From your Negotiating Committee

Brothers and Sisters,

These have been extraordinary negotiations, during extraordinarily bad times. This community has suffered from layoffs and job losses. With plant closures and threats of relocation, we kept one goal in mind: It's about having a job. It's about survival in this economy.

We have worked toward a commitment to keep jobs in Wichita, while competing against other states who wished to poach our jobs, with a company fighting for survival, too. Although there are concessions, we made huge improvements in job security.

Last week, the reality is that the plant teetered close to being gone forever. Our brothers and sisters in Salina can tell us how real it is. The Governor gave us a second chance to save the jobs. This contract protects two-thirds of the bargaining unit jobs.

While the concessions are a hard pill to swallow, we keep jobs here for the long term. Of the jobs we have secured, the State of Kansas will have a guarantee for these jobs. When the market comes back, we can grow again. For those who will lose jobs in the coming months, the State of Kansas will provide tuition assistance for retraining.

We have worked hard to get the best possible outcome for our membership in a very bad situation. We believe we negotiated the very best deal we could, saved every job that it was possible to save, and secured them for the duration.

For those reasons, your Negotiating Committee is recommending the acceptance of this agreement.

In Solidarity,

Your Negotiating Committee

Rita Rogers, Assistant Directing Business Representative
Tim Franta, Negotiator
Marcus German, Negotiator
Shaun Junkins, Negotiator
Sam Humble, Negotiator

Local Lodge 733 On the Web: LL733IAM.COM

Summary of Changes to 2010 Collective Bargaining Agreement

Duration of Agreement

- **7 years**
- **Provides to reopen negotiations for the limited purpose of evaluating General Wage Increases, Automatic Wage Progression, Performance Pay, Retirement Income (Pension), and Medical, Dental, and Vision Care on Agreement anniversary date in 2014 (no strike/no lockout)**

Seniority

- **Extended recall rights**
  - **Equivalent to employee's seniority as of date of layoff or a minimum of sixty (60) months (used to be a maximum of 60 months)**
- **Eliminated Company Super Seniority**
- **Changed 1 year bump to 3 year bump with no change in % loss of a department or freeze language**

Hours of Work

- **Revised 3 equal shift workweek from paid lunch to an unpaid lunch**
- **Will provide 28 calendar days notice for start time transitions, in addition to workweek changes**

Overtime

- **No employee will be required to work more than 2 hours per day or a total of more than 8 hours per week**
- **Time and a half will be paid after 40 hours worked and doubletime will be paid after 56 hours worked (Holidays, vacation, ETO, military leave, jury duty, bereavement and certain Company-approved Union business will be considered time worked)**
- **Any time worked on 7th consecutive day will be paid as doubletime**

Rate Ranges and Structure

- **Effective October 18, 2010, 10% reduction in hourly rate of pay**

	10/18/10	
Grade:	MIN	MAX
A	**18.72**	**28.94**
B	**17.91**	**28.02**
1	**17.16**	**27.17**
2	**16.25**	**26.12**
3B	**15.48**	**25.25**
3	**15.12**	**24.83**
4B	**14.98**	**24.66**
4	**14.78**	**24.47**
5	**14.23**	**23.83**
6	**13.95**	**23.49**
7	**13.20**	**22.66**
8B	**12.88**	**22.26**
8	**12.69**	**22.08**
9	**12.55**	**21.84**
10	**12.07**	**21.84**

- **No automatic wage progression until October 17, 2011, will then be fifteen ($.15) cents per hour each twenty-six (26) weeks until maximum of labor grade is reached – after 24 weeks of employment.**

Performance Pay Plan

- **The key financial targets established for a Plan Year (January through December) will be consistent with key financial performance targets set for the Management Incentive Plan (MIP)**
- **If the targets are met for a Plan Year, employees will receive a minimum of 1 week of pay and a maximum of 2 weeks of pay**
- **Employees must be full-time as of May 1 of a Plan Year and on the active payroll at time of payout**

COLA

- **Remove 4% threshold**
- **Full COLA with $1,000 cap**
- **Annual COLA adjustments will be paid in a lump sum each October**

Job Classifications

- **Company and the Union agree to form a job evaluation committee upon ratification of the Agreement. This committee will meet for three to six months, at a minimum, for the purpose of revising, merging, or eliminating existing job codes or creating new job codes**

Vacation

- **Maintain current vacation accrual schedule**
- **Allow vacation to be scheduled in one (1) hour increments and forty (40) hours of vacation may be used under same guidelines as ETO**
- **Added Vacation Purchase Plan**
  - **Ability to purchase up to one week of vacation**
- **Added Vacation Gifting**
  - **One employee can gift vacation to another employee who has a medical condition or their immediate family does and the condition requires the employee's absence from work**

ETO

- **ETO will accrue monthly according to the following schedule based on the employee's completed years of work time:**

1 – 3 yrs	**.66**	**(8 hrs/yr)**
3 – 4 yrs	**1.33**	**(16 hrs/yr)**
4 – 5 yrs	**2**	**(24 hrs/yr)**
5 – 6 yrs	**2.66**	**(32 hrs/yr)**
6 or more yrs	**3.33**	**(40 hrs/yr)**

Holidays

- **Maintain current recognized holidays (11 per year)**

Medical, Dental and Vision Insurance

- **Except as hereafter provided, employee cost share of the premiums for medical, dental and vision plans is expected to be as follows:**
  - **Effective January 1, 2011 = 25%**
    - **Monthly Premiums at 25%**
    - **Blue Cross/Blue Shield** — **With 10% Tobacco Surcharge ***
      - **Employee = $106.32** — **$148.85**
      - **Employee + 1 = $212.60** — **$297.64**
      - **Family = $287.04** — **$401.85**
    - **PHS**
      - **Employee = $92.38** — **$129.33**
      - **Employee + 1 = $184.76** — **$258.67**
      - **Family = $249.42** — **$349.19**
    - **Dental**
      - **Employee = $9.60**
      - **Employee + 1 = $21.06**
      - **Family = $26.51**

      ***10% surcharge based on total premium cost (both Company and employee)**
    - **Vision**
      - **All levels = $2.73 (only 23.7%)**
- **Effective January 1, 2012, employees cost share of the plans will be 27.5%**
- **Effective January 1, 2013, and thereafter, employees cost share of the plans will be 30%**
- **Should the percentage of premium costs paid by salaried employees drop below the above-referenced percentages, then employees covered by this Agreement will pay the same premium percentage as is paid by salaried employees**
- **Medical (including health and prescription drugs), dental and vision plan designs will be the same as those in effect for the Company's salaried full-time workforce**
- **In the event federal or state legislation increases costs and/or taxes to the Company for providing health and welfare benefits to employees (including mandated benefits), the Company reserves the right to pass on any incremental costs and/or taxes to the employee and/or reduce benefits in a corresponding amount.**

Retirement

- **Remains at $51 per month per year of service**

401K

- **Align with non-bargaining unit employee company match of 50% of first 4%**
- **Percentage of match can be increased or decreased, if salaried workforce's match changes**

Job Security

The Company's intent is to maintain Major Manufacturing Operations in Wichita, for the life of this Agreement. Major Manufacturing Operations is defined as: (1) jet final assembly work presently performed in Wichita, including conformity and production test work; 2) turboprop (includes King Air) and piston final assembly work presently performed in Wichita, including conformity and delivery; (3) trainer aircraft final assembly work presently performed in Wichita, including conformity and delivery and (4) composite fuselage assembly work presently performed in Wichita, and (5) certain sub-assembly/component work currently performed in Wichita as follows, metal bond, composite layup, composite assembly, wing assembly – JPATS, sub-assembly – JPATS, 4000 back shops, associated QA and support groups.

Training

- **Company and Union consider training a valuable asset for developing employees and the business and are committed to investing in continual training**

Joint Partnership

- **Company and Union agree to establish a Joint Partnership Committee (JPC) and Specific Subject Matter Committees to support the intention of this contract and jointly address mutually agreed-upon topics to further the health of the Company and keep the team for the future intact.**

Hawker Beechcraft Corp
With Health Risk Assessment (HRA) Completed

BlueCross BlueShield of Kansas

Summary of Benefits

Blue Cross and Blue Shield of Kansas (BCBSKS) is offering a PPO benefit plan. To receive the maximum level of benefits, you must receive services from a BCBSKS PPO contracting provider. If an out-of-network provider is selected, you will be responsible for the difference between the non-contracting provider's actual billed charges. In addition, the program allowance will be 20% less than the amount paid to a contracting provider for the same service. Note: PCP or referrals are not required under this plan.

BENEFIT CATEGORY	IN-NETWORK	OUT-OF-NETWORK
DEDUCTIBLE (Per calendar year)	$400/individual $1000/family	$1,000/individual $2,000/family
COINSURANCE (Member portion for most services)	20% of allowed amounts after deductible	40% of allowed amounts after deductible
ANNUAL OUT-OF-POCKET MAXIMUM **(includes deductible and coinsurance)** Copays do not apply to the annual out-of-pocket amount	$1,400/individual $3,000/family	*$3,000/individual *$6,000/family
	After the annual out-of-pocket amount has been reached (ded/coins), eligible benefits will increase to 100% of the allowed amount for the remainder of the benefit period.	
MAXIMUM LIFETIME BENEFIT	Unlimited	Unlimited
PHYSICIAN SERVICES		
Physicians Visits — home/office	$25/$40 copay	*Subject to deductible/coinsurance
Surgery — inpatient and outpatient	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
Maternity Care	$25 copay then covers 100% of allowed amounts. Only one copayment will apply for all prenatal care.	*Subject to deductible/coinsurance
Well Child & Well Baby (for children up to age 72 months)	$25 copay then covers 100% of allowed amounts	*Subject to deductible/coinsurance
Immunizations up to age 72 months Immunizations over 72 months	100% of allowed amounts Subject to deductible/coinsurance	*Subject to deductible/coinsurance *Subject to deductible/coinsurance
Well Women — Annual Check Up Office Visit Mammogram Pap Smear	 Preventative covers at 100% of allowed amts Covers 100% of allowed amounts Covers 100% of allowed amounts	 *Subject to deductible/coinsurance *Subject to deductible/coinsurance *Subject to deductible/coinsurance
Routine Physicals — Annual Check Up Office Visit Prostate Specific Antigen (PSA) Test Cholesterol Screening Fecal Occult Blood Test	 Preventative covers at 100% of allowed amts Covers 100% of allowed amounts Covers 100% of allowed amounts Covers 100% of allowed amounts	
Injections	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
Radiology and Lab	Covers 100% of allowed amounts	*Subject to deductible/coinsurance
PREVENTATIVE SERVICES	Covered at 100% of allowed amounts *Subject to final guidelines from HHS	*Subject to deductible/coinsurance
INPATIENT HOSPITAL	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
OUTPATIENT HOSPITAL	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
EMERGENCY SERVICES — EMERGENCY ROOM	$100 copay per visit then covers 100% of allowed amounts. Copay waived if patient admitted.	$100 per visit then 100% of allowed amounts. Waived if patient admitted.
AMBULANCE	$30 copay, then 100% of allowed amounts	*Subject to deductible/coinsurance
URGENT CARE	$25 office visit copay, 100% of allowed amounts	*Subject to deductible/coinsurance
OUTPATIENT RADIOLOGY & LABORATORY	Covers 100% of allowed amounts	*Subject to deductible/coinsurance
FREESTANDING OUTPATIENT FACILITIES AND OUTPATIENT HOSPITAL SERVICES Surgery, dialysis	Subject to deductible/coinsurance	*Subject to deductible/coinsurance

*The member will also be responsible for the difference between the non-contracting provider's actual billed charges and the BCBSKS payment allowance. Additionally, payment will be 20% less than the amount paid to a contracting provider for the same service.

With completed HRA
Non Grandfathered Option
09211 – 01/11

Hawker Beechcraft Corporation

BENEFIT CATEGORY	IN-NETWORK	OUT-OF-NETWORK
DURABLE MEDICAL EQUIPMENT Including Foot Orthotics and Prosthetic Devices	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
HOME HEALTH CARE	Subject to deductible/coinsurance. Rehabilitation services are subject to $25 office visit copay.	*Subject to deductible/coinsurance
DIABETIC EQUIPMENT Insulin pumps, insulin pump supplies, glucose monitor	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
HOSPICE CARE	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
SHORT-TERM THERAPIES Physical, Speech and Occupational, Respiratory and Cardiac **Inpatient** **Outpatient**	Subject to deductible/coinsurance $25 copay	*Subject to deductible/coinsurance *Subject to deductible/coinsurance
SPINAL MANIPULATIONS (including x-rays)	$25 copay	*Subject to deductible/coinsurance
	Combined 26 visits per calendar year	
PHYSICAL MEDICINE TMJ Vision Therapy Biofeedback	$25 copay $25 copay $25 copay	*Subject to deductible/coinsurance *Subject to deductible/coinsurance *Subject to deductible/coinsurance
Acupressure/Acupuncture	$25 copay, combined 26 visits per calendar year	
MENTAL ILLNESS & SUBSTANCE USE DISORDERS +Inpatient +Requires a pre-admission certification from New Directions Behavioral Health 1-800-952-5906	Subject to deductible/coinsurance	*Subject to deductible/coinsurance
Outpatient Services	$25 copay, then 100% of allowed amounts	*Subject to deductible/coinsurance
PRESCRIPTION DRUGS — RETAIL Generic Formulary Brand Non-Formulary Brand	$10 copay $30 copay $60 copay Diabetic supplies such as insulin syringes and lancets are covered under generic copay. Test strips are covered under either the formulary or non-formulary copay.	If a non-network pharmacy is used, the member is reimbursed the amount that would have been paid to a network pharmacy minus the copay.
	The quantity per prescription shall be the greater of a 34-day supply or 100 unit dosage, or the quantity sufficient for a standard course of treatment as specified by the FDA guidelines. For maintenance drugs, the maximum quantity dispensed shall be up to a three-month supply with a total of three co-payments. Other quantity limits will apply for certain prescriptions.	
PRESCRIPTION DRUGS — MAIL ORDER Generic Formulary Brand Non-Formulary Brand	$20 copay per 90-day supply $60 copay per 90-day supply $120 copay per 90-day supply	N/A N/A N/A

PLAN EXCLUSION AND LIMITATIONS

The following procedures and all related services and supplies are not covered under this program. Services provided directly for or relative to diseases or injuries caused by or arising out of acts of war, insurrection, rebellion, armed invasion, or aggression; duplicate benefits provided under federal, state or local laws, regulations or programs, except Medicaid; cosmetic or reconstructive surgery (except as stated in the certificate); any keratotomy procedures; charges for personal items; convalescent or custodial/maintenance care or rest cures; blood or payments to donors of blood; any service or supply related to the medical management of obesity; charges for services by immediate relatives or by members of your household; services related to temporomandibular joint dysfunction syndrome over the amount specified in the certificate; dental implants; services or supplies related to sex changes, sexual dysfunctions or inadequacies; any medically-aided insemination procedure; services related to the reversal of sterilization procedures; treatment of nervous or mental conditions over the amount specified in the certificate; hearing aids; eyeglasses or contact lenses (except after the removal of cataracts); unnecessary services and admissions; services or supplies which are experimental or investigative in nature; services not specifically listed as benefits in the certificate; services covered and payable by any medical expense payment provision of any automobile insurance policy.

PRIOR AUTHORIZATION REQUIRED

- BCBSKS — for all inpatient hospital stays
- NEW DIRECTIONS — for inpatient nervous and mental and substance abuse stays

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BENEFIT CATEGORY	IN-NETWORK	OUT-OF-NETWORK
DEDUCTIBLE (Per calendar year)	$500/individual $1000/family	$1,000/individual $2,000/family
COINSURANCE (Member portion for most services)	20% of allowed amounts after deductible	40% of allowed amounts after deductible
ANNUAL OUT-OF-POCKET MAXIMUM **(includes deductible and coinsurance)** Copays do not apply to the annual out-of-pocket amount	$1,500/individual $3,000/family	*$3,000/individual *$6,000/family
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