (40) hour requirement has been met and thereafter at time and one-half until the eight (8) hour sixth (6th) day requirement has also been met. Employees not requested for the sixth (6<sup>th</sup>) workday, but who are requested and work on the seventh (7<sup>th</sup>) workday, shall be paid at double the working rate after having met

the forty (40) hour straight-time requirement. Overtime pay for employees on the Third Shift shall be paid as stated above except "six and one-half (6.5)" hours" and "eight and one-half (8.5)" hours" will be substituted for "eight (8) hours" and "ten (10) hours" respectively. Early overtime hours worked in connection with the first day of the third shift workweek shall be considered part of the first day for pay purposes.

"Working rate" for employees on the Third Shift for purpose of this subsection shall be computed as follows:

$$\frac{8 \times (\text{base rate} + \text{*shift differential + special work week + lead pay})}{6 \frac{1}{2}} = \text{Working Rate}$$

In addition to paid work time, for purposes of premium rate eligibility on the sixth (6th) and seventh (7th) workday described in this Section 12.07, paid hours shall include paid vacation, sick leave, bereavement, jury duty and holidays.

12.08 Overtime Distribution: When overtime is necessary, the Company will distribute overtime among the full-time employees in the same overtime group by department, cost center, classification and shift. Employees with an active written notice of disciplinary action pertaining to attendance, quality, productivity, insubordination, safety or misuse of company time and/or whose most recent performance appraisal is below average/did not meet expectations, shall be removed from the overtime list. For purposes of overtime distribution, a cost center is defined as a group of employees having similar job skills or requirements. Cost centers may be established on the basis of types of equipment used, product type, specialized processes and/or skills, etc., at the sole discretion of the Company. The following rules will apply in equalizing overtime:

- (A) All overtime hours worked shall be voluntary on the part of the employees. However, in the event a sufficient number of employees are not obtained due to refusal of offered overtime, the low overtime employee qualified to perform the work will be assigned to perform the work except that no employee will be required to work more than ten (10) hours per day and/or more than fourteen (14) consecutive days.
- (B) A suitable form reflecting overtime hours charged shall be displayed in a conspicuous place in each department. Such records shall be kept on the basis of hours worked or offered and will be updated each Monday by the respective department supervisor. All overtime hours will be charged at the overtime rate regardless of how the employees are paid for those hours. For example, hours worked or offered for the sixth (6<sup>th</sup>) work day will be charged at one and one-half (1-1/2) times the hours and hours offered for the seventh (7<sup>th</sup>) work day will be charged at two (2) times the hours.
- (C) All overtime hours worked or refused shall be charged unless otherwise provided in this section.
- (D) Employees who are on vacation or leaves of absence shall be charged with the average of the overtime hours charged during their absence (excludes those hours worked by leadpersons).  
Example:

$$\frac{\text{Overtime Hours Charged}}{\text{Employees Available}} = \frac{\text{Time}}{\text{Charged}}$$

- (E) Employees will be charged for hours they work or refuse on a holiday. Employees who are scheduled to work and have agreed to work on a designated holiday and fail to report to perform

such work without reasonable cause acceptable to the Company shall not receive pay for the holiday and will be charged for hours offered.

- (F) The Company will equalize overtime among employees within thirty-six (36) hours by the end of each calendar quarter. Calendar quarters begin on the dates of October 1, January 1, April 1, and July 1, except where mutually agreed upon.
  - (1) Each Supervisor and Steward will jointly review the overtime chart in their department at the end of each month in the event the thirty-six (36) hour spread has been exceeded.
  - (2) Should an out-of-spread condition exist at the end of a quarter, the Supervisor, Steward, and Human Resources Representative will meet to discuss a resolution to the condition.
  - (3) If any employee on the overtime list is more than thirty-six (36) hours below the top for two (2) consecutive quarters, he/she shall be paid an amount equal to his/her working rate for each hour more than thirty-six (36) that he/she is below, and provided that the review and discussions in (1) above have taken place. This payment is not required if at any time during the second consecutive quarter the employee's overtime hours are brought within the thirty-six (36) hour spread.
- (G) Employees who change shifts and remain in the same classification and department Cost center or employees who transfer to another department cost center and/or classification shall assume the average overtime hours of the classification in the department cost center and shift to which transferred. (Excludes those hours worked by leadpersons.)
- (H) The Company will not change a department's cost centers more than twice in any twelve (12) month period. Employees who are more than thirty-six (36) hours below the top of their overtime group will not be transferred to a different cost center except on a voluntary basis.
- (I) When a department is scheduled to work overtime, employees farmed out to that department shall not be asked to work until all the other assigned employees of the department/cost center or mutually agreed upon areas, within classifications and shift affected, have been asked.
- (J) Employees who are medically restricted from working overtime, and/or who cannot perform the required overtime work due to the medical restriction, will not work, and will be removed from the overtime list. When the medical restrictions are removed, employees will be placed back on the overtime list and will be given the average hours of the overtime list.
- (K) Employees who are not available to work overtime in their own overtime group because they are farmed out and are working overtime in another overtime group will be charged for the average number of hours charged in their own overtime group using the formula called out in paragraph (D).
- (L) Employees will be charged for all weekend overtime they refuse in their affected group. Employees who are more than thirty-six (36) hours below the top will not be charged for weekend overtime they refuse if asked later than four hours prior to the end of their last shift before the overtime is scheduled to begin. If an employee is absent on the day weekend overtime is requested and all the employees within his/her classification, shift and department cost center have been asked to work the sixth (6th) and/or seventh (7th) workday, he/she will be charged. If, however, he/she reports to work following his/her absence before the sixth (6th) and/or seventh (7th) workday, he/she shall be notified of this charge and given the opportunity to work the overtime day in question.

All employees who are needed to work daily overtime after the end of their shift must be asked prior to their respective lunch periods each day or they can refuse and will not be charged.

All employees who are needed to work daily overtime prior to the beginning of their shift must be asked, before the end of their shift on the previous day, or they can refuse and will not be charged.

Employees may be asked for daily overtime up to five (5) working days in advance. When employees are asked more than two (2) days in advance, they shall have until noon the day after they are asked to refuse or accept the overtime requested.

- (M) All employees hired, rehired, recalled, upgraded, reclassified and/or transferred shall, immediately upon completion of their probationary period or trial period (if any), assume the average overtime hours of the classification and shift in the department cost center assigned. (Excludes those hours worked by leadpersons.)

\*

- \***(N)** Employees who accept weekend overtime and then are absent on the fifth (5th) workday, will be charged for the day(s) in question and will not be allowed to work the weekend overtime unless supervisory approval is obtained prior to the end of his/her shift on the fifth (5th) workday.

- \***(O)** In the event that it is necessary to work overtime in excess of the employee's regularly scheduled shift, either on a holiday and/or sixth or seventh workdays for the continuation of work assignments, the Company may work the employee into the next shift consistent with operational requirements, not to exceed two (2) hours.

- \***(P)** All classified employees within an overtime group will be offered overtime work before trainees are offered overtime within the group.

- \***(Q)** In accordance with Section 16.08 (F), Temporary employees shall have no rights to any overtime, nor shall they work any overtime unless all regular qualified employees on their department overtime list have first been asked.

Apprentices who have completed at least one-fourth (1/4) of their Apprenticeship Program will be placed on a separate overtime list. An apprentice shall be allowed to work overtime as long as his/her overtime charges do not exceed the average overtime charges of the regularly classified employees in their department cost center, classification and shift as computed at the end of each month. An apprentice whose overtime charges exceed the average of the regular overtime group will not be asked for overtime until such time as his/her overtime is less than the regular overtime group's average. This is not to be construed as a guarantee that apprentices will be entitled to work or be requested to work overtime. In any case, where all regularly classified employees in the overtime group have been asked to work overtime, any apprentice may be requested to work.

- \***(R)** Effective January 1, 2001, and each January 1 thereafter, all overtime lists shall revert to zero hours. However, if the spread on an overtime list is greater than thirty-six (36) hours on December 31, that list will not revert to zero.

12.09 When daily overtime of two (2) hours or more is scheduled after a regular shift, a rest period of ten (10) minutes will be granted ten (10) minutes prior to the expiration of the regular shift.

When daily overtime of two (2) hours or more is scheduled prior to a regular shift, a rest period of ten (10) minutes will be granted ten (10) minutes prior to the beginning of the regular shift.

12.10 Report Time: Employees reporting for work on their regular shift without having been previously notified not to report shall be given a minimum of four (4) hours work or if no work is available, four (4) hours pay at the prevailing rate. This Section does not apply if any of the following occurs:

1. He/she leaves sooner of his/her own accord.
2. He/she is discharged or suspended for just cause.



3. The work is not available for reasons such as an act of God, fire, flood, power failure, riots, bomb threat, explosion, work stoppage, or lack of sufficient personnel to maintain production, or any other cause beyond the control of the Company.

The provisions of this Section also apply to employees who are scheduled and report for overtime work on their sixth (6th) and seventh (7th) work days. Failure of an employee to keep **\*Human Resources** informed of his/her correct address, **email** and telephone number (if any) shall relieve the Company of responsibility for notification and payment of report time in the event the Company attempts to contact the employee not to report for work.

12.11 Call-In Time: When an employee is called in on unscheduled work, he/ she shall be paid for actual time worked at the prevailing rate. If the call-in work is for less than four (4) hours' duration, the remaining time up to a minimum of four (4) hours will be paid, provided the employee does not leave sooner of his/her own accord. On overtime days, if call-in work occurs on the first half of the shift, employee(s) regularly assigned to that shift will be called in. If the call-in work occurs on the last half of the shift, employee(s) on the following shift will be called in.

When such call-in work is in conjunction with the employee's regularly scheduled shift, hours worked on such regularly scheduled shift are included to meet the four (4) hours pay requirement and the applicable rate for such hours will be paid.

12.12 Rest Periods: There will be two (2) ten (10) minute rest periods for the First and Second Shifts, one (1) before and one (1) after the regular lunch period. There will be one (1) ten (10) minute rest period for employees on the third shift.

12.13 **Meal Periods : The parties recognize that scheduling of employee meal periods must comply with the applicable requirements of the California Labor Code and California Industrial Welfare Commission Order No. 1-2001, Regulating Wages, Hours and Working Conditions in the Manufacturing Industry. Consistent with the provisions of said regulations, the parties hereby agree to a meal period that commences after no more than six (6) hours of work. Such meal period will be at least thirty (30) consecutive minutes in duration. It is understood that either party may cancel this Section 12.13, upon ninety (90) days written notice to the other party.**

**\*12.14** Emergency: When an emergency occurs and there are no qualified bargaining unit employees immediately available within the plant to perform such emergency work, the Company may assign any qualified employee who is immediately available within the plant to perform such emergency work. "Emergency" is defined as an imminently destructive or hazardous condition.

## ARTICLE 13 - WAGE RATES, CLASSIFICATIONS AND LABOR GRADES

13.01 Definitions:

- (A) Base Rate is defined as the Hourly Wage Rate of an employee excluding any adjustment, bonus, differentials, overtime, or premium payment.
- (B) Working Rate: The working rate is an employee's Hourly Base Rate of pay plus Lead **\*Pay**, Shift Differential, Cost-of-Living, if any, and excluding overtime.
- (C) Classification: Classifications are identified by Code Numbers in Appendix "A".
- (D) Prevailing Rate: Prevailing Rate is the working rate of pay for the day worked.

13.02 Statement of Policy for Utilization of Job Descriptions: The following basic principles governed the preparation of the job descriptions; these same principles are to govern their use.

1. The title selected for a classification is that which most clearly identifies the type of work performed.
2. The Occupational Summary is a brief description of the classification as a whole, the purpose of which is to distinguish it from other classifications.
3. The job description sets forth typical distinguishing and related requirements. The distinguishing requirements illustrate a level of difficulty of work and are not intended to list or describe all work operations or tasks done within the classification. These requirements may not fit all specific individual work assignments, as the description when written was stated so as to be broad enough to include all variations of work in the classification as it existed throughout the Company.
4. The work operations, duties and other distinguishing characteristics described in a job description are those which are performed under guidance or instruction which is considered usual and normal for the work described.
5. The descriptions were prepared on the basis that a worker performs the work of other classifications when required subject to the farm-out provisions in 10.05.
6. The job description is written to define and illustrate the job standard to be established and as such shall be interpreted and applied in its entirety as a composite picture of the job requirements. This means that the Occupational Summary and the Work Performed sections must be considered in arriving at the proper classifications.

An employee shall not be required to perform all work operations described in a job description in order to be promoted to the classification. No employee shall be promoted to a classification by reason of performing isolated or singular duties which are not representative of the level of difficulty of the classification as a whole.

In the event an employee is required to perform in an area of his job description unfamiliar to him, he/she will be given adequate time and instruction to become familiar with the required duties.

7. The job descriptions do not list typical hand tools and equipment an employee can use in performing his/her work assignment. It is understood by the parties that in the performance of his/ her work, as described in the job description for his/her classification, an employee may utilize various hand tools and equipment which he/she is qualified to use and which will assist him/her in accomplishing his/her task, and the use of which falls within the level of difficulty of his/her classification as a whole.
8. It is understood by the parties that a normal part of an employee's job requires maintaining his/her personally assigned work area in a clean and orderly condition.

13.03 Work operations which are not adequately nor specifically described shall be appraised and classified by the Business Representative of the Union and a Representative of Human Resources as belonging under the most appropriate job description by considering the level of difficulty or complexity of said work operations, primarily in comparison with comparable work operations described in the Work Performed section of the job description.

13.04 It is recognized that changing conditions and circumstances may require the establishment of new classifications under the jurisdiction of the Union (because of changes in job content growing out of the introduction of new products, changes in equipment or tooling or in method of processing or in materials processed, etc., or the necessity to combine classifications for more efficient operations, etc.). Under such circumstances, the Company shall prepare and submit for discussion to the assigned Business Representative of the Union, prior to implementation, the descriptions, evaluations and appropriate labor grade assignments for such job classifications as will have been determined to be within the collective

bargaining unit. No later than ten working days after presentation to the Business Representative of the job description for discussion, the Company, at its discretion, will place the job description and labor grade into effect subject to the Union's right to refer to arbitration the appropriateness of the labor grade assigned within the time limits specified in the grievance procedure. Staffing of these new classifications will be made by the Company, from those employees who have been found qualified through the Job Posting process.

Adequate time will be given for employees to apply through the Job Posting Process before new employees are hired to staff such new classification, except that employees who are reclassified into the new classification as a result of its introduction into their manufacturing unit, shall have rights to the introduced classification over persons who apply through the Job Posting Process.

Employees then in the department where the new job description will be utilized will be so advised by the supervisor.

13.05 Shift Differential: A differential of seventy-five cents (\$0.75) per hour will be paid to second shift employees. A differential of fifteen cents (\$0.15) per hour will be paid to third shift employees.

13.06 Leadperson/Team Leader:

- (A) A leadperson is an employee with basic skills of the group assigned. The leadperson must have capabilities of leadership; hence, the selection must be made on the basis of Management evaluation, however, capabilities being equal the senior employee will be given preference. Any employee with greater seniority than the leadperson selected will have the right to request an evaluation of his/her capabilities by his/her supervisor. If the explanation of capabilities is not satisfactory to the employee, the employee reserves the right to further review through the Grievance Procedure. Leadpersons shall be selected from within a department. It is further agreed that where qualified personnel are not available within a department, selection will be made plant-wide.

In the event of a reduction in personnel, leadpersons will be broken back in the inverse order of seniority by Department, unless evaluation by management deems a less senior employee to be more qualified, in which case the more senior leadperson will be notified by management as to the reason(s) he/she is being surplus.

A temporary assignment of a leadperson to replace the regular leadperson may be made without regard to seniority by the Supervisor /Unit Leader.

Leadpersons will be retained on the seniority list in the classification they hold and will be grouped with other employees in their classification for the purpose of progression and layoff.

Leadpersons will not be transferred to another shift or department while performing and holding the leadperson position.

- (B) At the direction of management, a leadperson's duties may include, but not be limited to, prioritizing and making work assignments within the assigned group; providing training, guidance and instruction; checking actual work operations, verifying correctness of work in process and completed jobs; determining appropriate requirements and actions to maintain standards of quality, safety and efficiency; coordinating procedures, production plans, schedules, etc., with supervisory, engineering and quality assurance personnel; locating, routing and assuring movement of parts and assemblies to and from the department. However, a leadperson may not take disciplinary action against an employee, maintain timecards or overtime records, distribute paychecks or assign work outside his/her designated group.
- (C) A Team Leader is an employee that, in addition to performing the duties of a Leadperson as described in (A) and (B) above, may also be assigned responsibility for other functions of team leadership not expected of Leadperson.

The selection and removal of Team Leaders is the sole discretion of management. Such discretion may be delegated to the team by the Unit Leader. The primary focus on the selection of a Team Leader will be demonstrated leadership skills and ability. Both represented and non-represented employees may serve as Team Leaders. Represented employees who are Team Leaders, shall have no authority to hire, terminate or discipline any employee.

13.07 Lead Pay: Leadpersons will not be considered as supervisors but as working leaders. Leadpersons shall receive \*one dollar (\$1.00) per hour above the \*working rate of his/her own classification.

Temporary leadpersons shall receive \*one dollar (\$1.00) per hour above their own working rate of pay for the duration of their temporary assignment.

Workgroup Team Leaders \*may receive at least one dollar (\$1.00) per hour above the\* maximum rate of their classification.

**An employee whose assignment to a Leadperson or Workgroup Team Leader position that began prior to September 21, 2020 will not be required to have his/her pay reduced as a result of the first three (3) paragraphs in Section 13.07.**

For purposes of this Section 13.07, "maximum rate" shall mean the maximum rates provided in \*Appendix A, effective \*September 21, 2020. In the event the Company increases the maximum rate of a classification, the affected leadpersons may be granted merit increases up to an amount equivalent to their leadperson differential per hour above the new maximum at the Company's sole discretion.

In the event leadpersons/Team Leaders are regressed, they shall assume the same relative position in the labor grade rate range that they held at the time of their selection as a leadperson/Team Leader. In addition, their rate of pay at the relative rate shall be adjusted to include all automatic wage progression increases they would have received in their classification during the time they were performing as a leadperson/Team Leader.

13.08 Labor Grades: Labor Grades which include all classifications agreed upon between the parties and made a part of this Agreement, shall be in effect for the duration of this Agreement, except as changes in classifications may be made under provisions of Paragraph 13.04.

When employees are promoted from one classification to a higher classification as called out in Section 10.05, they will retain their present rate of pay or the minimum of the new classification, whichever is greater.

13.09 Performance Review: Each employee will receive a formal performance review at least once each year, and an informal review mid-cycle. Informal reviews will not result in any merit increases. Individuals receiving a below average/did not meet expectations performance rating may request a re-evaluation any time following ninety (90) days from the effective date of their last review. Performance reviews may not be grieved under any provision of the Agreement except that employees who receive a below average/did not meet expectations review may use the grievance procedure through Step Three to address issues concerning such performance review that they have been unable to resolve within their department.

13.10 The Company, at its sole discretion, may increase the merit pay rate for any given job classification upon notification to the Union. Such increase shall have no effect on the merit rate of any other job classification within the same labor grade or any other labor grade within this Section 13.10. It is expressly understood that employees within the affected job classification shall not be entitled to rate progression beyond the maximum of the labor grade within this Section 13.10.

All employees on the active payroll, on leave of absence, or on the recall list whose base rate of pay for a classification exceeds the maximum rate for such classification will continue to receive such higher rate of pay when assigned to such classification.

13.11 Cost-of-Living Adjustments

- (A) Cost-of-living adjustments shall be paid in addition to, but not as a part of, the base rates of all employees in accordance with the provisions of this Article. In no event shall there be a reduction of base rates as a result of these provisions, nor shall there be a pyramiding of cost-of-living adjustments as a result of the periodic computations.
- (B) On and/or after November 6, 2015 cost-of-living adjustments shall be made as provided in the following paragraphs of this Section 13.11.
- (C) Cost-of-Living adjustments will be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1982-84 = 100), published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the BLS Index.
- (D) Cost-of-living calculations shall be made quarterly on the first day of the first full pay period on or after each August 1, November 1, February 1, and May 1, starting with November 6, 2015. Each quarterly adjustment will be calculated using the following calendar cycle:

<u>Comparison Date</u>	<u>Based on Avg 3-Month BLS Index For:</u>	<u>Base Price Index Average 3-Month BLS Index For:</u>
August 1	Apr, May, Jun (cur. yr)	Jan, Feb, Mar (cur.yr)
November 1	Jul, Aug, Sept (cur. yr)	Jan, Feb, Mar (cur.yr)
February 1	Oct, Nov, Dec (prior yr)	Jan, Feb, Mar (prior yr)
May 1	Jan, Feb, Mar (cur. yr)	Jan, Feb, Mar (prior yr)

Comparison date will be the first day of the first full pay period on or after this date.

If on any of the above comparison dates, the BLS Index (averaged) for that comparison date exceeds the Base Price Index by more than seven percent (7%), cost-of-living adjustment amounts will become payable for such excess.

- (E) Such calculations shall amount to one cent (\$.01) per hour change for each full three-tenths (0.3) points change, in excess of seven percent (7%), in the designated three-(3) month average of the BLS Index over the Base Price Index.
- (F) Each adjustment amount shall remain in effect from the adjustment date for which it was calculated only until the next succeeding adjustment date or, until the termination of this agreement, whichever is earlier.
- (G) Such cost-of-living amounts shall apply to all employees on the active payroll at the comparison date.
- (H) The amount of any cost-of-living adjustment applied during the period this section is in effect shall be added to, but not become a part of, the base rate of each employee and shall be applied in determining currently effective pay rates for the following purposes subject to the applicable provisions of this Agreement:
  - (1) Overtime Pay
  - (2) Holiday Pay
  - (3) Vacation Pay
  - (4) Sick Leave Pay
  - (5) Jury Duty Pay
  - (6) Bereavement Pay

(7) Military Reserve Training  
Service Pay

- (I) No adjustment, retroactive or otherwise, shall be made because of any revision which may later be made in the published figures of the BLS Index.
- (J) In the event that any BLS Index referred to herein is not officially published on or before the Wednesday immediately preceding the effective date on which a cost-of-living adjustment would otherwise be made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.
- (K) In the event the Bureau of Labor Statistics (BLS), United States Department of Labor, discontinues publication of the current BLS Index, or changes the form and/or method of calculation of the BLS Index, the Company and the Union shall enter into immediate negotiations to determine the appropriate index to be used. The purpose of these negotiations shall be to insure that the adjustment received under this Section will be as intended by the parties and shall be no less than that which would have occurred had the Price Index been continued in its present form. In the event the parties are unable to agree within sixty (60) days of the discontinuance or change in form and/or method of calculation, this dispute shall be submitted to final and binding arbitration as provided for in this Agreement. The cost-of-living adjustment, if any, shall be retroactive to the appropriate effective date of adjustment.

13.12 Pay Day: All employees will be paid on a weekly basis. All employees are encouraged to use the Direct Deposit system.

The Company will distribute both paychecks and non-negotiable pay stub information to employees by electronic means. Where such information is determined to be inaccessible to an individual employee, he/she may request that the Company provide a printed copy.

Employees may arrange to pick up negotiable paychecks from \*Security or another designated location, by making a written request to the company.

13.13 Merit Wage Increase: \*During the life of this Agreement, the Company will provide a merit floor in at least four (4) of the five (5) years of this agreement (2021-2025), to all eligible employees in each classification as specified in the table below. If during the life of this Agreement, the Company does not offer a merit pool to all San Diego employees, the Company may elect to not provide a merit floor for one (1), but only one (1), of the five (5) years of this agreement (2021-2025). Merit increases, in the years provided, will not be less than the floor percentage as follows:

\*

YEAR	CLASSIFICATION/ Labor Grade		
	Master Machinist, Machinist, T&D, PMTM, GT Mech, SM Exp. Mechanic, GC Mechanic, QTT, HVAC, Crane, CP Insp, Pattern Maker	1, 2, 3, Eng. Mech, GMM, Prec Insp, Gen Insp, Mech Test Insp, SPM, Tool Cutter Grind, Metal Form Oper, Plasma Spray Oper, SMM, Turb Gen Mech, Veh. Oper.	5,6,7,8,9,10
<u>*2021</u>	2.5%	2.5%	2.5%
<u>*2022</u>	2.5%	2.5%	2.5%
<u>*2023</u>	2.5%	2.5%	2.5%
<u>*2024</u>	2.5%	2.5%	2.5%
<u>*2025</u>	2.5%	2.5%	2.5%

Each employee's merit floor will be calculated by multiplying the maximum rate of his or her classification by the applicable percentage shown in the table above.

Individual employee merit pay increases shall be administered consistent with Article 13.09 and 13.10 of the current Agreement and established merit program guidelines. Employees with active written notice of disciplinary action for attendance, quality, productivity, insubordination, safety, or misuse of time are not eligible for merit increases. Employees with below average did not meet expectations performance ratings are also not eligible for merit increases. Employees receiving no increase as a result of a below average did not meet expectations performance rating may request a formal re-evaluation of the merit during the mid-cycle review. \*Per Article 13.10, the Company at its sole discretion may further increase the merit pay rate for any given job classification in an amount greater than that specified.

This \*Section, 13.13, is subject to the grievance procedure up to and including Step Three, but is not subject to arbitration.

#### ARTICLE 14 - LEAVES OF ABSENCE \*

14.01 Leave Without Pay- Personal: An employee may be granted time off work or a leave of absence without pay for the reasons stated and subject to the conditions stated below:

(A) Informal Personal (IP) Leave of Absence – Personal time off: Informal leaves of absence for personal reasons are those for a period of seven (7) calendar days or less, and shall be granted for good and sufficient reason, if production requirements permit, without pay by applying to and receiving the approval of the employee's supervisor. Any denial of an informal leave of absence may be appealed to the Director/Manager of Human Resources or his/her designee. Having available vacation time will not serve as a reason to deny an informal leave of absence. The Company will provide the Union a list of "good and sufficient reasons" which will be considered for purposes of Informal Leaves of Absence.

(B) Formal Personal Leave of Absence\*:

1. Formal personal leaves of absence are those for a period of more than seven (7) calendar days.
2. Basis for Granting: A formal personal leave of absence, without pay, for good and sufficient reason shall, if production requirements permit, be granted for a period not exceeding **two** (2) months [sixty (60) calendar days] upon written application to and receipt of written approval from the Director/Manager of Human Resources and employee's Department Head or their designees. A formal leave of absence may be extended upon written application to and receipt of written approval from the Director/Manager of Human Resources or his/her designee. Any denial of a leave of absence may be appealed to the Director/Manager of Human Resources only.
3. An employee who has been granted a personal leave of absence shall be considered as having quit without notice and shall be terminated from employment by the Company, if while on such leave, he/she engages in other gainful employment in conflict with his/her reasons for taking the personal leave, without the consent of the Company.
4. **When personal leaves of absence and extensions result in a total period of absence of two (2) months or more in a calendar year and is not covered by vacation/sick time, such employee shall have his/her vacation and sick leave eligibility reduced on a pro-rata basis in accordance with the charts included in this Agreement as Appendix "D".**

- (C) Medical Leave of Absence -- Formal: A leave for medical reasons shall be granted for **\*one (1)** calendar days or more, **in which the employee is receiving inpatient care or continuing treatment or incapacitated.** or on an intermittent basis, as permitted under applicable Local, State and Federal law to employees when verified by a certification of a licensed physician or health care provider, subject to the instructions provided as follows **or as updated on the Company's intranet site:**

It is the responsibility of the employee to request a Medical Leave and to comply with all requirements of the Medical Leave process. The requirements and instructions can be found in the following locations:

- The \*Leaves Administration Office at Harbor Drive or KM/Sky Park: The staff provides instructions such as the \*Leaves **\*pamphlet or information** and the \*Leaves Checklist to assist employees. They also answer questions in person, by e-mail or by telephone. Employees are encouraged to contact the Medical Leaves Administration Office whenever they have questions about an anticipated medical leave or a current disability.
- The Solar \*Leave Intranet Web Site: Contains the \*Leaves **\*information**, the Medical Leaves Checklist and other information to assist employees.
- Human Resources offices have the \*Leaves **\*information** to provide to employees.
- At orientation, the employees receive the Medical Leaves **\*pamphlet or information.**
- **Depending on the type of leave,** **\*at** the time the employee inquires about a medical leave or initiates a medical leave, the employee receives a notification **of eligibility and rights and responsibilities** and **later a** designation letter with instructions, and information on pay, benefits, intermittent or reduced schedules, returning to work and other information to guide employees through the process.
- Pay during the medical leave of absence will depend on the nature of the leave, such as intermittent or reduced schedules, and whether it will be covered under sick pay, short term



disability pay, or whether the employee is being compensated through Worker's Compensation.

1. Consistent with applicable Local, State and Federal law, if the Company doubts the validity of the certification for leave, the Company may require a second opinion from a health care provider designated or approved by the Company. Where the second opinion differs from the original certification, the Company may require the employee to obtain the opinion of a third health care provider designated or approved jointly by the Company and the employee/Union. If the Company requires a second or third opinion, the Company must bear the costs of those opinions. The opinion of the third provider is final and binding on both parties.
2. Any return to work certification requirement will be explained to the employee in the Company's notification and designation letter. Before an employee can return to work from a medical leave of absence, he/ she must have the appropriate return to work certification from his/her health care provider, consistent with the type of leave verifying his/her ability to safely return to work, with or without accommodations no later than the workday preceding his/her return to work. Such documentation shall identify any necessary functional limitations and shall be provided to the **\*Leave Administration Office**. Where accommodations are needed, the documentation shall be provided as soon as practicable so that the Company may engage in the interactive process to meet such accommodations. Any medical inquiries or requested examinations will be job related and consistent with business necessity as permitted under applicable Local, State and federal law.
3.

<u>Length of Service</u>	<u>Maximum Leave of Absence</u>
30 days to 5 years	12 months
5 years to 10 years	18 months
10 years or more	36 months

When an employee returns from a leave of absence as described above, such employee will be returned to work per Article 10 (Seniority), Section 10.13 **or consistent with local, state, and federal laws.**

The Company will engage in the interactive process as required under the applicable law to determine whether a job accommodation will allow an employee to return to work or whether additional leave time would allow the employee to return to work. In no case, however, will the Company provide an indefinite leave of absence. The above limits will apply **generally** to the length of leave permitted for medical reasons, and will be administered consistent with ADA/AA/FEHA **and such maximums do not preclude the Company from providing additional leave where it is needed for compliance reasons.** When the employee has exhausted his/her job protection under applicable law, however, there is no guarantee to return to the same or equivalent position.

- \*4.** In the event an employee is terminated due to his/her failure to submit his/her health care provider's statement verifying his/her injury or illness within the procedures as established above, and it can be proven by the employee that it was the fault of the health care provider or his/her office staff, then the employee will not be considered a voluntary quit and will be reinstated when satisfactory written proof is presented to the Company.
- \*5.** Although the \*Leaves Administration Office and the \*Leave Request \*Hotline is designed to make it more convenient for employees to request a medical leave, it is understood that it does not negate the employee's responsibility to comply with the **Company's Attendance Policy.** \*It is further agreed that in the event the \*Leaves Administration Office or the \*Leave Request \*Hotline becomes impractical, or if the Company redesigns or modifies any portion of this request procedure, the Company will notify the Union and employees no later than five (5) working days prior to modifying or canceling the procedure.

**\*6.** Failure on the part of the employee to comply with all requirements of a medical leave may result in an unauthorized or unapproved absence as referenced in Article 10.19 (F), the Company's Attendance Policy, and/or the Company's Standards of Employee Conduct.

(D) An employee who has been granted a medical leave of absence shall be considered as having quit without notice and shall be terminated from employment by the Company, if while on such leave, he/she engages in other gainful employment **\*that is inconsistent with the reasons for taking such leave**. This provision shall not apply where such other employment is permitted under the law, and where the Company is unable to provide accommodation to return to work.

(E) When non-occupational medical \*leaves of absence and extensions result in a total period of absence of two (2) months or more in a calendar year, such employee shall have his/her vacation and sick leave eligibility reduced on a pro-rata basis in accordance with the charts included in this Agreement as Appendix "D".

(F) The Company realizes that in some cases employees develop medical **\*impairments** that require a series of regular periodic medical treatments over an extended period of time and that such employees may not be able to schedule all treatments during their off-duty hours. Employees shall not be required to provide their medical diagnosis, or the details of their medical treatment, unless permitted under applicable Local, State and Federal law. Employees should follow the process for requesting a medical leave of absence and request an intermittent leave where eligible. In such cases, the employee should also contact his/her Supervisor. If it is determined that the treatments cannot be arranged outside of working hours and that by applying the **Company's** Attendance Standards the affected employee would receive corrective action, special arrangements will be made on an individual case-by-case basis. Consideration will also be given for approved time off in connection with periodic medical treatment for family members that cannot be arranged outside of working hours.

14.02 Leave -- Union Activities: Upon certification by the Union to the Company that an active employee (or employees) with at least one (1) year of unbroken service with the Company has been elected or appointed as a full-time Union Representative for the purpose of conducting Union business directly connected with this bargaining agreement, the Company will grant a leave of absence without pay for a maximum of one (1) year. This leave will be extended for one (1) year periods upon request by the Union.

Upon certification by the International Union that an active employee with at least one (1) year of unbroken service with the Company has accepted a full-time position as a Union representative of the International Association of Machinists and Aerospace Workers, the Company will grant such employee a leave of absence for the term of such position without loss of seniority. Leaves of Absence as mentioned in this Section shall not extend beyond the term of such full-time position. No more than one (1) such leave shall be in effect at any one **(1)** time, except by mutual agreement between the Company and the Union.

14.03 Family Related Leaves:

Family related leaves shall be granted in accordance with existing local, state and federal laws governing such leaves. The process for granting a leave of absence will be administered through the Medical Leaves Administration Office.

14.04 Peace Corps Leave: An employee selected by the U.S. Government to serve in the Peace Corps shall be granted a leave of absence for this purpose, provided he/she has completed his/her probationary period.

14.05 Public Service Leave: An employee who runs for or is elected to public office, or who is appointed to serve unexpired terms of such elective position, or is appointed to full-time State or Federal non-civil service government office where such appointment requires legislative approval, will be granted a leave of

absence for a period of his/her initial term in office. An extension of this leave will be granted by the Company upon written application by the employee, provided he/she still holds a public office. An employee will be granted a leave of up to sixty (60) consecutive days for the purpose of campaigning, if requested.

#### 14.06 Time off for School:

- A. **Consistent with Labor Code section 230.8, \*an employee may take off up to forty (40) hours per year, not to exceed eight (8) hours in any calendar month, to participate in activities of the school or licensed child care \*provider of any of his/her children, adopted children, foster children, grandchildren, or for children whom they are legal guardian, or who they stand in loco parentis to a child. Activities include to find, enroll, or reenroll his/her child in a school or with a licensed child care provider, or to participate in activities of the school or licensed child care provider, or to address a school or child care provider emergency.** Time off under this provision for more than one (1) parent employed by the Company will be subject to approval of their respective managers based on operational requirements. **Employee must give notice to the company in advance and may be required to provide documentation from the school or provider as proof of the employee's participation in the activity.** However, an employee may be required to use existing **accrued** vacation **time**, \*should they have \*enough \*to cover this time off\*.
- B. **Consistent with Labor Code section 230.7, \*a parent or legal guardian may take time off to attend a class or conference at the school of their child, if requested by the teacher or school administrator.** The employee shall provide the documentation for this time off from the school, and such time off shall be arranged in advance.

**14.07 Other leaves of absences: Other leaves of absences will be granted according to California and Federal law and employees should work with their HR Representative and Leaves Administrative Office for eligibility, criteria, length of leave available, pay eligibility, and the process for requesting the following types of leaves, in addition to any other leaves laws that are passed during the term of this agreement:**

- **Family related leaves due to serious health condition under California Family Rights Act Leave**
- **Pregnancy Disability Leave and related conditions**
- **Volunteer Firefighter/peace officer/emergency rescue personnel Leave**
- **Civil Air Patrol Leave**
- **Organ Donor and/or Bone Marrow Leave**
- **Military Reserve Leave**
- **Military Long-Term Active Duty Leave**
- **Military Family Leave**
- **Victims of Serious Crimes/Domestic Violence/Sexual Assaults/Stalking Leave**

\***14.08** Employees will continue to accrue seniority while on such leaves as described in this article.

#### ARTICLE 15 - BEREAVEMENT PAY

15.01 If a death occurs in the immediate family of an employee, he/she may request time off from work without loss of pay for a maximum of three (3) regular scheduled working days **during the thirty (30) calendar days beginning with the date of the death**, provided he/she submits documentation of death. When such death occurs while the employee is on a vacation, his/her vacation shall be extended for up to a maximum of three (3) days.

**In the event a member of the employee's immediate family as defined below dies, the employee, should the services be delayed, may request for his or her excused absence from work be delayed**

**to include the date of the services. Approval shall not be unreasonably withheld by the Company should the supervisor be notified in advance.**

The immediate family is defined as current spouse, registered domestic partner, parents and grandparents of the current spouse, parent, child, brother, sister, grandparents, grandchild, step-parent, step-child, step-sister, step-brother, half-sister and half-brother.

## ARTICLE 16 - SUBCONTRACTING

16.01 The Company will pursue the following policy when contracting outside labor into bargaining unit jobs at its San Diego facilities:

- (1) Recall all qualified employees on active layoff status.
- (2) Upgrade all qualified employees with approved upgrade requests on file.
- (3) All bargaining unit employees in affected classifications and manufacturing unit must be working or offered at least a forty-eight (48) hour week.
- (4) Make every reasonable effort to recruit the desired skills through advertising media, etc.
- (5) Notify the Business Representative of LL389 or his/her authorized alternate and solicit his/her ideas for locating qualified applicants.

16.02 If these efforts fail to produce sufficient manpower to perform the necessary work, the Management agrees to notify in writing the Chief Shop Steward at the appropriate facility of District 947 of the Company's plan for staffing with contract labor, including approximate number of employees and approximate duration of assignment.

16.03 Qualified employees in the bargaining unit will be given priority on overtime work over contracted labor.

16.04 Notwithstanding the provisions of Article II, the Company may use non-bargaining unit employees in place of contract labor, consistent with the provisions of Sections 16.01 through 16.03.

16.05 Maintenance Subcontracting:

- (A) The Union agrees that the Company may subcontract maintenance work.
- (B) The Company agrees that it will discuss with the Union work to be performed by a subcontractor on Company premises that will exceed two **(2)** consecutive weeks. Such work performed by subcontractors as indicated in (C) below due to a temporary increase in work and/or when the needed skills and/or equipment are not readily available will not cause the displacement of maintenance personnel then on the payroll.
- (C) Human Resources will notify the Chief Shop Steward prior to subcontracting jobs:
  1. When subcontracts are to be let to provide and install equipment.
  2. When, because of lack of manpower due to a temporary shop overload condition, subcontractors are required to augment the maintenance work force.
  3. When subcontracts are to be let in accordance with (A) above.

4. When subcontracts are to be let in order to procure special skills and/or specialized equipment not available in Plant Engineering.
- (D) The subcontracting of maintenance work will not entitle employees to guaranteed overtime or overtime pay. Classified maintenance employees may assist subcontractors on work performed on Saturday, \*Sunday and/or shutdowns for the purpose of support and/or training.
- (E) The notification provisions of paragraph (C) above will not apply unless an employee who was assigned to a maintenance department as of the effective date of this Agreement is on layoff or downgrade status.

16.06 Resourcing :

- (A) Because of the nature of the Company business, the parties recognize that resourcing work is necessary. Company representatives will meet with representatives of the Union at their request in order to inform them of the nature of the work that has been resourced and that resourced work that has been brought back into the plant.
- (B) The parties also recognize that it will be necessary for (1) suppliers to perform work operations on Company premises in order to complete their product; and (2) for subcontractors to perform work operations on Company premises involving specialized equipment or skills not readily available within the Company. The Company agrees to notify the Union whenever such work is performed on Company premises.
- (C) By mutual agreement of the parties project teams involving bargaining unit employees affected by resourcing may be formed to address options that will address the job security of those employees and the efficiency of the operations. A union representative may be part of the team.

16.07 Janitorial/Groundskeeping Subcontracting: The Union agrees that the Company may subcontract janitorial/groundskeeping work. The Company agrees that such subcontracting will not cause the displacement of employees who are on the payroll classified as a General Utility Worker, as of July 10, 1995.

The subcontracting of janitorial/groundskeeping work will not entitle any employee to guaranteed overtime or overtime pay.

16.08 Temporary Employees: The Company may supplement the regular workforce with temporary and/or part-time employees under the following conditions:

- A. They will not be placed in any classification to which there are employees on the recall list, provided the assignment will be for more than thirty (30) days. Employees applying through the Job Posting process shall have priority placement over temporary employees for positions exceeding one hundred twenty (120) working days and provided the Job Posting is initiated at the time the temporary position was open.
- B. They may work up to fifteen (15) months in any rolling twenty four (24) month period except where mutually agreed between the Company and the Union.
- C. They shall not gain seniority rights as provided in Article 10. As such, it is understood that the employment may be terminated at any time for any reason. Should any temporary and/or part-time employee be hired as a regular employee, they shall be subject to the provisions of Article 10 as of the date of placement as a regular employee.

- D. They will not be eligible for any benefits provided under this Agreement, but will be eligible for the same benefits provided to salaried part-time/temporary employees. Temporary and/or part-time employees who have previously retired under any Company retirement plan shall not accrue further pension credits.
- E. Pay rates will be consistent with those provided in Appendix "A."
- F. They will have no rights to any overtime, nor shall they work any overtime unless all regular qualified employees on their department overtime list have first been asked. In such cases, overtime pay will be in accordance with the provisions of Section 12.07 of this Agreement.
- G. They may not use the Grievance procedure.
- H. They may not apply for Job Postings.
- I. They are subject to all rules and policies affecting hourly employees.
- J. Bi-Monthly the Company will provide the Chief Shop Steward a list of temporary workers, to include hire date, pay rate, accumulated hours, classification working, shift and department.
- K. The maximum number of temporary employees will be limited to \*twelve percent (12%)\* of the total bargaining unit, except where mutually agreed between the Company and the Union.

#### ARTICLE 17 - AMENDMENT PROVISION

17.01 The right to hire, promote, demote, transfer, discharge, assign work, or discipline for cause and to maintain discipline and efficiency of employees is the responsibility of the Company, provided it does not conflict with the provisions of this Agreement. It is recognized by the Union that the type of products to be manufactured, the location of plants, the schedules of production, the methods, processes and means of manufacturing, etc., are management prerogatives.

The right to establish plant rules and regulations is vested solely in the Company. Employees who are disciplined as a result of alleged violations of plant rules and regulations may, if they feel the discipline is unjust, have recourse to the grievance procedure.

17.02 Either party desiring to amend any of the terms of this Agreement, or to negotiate new provisions, shall notify the other party in writing of its desire, and shall specify the nature of the amendment or amendments sought.

17.03 Such notices shall be limited to one (1) in each three (3) month period.

17.04 Within one (1) month of the notice of such desire to amend, the parties shall arrange to have their representatives meet to discuss such amendments. In no event shall the Agreement be considered as reopened by such negotiations.

#### ARTICLE 18 - SECURITY CLAUSE

18.01 Nothing in this Agreement shall require the Company to employ or to continue in its employment, or to give access to any Company facility, any person or persons whom either the Secretary of Homeland Security, Secretary of Defense or the Secretary of the Army, or the Navy, or the Air Force, or any of their duly authorized representatives, in the interest of security against espionage, sabotage, or subversive activity, may designate in writing.

## ARTICLE 19 - SAVING CLAUSE

19.01 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or executive order, such invalidation of any part or portion of this Agreement shall not invalidate the remaining portion hereof, and the remaining portions shall continue in full force and effect. Upon termination of such legislation, the Company and the Union agree to comply with the original terms of this Agreement.

## ARTICLE 20 - PREVIOUS AGREEMENTS

20.01 When accepted by the parties hereto, and signed by their authorized agents, this Agreement shall supersede all previous Agreements, Letters of Understanding and grievance settlements, written or oral, by and between the parties hereto, and shall constitute the sole Agreement between them except that disciplinary and/or reinstatement agreements made during the previous Agreement shall remain in effect for their duration.

## ARTICLE 21 - THE DURATION

21.01 This Agreement shall become effective as of \*September 21, 2020 and shall remain in full force and effect to and including \*May 18, 2025.

Written notice of desire to negotiate amendments or an extension of this Agreement, or any new Agreement, must be given by either party to the other party not more than ninety (90) nor less than sixty (60) days immediately prior to \*May 18, 2025. Negotiations, therefore, shall commence not later than forty (40) days immediately prior to \*May 18, 2025. If notification is given as specified above, either party may notify the other party in writing of its desire to terminate the Agreement by giving five (5) days notice. Such notice, however, may not be given prior to five (5) days before \*May 18, 2025. The parties may mutually agree to extend the life of this Agreement even though the five (5) day notice has been served.

## ARTICLE 22 - GENERAL PROVISIONS

22.01 Attendance: The Company's ability to pay higher wages and to provide additional fringe benefits depends upon its ability to operate efficiently. Among the factors which contribute to this ability is the willingness of employees to be at work regularly and punctually.

22.02 Any employee who fails to record his/her attendance as required, or to record his/her work time on appropriate Company documents and/or systems as required, shall be required to prove to his/her supervisor that he/she was at work during the time in question in order to receive pay for such time.

22.03 Lost Time: The Company will make deductions in pay for time off whether due to tardiness or other causes and deductions shall be made in increments of tenths of an hour.

22.04 It is understood between the parties that any and all items listed in the Appendices are made a part of this Agreement, subject to the terms and conditions of this Agreement.

22.05 Benefit Plan: It is understood and agreed by the Company and Union that the parties have negotiated a separate health and retirement Benefits Agreement and the terms and provisions of said Agreements shall prevail, and such Agreements shall not be subject to the grievance procedure, including arbitration, of this Labor Agreement. Upon notification to the Union, the Company, at its sole discretion, shall have the right to provide additional health or retirement benefits.

22.06 Substance Abuse: The Company and Union agree that drug/alcohol abuse poses unacceptable risks for safe, healthful and efficient operations, not only for the user, but to all those who work with the drug/alcohol user. Employees are expected to report for work in a condition to perform their duties.

As part of its efforts to achieve a drug-free work environment, the Company maintains an employee assistance program which provides help to employees who seek assistance for alcohol and/or drug-related problems.

In addition, the Company has established a Substance Abuse Policy which applies to all employees. Employees who refuse to consent to substance abuse testing or who fail a substance abuse test will lose their seniority in accordance with Article 10, Section 10.19(B), of the Agreement.

The Company agrees not to implement random substance abuse testing except where required by State and Federal regulations.

#### ARTICLE 23 - APPRENTICES

23.01 The Company shall maintain a separate Apprenticeship Agreement which shall be jointly negotiated and administered by the Company and the Union. There is no requirement that the Apprenticeship Program will affiliate with or be under the auspices of the California Bureau of Apprenticeship Standards.

**23.02 Apprenticeship openings in the Master Machinist, Tool and Die Maker, Sheet Metal Experimental Mechanic and Precision Machine Tool Mechanic classifications will be posted internally, and may, at the Company's discretion, be posted externally at the same time. When such openings are posted both internally and externally, and where there are internal candidates who meet all of the required qualifications, the internal candidate will be given preference.**

#### ARTICLE 24 - TRAINEES

24.01 Trainee Classification:

- (A) The Trainee Program is for employees who have progressed to the midpoint of the rate range of their classification and desire to change classifications. Others may be hired directly into a Training Program where they do not meet minimum requirements for the classification but have related experience or aptitude for the position.
- (B) Unless otherwise provided elsewhere in this Agreement, employees desiring to become a Trainee must respond to a job posting. Such requests will be retained on file for one year from the date received. The Company will consider related internal and external experience and education, previous performance appraisals and active disciplinary action prior to the selection of the candidate. When skill and ability is equal, seniority shall be the determining factor.
- (C) Employees selected and assigned to the Trainee Program will retain their existing base rate of pay, plus applicable bonuses and Cost-of-Living at the time of assignment, or the midpoint of their trainee classification, except that no employee shall have their rate reduced as a result of accepting a trainee position. Employees hired directly into a Training Program will be paid in accordance with the following schedule:



<u>Classification In Labor Grade</u>	<u>Starting Rate</u>	<u>Receive Minimum Rate of Classification Within</u>
Special and 1	\$.60 below min.	9 months
2-3-4-5-6	\$.40 below min.	6 months
7 through 10	\$.30 below min.	4 months

- (1) In labor grades special through 6, new hire Trainees will receive twenty cents (\$.20) each three (3) month period, for satisfactory progress until the minimum of the rate range is reached.
- (2) In labor grades 7 through 12, new hire Trainees will receive fifteen cents (\$.15) each two (2) month period, for satisfactory progress, until the minimum of the rate range is reached.

(D) Trainees must complete a training period as follows:

<u>Labor Grade</u>	<u>Training Period</u>
Special-1	24 months
2-3	18 months
4-5-6	10 months
7-8-9	6 months

The Company, at its sole discretion, may promote an outstanding employee to the objective classification prior to completion of the established schedule.

- (E) In the event the Trainee does not progress satisfactorily within the training period, he/she shall revert to his/her previous classification if applicable, subject to the provisions of Article 10.
- (F) During the first half of the training period, employees affected are ineligible to submit a Job Posting Application for another classification.
- (G) Selection and retention of Trainees will be at the sole discretion of the Company except that selection of employees for Special Training Programs will be provided in LOU #24. Retention of trainees is not subject to the grievance procedure.

24.02 When employees complete their Trainee periods, they will not be required to serve a trial period.

## ARTICLE 25 - PLANT CLOSING AND PARTIAL PLANT CLOSING

25.01 In the event the Company contemplates a decision to resource work, or to discontinue a complete product line, as hereinafter defined, where such decision would, during the term of this Agreement, affect adversely the stability of the work force, as hereinafter defined, the Company will give reasonable notice of such proposed decision to the Union which, in the normal case, shall be no less than 60 days in the case of a Complete Plant Closing or 30 days in the case of a Partial Plant Closing prior to the Company making its final decision; provided, however, in the event such 60 or 30 days' notice would impair the Company's need for speed, flexibility and confidentiality, the Company will give such notice as soon as practicable. The notice requirements of this Section 25.01 are intended to be the minimum notice given. The provision allowing for a shorter notice will not be used by the Company to unnecessarily avoid the 60 day and 30 day notice requirements.

Thereafter, the Company, upon request, will meet with the Union representatives, explain the reason(s) for such contemplated decision and provide relevant information requested by the Union. It will consider and respond to alternative proposals, if any, which may be suggested by the Union.

Liability arising from this Section 25.01 shall be limited to providing the benefits set forth in Subsections (A & B) of Section 25.02.

25.02 In the event that the Company, following such prior notice, meetings and conferences, makes such a resourcing or discontinuance decision as described in Section 25.01 that will affect adversely the stability of the work force, as hereinafter defined, each affected eligible employee to be laid off as a direct result of such decision will be given or mailed an "Option" form on which he/she will be given a one-time-only opportunity to select Plant Closing Termination Pay and Outplacement Services as specifically described in Subsections (A & B) of this Section 25.02.

An eligible employee is an employee who possesses one or more years of seniority on his/her date of layoff from work and whose layoff is a direct result of the implementation of a Complete or Partial Plant Closing as hereinafter defined.

Each such employee shall return the Option form to the Company within 20 calendar days following the date he/ she received such form. An employee who fails to return such form to the Company, as above provided, will be deemed to have waived all rights and/or benefits provided for in this Article 25.

(A) Termination Pay and Group Insurance Coverage

- (1) An eligible employee will receive termination pay equal to one (1) week's pay at his/her **\*base** rate for each full year of seniority as defined in Section 10.01, he/she possessed on the date of such layoff. One week's pay will be computed by multiplying such employee's **\*base** rate on the date the employee was laid off by forty (40).
- (2) Payment to an eligible employee will be made in a lump sum, less required deductions, within **two (2)** weeks after layoff or the establishment of the employee's eligibility for termination pay, whichever is later.
- (3) Employees who receive termination pay as above provided shall have their seniority cancelled as of the date of the layoff.
- (4) **\*It is agreed that a layoff from work under this provision is a qualifying event under the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") and that such employee may elect COBRA continuation coverage pursuant to the terms of the Caterpillar-sponsored group healthcare plans in which he or she is participating at the time of such termination, or if eligible for retiree healthcare plan options can enroll. Notwithstanding the foregoing, the first two (2) months of such COBRA continuation coverage will be at the active employee rate (instead of the COBRA rate) determined under the terms of the applicable Caterpillar-sponsored group healthcare plan in which the eligible employee is participating. The Company may, in its discretion, prepare and adopt any amendments to such plans as the Company determines necessary or appropriate to implement the agreement under this paragraph without additional approval from the Union, the right to further bargain such amendments being expressly waived. Additionally, Basic Life Insurance and Accidental Death and Dismemberment insurance will continue per those plan policies for a period of up to 6 months following the date of separation.**

(B) Outplacement Services

Each "eligible employee" may at his/her option, as provided above, elect to receive any or all of the Outplacement Services described below:

- (a) Counseling by the Company about retirement, insurance and related benefits plan entitlements.
- (b) Vocational counseling by the Company or an organization selected by the Company which provides such services.
- (c) Training and assistance in the preparation of a resume suitable for distribution to prospective employers; such assistance shall include a listing of the jobs and/or work experience that the employee has had with the Company.
- (d) Outplacement assistance, in which the Company will contact the appropriate public employment service, private employment agencies, and area employers in search of employment opportunities for eligible employees; such assistance may include:
  - I) The distribution of a list of employees showing their job and/or work experiences and the date their services will be available to interested agencies, area employers, or organizations with a request that the employees be given employment consideration;
  - II) Arrangements for recruiting and interviews by area employers, including formal job fairs (as warranted by external placement opportunities and interest among area employers) consistent with plant operation requirements and efficiency considerations; or
  - III) Solicitation of lists of job opportunities from area employers with posting or distribution of copies of these lists to interested employees.
- (e) Reimbursement for tuition fees and books, not to exceed a total of \$1,000, upon successful completion of Company approved trade, business or vocational school training which will enhance the employee's opportunity for employment.

Employees shall cease to be eligible for Outplacement Services in the event and at the time of: retirement, discharge for cause, resignation to accept other employment, or the expiration of a period for two years from the date of permanent layoff.

25.03 Definitions.

- (A) A "decision to resource work or to discontinue a complete product line that will affect adversely the stability of the work force" means a single noncumulative determination by the Company that will result in a "Complete Plant Closing" or a "Partial Plant Closing" during the term of this Agreement as hereinafter defined.
- (B) A "Complete Plant Closing" means a Company decision to resource or discontinue all productive operations within the plant(s) and/or facility(ies) in San Diego County where employees comprise the bargaining unit set forth in Article II with the result that no employees in such bargaining unit (except those who may be retained for a period of time to maintain the buildings and equipment) are working in that bargaining unit and the Company has no expectations of productive operations being resumed in such bargaining unit.

- (C) A "Partial Plant Closing" means a Company decision to resource or discontinue some productive operations within a plant(s) and/or facility(ies) in San Diego County that will result in the layoff within the bargaining unit set forth in Article 2 of 250 employees or 20% of the active employees in such bargaining unit. Other resourcing or subcontracting decisions will continue to be covered by Article 16, Section 16.06.
- (D) "Resourcing" means a Company decision to have productive operations that have been normally and customarily performed by employees in the bargaining unit set forth in Article 2 performed by other than Company forces or by Company forces other than employees in such bargaining unit during the term of this Agreement. Resourcing does not include decisions by the Company concerning the placement of productive operations related to the manufacture of new products, components or parts not heretofore produced by the Company.
- (E) "Discontinuing a complete product line" means a Company decision to discontinue the manufacture, distribution and sale of a type of product (turbine engines, compressors, turbomachinery packages, auxiliary power units, electrical power units, heat recovery systems, etc.) or to discontinue the manufacture of a model of any such product that is not replaced by another model.


SIGNATORY:

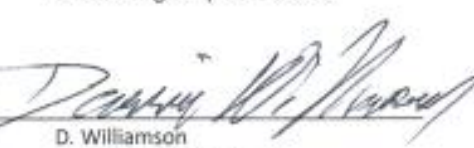
This Agreement supersedes and renders void all previous Agreements.

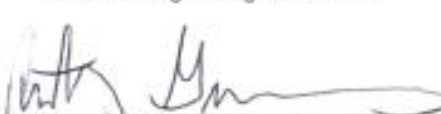
In witness, whereof, the parties hereto have hereunto set their hands this 21<sup>st</sup> day of September 2020, at San Diego, California.

INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, District Lodge 947 – Local Lodge 389.

/s/   
R. Suarez  
Chief Spokesman  
Grand Lodge Representative


/s/   
F. Lendo  
Grand Lodge Representative

/s/   
D. Williamson  
HD Chief Shop Steward,  
Member Negotiating Committee

/s/   
A. Guerrero  
KM Chief Shop Steward,  
Member Negotiating Committee


/s/   
B. Steinrichter  
Shop Steward, Negotiating Committee  
Scribe


SOLAR TURBINES INCORPORATED,  
A Caterpillar Company

/s/   
W. Beasley  
Chief Spokesperson  
Labor Relations Specialist

/s/   
P. Murphy  
Manager, Human Resources

/s/   
R. Vacchi  
Manager, Human Resources

/s/   
T. Burke  
Manager, Turbomachinery Operations

/s/   
B. Cripps  
Manager, Packaging Systems Operations

/s/   
J. Haynes  
Manager, Turbine Assembly and Test

APPENDIX A

Job Classifications and Labor Grades

EFFECTIVE \*9/21/2020

<u>CODE</u>	<u>CLASSIFICATION</u>	<u>GRADE</u>	<u>Min.</u>	<u>Merit Max.</u>
40100	Assembler	6	\$* <u>13.00</u>	\$* <u>25.42</u>
40110	Chem. & Material Proc. Operator	9	* <u>13.00</u>	* <u>20.31</u>
<b>40186</b>	<b>Coordinate Precision Inspector</b>	<b>2D</b>	<b>15.60</b>	<b>35.70</b>
<b>40189</b>	<b>Crane Technician</b>	<b>1B</b>	<b>15.95</b>	<b>36.29</b>
40120	Electric Electronic Assembler	7	* <u>13.00</u>	* <u>25.82</u>
40130	Engine Mechanic	2	15.25	* <u>34.70</u>
<b>40138</b>	<b>Gas Compressor Mechanic</b>	<b>S3C</b>	<b>16.23</b>	<b>36.92</b>
40135	Gas Turbine Mechanic	S3A	16.23	* <u>36.92</u>
*40150	General Maintenance Mechanic	1A	15.08	* <u>34.30</u>
<b>40188</b>	<b>HVAC Technician</b>	<b>1B</b>	<b>15.95</b>	<b>36.92</b>
*40170	Inspector, General	3C	* <u>13.00</u>	* <u>27.19</u>
40175	Inspector, Mechanical Test	3B	* <u>13.00</u>	* <u>29.19</u>
40180	Inspector, Precision	2B	14.85	* <u>33.79</u>
40200	Machinist	2A	15.65	* <u>35.61</u>
40205	Maintenance Oiler	7B	* <u>13.00</u>	* <u>23.84</u>
<b>40145</b>	<b>Master Machinist</b>	<b>S3</b>	<b>17.55</b>	<b>39.92</b>
<b>40155</b>	<b>Master Machinist Apprentice</b>	<b>S3</b>	<b>17.55</b>	<b>39.92</b>
40240	Material Mover	7A	* <u>13.00</u>	* <u>22.99</u>
40245	Material/Inventory Specialist	6A	* <u>13.00</u>	* <u>25.82</u>
40250	Metal Forming Machine Operator	3A	13.05	* <u>29.70</u>
40260	Painter	5	* <u>13.00</u>	* <u>27.69</u>
*40270	Plasma Flame Spray Operator	4A	* <u>13.00</u>	* <u>28.79</u>
40275	Precision Machine Tool Mechanic	S3D	17.55	* <u>40.04</u>
<b>40169</b>	<b>Precision Machine Tool Mechanic Apprentice</b>	<b>S3D</b>	<b>17.55</b>	<b>40.04</b>
40280	Process Oven & Furnace Operator	5A	* <u>13.00</u>	* <u>26.90</u>
<b>40350</b>	<b>Quality Test Technician</b>	<b>S2</b>	<b>16.55</b>	<b>37.64</b>
<b>40136</b>	<b>Sheet Metal Experimental Mechanic</b>	<b>S3B</b>	<b>16.60</b>	<b>37.77</b>
<b>40115</b>	<b>Sheet Metal Experimental Mechanic Apprentice</b>	<b>S3B</b>	<b>16.60</b>	<b>37.77</b>
40298	Sheet Metal Mechanic	4	* <u>13.00</u>	* <u>29.35</u>
40305	Structures Packaging Mechanic	3	13.80	* <u>31.39</u>
40315	Tool and Cutter Grinder	2C	15.03	* <u>34.19</u>
40325	Tool and Die Maker	S1	17.98	* <u>40.89</u>

<u>CODE</u>	<u>CLASSIFICATION</u>	<u>GRADE</u>	<u>Min.</u>	<u>Merit Max.</u>
<b><u>40226</u></b>	<b><u>Tool and Die Maker Apprentice</u></b>	<b><u>S1</u></b>	<b><u>17.98</u></b>	<b><u>40.89</u></b>
40330	Turbine Generator Mechanic	S2B	16.13	* <b><u>36.69</u></b>
40345	Vehicle Operator	3A	13.05	* <b><u>29.70</u></b>

\*

Local, State and/or Federal minimum wage will prevail where such minimums do not comply with minimum wage standards.

**APPENDIX B  
LETTER OF  
UNDERSTANDING**

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L.O.U. #1

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Miscellaneous Understandings

A. Tooling Requirements - Kearny Mesa

A Tool and Die Maker will make and identify hard and permanent Solar tooling for use at Kearny Mesa operations. Other classifications will continue to make tooling aids as required.

B. Material/Parts Requisitions

Any Solar employee may utilize the electronic shop requisition system, or handwritten forms, to create material and/or service parts requisitions, and may cash materials as required to complete work assignments.

C. The following will clarify the agreement concerning crib coverage on an overtime day:

1. Management may assign as many crib attendants on an overtime day as are necessary.
2. A crib attendant may also service other cribs as assigned on that day.
3. Management may leave cribs open and unattended at its discretion.

D. It is recognized that Manufacturing Engineering is responsible for all basic and detailed manufacturing plans and therefore an overlap of job duties exists between the bargaining unit planner and the non-bargaining unit manufacturing engineer.

So as to eliminate a duplication of effort, it is understood that both the Manufacturing Engineers and the Manufacturing Planners will be doing the same type of work when such conditions dictate: i.e., Manufacturing Engineers will be completing documents that Planners will also be working with.

E. Package Assembly and Test

1. Original installation of equipment purchased for sale to a customer may be performed by Mechanical, Electrical, Engine Build and/or Test personnel in any assigned work area as production requirements dictate.

Assignment of personnel shall be consistent with the level of difficulty described in their classification description.

2. Installation of alignment of all test/slave equipment may be performed by Test Cell personnel and/or qualified Packaging or Engine Build personnel in any assigned work area.
3. Packaging, Engine Build and/or Test Cell personnel may remove, reinstall, and/or realign customer equipment, rejected equipment or engines, and/or overhaul engines in their assigned work area as production requirements dictate.
4. Packaging, Engine Build and/or Test Cell personnel may also perform original installation and alignment of driven equipment (such as compressors and pumps) when such equipment will be tested using a slave driver.
5. Where production requirements dictate, substitute components and/or accessories may be utilized by Packaging and/or Test Cell personnel in any assigned work to complete package tests.
6. Test Cell personnel shall hold primary responsibility for work performed on packages located in the Test Cells, consistent with the level of difficulty described in their classification and with the provisions above

- F. Turbine Generator Sets: This will confirm the agreement that the repair and maintenance of turbine generator sets used to generate power for Solar plants covered by this Agreement will be subject to the provisions of Article 16, Section 16.05.

L.O.U. #2

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Medical Restrictions

It is understood between the parties that an employee who has a permanent medical limitation, which has been verified by objective medical evidence, shall be permitted to exercise displacement rights pursuant to Article 10 to any job he/she is capable of performing within their medical limitation.

In the event there is no job the employee can fill, then he/she will be placed on layoff due to physical inability to perform available work. The employee will remain on the recall list in accordance with Article 10, Sections 10.12 and 10.13.

Any question regarding an employee's medical limitations will be discussed with the Union. If the Company and the Union cannot agree **\*then** the Union may refer the question to a **\*health care provider,** who shall be mutually agreed upon and whose decision with regard to the employee's medical limitation shall be final and binding upon the Union, employee involved, and the Company.

The expense of such examination and report shall be paid as mutually agreed by the parties, and consistent with applicable Local, State and/or Federal law.

L.O.U. #4

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Observers During Grievance Meetings

It is understood that periodically the Company and/or the Union will have the need to train new representatives as to the workings of the grievance procedure by having them present during grievance meetings. As in the past, such "trainees" will be silent observers and will not be used to testify about their observations in future grievance proceedings. It is further agreed that Steward and/or Senior Steward "trainees" will participate in such grievance meetings on and "off the clock" basis.

In the event that the Company or the Union wishes to train a representative as described above, the party wishing to have a trainee present will notify the other party a minimum of two (2) hours in advance of the grievance meeting in question.

L.O.U. #5

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Intra-Plant Trash Hauling

This letter will confirm our understanding that the hauling of trash gondolas within the plant using various types of tractors may be performed by Material Movers, General Maintenance Mechanics, General Utility Workers and/or Vehicle Operators. It is further understood that in facilities where Material Movers and/or Vehicle Operators are assigned to the Maintenance Department, they will have the prime responsibility for intra-plant trash hauling.

L.O.U. #6

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Additional Duties

In addition to the special duties defined within the Job Descriptions, the following may be required of any employee:

1. Utilize various tools and equipment as necessary to accomplish tasks as required.
2. Work from blueprints, specifications, planning documents, procedures, instructions and written or oral directions.
3. Utilize material moving and handling equipment as required to move parts, assemblies, material, etc., provided they are properly trained. Within a department in which material moving and handling equipment is located, any employee may be assigned to perform routine safety and maintenance checks on such equipment.
4. Inspect/verify work for conformance to specifications using appropriate equipment, tools and resources as directed.
5. Perform preventative maintenance on departmental equipment as required.
6. Maintain personal tool inventory as defined by the Minimum Tool Requirements List.
7. Maintain work area in a clean and orderly condition.
8. Interface with other company employees, customers, and vendor representatives as required.

9. Fabricate, alter, modify and adapt hand tools or shop aids as directed.  
(Tools to be purchased by the Company.)
  
10. Any Company employee may utilize vans, trucks, and other vehicles (excluding semi-trucks) when necessary to transport themselves to another facility to perform duties or to pick up supplies, parts, materials, etc. from another facility or from vendors and suppliers. When operating as described herein, such personnel may carry with them the tools, supplies, and equipment necessary for them to perform their assignment.

Perform inventories within a manufacturing unit; define and initiate orders for parts shortages and assemble kits.



L.O.U. #7

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Year-End Holiday Shutdown

It is understood that on the last scheduled workday immediately preceding the year-end holiday shutdown, the Company, at its sole discretion, may allow employees to leave after the completion of four (4) hours of work. Employees leaving after four (4) hours will be paid for actual hours worked and shall have an approved absence for the second half of their shift. Such employees will also be permitted to use four (4) hours of their sick leave for the second half of their shift.

In addition, as a convenience to the Company and employees, it is agreed that on the same day, the regular shift hours within specified departments or plants may be altered by the Company as required to consolidate operations.

Employees not reporting to work for at least four (4) hours on their last regularly scheduled workday before the year-end holiday shutdown shall be considered as absent unless such absence is otherwise approved under the Company's Attendance Policy.

L.O.U. #8

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Shipping and Receiving Shift Hours

In order to assure the availability of qualified employees during peak periods of deliveries and shipments by transportation companies, employees assigned to the Shipping and Receiving departments may be assigned to shift hours different from those described in Article 12, Sections 12.05 and 12.06. When such assignment becomes necessary, volunteers will first be requested. Lacking sufficient volunteers, the least senior qualified employees will be assigned to the irregular shift hours. Employees will be notified at least three (3) days in advance of the change. Hours worked after 3:30 p.m. will include the second shift bonus.

L.O.U. #9

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Administration of Red-Circled Pay Rates

During the 1987 negotiations, the Labor Grade Schedule in Article 13 Section 13.10, was restructured. As a result, the pay rates of some employees now exceed the maximum of the labor grade for their classification in the restructured schedule.

The Company has agreed that employees hired prior to July 13, 1987, including employees on a leave of absence or on the recall list will retain their current rate of pay including the \$1.40 cost-of-living fold-in. Such rate retention shall be referred to as a red-circled rate and will be retained by employees provided:

- a. They remain in the classification they held on July 13, 1987; or
- b. They are recalled to the classification they held on July 13, 1987; or
- c. They exercise displacement rights to a previously held classification in a higher labor grade.

Employees having a red-circled rate who voluntarily leave the classification in which they hold the red-circled rate shall, at the time they may return to such classification, receive the maximum rate of pay of the classification labor grade as provided in Section 13.10.

L.O.U. #10

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
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INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Facility Items

It is agreed that the fabrication and assembly of facility items may be performed by the production classifications which normally perform similar work operations on production items. The employees assigned such work will be given sufficient planning documents, prints, working drawings or oral instructions to ensure that the work they perform falls within the level of difficulty of their classification.

L.O.U. #11

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Light Duty Program

It is agreed that employees who are unable to perform the usual and customary duties of their classification as a result of an occupational injury or illness may be considered for a temporary light duty assignment outside of the bargaining unit.

Employees will be evaluated on a case-by-case basis, depending on their medical limitations, available jobs and skill requirements. Not every employee that is injured on the job will be suited for a light duty assignment.

The selection of employees for the light duty program will be at the sole discretion of the Company.

Employees participating in the light duty program will be subject to the following conditions:

1. Participation in the light duty program by an employee with temporary work restrictions is voluntary.
2. Employees in the light duty program will continue to receive full benefits and accumulate seniority within their bargaining unit.
3. The normal workweek will be Monday through Friday.
4. A \$0.75 per hour premium will be paid for second shift hours.
5. Employees will not receive workers' compensation payments while assigned to the light duty program. Employees in the light duty program will be evaluated on a daily basis relative to their effectiveness in their assignments. Employees who do not perform their assignment effectively

will be removed from the light duty program and will resume their prior leave status.

6. While in the light duty program, employees will perform work not covered by any bargaining unit. Any complaint concerning a light duty program assignment outside of the bargaining unit will not be subject to the grievance procedure. Any complaint concerning disciplinary action will be subject to the grievance procedure provided in Article 7.

L.O.U. #12

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Nondestructive Testing

Due to the nature of the Company's business, it is recognized that employees classified as Inspector, Mechanical Test, Inspector, General or Inspector, Precision may be required to pass certification tests for nondestructive testing. The Company agrees to offer certification training on a voluntary basis in departments where such requirements exist. If an insufficient number of volunteers is obtained, employees will be assigned to receive the certification training in inverse seniority order. Employees who are unable to pass the certification testing after two (2) attempts will be removed from the Inspector, Mechanical Test, Inspector, General or Inspector, Precision classification and allowed to displace other employees in accordance with the provisions of Article 10, Section 10.10(C).

It is further agreed that, in order to displace a less senior employee in the Inspector, Mechanical Test, Inspector, General or Inspector, Precision classification in accordance with the provisions of Article 10, Section 10.10(B), an employee must hold the same nondestructive testing certification(s) as the employee being displaced is required to hold.

Nothing herein is to be construed to mean that employees in non-inspector classifications may not be certified in or perform non-destructive testing.

L.O.U. #13

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Teaming Process

The parties agree that in the interest of creating a safe, highly productive work environment with widespread employee involvement and satisfaction, there will be different types of teams. Examples of teams are: problem solving teams, process improvement teams, new product development teams, safety teams and work teams.

Nothing in team guide book's or other team practices shall conflict with any of the provisions of the labor agreement, nor will any team have the authority to make decisions in conflict with the labor agreement. Although teams described above and having bargaining unit employees may make specific recommendations to management regarding wages, hours and working conditions, bargaining over and dealing with such remains the exclusive right of the union.



L.O.U. #14

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Payroll Deductions for Political Activities

At the request of the Union to implement payroll deductions for political activities during the life of this agreement, any member of the Union may authorize the Payroll Department to make monthly payroll deductions in support of political activities conducted by the Machinists Non-Partisan Political League (MNPL). The following conditions shall apply for this purpose:

- A. Authorization for such payroll deductions must be in writing on an authorization card mutually agreed to between the Company and Union. Such authorization cards must be on file with payroll no less than seven (7) calendar days before deductions will begin. Any bargaining unit employee wishing to discontinue his or her deductions for contributions to M.N.P.L. must so inform the Company's Payroll Department in writing, no less than fourteen (14) days prior to the date he/she wishes to stop the deductions.
- B. All specified monies deducted from the employee's last paycheck in each month will be forwarded on a monthly basis to the Treasurer of the Machinists Non-Partisan Political League at 1300 Connecticut Avenue, N.W., Washington, D.C. 20036. All monies will be forwarded by check as soon as reasonably possible after the end of each calendar month within which such voluntary payroll deductions were made. They will be accompanied with a record showing the employee name, employee I.D. number, social security number and the total amount contributed and so deducted.

**On or after the effective date of this agreement, the Company may, at its sole discretion, implement electronic funds transfers for monthly dues, fees and other specified monies. Prior to implementing EFT, the Company will meet with the union to review the process and answer questions.**

- C. The Union agrees to hold harmless the Company against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of actions taken or not taken by the Company in complying with the aforementioned provisions.
- D. The Union will reimburse the Company for the implementation of such payroll deductions.

L.O.U. #15

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Solar Incentive Plan (S.I.P.)

1. The Company currently maintains the Solar Incentive Plan (S.I.P.) for its **California** salaried **non-exempt** employees which provides for monetary payments to salaried employees if the Company achieves a pre-determined, performance target calculated on a calendar year basis **and is approved by the Caterpillar Board of Directors.**
  - a) During the first quarter of **\*each year this agreement is in effect for 2021, 2022, 2023, 2024, and 2025,** the Company agrees to pay each hourly employee on the active payroll, approved leave of absence, layoff, **or** retirement \* as of December 31, **\*of the previous year,** an award based on a percentage of his/her earnings during **the previous** calendar year \*(not including any \*S.I.P. award granted \*). The percentage will be that percentage (if any) used to calculate \* in the \*S.I.P. award for **the** calendar year\*. Earnings for purposes of the \*S.I.P. award will be **\*based on a standard formula described and approved by the Company for each plan year.**
- \*
  2. The Union agrees that the Company has the exclusive right to calculate the **California** salaried **non-exempt** employee performance \*percentage and that the Company's determination of this percentage shall not be subject to the grievance procedure. In the event a dispute arises over the percentage applied in calculating the performance award for employees on the hourly payroll, the only issue **\*that** may be grieved is whether the same percentage calculated for **California** salaried **non-exempt** employees was applied to hourly employees.

L.O.U. #16

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Training Guidelines - Employment Training Panel Contracts

It is recognized by the parties that the training of employees in the methods and processes of their jobs is a desirable goal for both employee and employer. It is further recognized that the purpose of the skills training effort at Solar is to increase the skill level and proficiency of the trained employees in order to increase their efficiency and productivity so as to assist the Company to become and remain competitive in the international market. In order to facilitate the achievement of these mutually beneficial goals, the Company and the Union agree to the following guidelines to be utilized in implementing Employment Training Panel contracts developed at Solar:

A. Employee Training

1. Employees are to be trained on their own shift on Company time unless otherwise mutually agreed.
2. Each employee will take a Math and English skills assessment prior to receiving training in order to determine the level of required training.
3. The skills assessment will not be used for any disciplinary or layoff action.
4. Upon completion of training, a certificate of completion will be issued to each employee participant.
5. Employee participation in the training process will be required for each employee group identified to receive training.

B. Administration

1. The training effort will be jointly administered by the Union and the Company.
2. A training task force will be established comprised of three Union-appointed representatives, three Company-appointed representatives and other advisory participants as necessary. The Union Business Representative and Director/Manager of Human Resources will be ex officio members of the training task force.
3. The joint training task will recommend training procedures, monitor progress and coordinate feedback.
4. The Company and Union may agree to be signatories to any Employment Training Panel contracts consistent with this Letter of Understanding.

C. Employee Instructors

1. Employee Instructors will be trained and certified on a voluntary basis on their own time.
2. Certified Instructors will receive the same rate of pay as a leadperson while instructing and preparing instruction curriculum as part of this program.
3. Certified Instructors may be placed on other shifts for up to ninety (90) days for the purpose of conducting employee training. In such an event, the Instructors shall be paid the appropriate shift differential as provided in Section 13.05 of the current Labor Agreement in addition to the rate of pay provided in (C)(2) above.
4. Participation as a Training Instructor will be on a voluntary basis.
5. Hourly represented Instructors shall be allowed to work irregular working hours when necessary while serving as an Instructor in an ongoing class.

6. It is understood that the start time for those irregular work hours shall not begin later than 12:00 noon during the instructing period and shall apply only when the employee is serving as an Instructor for the Training Program.
7. When it is necessary for the Instructor to start his shift at an irregular start time, the eight (8) hour workday as provided in Article 12, Section 12.02, shall commence at that designated start time. The principles embraced by the parties regarding lunch periods and rest periods shall apply to irregular workdays.
8. The Instructor shall be notified no less than five (5) days prior to the start of his/her irregular work shift of the start time.
9. Instructors working such irregular shifts shall receive the normal second shift bonus for all hours worked after the end of their normally assigned work shift.
10. a. Instructors shall remain eligible for weekend overtime in their normally assigned department and shift in accordance with the provisions of Article 12, Section 12.08, of the Agreement.
  - b. Overtime incurred as a Joint Training Program Instructor (J.T.P.I.) will be accounted for separately as J.T.P.I. overtime from his/her regular overtime and will be listed as such on his/her respective Overtime Group list.
  - c. Each J.T.P.I.'s overtime hours at the beginning of each instruction assignment will be the department average on his/her assigned shift.
  - d. Each J.T.P. Instructor will be charged for all overtime worked as a J.T.P. Instructor.
  - e. The contract out-of-spread provisions (Section 12.08) will apply to a J.T.P. Instructor only where the J.T.P. Instructor has the lowest amount of overtime in his/her Overtime Group. The J.T.P. Instructor will only work his/her normal department overtime on the shop floor in the event his/her J.T.P.I. overtime hours fall below that of the lowest overtime person on his/her respective Overtime Group list.

- f. In the event all employees within an Overtime Group are asked to work overtime, the J.T.P. Instructor may also work on the shop floor.

It is further understood and agreed that if the Company should deem it necessary to commence operations on the Dawn Shift and that training will occur on the Dawn Shift, the parties will apply the principles contained herein to instructors on the shift.

It is also understood and agreed that the principles contained herein shall be applicable only to the program administered by the Joint Training Task Force and shall not serve as a precedent or to prejudice any like issue in the future.

L.O.U. #17

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Turbine Generator Mechanic Shift Hours

In order to accommodate peak electrical loads, it is agreed that the Company may assign employees in the Turbine Generator Mechanic classification to shift hours different from those described in Article 12, Sections 12.05 and 12.06. When such change in shift hours is necessary, the Turbine Generator Mechanic(s) affected will be notified at least three (3) days in advance of the change. When such irregular shift hours are assigned, the Turbine Generator Mechanic will be paid the second shift bonus for all hours worked after 3:30 p.m.



L.O.U. #18

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Weld Preparation

This will confirm the understanding that prior to the performance of fusion welding processes, Weldors (I.U.O.E.) will be allowed to perform certain tasks preparatory to welding to ensure the integrity of welds and promote efficiency. It is agreed, therefore, that Weldors may perform on surface preparation of parts such as cleaning, sanding, grinding and polishing. Weldors may also do some assembly of parts that is integral to the welding process where the location or fit-up of the parts to be welded is controlled by tooling or where such assembly is considered by the supervisor to be self-locating and does not require dimensional location or sizing prior to weld. Weldors may also clean and dress their welds which will also include the cutting and repairing of unacceptable weld joints. In addition, it is understood that Weldors may perform other bargaining unit work to enhance workforce flexibility as long as it does not result in the displacement of any employees in the bargaining unit.

L.O.U. #19

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Environmental/Hazardous Materials Personnel

Local, State, and Federal regulations affecting environmental protection and the control, processing and disposal of hazardous materials have created a need for specialized, non-bargaining unit positions within the Company in order to assure compliance with such regulations. Although the principle duties and responsibilities of these positions are beyond the scope of bargaining unit jurisdiction, it is understood that such duties and responsibilities will require periodic use of lift trucks, tow motors, etc., to safely transport and store hazardous materials and hazardous wastes. Additionally, these positions may also require the operation and cleanup of facilities storing hazardous materials or which engage in the recycling of coolants, oils, paints, solvents, liquid and solid wastes, etc.

It is not the intent of the Company that the performance of the duties of salaried employees described herein shall displace bargaining unit employees. However, it is understood and agreed that such duties are an integral part of efforts to maintain regulatory compliance and safe, efficient plant operations.

L.O.U. #20

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Health Care

It is agreed that the Company may implement additional changes to health care benefits provided that such changes are also applied to the Company's salaried employees in San Diego.

L.O.U. #21

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS  
LOCAL NO. 389

Subject: Test Cell Operations

\*

It is understood that the testing of customer equipment at the Kearny Mesa test facilities will normally be performed by bargaining unit employees assigned to Production Test. Customer equipment is defined as equipment purchased by a customer (where standard production or overhaul documentation is used). Customer equipment testing at the Harbor Drive development test facilities will continue to be performed by non-bargaining unit employees with assistance from bargaining unit employees as necessary. It is further understood that once Development Test is relocated to Kearny Mesa, non-bargaining unit employees will continue to test development equipment using test facilities shared with Production Test. The repair and maintenance of **\*temporary and permanent** test equipment **located inside the test cells** shared by Production and Development Test may be performed by either bargaining and/or non-bargaining unit employees.

In the event there are insufficient employees due to a temporary work overload condition in the Kearny Mesa test cells, bargaining unit and non-bargaining unit employees may be used to test customer and/or development equipment.

It is agreed that non-bargaining unit employees will not be assigned to test customer equipment at the Kearny Mesa facility **on overtime** unless **qualified** bargaining unit employees assigned to Production Test are given the opportunity to **perform the overtime** work.\* It is further agreed that such assignments will not cause the layoff of bargaining unit employees or exceed twenty (20) consecutive working days in classifications having an employee on layoff.

**All development testing at Harbor Drive and Kearney Mesa will continue to be performed by non-bargained employees.**

L.O.U. #22

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and the  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Employee Surveys

The parties recognize the importance of periodically requesting employees to provide information to the Company regarding ideas, interests and opinions on a variety of subjects. It is agreed that the Company may conduct employee surveys for ascertaining such information. The Company will inform the Union in advance as to the nature of employee surveys being undertaken and discuss their suggestions. It is understood that, the Company will provide the Union with the information gained as the result of the surveys. In cases where the survey is intended to measure internal or external customer satisfaction, it will not be necessary for the above notification to be made or to share the results with the union.

L.O.U. #23

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and the  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Modernization

During the life of the Agreement, Solar will continue with the implementation of Modernization that will include the introduction of new manufacturing processes and concepts over a period of several years. Challenging new job assignments will become available as new manufacturing processes and systems are developed and implemented. Employees will be considered for these assignments on the basis of qualifications, performance, operational requirements and seniority.

It is understood that in order to facilitate an efficient and orderly transition into this Modernization, the staffing of classifications, departments, work teams, manufacturing cells, equipment, etc., involved in Modernization shall be the sole right of management. Management may also establish separate pay rate schedules and/or other forms of incentive compensation for employees so assigned with the understanding that current pay rates will not be reduced. It is not the intent of this Letter of Understanding to alter the scope of bargaining unit work or "effect representational interests".

Management representatives will periodically review Modernization plans, including ideas for staffing and compensation with the Union in order to provide opportunities for open discussion of issues and suggestions.

Employees placed on an assignment as a result of the Modernization may not transfer to a lateral or lower classification or another department, work team, etc., except with management agreement.

The Provisions of Article 10 will continue to apply in the event of a reduction in workforce.

L.O.U. #24

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Special Training Programs

In the event that the Company decides to place ten (10) or more trainees into a Training Program for a given classification during any one (1) year period, a training team will be established composed of two (2) employees designated by the Union, one of whom must currently hold the classification in which the training will occur, and at least two (2) but not more than three (3) persons designated by management. This training team shall be responsible to:

- (a) Determine the content of the Training Program;
- (b) Design the training curriculum; and
- (c) Selection of employees to be placed into the Training Program.

The selection of employees for such Training Program shall not be solely based upon candidates who have applied to a job posting as provided in Section 24.01 (B) of this Agreement, and may include persons not currently employed by the Company. In selecting persons to be placed into the Training Program, the team shall also consider related internal and external experience and education, seniority of current employee candidates, previous performance appraisals and active disciplinary action. A majority vote of the Training Team shall determine those selected for the Special Training Program, and the length of each classification program(s) established under this Letter of Understanding.

L.O.U. #26

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Structures Packaging Mechanic Duties

It is understood between the parties that the Structures Packaging Mechanic (40305) classification will perform the work operations of Electrical/Electronic Assembler (40120) as required to perform their primary work assignment in the area(s) of package assembly.

Work assigned may include all aspects of the Electrical/Electronic Assembler (40120) classification including but not limited to functional and/or operational check(s) to insure electrical/electronic system integrity and electrical/electronic component fabrication, installation, repair or rework. Such work will be considered a normal part of Structures Packaging Mechanic duties and will not be subject to farm-out (Article 10.05) time and/or notification limitations.

The Job Posting System will be utilized in order to fill all requirements for Structures Packaging Mechanic openings in Department 379. In the event that the number of qualified candidates identified through this process is not sufficient to fill current needs, Electrical/Electronic Assemblers (40120) on the recall list if any shall receive consideration.



L.O.U. #27

LETTER OF UNDERSTANDING  
between  
SOLAR TURBINES INCORPORATED  
and  
INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
LOCAL LODGE NO. 389

Subject: Voluntary Training Initiative

It is understood by the parties that employees desiring to change to a higher classification are frequently not qualified because they lack the fundamental skills, experience and knowledge of the classification to which they seek promotion. (A promotion is change to a higher graded classification). In order for employees to develop skills, knowledge and experience in a higher classification, an employee may volunteer to receive such training under the following provisions.

1. The employee's current manager and the manager of the department and classification where the training will occur must agree that the employee may receive the training.
2. Training will occur at times other than the employee's normal shift and shall not exceed more than two (2) hours in any day or six (6) hours in any week.
3. The employee will be paid the California minimum wage under Industrial Work Order #4 during the training time, and will not be considered overtime.
4. The period of the voluntary training shall not exceed one (1) year.

It is further agreed that management shall have the sole discretion to select such volunteers, and/or to remove an employee from voluntary training. Management shall also be responsible for insuring that such voluntary training is documented in the employee's personnel file. The participating employee shall be entitled to a copy of such documentation at the time his/her voluntary training has concluded. Interested employees will request, in writing, to their Supervisor with a copy to Human Resources.

**LOU # 28**  
**LETTER OF UNDERSTANDING**  
**between**  
**SOLAR TURBINES INCORPORATED**  
**and**  
**INTERNATIONAL ASSOCIATION OF**  
**MACHINISTS AND AEROSPACE WORKERS**  
**LOCAL LODGE NO. 389**

**Subject:     Personal/ Volunteer Day**

**If and to the extent that the Company offers a volunteer day to its salaried exempt and non-exempt employees, it is agreed that the Company will provide employees one paid day off per calendar year to either volunteer at the organization of their choice or as a personal day.**

**Personal/ Volunteer paid time off may be taken in four (4) or eight (8) increments and follows the same request and approval guidelines outlined in Article 11, Section 11.03 and 11.04. For the use of personal/ volunteer day, the following is agreed:**

- **Personal/ Volunteer day is not eligible for pay in lieu of, pay for unused time, or carry over of unused time.**
- **Personal/ Volunteer day is available to new hires after the completion of their 90 days probation.**

**This understanding does not modify the terms or future application of Article 11.**

## **APPENDIX C**

### **A GLOSSARY OF TERMS AND PHRASES AS USED IN SOLAR FACTORY JOB DESCRIPTIONS**

The following terms and phrases as used in job descriptions are given definition and meaning to clearly indicate the common and consistent interpretation to be placed in them by all persons using the descriptions. The terms not included in this glossary are given definition by Webster's Dictionary.

1. **ADAPT**

Means to utilize for other purposes or to modify, alter or change furnished tooling, aids, equipment, etc., to fit it for a specific need without altering its basic design.

2. **AS DIRECTED**

Means that determinations connected with the work operation described are usually and normally made by others and are given or made known to the worker directly connected with the assignment. Use of this term does not mean that the details and determinations involved need be repeated each time an identical or very similar work assignment is made or work operation performed, nor does it preclude use of independent judgement by the worker.

3. **AS REQUIRED**

Means performance of work operations if and when such are necessary, as long as they are within the level of difficulty described, and/or is used to mean an occasional or incidental job requirement in accomplishing the primary work assignment.

4. **ASSIST, ASSISTS**

Means to help or aid other employees in the performance of certain work where the higher graded employee has the responsibility and where the assistance consists of performing certain portions of the assigned work either in direct coordination or carrying out details of the tool assignment under the direct guidance of the higher graded employee. The worker assisted is held

responsible for the satisfactory completion of such work assignment. The assisting worker may work independently but is entitled to and should receive the guidance and instruction considered usual and normal under such circumstances.

5. CAPACITY

As used with regard to the operation of machine tools and fabrication machines, means the full utilization of the particular category of tools and equipment specified in accordance with custom and current operating and maintenance practices throughout the plant.

It is recognized that the above will not necessarily include every machining or fabrication operation for which any particular type of equipment was designed by the machine tool or fabrication machine manufacturer.

6. CHECK, FUNCTIONAL

Means to determine or ascertain whether a major unit of, or portion of a system performs the function for which it is intended and if not, whether rework or alteration is required. Examples include checking for electrical continuity, voltage and amperage; checking components such as valves, linkages and controls, performing spin pit and flowbench checks; and checking for leaks using air, water and/or oil under pressure.

7. CHECK, OPERATIONAL

Means making a complete check of an entire independent system that normally takes place on a completely installed system. Examples include the complete electrical system, hydraulic system, pneumatic system and their components and controls. It implies as necessary a thorough knowledge of the shop theory involved.

8. CHECK, VISUAL

Means detecting with the naked eye, or with aids such as magnifiers and mirrors, obvious defects and imperfections. Its use implies sufficient knowledge and familiarity on the part of the worker to make the required identification. Such check would uncover incomplete assembly (missing parts or operations), visible surface cracks, badly driven rivets and similar conditions.

9. CONTOUR

Means a curved surface having radii of different lengths all of which lie in parallel planes or the same plane, such planes being perpendicular to the

curved surface, or means a curved line having radii of different lengths all of which are in the same plane. The surface of a cone or section thereon, the curved edge of a profile plate and the curved layout line guiding the making of a router block are examples. Contour surfaces composed of sections of cylinders and edges whose profile is a section of a circle are excluded since the radii are the same length.

10. CONTOUR, COMPOUND

Means a curved surface having radii of different lengths which lie in nonparallel planes. Compound contours are typical of stretch press and drop hammer dies. The surface of a sphere or section thereon would be a regular compound contour and, in general, was meant to be excluded.

11. CONTOUR, REVERSE

Means a compound contour that reverses its curvature so that it has both concave portions.

12. COORDINATED TOLERANCES, COORDINATED DIMENSIONS

These expressions are used only when exacting tolerances are implied; i.e., exacting tolerances to be associated always with "coordinated dimensions," "coordinated tolerances" unless modified expressly. It is understood that the location of a point by two or more reference dimensions does not, in itself, mean that the dimensions themselves are coordinate. An example of truly coordinated dimensions is shown in the following: The precision dimensions between two holes must be held while at the same time the precision dimensions locating each of the holes must also be held with respect to another reference point or line.

13. DEVELOPMENTAL PARTS EXPERIMENTAL PARTS

Are parts which are intended for use on experimental or developmental products. These are usually produced singularly or in small lots using standard tooling, improvised tooling or newly constructed production tooling. Its use in a job description does not imply a restricted level of difficulty unless such intention is clearly and specifically indicated.

14. DRAW, DEEP

Means the relation of depth of draw to its other dimensions is such that it is distinguished from moderate or shallow draws by custom.

15. ESTABLISHED PROCEDURES

Means the manner or method management specifies the work operations in question are to be accomplished. It includes but is not limited to departmental and division procedure, methods and instructions made known to the employee for information and compliance through travelers, operational instruction sheets, standard practice instructions, and other written instructions.

16. EXPERIMENTAL WORK DEVELOPMENTAL WORK (DOES)

Means to experiment with the process or operation (assembly and/or fabrication) in order to develop new or improved methods, or means to build or make new assemblies and installations where exercise of a thorough knowledge of the shop theory involved is necessary and further is a recognizably difficult assignment which is characterized by requiring ingenuity (skill in devising) and originality (creative in doing) to accomplish the assignment satisfactorily. It does not include work done by the usual or established manner, process or operation on a part, even when such part will later be used on an experimental or prototype product.

17. FIELD TOOLS

Means tools that are manufactured or purchased by Solar and used by customers and/or field service personnel in the assembly, disassembly, maintenance and overhaul of customer engines, compressor, subassemblies or package sets.

18. FIXTURES

Refers to jigs, fixtures or tooling designed to hold, align, or coordinate work piece for machining, fabrication, installation, assembly, layout or other work operation.

19. INCIDENTAL TO

Means those minor work operations of the same or lower level of difficulty as the primary work described, which are performed occasionally in order to expeditiously accomplish the primary work or job duties of the classification, but which are not usually or specifically required to be performed as a part of the classification.

20 LAYOUT (N) LAYS OUT (V)

Means the actual marking of locating and/or reference points and lines on the material part, tool or assembly worked on. Layout in itself does not imply a high level of difficulty of skill since it can be a simple work operation such as measuring a length on a piece of lumber and marking a line or point at which it is to be sawed, marking lines on pavement with a chalk line preparatory to painting or scribing around a furnished template laid on flat stock. On the other hand, layout can be a difficult work operation which requires much skill, knowledge and experience to make the necessary computations, part setup, precise measurements and markings and interpretation of complex blueprints such as a complex die or casting requiring layout to establish locations for coordination hole patterns, compound angles and/or irregular contours.

21. LAYOUT, PROGRESSIVE

Is the layout for machining or other fabrication operation which is continued (or completed) after the fabrication operation has been performed. Progressive layout is often necessary when initial machining operations would remove scribed reference marks for subsequent operations, or is advantageous when the machining operation produces a good reference plane or point for further operation.

22. MAY

When used as the first word of a sentence or phrase, means that the function is performed by some of the personnel holding the classification or, that the function is occasionally performed, but is not a requisite for the classification.

23. PRODUCTION AIDS

Are devices initiated voluntarily and made by the worker to facilitate work operations, increase production or reduce elements of fatigue or strain. Such devices are usually simple but ingenious in nature.

24. REPAIR

Means to restore a part or assembly to its original state or utility after it has been damaged by accident or by wear. It does not have the same meaning as "rework."

25. REWORK

Means to undo and then do over work previously accomplished in order to correct errors or make it conform to changed specifications. Rework can be simple or difficult according to its nature and variety, therefore, the level of difficulty intended is to be determined from the composite job description.

26. SETUP (N), SETS UP (V)

Is the broad term which becomes specific only according to its usage and application to machines and/or operation concerned. It includes the various necessary physical work operations or steps (other than layout) which must be accomplished before actual fabrication can proceed. Setup of a machine includes securing material to machine bed at the proper angle for cutting, selecting, aligning and setting cutting tool, setting speeds and feeds, adjusting coolant flow. In most assembly operations setup (e.g., positioning parts, obtaining parts) is so closely intermingled with fitting and joining together that setup is not customarily designated as such. This is generally true of operations where machine operation is not the primarily job factor.

27. SHOP MATHEMATICS

That level of mathematics normally used by employees in the performance of the duties of their classification and, when specified, may include algebra, geometry or trigonometry.

28. SHOP PRACTICE

Means the generally accepted method of performing a basic, common or usual operation under specified conditions. It covers the knowledge which is common to the classification itself. Besides knowledge and ability to use required hand tools and equipment, it includes knowledge of general safety practices, conduct, rules of cleanliness, good housekeeping and care of equipment. When used, "shop practice" need not imply anything other than practice or methods learned or acquired at this shop.

29. SUCH AS

Means that listed items are not all inclusive, but, rather, representative of the type of items referred to, in the normal work cycle.



30. TOLERANCES, CLOSE

Means those tolerances which require the worker's close attention, and directed effort during setup and/or operation to hold, but which are within the normal capacity of the machine. Also, means those tolerances which require a skillful use of hand tools and/or assembly techniques to hold. This term expresses a level of difficulty required to obtain or hold the tolerances rather than a preciseness of linear, angular or other measurement.

31. TOLERANCES, MODERATE

Means those tolerances which must be observed to maintain proper standards of workmanship or economy, but which require only reasonable care or skill to hold. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

32. TOLERANCES, EXACTING

Means those tolerances which require special care and attention on the part of a skilled workman to obtain or hold. These tolerances would be difficult, if not impossible, for a semiskilled or unskilled workman to hold consistently at a good production rate. This term expresses a level of difficulty rather than a preciseness of linear, angular or other measurement.

33. TOOLING, STANDARD

Means those tools or tooling used on the same or different types of machines or operations, principally in making a setup for either layout or machining and occasionally for bench or assembly work and which further are found commonly in nearly all shops and industries performing similar operations. In the machine shop it would include Vee-blocks, parallel bars, angle plates, chucks, collets, machine vises, a wide variety of clamps, bolts, locks and wedges.

34. TYPICAL

Means the same as the term "such as."

35. WHEN REQUIRED

Means that the work operation, function or job duty is usually and normally performed after or as a direct result of an order or request from authorized

personnel and/or means that it is required or necessary only rarely or when exceptional circumstances exist.

36. WITH OR WITHOUT THE AID OF TOOLING

This phrase means that in some cases where tooling does not exist or is faulty, the worker may be required to work around such a condition. At times when this condition does not exist the worker may still hold the classification, provided other qualifying factors of the classification are present in the job.

## APPENDIX D

### ILLUSTRATION OF DAILY RATE CALCULATION METHOD:

<u>Years of service</u>	<u>Days Worked X Factor</u>	<u>Example</u>
<b>VACATION ACCRUAL RATE</b>		
0-4	# of days worked X .219178	(365 X .219178 = 80 hours)
5-9	# of days worked X .306849	(365 X .306849 = 112 hours)
10-11	# of days worked X .328767	(365 X .328767 = 120 hours)
12-14	# of days worked X .350685	(365 X .350685 = 128 hours)
15-19	# of days worked X .394520	(365 X .394520 = 144 hours)
20+	# of days worked X .482191	(365 X .328767 = 176 hours)

### **SICK LEAVE ACCRUAL RATE**

0-1+	# of days worked X .109589	(365 X .109589 = 40 hours)
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## APPENDIX E

### A GLOSSARY OF TERMS AND PHRASES AS USED IN SOLAR LABOR AGREEMENT

**1. REGULAR BUSINESS DAY**

Means Monday through Friday, excluding Saturday and Sunday

**2. WORKDAY**

A workday is a consecutive 24-hour period beginning at the same time each calendar day and may begin at any time of the day. The Company may establish different workdays for different shifts and does not need to coincide with the calendar day or the actual time an employee begins to work.

**3. WORKWEEK**

A workweek is any 7 consecutive days, starting with the same calendar day each week. It is a fixed and regular recurring period of 168 hours. 7 consecutive 24-hour periods. The workweek may begin on any day and at any hour.