

## INTRODUCTION

Allison recognizes that it cannot get along without labor any more than labor can get along without the Company. Both are in the same business and the success of that business is vital to all concerned. This requires that both Allison management and the employees work together to the end that the quality and cost of the product will prove increasingly satisfactory and attractive so that the business will be continuously successful.

Allison holds that the basic interests of employers and employees are the same. However, at times employees and Allison management have different ideas on various matters affecting their relationship. The Parties are convinced that there is no reason why these differences cannot be peacefully and satisfactorily adjusted by sincere and patient effort on both sides.

The subject of personnel practices with different application to hourly and salaried employees was discussed as an area giving rise to the appearance of a "double standard" of treatment. The Parties agree that every Allison employee is entitled to respect as individuals, for the work they do, and, when represented, for their union membership.

## FOREWORD

During the current negotiations, the Parties to this Agreement discussed the ever increasing challenges and emerging competition in the commercial transmission manufacturing. Both parties recognize that the challenges of the market will continue to require mutual respect and cooperation as fundamental changes occur in the workplace. Both are in the same business and the success of that business is vital to all concerned. This requires that both management and the employees work together so that the quality and cost of the product will prove increasingly satisfactory and attractive to customers and the business will be economically successful.

It is the general purpose of this Agreement to assure continuous, harmonious, efficient, economical and profitable operations of Allison; to prevent strikes, slowdowns and other disturbances which interfere with production; and set forth the parties' agreements covering rates of pay, hours of work and conditions of employment.

Both parties recognize that true job security can only be realized in a work environment that creates operational effectiveness, continuous improvement and competitiveness. This Agreement has been constructed to maximize the likelihood of realizing these mutual objectives. At times the Parties may have different ideas on various matters affecting their relationship. The Parties are convinced that there is no reason why these differences cannot be peacefully and satisfactorily adjusted by sincere and patient effort on both sides.

Allison and the UAW recognize the moral principles involved in the area of civil rights and reaffirm their commitment not to discriminate because of age, race, color, sex, religion, creed, national origin, veteran (including Vietnam Era and subsequent conflicts) status, disability, sexual orientation, and gender identity or expression.

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## **AGREEMENT**

Entered into this eighteenth (18<sup>th</sup>) day of December 2017, between Allison Transmission, Inc., hereinafter referred to as "Allison" or "the Company," and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and Local 933, hereinafter referred to as "the Union" or "the UAW," as representing the identified production and maintenance employees and the mechanical employees in engineering shops; together referred to as "the Parties."

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## RECOGNITION

(1) Allison, and in the event of its sale, its successor, recognizes the UAW as the sole and exclusive collective bargaining representative with respect to wages and other conditions of employment for the employees of Allison in the production, maintenance and such job classifications as identified in the Wage Agreement, employed by Allison at its facilities in Indianapolis / Speedway, Indiana.

(2) In the event Allison begins manufacturing at any facility in the eight (8) Indiana Counties listed below, Allison also agrees to recognize UAW Union 933 as the sole and exclusive collective bargaining representative with respect to wages and other conditions of employment for the same categories of employees:

Hendricks	Boone	Hamilton	Hancock
Shelby	Johnson	Morgan	Marion

(3) In the event Allison begins manufacturing at any location other than described above, Allison agrees to discuss such with Union prior to commencement of any substantial investment in such manufacturing operations to determine what role, if any, the UAW will have at such facility.

(3a) In the event Allison begins manufacturing at any other location located in UAW Region 2-B, Allison agrees to remain neutral in any organizing effort sponsored by Local 933 at such location.

(3b) In view of the sensitivity associated with Vietnam era or other foreign warfare MIA and POW issues the company will consider exceptions to its customary flag policy for: individual requests, special days recognized by the US Government honoring POW's or MIA's, or other holidays such as Memorial Day or Veteran's Day. Changes in the overall Allison Transmission flag policy will be communicated to the UAW as soon as practicable.

### UAW Security and Check-Off of UAW Membership Dues

(4) An employee who is a member of the UAW at the time this Agreement becomes effective shall be eligible for membership in the UAW for the duration of this Agreement to the extent of paying the membership dues uniformly required as a condition of acquiring or retaining membership in the UAW. The parties agree that in the event the Indiana Right-to-work bill 1001, signed into law in March 2012, is no longer in effect, Paragraphs 4, (4a), (4b), and (4g1) will be replaced by Paragraphs 4, (4a), (4b), (4g1) and (4g2) from the 2008 Allison Transmission, Inc. and UAW Agreement.

(4a) An employee who is not a member of the UAW at the time this Agreement becomes effective may become a member of the UAW within ten (10) days after the thirtieth (30th) day following the effective date of this Agreement, or within ten (10) days after the thirtieth (30th) day following employment, whichever is later, and may remain a member of the UAW, to the extent of paying an initiation fee and the membership dues uniformly required.

(4b) Anything herein to the contrary notwithstanding, an employee shall not be required to become a member of, or continue membership in, the UAW.

(4c) The UAW shall accept into membership each employee covered by this Agreement who tenders to the UAW the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership in the UAW.

(4d) The UAW will furnish Allison, not later than fifteen (15) days prior to implementation of the automatic dues deduction system, the names of all members paying dues direct to the UAW. Thereafter, the UAW will advise Allison, promptly, of any changes to this list.

(4e) Any dispute arising as to the employee's membership in the UAW shall be reviewed by a representative of Allison and the Chairperson of the Shop Committee and/or the Financial Secretary, and if not resolved, may be referred to the grievance procedure which decision shall be final and binding on the employee, the UAW and Allison.

(4f) "Member of the UAW" as used in Paragraphs (4) and (4a) above means any employee who holds membership in the UAW. Such members shall not be more than thirty (30) days in arrears in the payment of membership dues.

(4g) Initiation fees for membership in the UAW shall not exceed the maximum prescribed by the Constitution of the International UAW at the time the employee becomes a member.

(4g1) Any dispute which may arise as to whether or not an employee has paid the sum of money, a sum equal to the UAW's initiation fee charged members and also a sum monthly which is equal to the monthly dues required of the UAW's members, shall be reviewed with the employee by a representative of the UAW and a representative of Allison. Should this review not dispose of the matter, the dispute may be referred to the grievance procedure which decision shall be final and binding on the employee, the UAW and Allison.



**CANCELLATION OF VOLUNTARY AUTHORIZATION FOR CHECK-OFF OF DUES**

**INTERNATIONAL UAW. UNITED AUTOMOBILE. AEROSPACE AND AGRICULTURAL IMPLEMENT  
WORKERS OF AMERICA (UAW)  
DETROIT. MICHIGAN 48214**

LAST NAME	FIRST INITIAL	MIDDLE INITIAL	SOCIAL SECURITY NO.
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“To whom it may concern:

I am hereby notifying you that I revoke my authorization for deduction by Allison Transmission Inc. of Union dues from my wages and that I hereby resign my membership in the UAW and its Local 933 ("Union"), effective immediately.

(Applicant's Signature) \_\_\_\_\_ Date \_\_\_\_\_

(Witness) \_\_\_\_\_”

**(4h)** During the life of this Agreement, Allison agrees to deduct from the pay of each employee, or notify the Trustee of any Supplemental Unemployment Benefit Plan Fund, to deduct from each such employee's Regular Benefits, UAW membership dues levied by the International UAW or Local UAW in accordance with the Constitution and By-Laws of the UAW, provided that each such employee executes or has executed the following "Authorization for Check-Off of Dues" form; provided further however, that Allison will continue to deduct monthly membership dues from the pay of each employee for whom it has on file an unrevoked Authorization for Check-Off of Dues form.

**(4i)** Deductions shall be made only in accordance with the provisions of said Authorization for Check-Off of Dues, together with the provisions of this Section of the Agreement.

**(4i1)** Once each month, the designated financial officer may submit to Allison a list showing the name and social security number for each employee who is certified as owing an initiation fee and/or monthly dues, specifying the amount of the liability and the period to which any such monthly dues liability applies.

**(a)** This list shall be dated and shall be submitted on or before the first Tuesday following the third pay day in the month.

**(b)** Such amounts will be deducted from the first pay received following the first payroll period ending in the next following calendar month provided the employee has sufficient net earnings to cover the liability.

**(4j)** A properly executed copy of such "Authorization for Check-Off of Dues" form for each employee for whom UAW membership dues are to be deducted hereunder, shall be completed by the employee and submitted to Allison before any dues deductions are made, except as to employees whose authorizations have heretofore been delivered to Allison. Deductions shall be made thereafter, only under the applicable Authorization for Check-Off of Dues forms which have been properly executed and are in effect. Allison shall deliver to the UAW an "Application for Membership" form for each employee for whom UAW membership dues are to be deducted under the provisions of the Check-Off except as to employees whose authorizations have heretofore been delivered.

**(4k)** Check-Off deductions under all properly executed Authorizations for Check-Off of Dues forms which have been delivered to Allison on or before the effective date of this Agreement shall begin with the first month following the effective date of this Agreement.

**(4l)** The initial monthly dues deduction from the pay of an employee who completes an "Authorization for Check-Off of Dues" form shall be made from the second pay received by the employee following the date on which the authorization was executed. Thereafter, the UAW membership dues for each succeeding calendar month shall be deducted as follows:

**(a)** The deduction for monthly dues will be made from the first pay received following the first payroll period ending in the calendar month. All payroll periods ending in a calendar month will constitute, in the aggregate, the dues deduction month. Regular monthly dues and past dues or initiation fees, if any, will be deducted provided the employee has sufficient net earnings to cover the deductions. In the event there are insufficient net earnings, the deductions will be made from the subsequent pay or Regular Benefit received by the employee that is sufficient to cover the deductions. Any liability will be carried forward until the employee has sufficient net earnings to cover the deduction or breaks seniority, whichever occurs first. However, deductions will only be made from Regular Benefits provided the employee has an applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event an employee has a past dues or initiation fee liability and receives a payment for the unused portion of Vacation Entitlement, such liability may be deducted from such payments.

**(b)** The dues deducted from an employee's earnings will be a sum equivalent to two and one half (2.5) hours straight time pay and will be based upon the employee's hourly wage rate but excluding all other premiums for the job classification of record held by the employee during the pay period to which the deduction applies.

**(c)** In the event of a retroactive change in an employee's job classification of record for the pay period in which dues have been deducted, there will be no retroactive adjustment in the check-off of UAW membership dues.

**(d)** The amount deducted from an employee's pay pursuant to these provisions shall be in addition to an amount which may be authorized by UAW Local 933 pursuant to the Constitution and By-Laws of the UAW and of which the UAW has given notice to Allison.

**(e)** In the event an employee does not receive a paycheck for a payroll period ending in a dues deduction month prior to the receipt of a Regular Benefit applicable to any such period, UAW dues in the amount of five dollars (\$5.00) or such other amount as may be established as dues shall be deducted from the Regular Benefit, provided the employee has the applicable "Authorization for Check-Off of Dues" form in effect as of the date the deduction is made. In the event such an employee subsequently receives a paycheck for a payroll period ending in the same dues deduction month, the difference between the amount of UAW dues paid and the amount then owing will be deducted from such paycheck.

**(4m)** In the case of employees rehired, or returning to work after layoff or leave of absence, or being transferred back into the bargaining unit, who previously have properly executed Authorization for Check-Off of Dues forms, deductions will be made for membership dues as provided herein.

**(4n)** In cases where a deduction is made which duplicates a payment already made to the UAW by an employee, or where a deduction is not in conformity with the provisions of the UAW Constitution and By-Laws, refunds to the employee will be made by the UAW.

**(4o)** Dues deductions shall be remitted to the designated financial officer of the UAW once each month as soon as available but no later than 10 days after the regular deduction date. Any deductions made from subsequent payrolls or from Regular Benefits paid during payroll periods that end in the calendar month shall be included with the remittance for the following month. Allison shall furnish the designated financial officer of the UAW, monthly, with the names, employee identification numbers, department numbers and clock numbers of those for whom deductions have been made, the amounts of the deductions and the amounts deducted, by employee and in total, respectively, for initiation fees, regular monthly dues, and S.U.B. dues. Regular monthly dues and S.U.B. dues shall be identified as to the period to which such deductions apply. This information should be furnished along with the dues remittance. The designated financial officer will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible. The foregoing notwithstanding, deductions made on a declining balance basis, deductions of a past dues or initiation fee liability from a Regular Benefit and deductions from pay for a liability incurred more than six (6) months prior to the actual deduction date will not be identified to a specific deduction month.

**(4p)** Any dispute which may arise as to whether or not an employee properly executed or properly revoked an Authorization for Check-Off of Dues form, shall be reviewed with the employee by a representative of the UAW and a representative of Allison. Should this review not dispose of the matter, the dispute may be referred to the grievance procedure, which decision shall be final and binding on the employee, the UAW and Allison. Until the matter is disposed of no further deductions shall be made.

**(4q)** Neither Allison nor the Trustee of any Supplemental Unemployment Benefit Plan Fund shall be liable to the International UAW or its locals by reason of the requirements of this Section for the remittance or payment of any sum other than that constituting actual deductions made from employee wages earned or from Regular Benefits received.

**(4r)** In the event net earnings are sufficient to cover UAW membership dues for only one dues deduction month and an employee has a dues liability for more than one (1) month, the deduction will be for the current dues deduction month. In such situations membership dues for the past dues liability will be deducted from the next earnings received in that month or in a succeeding month in which the employee has sufficient net earnings to cover such UAW membership dues.



**(4s)** In the event an employee receives a back pay settlement or award for any calendar month for which no dues deduction has been made, a deduction for each such month shall be made from such settlement or award.

### **PURPOSE**

**(5)** The purpose of this Agreement is to provide orderly collective bargaining relations between Allison and the UAW, to secure a prompt and fair disposition of grievances, and to eliminate interruptions of work and interference with the efficient operation of Allison's business.

**(5a)** If either party believes that the provisions of this Agreement are being administered in a manner inconsistent with orderly collective bargaining relations, the circumstances will be discussed between the Chairperson of the Shop Committee and Allison's Executive Director, Labor Relations in an effort to resolve the problem. If the problem is not resolved after exhausting the above procedure, Allison's Vice President of Human Resources or the Director of Region 2-B, International Union may request, in writing, a meeting of their designated representatives to discuss the problem and take appropriate action.

**(6)** Allison will not interfere with, restrain or coerce employees because of membership or lawful activity in the UAW, nor will it by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the UAW.

**(6a)** The Parties agree the provisions of this Agreement apply to all employees covered by this Agreement without discrimination based on age, race, color, sex, religion, creed, national origin, veteran (including Vietnam era and subsequent conflicts) disability, sexual orientation, and gender identity or expression, as required by appropriate state and federal law. Any claims of violation of this policy, claims of sexual harassment or of any laws regarding discrimination or harassment on account of disability may be grieved as described herein.

When a grievance containing a claim of violation of this paragraph is appealed to the Shop Committee, the Chairperson of the Shop Committee may refer the claim to a designated member of the Civil Rights Committee of the UAW for a factual investigation and report. Any such investigation will be conducted in accordance with the provisions of the grievance procedure. Neither the Chairperson of the Civil Rights Committee, nor the member of the committee that the Chairperson may designate to investigate such a claim in the Chairperson's place, shall receive pay from Allison based solely upon any activity arising pursuant to this paragraph.

The Grievance and Arbitration procedure shall be the exclusive contractual procedure for remedying such discrimination claims.

**(7)** The UAW agrees that neither the UAW nor its members will intimidate or coerce employees in respect to their right to work or in respect to Union activity or membership, and further that there shall be no solicitation of employees for UAW membership or dues during working time. The UAW further agrees that Allison shall take disciplinary action for any violations of this provision.

### **MANAGEMENT RIGHTS**

**(8)** Except as otherwise specifically modified, restricted, limited or controlled by the explicit terms of this Agreement, all statutory, common law and inherent managerial rights, prerogatives and functions to manage Allison's operations; schedule, direct and discipline the workforce for cause; adopt and enforce work and shop rules; and take whatever actions are necessary or advisable to determine and fulfill Allison's mission, are retained and vested exclusively in Allison.

### **REPRESENTATION**

**(9)** The UAW shall be represented in each bargaining unit as follows:

In the ratio of not to exceed one district committee person for each two hundred and fifty employees covered by this Agreement except that in facilities of five hundred or fewer employees there may be three committee persons; in facilities of five hundred to one thousand employees there may be five committee persons; in facilities of one thousand to fifteen hundred there may be seven committee persons.

Any deviation from these rules to cover special conditions in any facility will be negotiated between Allison and the International Officers of the UAW.

**District Committeepersons**

(10) Each bargaining unit will be districted by agreement between Allison and the Shop Committee so that insofar as practicable each district on each shift shall contain approximately two hundred and fifty employees. Each committeeperson shall have a definitely defined district. The members of the UAW in each such district shall elect a committeeperson and an alternate committeeperson who is working in that district to represent the employees in that district. An alternate district committeeperson in each district, whose duties shall be the same as those of the regular district committeeperson for that district at the time that the regular committeeperson is absent from the facility, may be selected by the members of the UAW. The total number of employees receiving a regular payroll check for work performed (plus employees who did not receive a regular payroll check who are on an approved vacation or leave of absence pursuant to Paragraphs (103) and (109) - short term) during a week representative of normal operations, mutually selected by Allison and Shop Committee, will be the number used for redistricting. Facilities shall be redistricted not more frequently than at six-month intervals, upon request of either the Allison or Shop Committee, when there is a change in the number of employees equal to two hundred and fifty or five percent, whichever is greater. Thereafter, redistricting shall be accomplished within twenty working days of such request.

**Shop Committees**

(11) The Shop Committee shall be as follows:

Shop Committee  
Consists of

Employment	Number of Districts	District Committeepersons	Shop Committeepersons at Large	Total Shop Committeepersons
Up to 50	2	2	0	2
51 to 500	3	2-3	0-1	3
501 to 1000	5	4-5	0-1	5
1001 to 1500	7	6-7	0-1	7
1501 to 2500	6 to 10	5-7	0-2	7
2501 to 3500	10 to 14	4-5	2-3	7

(11a) Provided there are one thousand (1,000) active represented employees (not counting temporary layoffs), there will be two (2) Zone positions maintained.

(12) When one or more members of the Shop Committee is elected at large, one of such members shall be the Chairperson of the Shop Committee.

(13) Each member of the Shop Committee elected at large shall have a definitely defined zone as may be agreed upon between the Shop Committee and Allison. Where the Chairperson of the Shop Committee is elected at large, the entire facility shall constitute the Chairperson's zone. In the event a committeeperson is requested in a district at a time when both the district committeeperson and the alternate are absent from the premises, the zone committeeperson for the zone in which such district is located will be called to handle the complaint. In the event the zone committeeperson is also absent from the premises, the Chairperson of the Shop Committee will be called.

(14) This paragraph is intentionally left blank.

**Meetings of Shop Committees**

(15) Regularly scheduled meetings between representatives of Allison and the Shop Committee shall be held weekly, unless otherwise agreed. Emergency meetings will be arranged by mutual agreement. Regularly scheduled meetings should not be cancelled or rescheduled except where necessary.

**Employment and Job Status of Committeepersons (District, Zone, and Chairpersons of Shop Committees)**

(16) Committeepersons will be employed as full-time UAW representatives during their scheduled working hours. They will function for the purpose of adjusting grievances in accordance with the Grievance Procedure and for other legitimate representation functions. Committeepersons will carry out their duties and functions as UAW representatives in accordance with the chart set out below:

Purpose	District Committeepersons	Members of Shop Committee		
		Who are also District Committeepersons	Who are not District Committeepersons	Chairperson of Shop Committees
Handle Grievances as provided in Par. (29)	In their respective districts	In their respective districts	None	None
Handle Appealed Grievances with Area Manager as provided in Par. (30)	In their respective districts	In their respective districts	Any District	None
Meetings with Management	None	On Meeting Days (3)		
Handle other legitimate representation functions. (1)	In their respective districts	In their respective districts	In their respective zones (2)	In any district or zone

(1) Other legitimate representation functions are defined as normal in-plant activities pertaining to the administration of this Agreement including, but not limited to, participation in joint programs such as health and safety programs, product quality initiatives, skill development activities, etc.; and, provided such activities do not interfere with the work of other employees, supervision or the efficiency of operations.

(2) Or in another zone when designated by the Chairperson if the regular Zone Committeeperson for that Zone is absent from the plant.

(3) Shop Committeepersons attending Management-Shop Committee meetings on shifts other than their regular shift will be paid for time spent in such meetings, with the understanding that their total hours paid for the day in question will not exceed their regularly scheduled shift hours for that day and such changes in shift hours for this purpose will not result in the payment of overtime premium [pursuant to Paragraph (85)(a)]. It is further understood that the above will not result in any increase in representation being furnished as a result of the Zone Committeepersons not working a full shift on their regular shift.

(4) Allison will provide a suitable work center for Benefit Plan Representatives and for Health and Safety Representatives.

Allison will provide a suitable work center for the internal use of designated UAW representatives. The UAW recognizes that the work center will be for the use of designated UAW representatives for the purpose only of handling internal UAW affairs required by this Agreement as they relate to the duties of their office. It is further understood that the other employees may contact UAW representatives in the work center during the non-work time of such employees.

The size and location of the work center will be consistent with the use for which it is intended and shall be determined by Allison after consultation with the Chairperson of the Shop Committee. The work center will include appropriate furnishings, such as desks or tables, chairs, filing cabinets, and in-plant telephone. It will, upon request of the UAW, also be equipped with a private telephone billed directly to the UAW.

The UAW Apprentice committee will be furnished a separate office with appropriate furnishing to perform legitimate clerical functions which are related to their duties as provided in the Agreement.

**(17)** Individuals shall not be eligible to serve as committeepersons unless they are employees and until their names have been placed on the seniority list, are in good standing with the UAW, and they are working in the facility.

**(18)** It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and the Management. Such prompt and fair adjustment includes the timely payment of any and all settlement payment(s). If the union fails to provide the payee(s) of any settlement within thirty (30) calendar days of the settlement, the company shall have no further obligation to pay and the grievance shall be considered withdrawn. The thirty (30) calendar day requirement may be extended upon mutual agreement.

**(19)** The prompt and fair disposition of grievances involves important and equal obligations and responsibilities, both joint and independent, on the part of representatives of each party to protect and preserve the grievance procedure as an orderly means of resolving legitimate grievances.

Committeepersons acting properly in their official capacity should be free from orders by supervision, which, if carried out, would impair the orderly investigation and presentation of grievances. Actions which tend to impair or weaken the grievance procedure, whenever they occur or in whatever manner or form, are improper.

Committeepersons have a responsibility to the UAW and the employees they represent to conduct themselves in a businesslike manner and shall conform to the shop rules. The normal standard of conduct applicable to all employees shall be applied to committeepersons.

**(20)** Upon entering a department in the fulfillment of their duties, committeepersons shall notify the supervisor of that department of their presence and purpose or give the supervisor a copy of the written complaint if one has not already been provided.

Consistent with the purpose of the Grievance Procedure, a rule of reason will be applied in determining when an employee will be excused from the job in order to confer with the Committeeperson handling the employee's grievance. A rule of reason should likewise be applied when, due to production difficulties, excessive absenteeism, or other emergencies, it will not be possible to immediately relieve the employee from the job. On many jobs discussion between the employee and the Committeeperson is entirely practical without the necessity for the employee being relieved. On the other hand, an employee working on a moving conveyor, in an excessively noisy area, should be permitted a reasonable period of time off the job and a suitable place in which to discuss the grievance with the Committeeperson. This shall not interfere with any local practice which is mutually satisfactory.

**(20a)** In the event an employee requests representation under Paragraph (29) prior to being notified of a temporary transfer to another district, the committeeperson for the employee's regular district may respond to the request, providing the districts involved are in reasonable proximity and there is no change of shift.

**(21)** For the purposes of representation in handling grievances and performing other legitimate

representation functions as provided herein, committeepersons will be scheduled to report at the plant as follows:

1. All regular hours up to eight that their district or zone is scheduled to operate, on their respective shifts.

2. Other than regular hours (including overtime, part time or temporary layoffs, shutdown for model change, inventory or plant rearrangement) when ten (10) or more of the people they normally represent are working in their district or zone on their respective shift. Employees on continuous seven- day operations or operations manned by rotating or alternating shifts will not be considered in applying this provision.

When district committeepersons who would be scheduled to report during overtime hours, as provided herein, advise Allison in advance that they will be absent during such hours, Allison will schedule the alternate committeepersons for those districts to report. If committeepersons have been scheduled to report and fail to inform Allison that they will not be at work, Allison will not be responsible for calling the alternate committeeperson.

**(21a)** The shift starting and ending time for committeepersons will be the starting and ending time of the majority of the employees they represent. The provisions of this Representation Section do not require that Committeepersons be called earlier than their regular starting times because some employees in their districts start work earlier than their starting times or be given overtime when some employees in their districts start and quit later than their regular shift hours.

**(21b)** Any problem arising under or not covered by the above provisions, including representation for shifts comprising fewer than 250 employees, shall be subject to negotiations with Allison, with the right of appeal under the Grievance Procedure.

**(21c)** In the event of a reduction in force:

Committeepersons (including Chairpersons of Shop Committees, Zone and District Committeepersons) shall be retained regardless of seniority as long as any employees whom they represent are retained at work in their district or zone.

Alternate committeepersons shall, at the point they would be subject to being removed from their respective district, be retained on a job they can do that is operating in their district. If after complying with all of the terms of this Agreement, alternate committeepersons are laid off, they will be the first to be recalled in their regular groups when work starts in those groups on their own jobs or on other jobs in their districts that they can do.

**(22)** Committeepersons shall enter and remain in the facilities only on their respective shifts unless otherwise agreed to by Allison. They shall be paid at their regular rate for the time spent in the plant on their respective shifts as provided in this Representation Section.

**(22a)** Committeepersons shall establish a regular rate equal to their regular straight time hourly rate, as of the time they assumed their duties as Committeepersons.

This rate shall be adjusted in accordance with any adjustments made in the rate for the classification the Committeeperson then held.

When provisions of the Seniority Agreement entitle committeepersons to return to their former groups on higher rated jobs, their rates will be adjusted in accordance with such provisions. Also Committeepersons are eligible for promotion to higher rated jobs in their District or Zone provided they are the most senior applicant and they are capable of doing the job.

**(22b)** All Committeepersons shall ring in and out, or otherwise account for their time, in the manner required by Allison. Problems regarding the administration of this provision may be referred directly to the Heavy Truck Department of the International Union and the Manager, Labor Relations.

## **Job Status - Local Union Officials**

**(23)** The President, one Vice-President, the UAW Benefit Representative(s), the two union Apprentice Committee members and the Joint Programs Representatives provided for in Document No. 46 shall, at the point where they would be subject to layoff from the plant in a reduction in force, be retained at work in the facility regardless of their seniority, provided they can do a job that is operating. This will not apply in cases of temporary layoffs for product change, inventory, material shortages, machine breakdowns, etc.

**(23a)** While on leave of absence, no employee shall serve as a committeeperson.

**(24)** Committeepersons shall be governed by the facility rules regarding employees entering and leaving. However, members of the Shop Committee and UAW Local 933 President may leave the Allison premises on Union business when arrangements are made as far in advance as possible with Allison by the President of the Local, Chairperson of the Shop Committee or International Representative.

**(24a)** The Chairperson of the Shop Committee will be permitted to leave the facility in accordance with Paragraph (24) and will be paid the regular rate for up to six (6) hours per day Monday through Friday while out of the facility in the performance of legitimate representation functions during straight time hours when otherwise entitled to be in the facility for representation purposes. They shall notify the designated Allison representative, if available, when leaving and returning to the facility during working hours. The Chairperson of the Shop Committee will be permitted to leave the facility in accordance with the above and will be paid the regular rate for up to thirty (30) hours per week, which will be a reservoir available at the start of the week, to be drawn upon during the week Monday through Friday. Any single period of absence must be for a minimum of two (2) or a maximum of six (6) hours.

**(24b)** Allison agrees that the President of Local 933 has duties that include, in addition to administrative duties as the Local 933's Chief Executive Officer, certain elements of UAW International administration.

Accordingly, Allison agrees that if the Local 933 President is a full time employee, such president will be allowed to perform legitimate administrative functions without loss of pay up to a total of forty (40) straight time hours per week. The president, as a portion of the forty (40) hours will be permitted to leave the plant in accordance with Paragraph (24) of the Agreement and will be paid for up to eight (8) hours per day Monday through Friday to perform legitimate administrative functions.

Such President shall notify the designated Allison representative, when leaving and returning to the facility during working hours.

When the President is absent for at least one full working day for reasons other than those provided herein, Management will recognize a temporary replacement from among the full time employees. Notification of such replacement shall be submitted in writing at least twenty-four hours in advance to Allison's designated representative. In the event such a replacement is made, the President shall not be paid and the replacement will be permitted to utilize time out of the facility with pay pursuant to the provisions herein.

Any problems associated with the implementation or administration of the language in paragraph (24b) will be reviewed by the Allison's Labor Relations Staff with the International Representative of the UAW.

**(25)** The names of the committeepersons and alternate committeepersons in each district and the names of the committeepersons constituting the Shop Committee shall be given in writing to Allison. No committeepersons shall function as such until Allison has been advised of their selection, in writing, by the officers of the UAW, Chairperson of the Shop Committee, or an International Officer. Any changes in committeepersons shall be reported to Allison in writing as far in advance as possible.

**(26)** International Executive Officers of the UAW, or their representatives, duly authorized to

represent the International UAW at Shop Committee meetings, or the President of the UAW Local 933 if not employed by Allison, will be permitted to attend meetings between the Shop Committee and Allison representatives. The President of Local 933 who works in Allison facilities and is not a Shop Committeeperson may attend Shop Committee meetings in the facility and will be paid regular rates for time spent in such meetings for the hours otherwise scheduled in Allison's facilities. The designated Allison representative shall not be requested to meet with more than two such UAW representatives, whose names must have been submitted previously to Allison and who must be prepared to show proper credentials. Written requests will be given to Allison at least twenty-four (24) hours before each meeting in all cases covered by this paragraph.

**(27)** Committeepersons having individual grievances in connection with their own work may ask for a member of the Shop Committee to assist them in adjusting the grievance with their respective supervisors.

## **GRIEVANCE PROCEDURE**

The term "grievance" is defined as a written complaint involving the interpretation or application of this Agreement. A grievance does not include a complaint about any act, omission of act, or communication, which occurred before the effective date of this Agreement. The parties agree that the early and expeditious resolution of grievances is in the mutual best interest of the employees, the UAW and Allison. The parties pledge themselves, therefore, to resolve all grievances at the earliest possible stage of the Grievance Procedure, preferably prior to the grievance being filed in written form. The following guidelines have been developed to promote the orderly resolution of employee concerns.

**(28) Oral Presentation of Complaint to Supervisor.** Any employee having a complaint, or one designated member of a group having a complaint, shall first take up the complaint with the appropriate supervisor who will attempt to adjust it.

**(29)** Any employee may request the supervisor to call the committeeperson for that district to handle a specified grievance with the supervisor. The supervisor will send for the committeeperson without undue delay and without further discussion of the grievance.

**(30) Step One – Written Grievance.** Any complaint not resolved in **Oral Presentation to Supervisor**, must be submitted in writing to the Supervisor on forms supplied by Allison and signed by the employee and the committeeperson with specific alleged facts giving rise to the complaint, the specific and applicable Paragraph(s) of this Agreement alleged to have been violated, and the specific remedy requested. Attached to the grievance must be a copy of any documents which are then reasonably available to the employee or committeeperson that support the grievance.

**(30a)** Within ten (10) calendar days of receipt of the completed grievance form and discussion with the bargaining representative, the Supervisor shall provide to the committee person written details of the reason for denial as known by the answering party at the time of the response.

**(30b)** Any grievance not resolved in **(Paragraph 30a)** must be appealed, within ten (10) working days of receipt of the Supervisor's detailed (as known by the answering party at the time of the writing) written response. The Supervisor will provide a copy of the appealed grievance to the employee's appropriate manager or functioning substitute (e.g., area manager; quality manager). Within thirty (30) days of such appeal, the functional manager and appropriate bargaining representative shall schedule a meeting to discuss the grievance. In the event that a mutually agreeable timeframe cannot be established the Chairperson and the Director, Labor Relations will meet to resolve the scheduling issues. A detailed (as known by the answering party at the time of the writing) written answer shall be given to the union committeeperson within three (3) working days after the meeting.

**(31) Step Two – Appeal to Plant Director.** The **Step One** decision will be final and binding unless the grievance is appealed within three (3) working days of the issuance of that decision. The functional manager will provide a copy of the appealed grievance to the Plant Director of

Operations (Director) where the grieving employee is assigned. Within thirty (30) calendar days of receipt of the appeal, the Director will meet with the employee's appropriate shop committeeperson, and such additional representatives, not exceeding two (2) from each side, to assist in the process and prepare such minutes as each deems appropriate. The Director will give a detailed (as known by the answering party at the time of the writing) written decision to that committeeperson within three (3) working days from the date of such meeting. The parties attending such meeting shall have full authority to make final and binding settlements on the employee, the UAW, and Allison.

**(32) Step Two and a Half.** Any grievance not resolved in **(Paragraph 31)** must be appealed within ten (10) working days of receipt of the Plant Director's detailed (as known by the answering party at the time of the writing) written response. Within thirty (30) calendar days of the appeal, the Manager, Labor Relations or their designee and the Chairperson of UAW Local 933 shall meet to discuss the grievance. A detailed written answer (as known by the answering party at the time of the writing) shall be given to the Chairperson within three (3) working days after the meeting.

**(33)** When they deem it necessary or advisable, the Chairperson and the Director of Labor Relations shall secure from the Step Two and a Half participants minutes of the Step Two and a Half meeting for use in any subsequent appeal.

**(34)** This paragraph intentionally left blank.

**(35)** Detailed written answers, as known by the answering party at the time of the response, will be given by Allison's representative to all written grievances presented by the UAW. Any grievance not appealed from a decision at one step of this procedure to the next step within the established time limits of such decision, shall be considered decided on the basis of the last decision and not subject to further appeal. Failure of Allison to respond within the stated time periods shall constitute adjustment of the grievance in favor of the employee(s) and/or UAW. The time limits established at any Step of the grievance procedure may be extended by mutual agreement between the parties.

**(36)** This Paragraph intentionally left blank.

**(37)** If the grievance is not adjusted at **Step Two and a Half** and the Chairperson decides to appeal, such appeal will be within three days of the issuance of the Step Two and a Half answer. The Chairperson will refer the matter to the International UAW's Regional Director by a written "Notice of Unadjusted Grievance," a copy of which must be simultaneously given to the Manager of Labor Relations, on forms supplied by Allison, and will then prepare a complete "Statement of Unadjusted Grievance," signed by the Chairperson setting forth all facts and circumstances surrounding the grievance. A designated Management representative will also prepare a complete "Statement of Unadjusted Grievance" with Allison's reasons supporting the decision. Copies of the UAW's statement will be exchanged with Allison as soon as possible and in any event within fifteen (15) working days of the date of filing the Notice of Unadjusted Grievance, unless the Chairperson and Manager extend the time period by mutual agreement in writing.

**(38) Step Three.** The Chairperson of the Shop Committee shall immediately forward copies of the "Statements of Unadjusted Grievance," to the office of the Regional Director of the International Union which shall, as soon as practicable, determine if an appeal meeting is necessary. The Regional Director (or designee) will be granted permission to visit the facility for the purpose of investigating the specific grievance involved in "Statements of Unadjusted Grievance," providing such a grievance is of the nature that observation or investigation will aid in:

- (1)** Arriving at a decision as to whether or not a grievance exists;
- (2)** Arriving at a decision as to whether or not such grievance shall be appealed;
- (3)** The purpose of its proper presentation in the event of appeal.

Such visits will occur only after the following procedure has been complied with:

**(a)** The names of the individuals who will be permitted to enter the facility must be submitted in writing to Allison prior to the date such entry is requested. Such names will be submitted to



Allison by the Union.

(b) The Regional Director shall give notice in writing to Allison of the request for entry and will identify the representative designated to make the visit and the specific grievance to be investigated. Notice may be given either verbally or in writing.

(c) Allison will acknowledge receipt of the request and set a time during regular working hours which is mutually agreeable for such visit.

(d) A member of the Shop Committee or a district committee person may accompany the UAW representative during such visit if such presence is requested. Allison representatives may accompany the UAW representatives during such visit.

(e) Only one such visit on a specified grievance shall be made by the Regional Director, or specified representative, unless otherwise mutually agreed to.

(f) Such visits shall be restricted to the time mutually agreed upon in Sub-paragraph (c) above and shall be of reasonable duration and shall be subject to all General Rules of Conduct (i.e., Shop Rules) which apply to employees and all regulations made by the United States Armed Forces, Federal Bureau of Investigation, or other relevant agency of the United States government.

It is mutually agreed that the purpose of this provision is solely to facilitate the operation of the grievance procedure, and that the UAW representative shall confine such a visit to its stated purpose. If it is necessary the UAW representative may interview the employee or employees signing the grievance and employees in the bargaining unit who have information relevant to the case. Such interview shall be a private interview when requested by the UAW Representative and a suitable place will be provided.

The **Step Three** meeting between the Regional Director or designee and Executive Director, Labor Relations or designee shall be scheduled within thirty (30) calendar days. Such meeting will be held within one hundred twenty (120) calendar days of being scheduled. A written answer will be provided within ten (10) calendar days of such meeting.

If the Regional Director decides to appeal the case, notice shall be given on the form "Notice of Appeal to Arbitration" supplied by Allison, sending one copy each to Allison and the Chairperson of the Shop Committee. Such "Notice of Appeal to Arbitration" will carry the same case number as the "Statement of Unadjusted Grievance." Any case not appealed to Arbitration within thirty days, or within thirty (30) days plus any agreed upon extension shall be finally and automatically closed on the basis of the latest written decision of Allison and shall not be subject to further appeal.

**(39) Step 4 – Arbitration.** The decision of Step Three will be final and binding unless the grievance is appealed in writing to **Step Four - Arbitration**. Such appeal to Arbitration shall be directed to Allison's Executive Director of Labor Relations. Within twenty (20) calendar days, an impartial arbitrator shall be appointed by mutual agreement of the parties. If the Parties are unable to agree to an arbitrator within twenty (20) calendar days, the parties shall use the services of the American Arbitration Association and proceed according to its rules as then effective. The fees and expenses of arbitration and any other jointly incurred expense incurred in connection with the arbitration proceedings shall be paid by the non-prevailing party. The decision of the arbitrator will be final and binding on Allison, the UAW, and the grieving employee or employees.

The jurisdiction and authority of the arbitrator shall be confined exclusively to the interpretation of the explicit provision or provisions of this Agreement at issue in the arbitration. The arbitrator shall have no authority to add to, detract from, alter, amend or modify any provision of this Agreement or impose on any party a limitation or obligation not explicitly provided for in this Agreement. The arbitrator shall have no authority or power to limit or impair any right that Paragraph 8 of this Agreement reserves to Management.

Unless otherwise agreed by the parties, or in cases which the underlying facts are common, each grievance appealed to arbitration shall be the subject of a separate and distinct arbitration hearing and decision, and no arbitrator shall hear or decide more than one (1) grievance in any one (1) arbitration proceeding.

After the referral of an unresolved grievance to the Director and prior to the setting of an Arbitration date by the Arbitrator, either party may request the other enter into good faith mediation to determine if there is an alternative to arbitration and resolving the matter(s) at issue.

### **General Provisions**

**(40)** This paragraph intentionally left blank.

**(41)** This paragraph intentionally left blank.

**(42)** This paragraph intentionally left blank.

**(43)** Any grievance involving a dispute regarding an employee's job assignment which has resulted in a loss of work (except as provided in [a] below), or a refusal of Allison to return an employee to work from sick leave of absence by reason of the medical findings of a physician or physicians acting for the Allison, will be initiated at Labor Relations, if such findings are in conflict with the findings of the employee's personal physician with respect to whether the employee is able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. Failing to resolve the question, the parties may refer the employee to a local clinic or physician mutually agreed upon for an impartial medical opinion as to whether the employee is or is not able to do a job to which the employee is entitled, in line with the employee's seniority, or do the disputed job assignment as the case may be. If Allison and the UAW are unable to agree on any aspect of the referral to a clinic or physician, the case may be appealed as provided in the grievance procedure. Without adding to or modifying any other provisions of this Agreement or any of its Supplements, where an Impartial Medical Opinion (IMO) Program is in effect in a plant the medical authority(s) approved for such program may be the "local clinic or independent physician" provided for above. The expense of any mutually agreed to physical examination(s) in accordance with the above provisions of this Paragraph (43) shall be paid one half by Allison and one half by the Local UAW.

**(a)** This procedure will also be applicable to a situation where an employee is prevented from being transferred to a job classification because of a medical finding by a physician acting for Allison, which medical finding the employee's personal physician does not thereafter detect.

**(1)** In the event Allison and the International UAW are unable to mutually agree at the Third Step, on the referral to a clinic or physician, the case shall be considered as automatically appealed to the Arbitrator and shall be scheduled for Arbitrator Hearing as expeditiously as practicable. The case will then be handled in accordance with Paragraph (45). Information furnished the Arbitrator shall include all relevant and material medical information that the parties themselves have jointly considered. When deciding medical questions, the Arbitrator shall seek such competent medical advice, including specialists, as the Arbitrator may deem appropriate. Any examination of the employee by the medical personnel selected by the Arbitrator shall be conducted as close as feasible to the city in which the plant where the grievance arose is located.

**(2)** Any decision by a mutually agreed to medical authority at any step of this Paragraph (43) procedure, or by the Arbitration, shall be final and binding on the UAW, the employee involved and Allison. Any retroactive pay due an employee shall be limited to a period commencing with the date of filing of the grievance, or the date the employee became able to do a job to which the employee is entitled, in line with the employee's seniority, whichever is the later. The Arbitrator shall have full discretion to set the amount of back pay, if any, when a dispute exists as to the back pay to which an employee may be entitled for any period during the processing of the grievance when the employee refuses to cooperate with diagnostic medical procedures at other than the employee's own expense.

**(44)** This Paragraph intentionally left blank.

**(45)** Allison will provide the UAW with a monthly summary of appeal cases protesting the loss of seniority, the discharge of employees and also those protesting progressive disciplinary actions which involve an employee whose discharge is also under protest in an open appeal case.

This information will enable both the UAW and Allison's Labor Relations staff to monitor the number of such cases on appeal at any given time and to take remedial action on any particular case which may be subject to undue delay.

**(46)** Any claim by the UAW that Allison has violated Paragraphs (78), (79), (183a), (183b), (183c), (183e), Appendix F-1, Appendix L, or an Allison Policy, shall originate at Labor Relations. In making a decision on such cases, the Arbitrator can only provide a remedy where the Arbitrator finds that (1) a violation of the express commitments set forth in the above paragraphs, Appendix F-1, or Appendix L has been established, (2) the established violation resulted from the exercise of improper judgment by Allison, (3) a Journey person, who customarily would perform the work in question has been laid off or was allowed to remain on layoff as a direct and immediate result of work being subcontracted, or (4) in the case of Appendix L, an employee has been laid off or was allowed to remain on layoff as a result of work being outsourced, or not being brought in-house. The Arbitrator's remedy shall be limited to back wages for the affected employees as defined in (3) and (4) of this paragraph, and in the case of Appendix L, the Arbitrator may rule that the affected employee(s) will be recalled and/or placed on regular productive work and the work in dispute or equivalent replacement work be returned to Allison.

**(47)** Allison delegates to the Arbitrator full discretion in cases of discipline for violation of shop rules, or discipline for violation of the Strikes, Stoppages and Lock-outs Section of the Agreement.

**(48)** Any claims including claims for back wages by an employee covered by this Agreement, or by the UAW, against Allison shall not be valid for a period prior to the date the grievance was first filed in writing, except that:

**(1)** In cases based on a violation which is not continuing, such claims shall be valid for a period of not more than seven (7) calendar days prior to the date the grievance was first filed in writing unless the circumstances of the case made it impossible for the employee, or for the UAW, as the case may be, to know that the employee, or the UAW, had grounds for such a claim prior to that date, in which case the claim shall be limited retroactively to a period of forty-five (45) calendar days prior to the date the claim was first filed in writing.

**(2)** In cases based on a violation which is continuing, if the circumstances of the case made it impossible for the employee, or for the UAW, as the case may be, to know that the employee, or the UAW, had grounds for such a claim prior to that date, the claim shall be limited retroactively to a period sixty (60) calendar days prior to the date the claim was first filed in writing.

**(49)** Deductions from an employee's wages to recover overpayments made in error will not be made unless the employee is notified prior to the end of the month following the month in which the check (or payroll order) in question was delivered to the employee. Deductions for overpayments shall be limited to no more than \$150 per pay check. If the employee is on any type of leave the amount deducted will be postponed until the employee returns to work.

**(49a)** For correcting pay shortages of four (4.0) pay hours or more due to Management error:

- Management will inform the employee of his/her options to receive their shortage and as necessary submit pay shortage information in the Payroll System prior to the end of the employees shift.
- A direct deposit will be prepared with the employee's normal tax deductions
- The funds will be directly deposited in the employees checking account by the end of the next banking day and available to the employee pursuant to the bank's deposit rules.

**(50)** All claims for back wages shall be limited to the amount of wages the employee would otherwise have earned from employment with Allison during the periods as above defined, and, in the case of protested discipline or loss of seniority, the amount of Supplemental Unemployment Benefits and Unemployment Compensation (provided the denial of this benefit is final) the employee applied for in a timely manner, was otherwise entitled to, but did not receive because of such discipline or loss of seniority, less the following:

**(1)** Any Unemployment Compensation received for a week which corresponds to a

week the employee would have worked for Allison which the employee is not obligated to repay or which the employee is obligated to repay but has not repaid nor authorized Allison to repay on the employee's behalf.

(2) Compensation for personal services other than the amount of compensation received from any other employment which the employee had when last working for Allison and which would have continued had the employee continued to work for Company during the period covered by the claim.

Wages for total hours worked each week in other employment in excess of the total number of hours the employee would have worked for Allison during each corresponding week of the period covered by the claim, shall not be deducted.

The calculation of a back pay award made pursuant to this paragraph will be provided to the employee involved upon request.

(51) No decision of the Arbitrator or of Allison in one case shall create a basis for a retroactive adjustment in any other case prior to the date of written filing of each such specific claim.

(52) After a case has been referred to Arbitration, it may not be withdrawn by either party except by mutual consent.

(53) There shall be no appeal from the Arbitrator's decision, which will be final and binding on the UAW and its members, the employee(s) involved and Allison. The UAW will discourage any attempt of its members to, and will not encourage or cooperate with any of its members, in, any appeal to any Court or Labor Board from a decision of the Arbitrator.

With respect to the processing, disposition and/or settlement of any grievance initiated under the Grievance Procedures of this Agreement, and with respect to any court action claiming or alleging a violation of this Agreement, the UAW shall be the sole and exclusive representative of the employee or employees covered by this Agreement. The disposition or settlement, by and between Allison and the UAW, of any grievance or other matter, shall constitute a full and complete settlement thereof and shall be final and binding upon the UAW and its members, the employee or employees involved and Allison.

Neither Allison, nor the UAW, nor any employee or group of employees, may initiate or cause to be initiated or press any court action claiming or alleging a violation of this Agreement or other agreement amendatory or supplemental hereto, where such claim is also the subject matter of a grievance which is then open at any step of this grievance procedure.

No employee or former employee shall have any right under this Agreement in any claim, proceeding, action or otherwise on the basis, or by reason, of any claim that the UAW or any UAW officer or representative has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the UAW or any UAW officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

(54) Any grievances which Allison may have against the UAW shall be initiated at **Step Three** by written notice presented to the Chairperson of the Shop Committee. If the matter is not satisfactorily settled at this meeting or within sixty (60) days thereafter by agreement, the case may be appealed to Arbitration by Allison upon written notice to the Regional Director of the International UAW.

(55) Any issue involving the interpretation and/or the application of any term of this Agreement may be initiated by either party directly with the other party. Upon failure of the parties to agree with respect to the correct interpretation or application of the Agreement to the issue, it may then be appealed directly to Arbitration as provided above.

### **Acquiring Seniority**

#### **SENIORITY**

(56) Employees shall be regarded as probationary employees until their names have been placed on the seniority list. There shall be no responsibility for the reemployment of probationary

employees if they are laid off or discharged during this period.

**(57)** Employees may acquire seniority by working ninety days during a period of six continuous months in which event the employee's seniority will date back ninety days from the date seniority is acquired; provided, however, that employees rehired pursuant to Paragraph (64)(e) will acquire seniority on their first day of work. Employees who are placed in permanent jobs at other Allison facilities, not described in Paragraph 2, will establish seniority at the subsequent facility on the day they started accumulating seniority under Allison.

**(58)** When employees acquire seniority, their names will be placed on the seniority lists for their respective occupational groups in the order of their seniority. The seniority of those employees having the same seniority date shall be determined by the first letter of their current last name on record. If the last name is the same, the first letter of the first name will be used. If the first name letter is the same, the first letter of the middle name will be used. The employee whose current last name on record begins with the letter closest to "A" shall have the greatest seniority. The seniority of those employees having a 1-7-85 plant seniority date shall be determined by the first letter of their current last name on record. The employee whose current last name on record begins with the letter closest to "A" shall have the greatest seniority.

### **General Provisions**

**(59)** Seniority shall be by non-interchangeable occupational groups within departments, group of departments or site-wide. All seniority agreements and modification or supplements thereto shall be reduced to writing and be subject to the approval of Allison and the UAW. When changes in methods, products, or policies would otherwise require the permanent laying off of employees, the seniority of the displaced employees shall become site-wide and they shall be transferred out of the group in line with their seniority to work they are capable of doing, as comparable to work they have been doing as may be available, at the rate for the job to which they have been transferred.

Seniority shall be by Non-Interchangeable Occupational Groups 1 through 4, and the General Group as listed in Appendix A.

When an employee is transferred from one Non-Interchangeable Occupational Group to another for any reason, there shall be no loss of seniority. However, in cases of transfer for any reason from a NIO group to another NIO group, the employee shall not retain seniority rights to the NIO group from which the employee was transferred and on the effective date of transfer, an employee will acquire seniority in the new NIO group.

This provision does not pertain to employees transferred from the General Group to NIO Groups 1 through 4.

Any transfer or recall from layoff under the provisions of this Agreement will be made only if the employee is capable of doing an available job in the equalization group.

**(a)** The phrase "original classification" as used in this Agreement shall mean the classification last held by an employee in a Non-Interchangeable Occupational Group in which the employee had seniority at the beginning of the application of the Permanent Layoff Procedure.

**(b)** The phrase "permanently laid-off" as used in this Agreement shall mean a layoff other than a temporary layoff which results in an employee not working in the plant.

**(c)** An employee who has been reduced from a classification due to incapability shall not be considered as having previously satisfactorily performed that classification for purposes of the Permanent Layoff and Recall Procedure.

**(d)** If in the application of the Permanent Layoff Procedure or Recall Procedure, due to transfer, an employee is assigned to a classification in Non-Interchangeable Occupational Groups 1 through 4 having a wage rate equal to or greater than the wage rate of their original classification, the employee shall not have additional rights under the Permanent Layoff or Recall Procedure, except as provided under this Paragraph (59) and Paragraph (59)(g) of this Agreement.

**(e)** In the application of the Recall Procedure, an employee shall not be entitled to a classification having a wage rate greater than the wage rate of their original classification. The

provisions of this Paragraph do not apply to employees recalled to the General Group.

**(f)** Skilled trades employees who are reduced from their skilled trades classification may file an application, within thirty (30) calendar days, to be returned to the last classification that the employee held prior to transfer to skilled trades, seniority permitting. These employees have insufficient seniority to hold that classification, they will be afforded the seniority flow rights of that classification. Only applications on file in the Employee Relations Department by 8:00 a.m. Wednesday will fill the vacancy on the following Monday.

**(g)** In the application of the Recall Procedure, employees having seniority recall rights to any of the Non-Interchangeable Occupational Groups will be returned to that Non-Interchangeable Occupational Group in line with their seniority except as provided below.

### **Refusal of Recall Rights**

An employee who is transferred under the Layoff Procedure from one classification to another has the right to refuse recall to that previously held classification. These employees will be contacted by the Joint Placement Representatives who will instruct the employee regarding recall and/or cancellation of seniority recall rights. The UAW/CAS, or its replacement, cancellation must be dated 14 calendar days prior to the recall. This provision for refusal of recall to the previously held classification applies only to those classifications in NIO groups 1 through 4 and does not apply to the General Group, or employees on permanent layoff. This provision is subject to the following conditions:

- (1) An employee refusing recall to a classification is refusing recall to that classification only.
- (2) Employees may re-establish recall rights to a classification by transferring under Paragraph(59)(j) of this Agreement or the Transfer Agreement.
- (3) This provision does not affect Paragraph (59)(j) rights.

**(h)** Employees transferred to a non-supervisory salaried assignment from the bargaining unit will terminate such bargaining unit seniority as of the date of transfer.

**(i)** In the application of the Permanent Layoff Procedure, the Temporary Layoff Procedure and the Recall Procedure an employee designated Leader shall exercise their seniority rights within the group they lead.

- (1) Process for the selection of Assembly Coordinator/Leaders

Following ratification of this Agreement, the Supervisor will canvas the assembly department across all shifts for those who are interested in the Assembly Coordinator/Leader position. To be eligible for survey, an employee must have a minimum of six (6) continuous months experience in the Assembler, Skilled classification and must be able to perform all required duties of that classification and designation.

Interested employees will submit a request for specified training to their respective supervisor and such requests will be granted in seniority order on each shift. Upon successful completion of specified training, the candidate will be eligible for selection as Assembly Coordinator/Leader within their department. After the initial survey, interested employees must submit a written request for the specified training to their supervisor. Permanent openings for Assembly Coordinator/Leader will be offered to the most senior eligible candidates in seniority order across all shifts. The remaining eligible candidates will be used for temporary replacement during Assembly Coordinator absences. Each shift will maintain a group of eligible candidates. During unforeseen Assembler Coordinator/Leader absences, the most senior eligible candidates will be selected to fill temporary openings.

If there are no eligible candidates for Assembly Coordinator/Leader, management has the right of assignment to fill such temporary openings. Employees may opt out of Assembly Coordinator/Leader designation by giving their supervisor written

notice, which will become effective fourteen (14) days from the date of the written notice. When further GMS principles are contemplated as it relates to Assembly Coordinator/Leaders, the parties agree to hold advance discussion to develop mutually agreed upon implementation strategies.

- (2) When "traditional" Leaders are to be selected, in both skill trades and production, the supervisor of the department requisitioning the Leader and the respective District Committeeperson will survey those employees in the classification on all shifts to be led in seniority order. To be eligible to be surveyed, an employee must have a minimum of six (6) continuous months experience in the classification to be led and must be able to perform all required duties of a leader. The most senior employee in the department surveyed desirous of the Leader's job will be selected and designated as Leader.

Thereafter, the employee placed in the Leader designation may opt out via AVO. A copy of the AVO will be provided to the District Committeeperson within 14 days of the date of the AVO. However, the employee is precluded from being surveyed for Leader for the same classification within that department, across all shifts, for a period of three (3) months from the effective date of removal from the Leader designation.

When leaders are absent, Management has the right of assignment to fill the temporary assignments. However, the more senior employees that have been in the classification for six months and show interest in being a permanent leader should be given consideration for such temporary assignments for training purposes. Employees taking such temporary assignments are expected to fulfill all the required duties.

#### **Application Procedure For Non-Interchangeable Occupational Groups 1 Through The General Group**

(j) An employee who has insufficient seniority under the Permanent Layoff Procedure to return to the Non-Interchangeable Occupational Group from which the employee was last reduced, laid-off and who previously had established seniority in any of the Non-Interchangeable Occupational Groups 1 through the General Group, may make application on UAW/CAS, or its replacement, to be recalled to any of the classifications which the employee previously satisfactorily performed.

- (1) An employee must have satisfactorily performed the classification as determined from their employee record and from which the employee was not reduced for incapability. In addition, the employee must have acquired seniority under Paragraph (57) of this Agreement in order to previously have satisfactorily performed the classification.
- (2) An employee must make application within thirty (30) days from date of transfer to the  
General Group or  
lay off.
- (3) Employees who make application and satisfy the requirements of the above paragraph will be recalled to that classification in line with their seniority not later than the second Monday following date of application, seniority permitting. If an eligible employee applies for multiple classifications that are available to them, they will be placed in the highest paid classification in seniority order.
- (4) In the event employees who have an application on file are transferred or recalled to a classification having a job rate equal to or greater than the classification for which the employees applied, or are transferred to the classification for which the employee applied, all other (59)(j) applications will be automatically canceled.
- (5) Employees have the option of canceling their application and/or reapplying for a different classification, on the UAW/CAS, or its replacement, system, any time prior to being offered the job for which the employee applied.
- (6) Employees placed in Non-Interchangeable Occupational Groups 1 through 4 under

these provisions shall have additional seniority recall rights to the highest rated classification the employee has previously satisfactorily performed within the group as openings occur unless the employee has previously refused his/her recall to that classification pursuant to Paragraph (59)(g) of this Agreement.

## **MEDICAL SUPPLEMENT TO THE SENIORITY AGREEMENT**

**(k)** The Parties understand the need to address the placement of medically restricted employees in accordance with this Agreement and in compliance with state and federal law. The Parties emphasize the need to reasonably accommodate restricted individuals in their current work assignments before considering applicable placement alternatives. Hence, this Medical Supplement serves as an understanding between the Parties with respect to the process utilized to best accommodate the individual needs of the employee while maintaining the integrity of the Seniority Agreement. The provisions of this Medical Supplement apply to both temporarily and permanently restricted employees and will remain in effect for the duration of the restriction.

### **General Provisions**

A placement made under this Medical Supplement shall be considered as a medical surplus.

### **Medical Restrictions**

- (1) When an employee brings in a written restriction from their personal physician to their supervisor, the statement must be submitted to the Medical Department for determination. The Medical Department will evaluate and/or further investigate the restriction(s) to determine if the job complies with the restriction(s). A Fitness for Duty Evaluation may be scheduled pursuant to the ADAPT Procedure relative to the instant restriction(s). Upon issuance of a medical restriction(s) from the plant Medical Department, the employee shall be considered as a medically restricted employee for the purposes of this Medical Supplement. The plant Medical Department shall determine both the extent and duration of the medical restriction.

### **Job Placement**

- (2) The ADAPT Team shall be responsible for placing medically restricted employees according to the ADAPT Procedure after it is notified of the restriction(s) by Plant Medical.

### **Initial Placement Provisions**

The following provisions will first be used to accommodate the employee's restriction(s):

### **Current Work Assignment**

- (3) Upon presentation of a medical restriction(s) issued by the plant Medical Department, supervisors will make a reasonable attempt to adjust the employee's current work assignment to meet the restriction(s) while maintaining the effectiveness and efficiency of the operation. Subsequent to the supervisor's initial placement, the ADAPT Team will perform a review of the work assignment with the supervisor to insure it complies with the employee's medical restriction. If supervisors are unable to accommodate the employee's restriction(s), they will immediately contact the ADAPT Team. The ADAPT Team will then determine if additional resources are needed to evaluate the employee's current work assignment i.e., classification, department and shift. Among those resources are: Health and Safety, Ergonomics, Employee Relations, etc.

### **Assignment Within The Current Department, Classification, And Shift**

- (4) If the current work assignment cannot be adjusted by reasonable accommodations, other assignments within the same department, classification and



shift will be considered with the coordination and consultation of appropriate functional personnel in accordance with the provision above. Supervisors will maintain the departmental Training Matrix so as to reflect current restricted employee's capabilities regarding all job assignments within the department.

#### **Transitional or Temporary Assignments**

- (5) If an employee cannot be placed in a work assignment within his/her current department, classification, and shift, work assignments of a transitional or temporary nature will be considered where available and practicable. Such assignments must comply with the employee's medical restriction(s) and may not be used to circumvent the rights of other employees in the application of this Agreement.

#### **Subsequent Placement Provisions**

- (6) If employees cannot be placed under the above provisions, then (within their medical restriction(s) and seniority permitting) they will first be placed in an open work assignment in their current classification, or failing that, they may replace the lowest seniority employee in that classification. Barring coincidental declines in volume or other explanatory operating conditions, the replacement requisition shall be filled without undue delay.

#### **General Group, Seniority Permitting**

- (7) If employees cannot be placed under the above provisions, they will be transferred to or within the General Group, within their medical restriction(s), seniority permitting. They may fill an opening, displace a probationary employee or replace the lowest seniority employee in the group. Employees will be paid at the current rate for the General Group classification they hold. The only exception is employees placed in the General Group due to an approved Workman's Compensation injury will be paid the rate prior to the placement in the General Group.

#### **Application of Paragraph (59)(j)**

- (8) Before employees are placed in the General Group or on Sick Leave of Absence they may use the provisions of Paragraph (59)(j) of this Seniority Agreement, seniority permitting, in work assignments they are capable of performing with reasonable accommodation.

#### **Sick Leave of Absence**

- (9) If the employee cannot be placed under the above provisions, the employee may apply for a Sick Leave of Absence under Paragraph (106) of this Agreement.

#### **Removal/Expiration of Medical Restriction**

- (10) If at any time the medical restriction(s) is removed, the employee shall be returned their original classification not later than the second Monday following the date the medical restriction(s) was removed, seniority permitting, under the provisions of this Seniority Agreement.

#### **Application of Paragraph (59)(g)**

- (11) The provisions of Paragraph (59)(g) are unavailable to medically restricted employees; they will be placed under the provisions of the Medical Supplement to the Seniority Agreement.

#### **Resolution and Compliance**

- (12) The ADAPT Team will coordinate all steps of the ADAPT Procedure under this Medical Supplement. The Parties will resolve disagreements regarding the placement of restricted employees in accordance with the provisions of this Agreement. The Parties acknowledge that certain provisions of this Medical Supplement may be modified by applicable State and/or Federal laws.

## SKILLED TRADES SUPPLEMENT TO THE SENIORITY

### AGREEMENT Acquiring Seniority

**(59) (l)** An employee may acquire seniority as provided in the Agreement between Allison Transmission and the International Union UAW.

**(m)** When an employee acquires seniority, his/her name shall be placed on the seniority list in the Non-Interchangeable Occupational Group to which the employee is assigned.

### Definition

**(n)** The term "qualified", used in this Supplement, shall apply to only those employees who have acquired status as Journeyman under the provisions established by the Allison Transmission-UAW Agreement.

**(o)** Each skilled trade classification listed in Appendix A of the Skilled Trades Supplement shall be a Non-Interchangeable Occupational Group.

**(p)** The term "laid off", used in this Supplement, shall apply to an employee who has insufficient seniority to work at Allison Transmission except as provided herein.

**(q)** The phrase "original classification", as used in this Supplement, shall mean the classification last held by an employee in which the employee had seniority at the beginning of the Reduction and Layoff Procedure.

Applications and cancellations will be made at the Employee Information Center on UAWCAS, or its replacement, which will generate an employee copy.

If in the application of the Reduction and Layoff Procedure or Recall Procedure an employee is assigned to a classification having a wage rate equal to his/her original classification, that classification shall be considered his/her original classification unless otherwise provided for in the Supplement.

### Reduction and Layoff Procedure

**(r)** A Journeyman shall be laid off from his/her skilled trades classification in the reverse order of his/her seniority in such classification. A Journeyman thus affected shall be transferred according to the diagram in Skilled Trades Supplement, Appendix B, seniority permitting.

**(s)** A Journeyman who cannot be transferred under the provisions of Paragraph (r) of this Supplement shall be transferred to another skilled classification in which the employee has established Journeyman seniority rights, seniority permitting.

**(t)** A Journeyman who cannot be transferred under the provisions of Paragraph (r) of this Supplement will displace an employee who has not attained the status of a Journeyman in accordance with the provisions of the Agreement.

**(u)** A Journeyman who cannot be transferred under the provisions of Paragraphs (r), (s) and (t) shall be laid off.

**(v)** When by the application of the Reduction and Layoff Procedure, a Journeyman is transferred to another skilled classification in accordance with Paragraphs (r) or (s) of the Supplement, his/her skilled seniority applicable to the classification to which the employee is transferred shall be carried forward to the new classification, effective the date of transfer.

### Recall Procedure

**(w)** A Journeyman shall be recalled to his/her original classification in line with his/her seniority, those with the greatest seniority being recalled first except as hereinafter provided.

A Journeyperson who has insufficient seniority to be recalled to his/her original classification shall be recalled in line with his/her seniority to any one of the skilled classifications to which the employee may have been transferred under the Reduction and Layoff Procedure.

### **General Provisions**

**(x)** An employee who submits satisfactory evidence of experience which qualifies him/her as a Journeyperson and who has not previously established a Journeyperson seniority date in skilled trades shall be given seniority as a Journeyperson as of the date the employee enters or entered the skilled occupational group.

**(y)** It is recognized that certain skilled classifications include the basic requirements of one other or several other skilled classifications and in the process of qualifying under the provisions of Paragraph 178 of the Agreement for status as a Journeyperson in certain classifications, the requirements of Paragraph 178 of the Agreement are satisfied in other skilled classifications.

**(z)** A Journeyperson who has been laid off from skilled trades under the provisions of Paragraph (u) shall be recalled only to skilled trades in order of seniority in accordance with the applicable provisions of the Recall Procedure except as provided herein.

- (1) An employee laid off under the provisions of Paragraph (u) may make application to return to work in a seniority group other than in skilled trades in which the employee retained and accumulated seniority. Failing this, the employee shall be given the seniority treatment accorded employees of that group by the provisions of the Seniority Agreement.

This application to return to work shall be made on the form, as per paragraph 59(f), provided for that purpose and a copy shall be furnished to him/her.

- (2) An employee who has made an application to return to work will be placed in accordance with Paragraph (1) not later than the second Monday following the date his/her application is submitted. When two or more applicants have equal qualifications, the applicant with the greatest seniority shall be given preference.

- (3) An employee will have only one opportunity to make application under Paragraph (1) above.

If the employee refuses the job offered under Paragraph (1), the employee will be precluded from making additional applications during that period of layoff.

If an employee desires to cancel his/her application to return to work the employee must submit written notification of such cancellations 14 calendar days prior to his/her notification of recall under the procedure.

- (4) An employee returned to work under Paragraph (1) shall have his/her full seniority rights restored.

**(aa)** A Journeyperson who is transferred or recalled under the Layoff or Recall Procedure to a skilled classification having a wage rate equal to the wage rate of his/her original classification may make application in writing to Employee Relations for transfer to his/her original classification except as provided herein. An employee who makes application as provided above shall be given preference to fill an opening in his/her original classification when all Journeypersons having recall rights to that classification have been recalled to that classification. When more than one employee makes application for the same classification, the employee having the greatest skilled seniority shall be given preference.

**(bb)** The seniority of those employees who have the same skilled trades seniority date and status shall be determined by their plant seniority. If their plant seniority is also the same, the employee whose last name begins with the letter closest to "A" shall have the greatest seniority.

- (1) The seniority of those employees having a 1-7-85 skilled trades entry date shall use that date, and thereafter by the unbroken skilled trades seniority date.

- (2) The seniority of those employees who transferred having less than a 1-7-85 skilled

trades date of entry shall be by that date of entry, if a tie exists then by the following:

- A) Plant Skilled Date
- B) Plant Seniority Date
- C) GM Skilled Date
- D) GM Seniority Date
- E) Last name closest to "A"

**(cc)** The final and determining factor as to whether an employee has satisfactorily performed a job at Allison Transmission shall be the employee job records.

**(dd)** Any transfer or recall under the provisions of this Supplement will be made only if the employee is capable of doing the job to which the employee is transferred or recalled.

**(ee)** An employee classified as Journeyperson who desires a transfer to another equal or lower rated skilled trades classification in which the employee has previously established a Journeyperson date of entry and who makes application to his/her supervisor and the Employee Relations Department stating his/her desire, will be given preference for openings in his/her plant under the provisions of Paragraph (63)(b) of the Allison Transmission-UAW Agreement.

**(ff)** In the event there are applications filed under Paragraph (ee) and Skilled Trades Supplement - Appendix C, for a vacancy, the applicant with the greatest seniority will be given preference. Applications honored under this provision satisfy the requirements of Skilled Trades Supplement - Appendix C.

**(gg)** Employees working in skilled trades classifications may be permitted to file applications for vacancies in other skilled trades classifications listing their qualifications for such jobs in line with the provisions of Paragraph (153) of the Allison Transmission-UAW Agreement. These applications will be given consideration along with the non-skilled employees who have filed applications under the provisions of Paragraph (153) of the Allison Transmission-UAW Agreement for such openings.

### **Temporary Layoffs**

**(hh)** Temporary layoffs are layoffs for any of the following reasons:

- 1) Product change or plant rearrangement,
- 2) Inventory,
- 3) Shortage of materials, breakdown of machinery and or equipment,
- 4) For any other reason known at the time of layoff to be temporary.

**(ii)** In skilled trades classifications affected by a temporary layoff, for a period not exceeding (21) calendar days, the workforce of the affected equalization group(s) may be adjusted to existing needs by laying off employees on the basis of seniority status in the classification, by department, by equalization group, by shift. Thereafter, if it becomes necessary to lay off Journeypersons with less than one year of skilled trades seniority status in the affected classification such employees may be laid-off in line with their seniority status in the classification, i.e., least senior first.

**(jj)** Applications and cancellations must be submitted at least seven calendar days prior to the temporary layoff, and signed and dated by the employee and the supervisor on the date submitted and the employee will be given a copy. Applications will remain in effect until cancelled or until the employee changes equalization groups. The provisions of Paragraph (68) of the Allison Transmission-UAW Agreement are waived for the purpose of this Paragraph. The application provisions contained in this Paragraph are not to be used by employees with less than one year of plant seniority.

**(kk)** Management will then examine the file of applications submitted from employees of the affected equalization group, with more than one year of plant seniority, who request to work. The applicants with the greatest seniority status in their classification as compared to other applicants in the group may be retained for available work. Thereafter, if it is necessary to lay off additional employees in the affected groups, employees who have not filed an application to work may be laid-off in reverse order of their plant seniority (i.e., most senior first).

**(ll)** If it becomes necessary to lay off Journeypersons with more than one year of seniority who have not filed an application to work, such employees may be laid-off from their equalization group(s) in reverse order of their seniority status in the classification (i.e., most senior first). For the period of temporary layoff, employees in skilled trades classifications who are temporarily laid-off will not be returned to their former classifications. Skilled trades employees who are temporarily laid-off under the provisions of this Paragraph will be recalled in reverse order of their layoff. Except as specified herein, all other provisions of the temporary layoff section are applicable to employees of skilled trade classifications.

In the event of a temporary layoff involving Journeypersons of the various classifications, the time limit specified above will be applied on a classification basis.

**(mm)** During or following a temporary layoff resulting from any of the reasons listed above, as work becomes available, seniority employees laid-off may be recalled to their respective equalization group by shift on the basis that the applicants with the greatest seniority status in their classification may be recalled first. Next employees with more than one year of seniority may be recalled in reverse order of their layoff. Thereafter, those employees with less than one year of seniority may be recalled in reverse order of their layoff.

**(nn)** During the period of temporary layoff, Management retains the right to loan and/or assign employees to other work according to its needs in line with the appropriate Agreements.

**(oo)** In the event the temporary layoff continues for longer than (21) calendar days, such time limits may be extended by mutual agreement of the UAW Shop Committee and Management.

**(pp)** In the event that during the temporary layoff changes in schedules, methods, products, policies, etc., occur, and it becomes necessary to permanently reduce the force, then adjustments will be accomplished within (10) working days from the date of local Management's declaration that a permanent layoff is to occur in accordance with the permanent reduction in force provisions of the Local Seniority Agreement.

**(qq)** In the event overtime is worked in the affected equalization groups during the period of temporary layoff, employees who are working during this period will be considered by equalization group for such overtime work.

**(rr)** Equalization records during the period of temporary layoff will not be changed. Employees will not be charged in their respective groups for any hours worked, or not worked during the period of temporary layoff.

**(ss)** Retention or displacement of another employee under any of these provisions will be on the basis that the retained employees are capable of performing the work to which they are assigned.

**(tt)** An employee's seniority status for layoff or recall will be considered on the basis of the seniority listing for the group available at the start of the temporary layoff in the affected equalization group.

**(uu)** Nothing in any of these provisions shall interfere with the maintenance of the efficiency of operations and an adequately sized workforce.

**(vv)** These provisions will not be cited or relied upon in any way as a basis for adjustments. (Cases brought to Management's attention which are contrary to these provisions will be corrected as soon as possible.)

**(ww)** In the application of the Permanent Layoff or Recall Procedure, an employee shall not be entitled to a job classification having a wage rate greater than the wage rate of his/her original classification.

**(xx)** A Journeyperson may request to be removed from his/her classification pursuant to the following provisions:

- (1) The employee shall make a written application to Employee Relations on the form

provided.

- (2) The request shall be approved within sixty (60) days of the request.
- (3) The employee will be transferred to a production classification which he/she previously satisfactorily performed or to the General Group if an opening is available, seniority permitting.
- (4) The employee shall not retain recall rights to the vacated classification.
- (5) The employee may reapply under Paragraph (152) or (178) of the Allison Transmission-UAW Agreement except where the opening is scheduled to be filled by an apprentice.
- (6) If the employee is returned to the trade which he/she previously held, he/she will establish a new entry date into that classification.

### **Seniority Lists**

**(60)** Up-to-date seniority lists shall be made available to all employees for their inspection within the site either by posting where practical or by a satisfactory equivalent method. The method of displaying seniority lists will be consistent with available technology and administrative systems.

**(60a)** The seniority lists shall contain each employee's name, occupational group, Allison seniority date, and, if different than the employee's Allison seniority date, skilled trades date of entry or skilled trades seniority date.

**(61)** Each three (3) months the Chairperson of the Shop Committee shall be given two up-to-date copies of the complete seniority list containing each employee's name, department number, occupational group or classification, Allison seniority date, and, if different than the employee's Allison seniority date, skilled trades date of entry or skilled trades seniority date. An additional copy of each such list shall be given to the Financial Secretary.

**(61a)** Following the end of each month the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names, department number and seniority dates of employees who during the preceding month have:

- (a)** Acquired seniority.
- (b)** Been granted leaves of absence for military service.
- (c)** Been granted other types of leaves of absence of more than thirty (30) days' duration.
- (d)** Returned to work from leaves of absence described in (b) and (c) above.

Allison will designate on the list those employees who ceased to be subject to the check-off and the reason therefore.

**(61b)** Each week the Chairperson of the Shop Committee shall be furnished two copies and the Financial Secretary shall be furnished one copy of the list of names and department numbers of the employees who during the preceding week:

- (a)** Became new hires into the bargaining unit (designating those hired as Journeymen including identification of apprentice graduates)
- (b)** Returned to work from layoff.
- (c)** Transferred
  - (1) into the bargaining unit, or
  - (2) out of the bargaining unit (to supervisory or non-supervisory position).
- (d)** Had their employment terminated while in a probationary employee status, including the date of hire and last day worked of each such employee.
- (e)** Lost seniority.

- (f) Died (including retired employees).
- (g) Were placed on permanent layoff.

The list shall contain the seniority dates of employees listed under (b), (c) and (g). It shall also include a notation of the seniority date of the employee with the longest seniority who is laid off or the "leveling off" date.

**(61c)** Each month the Financial Secretary shall be furnished with the names, employee identification numbers, department numbers and clock numbers of those employees on the active roll or on layoff, as of the last day of the final payroll period ending in the month, for whom no deductions were made during that dues deduction month and the reason therefore. In the event an employee breaks seniority or transfers out of the bargaining unit during the previous dues deduction month and has an unpaid dues liability, the amount of such liability will be shown on this list. This information should be furnished along with the dues remittance report described in Paragraph (4o). The Financial Secretary will be advised of the order in which the names will be listed and of any future changes in the order of the listing as far in advance as possible.

## **TRANSFER AGREEMENT**

### **General Provisions**

**(62)** An employee who transfers from a classification to an equal or lower rated classification under the provisions of this Agreement shall not retain any seniority rights to that classification for purposes of the Permanent Lay Off and Recall Procedures of the Seniority Agreement. However, in cases of transfer for any reason from a NIO group to another NIO group, the employee shall not retain seniority rights to the NIO group from which the employee was transferred and on the effective date of transfer, an employee will acquire seniority in the new NIO group. This provision does not pertain to employees transferred from the General Group to NIO Groups 1 through 4. This provision does not affect the rights established in Paragraph (59)(j) of the Seniority Agreement. It is understood that in its application, this Agreement must have sufficient flexibility to give full protection to the efficiency of operations under all circumstances and conditions. Furthermore, during times when the amount of movement is anticipated to be larger than under normal operating conditions, the parties agree to work together to jointly determine the best alternatives to meet the needs of the business as well as the needs of employees.

**(62a)** None of the provisions of this Agreement supersede any of the provisions of the Seniority Agreement, except as provided in Paragraph (62) above.

**(62b)** In the administration of this Agreement, sufficient flexibility must be allowed to permit the Parties to comply with their respective and joint responsibilities with respect to equal employment opportunity policies and regulations as prescribed by appropriate governmental agencies.

**(62c)** An employee desiring additional information concerning a classification or classifications for which he/she may be interested in applying or has already applied for may schedule an interview by calling the Employee Relations Department. However, such is not a requirement for being selected. Transfer agreement lists and transfer moves will be made available to the Union for informational purposes.

### **Application Procedure**

**(63)** Applications and cancellations must be made at the Employee Information Center on UAWCAS, or its replacement, which will generate an employee copy.

(a) Employees may not make application to the General Group.

(b) After acquiring seniority, employees in the General Group may make application by using Transfer Application process in UAWCAS, or its replacement. These employees are eligible to apply for any classification within NIO groups I, II, III, IV.

**(63a)** All transfer applications on file in the Employee Relations Department will be purged on

the 4<sup>th</sup> Monday in January each year during the life of the Agreement. Employees will be advised in advance of the purge dates selected as well as the process for re-application mutually agreed upon between the Parties.

**(63b)** An employee may have a maximum of twenty (20) applications for transfer on file at any one time as follows:

- (a)** The employee may specify a classification, a shift, plant and/or a department.
  - (1) Plants may be designated as 3, 4, 6, 12, 14, 15, 16 and 17. Further, Plant 20 will be subject to a joint selection process.
  - (2) Shifts may be designated as shift 1(days), shift 2 (afternoons), shift 3 (midnights) or any shift (an opening in this classification on any shift is desired).

An employee designating shift 1, 2, or 3 who is transferred to his/her preferred classification and shift will be charged with the execution of a shift preference right for the duration of the period of preclusion as expressed in the Shift Preference Agreement. If an employee charged with this executed right is subsequently bumped by a more senior employee during the preclusion period, rights to reapply for shift preference are regenerated. An employee who designated any shift and is subsequently transferred may exercise his/her shift preference rights immediately following the transfer.
  - (3) Only one classification, one department, plant, and one shift designation per application is permitted.
- (b)** When an employee is transferred under the provisions of this Agreement, all other applications for transfer filed by the employee will be cancelled.
- (c)** An employee who is transferred under the provisions of this Agreement shall be precluded from making additional applications for a period of nine (9) months from the date of original transfer. Applications submitted by employees two weeks prior to the expiration of the nine (9) month period, as specified herein, will be processed for transfer under the terms of this Agreement.
  - (1) An employee who is transferred under the provisions of this Agreement and is subsequently removed via the Seniority Agreement shall be permitted to make application under this Agreement immediately.
  - (2) An employee who is transferred under the provisions of this Agreement and is subsequently removed because he/she is deemed incapable shall not be permitted to apply for the same classification under this Agreement until there is proof of sufficient additional training or increase in skills. Employees shall have one (1) opportunity to address their incapability utilizing a training program in which half will be on company time and half will be on their own time (e.g.. 50/50). Following the training employees will be required to prove capability through an assessment mutually agreed to by both parties. Any training to address incapability beyond the first instance shall be accomplished solely on the employee's time (i.e. non-compensated time)
  - (3) If an employee is displaced from his/her plant preference as a result of another employee exercising his/her shift preference rights, the employee may reapply only to return to his/her original plant preference as provided in Paragraph (63c) below. Such application will be considered under the selection procedure below.
- (d)** Any application not to be considered for transfer must be cancelled no later than the cutoff date for valid applications specified in Paragraph (63c) below.

**(63c)** Applications and cancellations to be honored must be submitted at least fourteen (14) calendar days prior to the effective date of the transfer agreement movement using UAWCAS, or its replacement.



**(63d)** Satisfactory experience as used in this Agreement means any experience which the employee received in previous years at this site and any former or current General Motors Division. The employee will be permitted to supply his/her previous experience from that location.

**(63e)** In order to apply for any of the below classifications, an employee must first meet the identified requirements.

**(a)** Coordinator/Heat Treat Control

Requirement: Satisfactorily performed the classification of Heat Treat/Material Services for a minimum of twelve (12) continuous months as determined by the current employee record or completion of the specified training.

**(b)** Coordinator/Jobsetter,

Requirement: Satisfactory grinding or machining experience in Group 4, for a period of six (6) continuous months as determined by the current employee record. Completion of company specified training. The most senior qualified will be chosen.

**(c)** Assembly Group Leader,

Requirement: Minimum of six (6) continuous months experience in the Assembler, Skilled classification and must be able to physically perform all required duties of that classification and designation. Completion of company specified training. Most senior qualified candidate will be chosen

**(d)** Fabrication Machining Specialist

Openings will be filled via the Transfer Agreement when there is a qualified applicant.

For internal candidates: Completion of company specified training. Most senior qualified candidate will be chosen

If there are not internal candidates that meet the role of FMS, openings may be filled by employees currently enrolled in the company specified training. Such employees will be removed from the role if they do not successfully complete the company specified training in a timely manner. If after exhausting currently enrolled employees openings remain, management may hire new employees (i.e. external candidates) that meet the requirements of the role.

If openings still remain, such openings maybe filled from volunteers in the Manufacturing Support Classification in seniority order from those who have completed their probationary period.

Positions that remain open after placements have been made per Paragraph (63b) in the Manufacturing Support classification may be filled by external candidates or if necessary, will be selected from the Warehouse Services classification in reverse service order.

For external candidates: Documented qualifications through experience. Satisfactory completion of company specified training will be given preference. Qualification will be determined by assessment and/or in person interview. A member of the UAW will participate in all external candidate interviews and will have input into whether each candidate should or should not be made an offer of employment.

At the time of ratification of this agreement, employees in the Coordinator Job Setter and FMS classifications will be grandfathered into these roles. Anyone who has previously held the two classifications noted above will be grandfathered in.

For application of (63e)(a) and (63)(b), Management will schedule the employee that has a timely application to either classification to receive the specified training. If the employee has not received the specified training, has a timely application, and is eligible for the transfer per the transfer agreement, the employee will be placed in the classification and will receive the specified training. Unless the employee was scheduled for training and failed to attend.

## **Selection Procedure**

### **(63f) Seniority**

Applications filed for a change in classification representing a transfer to a higher, equal or lower rated classification and applications filed for a change in plant or department will be reviewed collectively in seniority order.

### **(63g) Placement**

Applicants identified in Paragraph (63f) above will fill the appropriate primary opening and any subsequent openings in seniority order in all classifications except Assembler, Skilled and Fabrication Machining Special as described below.

With respect to those two classifications, the applicants identified in Paragraph (63f) above will fill only the first and any resultant second opening within a movement chain. The third and any subsequent openings for those classifications will be filled by Management discretion, including Paragraph (63f) applicants if Management so chooses.

- (a) Employees on approved sick leaves of absence will not be considered for Transfer Agreement movement until they return to active status. Employees who are on a sick leave of absence will not be considered for any movement activity until they clear through the Allison Medical Department and are deemed fit to return to work. Employees who are deemed fit to return before the end of their shift on Tuesday will be considered for the next Mondays Transfer movement activity for which they have a timely application on file.

## **Training**

**(63h)** The Parties will utilize any necessary training in basic fundamentals that cover a broad range of classifications. Additionally, the Parties will utilize job specific training for certain classifications. The parties agree that employees desirous of transfer to the Coordinator/Jobsetter classification must complete a specified training program. After completion of specified training employees will be eligible to transfer. Employees must achieve the identified acceptable level on post training assessments to be considered completed with any specified training.

Training programs will be developed and administered by the Joint Training Department.

**(63i)** The Joint Training Department will be immediately notified of an employee transferring to a new classification. Employees being transferred from one NIO group to another will be immediately eligible for Transfer Agreement Training. Employees transferring between classifications within a NIO group will not be scheduled for the transfer agreement training unless mutually agreed upon.

**(63j)** Training modules for all shifts will be scheduled as necessary to accommodate training needs. Employees must attend all scheduled training and demonstrate, upon completion of the training, the ability to perform the necessary skills. Employees not meeting minimum standards will be so advised and removed from the classification. The employee may resubmit an application following Paragraph (63b)(c)(2).

**(63k)** On the Job Training (OJT) is primary approach for employees to obtain vital job skills. The Parties have documented and implemented a procedure for OJT. Such training will be documented after the employee has been transferred to a new job and received the OJT.

**(63l)** The Parties will meet periodically to review the subject matter for all Transfer Agreement modules.

## Loss of Seniority

**(64)** Seniority shall be broken for the following reasons:

- (a)** If the employee quits.
- (b)** If the employee is discharged.
- (c)** This Paragraph intentionally left blank.

**(d)** If the employees fails to report to work for three working days when scheduled. Such failure shall be considered a voluntarily resignation unless a reason satisfactory to Allison is provided within 72 hours of the resignation. Those employees who have voluntarily resigned will be sent a letter informing them that they have broken seniority. The Chairman of UAW Local 933 will be copied on all such correspondence. The sending of the letter shall occur no earlier than the day it is copied to the Chairman of UAW Local 933. The union reserves the right to file a grievance in the event that the employee or the Union believes that Management acted inappropriately concerning Paragraph (64)(d).

**(e)** If the employee is laid off for a continuous period equal to the seniority which the employee had acquired at the time of such layoff period; in the case of an employee with less than (1) year of seniority, eighteen (18) months; or, in the case of an employee with (1) or more years of seniority, (36) months, whichever is longer. An employee whose seniority is so broken shall, for a period of sixty (60) months beginning with the employee's last scheduled work day prior to being laid off, retain a right to be rehired in accordance with the Allison seniority date.

For the purpose of computing the period for breaking seniority only, the first day of that period will be the next otherwise regularly scheduled work day after layoff. In the case where the next otherwise regularly scheduled work day is a Monday holiday, that Monday will be considered the first day of that period.

**(f)** Retirement as follows:

**(1)** An employee who retires, or who is retired under the terms of the Pension Plan, shall cease to be an employee and shall have seniority canceled.

**(2)** An employee who has been retired on a permanent and total disability pension and who thereby has broken seniority in accordance with subsection (1) above, but, who recovers and has pension payments discontinued, shall have seniority reinstated as though the employee had been on a sick leave of absence during the period of disability retirement, provided however, if the period of disability retirement was for a period longer than the seniority the employee had at the date of retirement, the employee shall, upon the discontinuance of the disability pension, be given seniority equal to the amount of seniority the employee had at the date of such retirement.

**(3)** If an employee retired for reasons other than total and permanent disability who has lost seniority in accordance with subsection (1) above, is rehired such employee will have the status of a new employee and without seniority, and shall not acquire or accumulate any seniority thereafter, except for the purpose of applying the provisions governing Holiday Pay and Vacation Pay.

**(g)** If the employee is issued a Separation Payment check or draft by Allison; pursuant to the Supplemental Agreement attached hereto as Exhibit "D", the employee's seniority shall be broken at any and all plants of Allison as of the date the application for such Separation payment was received by Allison provided, however, that if the employee:

**(1)** returns the amount of the Separation Payment to Allison within 30 days of the date of the Separation Payment check or draft, the employee's seniority shall be reinstated as of the fourth working day following receipt of the returned amount;

**(2)** received such Separation Payment by reason of total and permanent disability and subsequently recovers and reports for work, the employee's seniority shall be reinstated as

though the employee had been on sick leave of absence during the period of disability, provided further, however, that if the period beginning with the date seniority was broken by reason of the Separation Payment and ending with the date of the employee's return to work was for a period longer than the seniority which the employee had at the date such seniority was broken because of the Separation Payment, the employee shall be given seniority equal to the amount of seniority which the employee had at the date of such seniority break.

(h) An employee whose seniority is broken under the provisions of Paragraphs (64)(a), (64)(b), (64)(d), (111)(a) or (111)(b) will, in the event the employee's seniority is reinstated, be reimbursed for any contributions made pursuant to Section 6 of the Supplemental Agreements (Life and Disability Benefits Program and Health Care Program) (Exhibits B and C) which Allison would have made, in accordance with the employee's revised status, under the applicable provisions of the Life and Disability Benefits Program and the Health Care Program (Exhibits B, B-1, C and C-1). An employee who is assessed a disciplinary layoff which is subsequently reduced or rescinded, will be reimbursed for any contributions made pursuant to the Supplemental Agreements (Life and Disability Benefits Program and Health Care Program) (Exhibits B, B-1, C and C-1) which Allison would have made, in accordance with the employee's revised status, under the applicable provisions of the Life and Disability Benefits Program and the Health Care Program (Exhibits B, B-1, C and C-1).

### **Temporary Layoffs**

(65) Temporary layoffs are layoffs for any of the following reasons: product change or plant rearrangement, inventory, shortage of materials, breakdown of machinery and or equipment, for any other reason known at the time of layoff to be temporary.

- (a) For a period not exceeding twenty-one (21) working days, the workforce in the affected equalization groups may be adjusted to existing needs on the basis of seniority by department, by equalization group, by shift. Employees may make application to work when the work in their respective equalization group decreases.
- (b) Applications and cancellations must be submitted at least seven (7) days prior to the temporary layoff, and signed and dated by the employee and the supervisor on the date submitted and the employee will be given a copy. Applications will remain in effect until cancelled or until the employee changes equalization groups. Once a decision is made that a temporary layoff will occur, the Union will be advised as soon as possible. The application provisions contained in this Paragraph are not to be used by employees with less than one year of plant seniority.
- (c) Employees in the affected equalization group(s) with less than one year of plant seniority may be laid-off first on the basis of their seniority, i.e., the least senior first. Management will then examine the file of applications submitted from employees of the affected equalization group, with more than one year of plant seniority, who request to work. The most senior applicants will be retained for available work. Thereafter, if it is necessary to lay off additional employees in the affected groups, employees who have not filed an application to work may be laid-off in reverse order of their plant seniority (i.e., most senior first).
- (d) During or following a temporary layoff resulting from any of the reasons listed above, as work becomes available, seniority employees laid-off may be recalled to their respective equalization group by shift on the basis that the applicant with the most seniority will be recalled first. Next, employees with more than one year of seniority may be recalled in reverse order of their layoff. Thereafter, those employees with less than one year of seniority may be recalled in reverse order of their layoff (i.e. most senior first).
- (e) During the period of temporary layoff, Management retains the right to loan and/or assign employees to other work according to its needs in line with the appropriate Agreements.
- (f) In the event overtime is worked in the affected equalization groups during the period

of temporary layoff, employees who are working during this period will be considered by equalization group for such overtime work.

- (g) Equalization records during the period of temporary layoff will not be changed. Employees will not be charged in their respective groups for any hours worked, or not worked during the period of temporary layoff.
- (h) Retention or displacement of another employee under any of these provisions will be on the basis that the retained employees are capable of performing the work to which they are assigned.
- (i) An employee's seniority status for layoff or recall will be considered on the basis of the seniority listing for the group available at the start of the temporary layoff in the affected equalization group.
- (j) Nothing in any of these provisions shall interfere with the maintenance of the efficiency of operations and an adequately sized workforce.
- (k) In the event the temporary layoff continues for longer than twenty-one (21) working days, such time limits may be extended by mutual agreement.
- (l) In the event that during the temporary layoff changes in schedules, methods, products, policies, etc., occur, and it becomes necessary to permanently reduce the force, then adjustments will be accomplished within ten (10) working days from the date of Management's declaration that a permanent layoff is to occur in accordance with the Permanent Layoff Procedure below.
- (m) These provisions will not be cited or relied upon in any way as a basis for adjustments. (Cases brought to Management's attention, which are contrary to these provisions, will be corrected as soon as possible.)

#### **Permanent Layoff Procedure - Non-Interchangeable Occupational Groups 1 Through 4 and the General Group**

**(66)** The permanent Layoff procedure of this agreement applies to a reduction in force resulting in an employee or employees being permanently laid-off or to a reduction in the number of employees in a classification resulting in transfer to a lower rated classification.

- (a) The least senior employee working will first be displaced by the more senior employee identified by the surplus provisions below. In the administration of the Permanent Layoff Procedure, and in conjunction with any accompanying Seniority Agreement, Transfer Agreement, and/or Shift Preference Agreement moves, all movement will be administered in the following sequence:

(1) Seniority Agreement (surplus, recall, Par. (59)(j), etc.)

(2) Transfer Agreement

(3) Shift Preference Agreement

The resultant openings may be filled by Management, subject to the terms of the appropriate agreements. Management maintains the responsibility of determining the number of open requisitions based on business requirements. In the placement process, Management will attempt to match skill in determining the opening to be filled. Skill will be determined by the Employee Job Record. The provisions of this paragraph are not applicable to the Coordinator/Heat Treat Control Classification. The Hourly Personnel Group will act upon only those surplus and requisition requests that are received as of 8 a.m. Wednesday morning unless otherwise mutually agreed upon. The Joint Placement Team will attempt to have the Monday move list available to employees on the preceding Wednesday afternoon.

- (b) When a department finds it necessary to surplus employees in a given classification, the

least senior employee in the affected classification in the department will be transferred or laid off in the following manner:

- (1) First, the affected employees will fill open requisitions in their classification.
  - (2) When all open requisitions in that classification have been filled, Management will process Paragraph (63) applications that create openings for that classification to be filled.
  - (3) When no openings for that classification remain, employees will displace, seniority permitting, the least seniority employee in the affected classification.
  - (4) When there are no lower seniority employees in the affected employee's classification, employees will be transferred in a manner determined by their NIO Group.
  - (5) Employees will be transferred to any classification in their NIO Group (below) provided they have previously satisfactorily performed the classification, seniority permitting, and have not refused recall to the classification pursuant to paragraph (59)(g) or relinquished recall to the classification pursuant to Paragraph (62).
- (c) Group 1 – The employee will be transferred to any Group 1 classification. An employee having seniority in the Transmission Rework Mechanic classification shall be considered as having previously satisfactorily performed the Assembler Skilled classification.
- (d) Group 2 – The employee will be transferred to any Group 2 opening, or will displace, seniority permitting, the least senior employee in Group 2.
- (e) Group 3 – The employee will be transferred to any Group 3 classification. An employee having seniority in the Coordinator/Heat Treat Control classification shall be considered as previously satisfactorily performed the Heat Treat/Material Services classification. An employee having seniority in any Group 3 classification shall be considered as having previously satisfactorily performed the Oiler classification.
- (f) Group 4 – The employee may be transferred to any Group 4 classification that they qualify for. An employee having seniority in the Coordinator/Jobsetter classification shall be considered as having previously satisfactorily performed any Group 4 classification.
- (g) When employees cannot be placed under any of the above provisions, they may fill openings in the General Group, displace the least senior employee in the General Group, or exercise their rights provided in Paragraph (59)(j). Employees surplus to the lower paid General Group due to a reduction in the workforce will remain at the same pay rate of the last classification held prior to entering the General Group. An employee having seniority in the Manufacturing Support classification will be considered as having previously satisfactorily performed the Warehouse Services classification.
- (h) An employee who has insufficient seniority to be assigned under any of the above provisions shall be placed on Permanent Layoff.

### **Recall Procedure**

(67) Permanently laid-off employees may be recalled to an opening in the General Group, at the same pay rate held prior to Permanent Layoff, in line with seniority, those having the greatest seniority being recalled first, except as provided in Paragraph (66). However, when openings exist for classifications in NIO Groups 1 through 4 and all applicable recall rights and applications for transfer under Paragraph (63) have been exhausted, laid off employees, may be recalled directly to the referenced openings in line with their recall rights and seniority.

For employees surplus to the General Group, refusal of recall rights is not an option. Instead, they will be recalled to NIO Groups 1 through 4 in line with their recall rights and seniority. If recalled to one of the NIO Groups, employees shall exercise the same rights in their NIO Group for the purpose of recall as established in their NIO Group for purpose of reduction

and/or lay-off; those having the greatest seniority shall be recalled first, and having not refused recall to the classification under Paragraph (59)(g), or relinquish recall to the classification pursuant to Paragraphs (62). Recalled employees shall have additional recall rights to a classification they have previously satisfactorily performed in their NIO Group. Employees recalled to a classification having a wage rate lower than the wage rate of their original classification shall have additional recall rights to their original classification. Eligible employees with recall rights to multiple classifications, that are available to them, will be placed in the highest paid classification in seniority order.

## **APPENDIX A**

### **NON-INTERCHANGEABLE OCCUPATIONAL GROUPS FOR LAYOFF AND RECALL**

#### **GROUP 1**

Assembler, Skilled  
Transmission Rework Mechanic  
Transmission Test Mechanic

#### **GROUP 2**

Inspector, Process Audit

#### **GROUP 3**

Coordinator/Heat Treat  
Control Heat Treat/Material  
Services Material Services  
Oiler

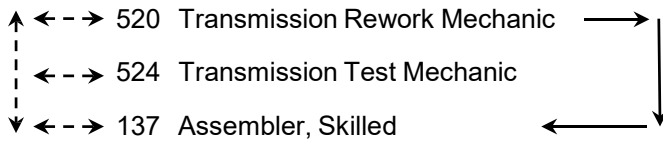
#### **GROUP 4**

Coordinator/Jobsetter  
Fabrication Machining Special  
Transmission Repair/Salvage Rework & Weld

#### **GENERAL GROUP**

Manufacturing Support  
Warehouse Services

**NIO GROUP I**



Seniority Permitting:

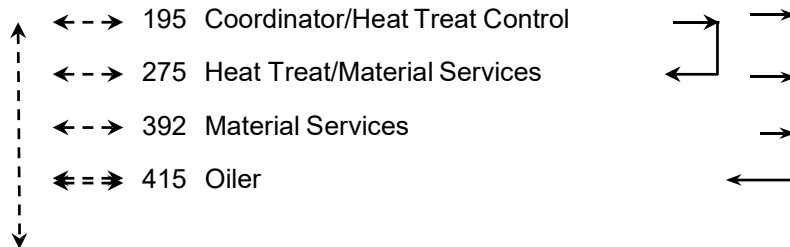
---> May bump if previously satisfactorily performed.

—— May bump without previously satisfactorily performing.

**NIO GROUP II**

290 Inspector, Process Audit

**NIO GROUP III**



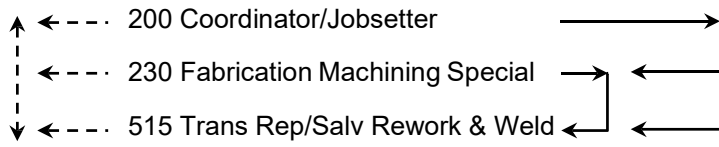
Seniority Permitting:

---> May bump if previously satisfactorily performed.

—— May bump without having previously satisfactorily performed.



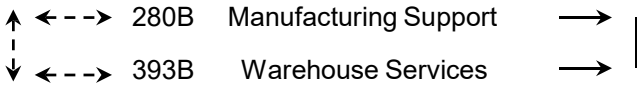
**NIO GROUP IV**



Seniority Permitting:

- - - > May bump if previously satisfactorily performed.
- May bump without having previously satisfactorily performed.

**GENERAL GROUP**



Seniority Permitting:

- - - > May bump if previously satisfactorily performed.
- May bump without having previously satisfactorily performed.

**SKILLED TRADES SUPPLEMENT TO THE SENIORITY AGREEMENT**

**APPENDIX A**

Auto, Truck and Trailer Repair Mechanic

Carpenter

Electrician

Experimental Transmission Mechanic

Machine Repair

Millwright Welder

Pipefitter

Refrigeration and Air Conditioning Maintenance

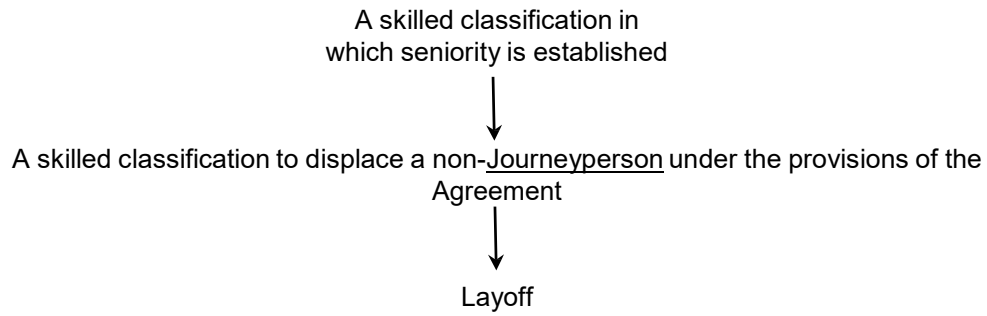
Stationary Engineer, Powerhouse

Tool and Die Maker

**SKILLED TRADES SUPPLEMENT TO THE SENIORITY AGREEMENT**

**APPENDIX B**

Diagram Applicable To Layoff (Paragraph (59)(r)  
and Recall (Paragraph (59)(w) For Skilled Trades



## SKILLED TRADES SUPPLEMENT TO THE SENIORITY AGREEMENT

### APPENDIX C

A Journeyperson with at least one year of plant seniority may apply for an opening in his/her classification and be considered for a transfer on a site-wide basis under the following conditions:

1. The employee must be capable of performing the job opening which occurs.
2. Employees may file only one (1) application in a three (3) month period from date of application or from date of transfer or written cancellation, whichever is later under this understanding. After three (3) months, an employee may cancel and reapply immediately.
3. This provision is not applicable to openings filled by apprentices except as provided below.

Consistent with Appendix D (2) of the Skilled Trades Supplement to the Seniority Agreement, an apprentice will be returned to his/her home plant of indenturement prior to graduation. After graduation, all applicable Appendix C ("150") applications will be honored before the newly-graduated Journeyperson is placed.

4. The application must be made on the form provided and must designate his/her plant preference. The employee will only be considered for transfer to a vacancy in the plant, area, and shift designated as preferred.
  - a. For purposes of this Agreement, the Facility construction/maintenance group and the manufacturing Service groups, each plant will stand alone for purposes of Appendix C. For Tool & Die Maker/Department 0342; the individual Plants/Areas are Tool Room, Engineering Test, 4, 6, 12, 14, and 15.
  - b. Requisitions will not be cancelled without prior discussion with the Skilled Trades Zone Committeeperson, Management, and the Joint Placement Representatives.
5. Only applications that are on file in the Employee Relations Department by 8:00 a.m. Wednesday will be considered for a vacancy that is to be filled the following Monday. Likewise, a cancellation form must be in the Employee Relations Department by 8 a.m. Wednesday to be effective the following Monday. Disputes regarding this provision should be referred to Employee Relations by the Skilled Trades Zone Committeeperson for resolution.

An employee with a valid application on file will be moved in accordance with the provisions of this Appendix in the following sequence.

1. Appendix C (150)
  2. Seniority Agreement
  3. Shift Preference Agreement
6. In a reduction in force in a trade at a specific plant that would result in a Journeyperson being surplus to fill an opening in another plant, the opening at the second plant will be filled under the terms of this Agreement. If the reduction in force at a specific plant would result in a less senior Journeyperson being displaced from the trade at the second plant, the more senior applicant under these provisions at the original plant will be transferred to the second plant to displace the least senior Journeyperson. In all other situations, the applicable agreements must be satisfied before this procedure will apply.
  7. If there is more than one applicant for a classification, and a vacancy occurs, the applicant with the greater seniority in the classification will be moved to fill the vacancy. The seniority of those employees having 1-7-85 skilled trades entry date shall use the date as determined by Appendix A, Memorandum of Understanding Employee Placement, and thereafter by the unbroken skilled trades seniority date.

8. If there are two applications on file for comparable plants (e.g. Plant 3 applies to Plant 14 and Plant 14 applies to Plant 3), the two employees who have so applied will be transferred in accordance with their applications.
9. The terms of this Appendix "C" will be applied to all openings before laid-off or reduced employees are recalled to skilled trades classifications.
10. Management reserves the right to "corral" newly hired tradespersons in a plant, and/or department, and/or shift for a period of up to forty five (45) days following orientation. Such "corralled" employees are not subject to this Appendix C for this period.

This procedure will only apply to the extent that Management has the flexibility to give full protection to the efficiency of the operations under all circumstances and conditions. Questions regarding the proper application of Appendix "C", Skilled Trades Supplement, will be reviewed by the Skilled Trades Zone Committeeperson and Labor Relations for prompt resolution.

## **SKILLED TRADES SUPPLEMENT TO THE SENIORITY AGREEMENT**

### **APPENDIX D**

1. Apprentices may be temporarily transferred to another plant for training which is not available in their home plant by the Apprentice Committee.
2. Apprentices will be assigned a "home" plant and shift as they begin their training. Recognizing that business conditions may change during the apprenticeship period, this assignment may be changed within the four year period. The assignment will be reviewed at least yearly and will be locked in three (3) months prior to graduation.
3. Transfers after graduation will be handled under the provisions of applicable agreements.

## SKILLED TRADES SUPPLEMENT TO THE SENIORITY AGREEMENT

### APPENDIX E

1. In making job assignments, Management recognizes the installation, maintenance and repair of machines, equipment and facilities is work properly belonging to skilled trades employees who have historically performed this work. Management intends to respect the basic differences between the trades and recognizes the importance and prestige of its tradesmen/women.
2. Skilled tradesmen/women are expected to perform incidental tasks normally associated with other skilled classifications which are necessary to the completion of the primary assignment. Employees will not be asked to perform incidental or secondary tasks where to do so would create a safety hazard for themselves or someone else.

(a) It is understood that after a project kit has been delivered, the movement of material and tools needed to complete the assignment that do not require rigging can be done by any tradesperson. Examples include: drywall, lumber, pipe, wire, conduit, tools, and equipment on pallets.

3. Management states that as a general policy it is the Company's desire to assign work to employees that falls within their skilled classification, and not to regularly or continuously make skilled work assignments that cross those classification lines to the extent that it breaks down the lines of demarcation between skilled classifications.
4. It is further agreed that when day-to-day disputes arise, the Parties will discuss these items and attempt to resolve them. Both Parties agree that disputes involving skilled trades work assignments will continue to be handled in accordance with Paragraphs (182)(a) through (182)(d) of the Allison Transmission-UAW Agreement. Further, the Parties recognize that this understanding does not modify the proper application of Paragraph (71) of the Allison Transmission-UAW Agreement or the Local Equalization of Hours Agreement and complaints regarding such matters will continue to be handled in the grievance procedure.

**(68)** Allison will, whenever possible, give at least fourteen (14) calendar days' notice to the affected employees prior to layoff.

**(69)** Employees transferred from supervisory positions to job classifications in the bargaining unit shall be credited with the seniority established and all time worked in a supervisory position subsequent to the effective date of this agreement, provided:

- (a)** The employee previously worked on a job classification in the bargaining unit. This shall also be applied to employees who were promoted prior to certification of the UAW.
- (b)** Employment with Allison has remained unbroken.
- (c)** Such employees will be returned to the classification in the department or group previously held prior to leaving the bargaining unit if such assignment did not exceed one hundred eighty (180) days.

Such employees may be placed on the job to which the employee's seniority would entitle the employee beginning with the last previous job the employee held in the bargaining unit; provided however, that if such last previously held job is no longer in existence, the employee may be placed in accordance with Paragraph (59). In no event shall such employee be transferred to a bargaining unit job at a time when the employee has insufficient seniority to be so placed.

- (1) When any employee is transferred from the bargaining unit to a supervisory position, the Chairperson of the Local Union's Shop Committee will be given a letter specifying the employee's name and the name of the seniority employee who is recalled from layoff status.
- (2) When such supervisory employee, specified above, is returned to a job classification in the bargaining unit, the Chairperson of the Local Union's Shop Committee will be given a letter, notifying the Chairperson of such transfer back into the bargaining unit.

Any complaints regarding the administration of this procedure may be raised by the Chairperson of the Shop Committee directly with Allison's Manager of Labor Relations.

**(70)** Probationary employees will not be called back until all employees with seniority capable of doing the work have been called back; provided, however, that the application of this paragraph may be waived by written agreement between Allison and the Shop Committee with respect to Journeypersons with seniority and employees-in-training-seniority (E.I.T.S.) who are on layoff from a skilled trades classification.

#### **EQUALIZATION OF HOURS AGREEMENT – MANUFACTURING**

**(71)** Extra work in periods of part-time operation, and overtime, should be equalized among the employees in the group engaged in similar work, as far as practicable. Information concerning equalization of hours status will be openly displayed in the department in such a manner that the employees involved may check their standing.

- (a)** It is recognized that the hours between the lowest and the highest employees in their respective equalization group should be within a 16 hour spread in accordance with the following:
  - (1) If the spread is within 16 hours, employees may be asked to work in any order for any reason.
  - (2) If the spread of hours exceeds 16 hours, employees within the spread may continue to be asked in any order for any reason, however, employees outside the spread may only be asked to work if all employees within the spread have been offered work. If additional



employees are required beyond those within the spread, those employees outside the spread will be asked in order from the lowest to the highest hour employee.

- (3) Overtime hours shall be equalized in accordance with this Paragraph, grievance settlements and/or practices, and other existing agreements in effect.
- (b) This procedure applies to all hourly rated employees. It will be necessary to maintain records to show the equalization of these hours which will be openly displayed for inspection by the hourly rated employees of the group at all times. Records will be recorded by group on a daily and a monthly basis, on UAWCAS, or its replacement.
- (c) Overtime eligibility is day-to-day for employees who are at work. Overtime records are to be maintained on a prompt and current basis. Entries are to be made to the overtime record at the time the overtime hours are made available excluding bonafide emergency situations.
- (d) The record will show the accumulated total paid hours of each employee rounded to the nearest 10<sup>th</sup> of an hour on a daily basis so long as the employee remains in the group.
  - (1) Those employees who comprise an equalization group (employees in the group engaged in similar work) shall be listed together so that the record will give an accurate, clear analysis of the overtime situation. Each such equalization group will be listed separately.
  - (2) Employees who work overtime shall have the hours recorded on the overtime record on the basis of pay hours offered.

**EXAMPLE:**

Day	OT Hours Worked	Hours	Hours Charged
Monday	2	3	3
Saturday	8	12	12
Sunday	8	16	16
Monday (Holiday)	8	24	16
Grievance Settlement	0	12	12

- (3) New hires assigned to any group will be charged with the highest hours of the equalization group they enter. Employees who have not acquired seniority and who are transferred will be credited with the high hours of the group to which they are assigned. After acquiring seniority employees will be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest.

Employees transferred into an established equalization group or loaned from one shift to another, for less than seven (7) calendar days, will resume the amount of hours they had before the transfer plus the hours worked outside the group or the average of hours worked in the group during the period of the loan, whichever is higher.

Employees who are permanently transferred into a different equalization group will be charged with the average hours of the group or 16 hours in excess of the employee

lowest in the group, whichever is lowest. Employees who are temporarily loaned to a different shift will be charged in a like manner upon entering the group.

- (4) An employee returning to his/her equalization group from a supervisory position will be credited with the highest number of hours accumulated in the group upon return.
- (5) Employees will be charged with all overtime hours available to them. An employee absent from work at the time extra work is scheduled and who would routinely be scheduled to work will be charged under all circumstances and conditions. However, employees offered overtime work outside their equalization group and who refuse such work, and employees contacted at home for work and who cannot report, will not be charged for such hours. Employees who are offered overtime work outside their regular overtime group and who refuse such work will have those hours noted on their overtime record for informational purposes only. Employees who are offered and work overtime assignments outside their respective group will be charged on the basis of pay hours offered. It is understood that this provision does not supersede the provisions of the Allison Transmission - UAW Agreement. In those instances where the offers end on a refusal, Management will remove the charges for those employees who have refused back to the point of the last acceptance. This provision will not apply if the whole group has been offered, i.e., all charges will remain.

In those instances where additional overtime for subsequent days is made available during the weekend or holidays, those employees already present who are within the spread will be offered first before contacting employees at home. Available hours that are an extension of a shift on the same day will be offered to those employees present in accordance with (a)(1) and (2).

At the beginning of each calendar year, the employee lowest in hours among all shifts will be given zero hours on the overtime record. The number of hours subtracted from the lowest employee will then be subtracted from all the other employees on all the shifts. This adjustment will be made on the 4th Monday in January and will be verified / initialed by the supervisor and respective district committeeperson.

- (e) Employees who are temporarily loaned into a different equalization group on the same shift or during periods of overtime shall equalize overtime during the first seven (7) calendar days with employees in the group from which the employee is loaned. It is recognized that there is no superior claim to such work if more than one employee outside the group is eligible.

If there is overtime to be worked in the group to which the employee is loaned during the first seven (7) calendar days, loaned employees shall be scheduled to work only if all employees of the group have been offered and additional employees are needed.

After seven (7) calendar days, temporarily loaned employees will equalize within the equalization group to which they are loaned and be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest.

After seven (7) calendar days and the temporarily loaned employee returns to his/her original equalization group, he/she will be charged with all hours accumulated outside of his/her original equalization group.

- (f) Any employee who is on an authorized leave of absence shall be charged with all overtime hours which would have been available to him/her.
- (g) An employee on an approved vacation shall be charged with all overtime hours which would have been available to him/her.
- (h) Employees designated Leader will equalize overtime in the department, shift and classification they lead. Employees designated Assembly Coordinator/Leader will equalize overtime amongst themselves within their department and shift.
- (i) Employees with medical restrictions will be offered and may accept overtime on tasks that can be performed on a straight-time basis. Otherwise, the restricted employees are to be charged and so informed they are being bypassed due to the restriction.

- (j) Established equalization groups as they exist on the effective date of this Agreement, shall not be changed except by written agreement between the Parties. In this regard, when Management moves work from one equalization group to another, the Parties will first mutually agree to the equalization groups.
- (k) Union Committeeperson:
- (1) Hours worked by the Alternate District Committeeperson in the absence of the District Committeeperson, under Paragraph 21 of the Allison Transmission - UAW Agreement, should not be included on the overtime chart maintained for Paragraph (71).
  - (2) All other overtime hours offered to the Alternate Committeeperson shall be in accordance with Paragraph (3) of this Agreement.
  - (3) At such time as an employee ceases to function as a Union Committeeperson or Alternate Committeeperson, he/she shall be charged with the average overtime hours of the equalization group to which he/she is returning on the date he/she ceases to function, or 16 hours in excess of the employee lowest in the group, whichever is lowest.
- (l) The administration of equalization of hours provisions for employees on special assignment by mutual agreement between the Parties will be handled in the same manner as specified in Paragraph (k) above.
- (m) Management will schedule work in such a manner that hours shall be more equally divided between shifts, provided the shifts have similar productive capabilities. Where there is only one shift in a group and a new shift is established it shall start at the average of the established shift. Where two shifts exist and a third shift is established, it shall start with the average of the two existing shifts. It is agreed that upon request from the Chairman of UAW Local 933, a discussion with the Executive Director of Human Resources shall take place to investigate excessive spreads between the shifts.

## EQUALIZATION OF HOURS - MANUFACTURING

### APPENDIX A

During negotiations, the Parties discussed the augmentation agreement for production and support group employees (e.g. inspectors, MST's, Manufacturing Support). The Parties agree that overtime in manufacturing classifications not considered skilled trades is scheduled under the provisions of the Allison Transmission - UAW Agreement and the Equalization of Hours Agreement. Management will schedule Saturday, Sunday and Holiday overtime in the future such that when an equalization group is exhausted on a shift, equalization groups which parallel each other across shifts in that department will be exhausted first. In addition, the Parties have agreed that no grievance settlement, understanding, or practice may modify this Equalization of Hours Appendix except by express, written, mutual agreement of the Parties at a Management/Shop Committee meeting.

This understanding is subject to the following clarifying rules which do not affect existing understandings or agreements regarding equalization.

An individual overtime group is defined by a specific classification, on a specific shift within a specific department or cell grouping. Augmentation areas under this Appendix are restricted to single overtime groups and will not be expanded beyond those boundaries.

When an individual overtime group is exhausted, those employees that perform the specific work during straight time and overtime on a different shift in the same classification and department or cell grouping will be offered the work.

Provisions for overtime rights pursuant to Sub-Paragraph (e) of the Equalization of Hours agreement are subordinate to rights granted by this Appendix. Employees loaned into an overtime group on straight time or during premium time to cover for absenteeism are not considered in circumvention of any augmentation overtime rights of employees on other shifts.

In instances where overtime groups are not similarly composed (not parallel) between shifts, those employees in such non-similar groups are not covered by this Appendix.

The maximum amount of overtime to be offered under this Appendix is 16.0 hours as described below.

One shift operation:

Employees will be offered up to four (4.0) hours before and after the primary shift or eight (8.0) hours before or after the primary shift before other employees outside the overtime group are offered. Additional overtime required after the entire OT group has been offered either early or over can be offered to any employee.

Two shift operations:

Day Shift opening - Afternoon shift employees will be offered up to eight (8.0) hours early overtime before the start of their normal shift.

Afternoon Shift opening - Day shift employees will be offered up to eight (8.0) hours late overtime after their normal shift.

Three shift operations:

Day Shift opening - Afternoon shift employees will be offered up to four (4.0) hours early overtime adjacent to their normal shift (the last four (4) hours of day shift). Midnight shift employees will be offered up to four (4.0) hours late overtime adjacent to their normal shift (the first four (4) hours of day shift).

Afternoon Shift opening - Day shift employees will be offered up to four (4.0) hours late overtime adjacent to their normal shift (the first four (4) hours of afternoon shift). Midnight shift employees will be offered up to four (4.0) hours early overtime adjacent to their normal shift (the last four (4) hours of afternoon shift).

Midnight Shift opening - Day shift employees will be offered up to four (4.0) hours early overtime adjacent to their normal shift (the last four (4) hours of midnight shift). Afternoon shift employees will be offered up to four (4.0) hours late overtime adjacent to their normal shift (the first four (4) hours of midnight shift).

In all these cases, Management will offer an eight (8) hour augmented shift if it is known to be needed in advance (the other augmenting shift cannot fill the four (4) hour window).

Operating Guidelines:

1. In general, an employee must accept his/her primary shift (eight (8) hours) if offered before accepting overtime on another (augmented) shift.
2. In general, Management will offer up to sixteen (16) hours (8 on the primary shift plus up to eight (8) additional on another shift) before offering overtime to employees outside the overtime group.
3. If the initial overtime offer is for more than eight (8) hours (primary shift plus), an employee can refuse the additional overtime and still be entitled to the eight (8) hour offer on his/her primary shift.
4. When additional overtime is offered beyond the employee's primary shift, the following sequence will be followed:
  - Offer to those employees who have accepted their primary shift
  - Offer to those employees who have not been offered their primary shift
  - Offer to those employees who initially refused their primary shift; however, the employee who initially refused his/her primary shift must now accept the primary shift (if a slot is still available) before accepting overtime on another shift
5. Employees will be charged for all hours offered.

Problems encountered in the administration of this settlement will be reviewed with supervision by Labor Relations and the Shop Committeeman involved.

## MEMORANDUM OF UNDERSTANDING

### EQUALIZATION OF HOURS

- Plan A, Memorandum of Understanding on Overtime Agreement

During negotiations, the parties discussed the use of Plan A in the Agreement Memorandum of Understanding on Overtime and its application at Allison Transmission. With reference to this Agreement, the parties acknowledge the following:

- Management shall give a 48-hour notice of scheduled Plan A days for those affected employees. (Example: Wednesday posting for Plan A Saturday and Thursday posting for Plan A for following Monday. Also, if an entire week has not been scheduled in advance of the previous week, each day would require 48-hour posting, e.g., Monday posting for Wednesday through Friday.).
- Employees on any approved vacation of four (4.0) hours at the end of the shift on Friday and/or at the start of the shift on Monday adjacent to a scheduled Saturday will not be required to work Saturday. Vacation restricted (VR) hours will be administered per the terms of Paragraph 194 However, Saturday will not be considered as a day worked for purposes of Plan A.
- Cancellation of previously scheduled daily overtime Monday through Friday does not generate a 48.0 hour advance posting notice after the initial posting. (Example: On Wednesday, Management schedules next week Monday through Friday under Plan A. If Tuesday is cancelled, Wednesday through Friday are still considered scheduled without a new 48-hour posting).

Employees using vacation entitlement for a Plan A Saturday will be considered as having worked that Saturday for purposes of Plan A.

In multiple shift departments where Plan A overtime is being scheduled for one shift only, Management will make an effort to alternate Plan A scheduling between the shifts on a weekly basis. When unforeseen circumstances occur (e.g. machine downtime, quality concerns, parts shortages) that prohibit the alternating of shifts, the Production Manager will notify the District Committeeman in advance of overtime being worked. Complaints concerning this issue will be brought to the attention of the Plant Director.

Management shall not schedule a Plan A Saturday on any Saturday that is part of a long holiday weekend (i.e. a company identified holiday falls on the prior Friday or following Monday)

## EQUALIZATION OF HOURS AGREEMENT - SKILLED TRADES

**(a)** This Agreement supersedes, except as noted in Appendix A of this Equalization of Hours Agreement, all prior Equalization of Hours Agreements, supplements thereto, settlements, understandings, and practices and is the only contractual method to be utilized by the Parties in the administration of overtime. In addition, the Parties have agreed that no grievance settlement, understanding, or practice may modify this Equalization of Hours Agreement plus attached appendices except by express, written, mutual agreement of the Parties at a Management/Shop Committee meeting.

**(b)** It is recognized that the hours between the lowest and the highest employees in their respective equalization group should be within a sixteen (16) hour spread in accordance with the following:

- (1) If the spread is within sixteen (16) hours, employees may be asked to work in any order for any reason.
- (2) If the spread of hours exceeds sixteen (16) hours, employees within the spread may continue to be asked in any order, however, employees outside the spread may only be asked to work if all employees within the spread have been offered work. If additional employees are required beyond those within the spread, those employees outside the spread will be asked in order from the lowest to the highest hour employee.
- (3) For purposes of the administration of the Agreement, eligible employees at the start of the shift on Monday shall remain eligible until the start of the regular shift the following Monday. Holidays which fall on Monday and any successively following holidays are to be considered part of the preceding week. Overtime offers for early Monday (before the start of the regular shift) will be charged and recorded in the previous week. If Monday is a holiday, transferred (i.e. 150, management move, shift preference) employee's overtime eligibility will be in their new overtime group.
- (4) Continuous operations assignments which are scheduled more than one week in advance are exempt from the sixteen (16) hour spread. Management will make every reasonable effort to equalize hours when scheduled in advance. All overtime not on a published advance schedule will meet all requirements of the Equalization of Hours Agreement except in those instances where additional overtime (above and beyond the normal eight (8) hour shift on weekends and holidays) is made available. In those cases, the extra overtime will be offered to those employees already scheduled to work via the advanced schedule or acceptance of voluntary overtime, regardless of standing in the records.

**(c)** Employees who accept the offer of overtime, who refuse the offer of overtime, or who are not at work when overtime is offered, shall have hours recorded on the basis of pay hours offered. Fractional hours will be rounded to the nearest tenth.

In those cases where advanced daily (Monday - Friday) overtime has been offered early in the week and an eligible employee is absent, that employee will be offered overtime upon his/her return for the remaining days in the week provided the employee is otherwise eligible.

In those instances where the offers end on a refusal, Management will remove the charges for those employees who have refused back to the point of the last acceptance. This provision will not apply if the whole group has been offered, i.e., all charges will remain.

During the overtime period, should the need for employees in addition to the number originally scheduled become apparent due to an emergency or unforeseen situation, Management will attempt to schedule employees from the group by telephone with an hourly witness present. Management will make a sincere effort to schedule the proper number of employees for planned activities to avoid the problems inherent in the call-in procedure. It is understood that each employee is responsible for keeping Management apprised of his/her current telephone listing. Likewise, Management has the obligation of ensuring that each of its supervisors is afforded a current telephone listing. Such offers of overtime will be

made only in situations when Management is successful in making direct contact with the employee. Employees who are called at home and refuse the offer of overtime will not have any entry made in their overtime record.

In those instances where additional overtime for subsequent days is made available during the weekend or holidays, those employees already present who are within the spread will be offered first before contacting employees at home. Available hours that are an extension of a shift on the same day will be offered to those employees present in accordance with (b)(1) and (b)(2).

Overtime assignments will be made available and offered two calendar days in advance of weekends and holidays unless new assignments are scheduled after that day in which case the offer will be made as soon as possible. Management will not cancel overtime within the last hour of the shift unless an ineligible employee has been mistakenly offered.

Overtime assignments involving asbestos will be handled in the following manner:

- Asbestos certified employees will have all overtime hours recorded on a single, separate asbestos overtime group, and will not be charged in the regular overtime group for asbestos work.

**(d)** Entries are to be made to the overtime record on a daily basis and display binder on a weekly basis. These records will be maintained on a continuous basis and will be available to all employees in each group. At the beginning of each calendar year, the employee lowest in hours among all the shifts will be given zero hours on the overtime record. The number of hours subtracted from the lowest employee will then be subtracted from all the other employees on all the shifts. This adjustment will be made on the 4th Monday in January and will be verified / initialed by the supervisor and respective district committee person.

**(e)** Upon entering an apprenticeship, employees will be charged with the average of the apprenticeship group to which they are assigned or 16 hours in excess of the employee lowest in the group, whichever is lowest. Upon achieving Journeyman status an apprentice will be averaged in as of the Monday of the week they top out. However, they will not be offered overtime as a Journeyman until they complete their hours.

**(f)** New hires assigned to any group will be charged with the highest hours of the equalization group they enter. Employees who have not acquired seniority and who are transferred will be credited with the high hours of the group to which they are assigned. Paragraph 178 of the Agreement employees assigned to an established equalization group will be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest.

Employees who are temporarily loaned to a different shift will be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest, upon entering the group.

Employees transferred into an established equalization group or loaned from one shift to another, for less than seven (7) calendar days, will resume the amount of hours they had before the transfer plus the hours worked outside the group or the average of the group, whichever is higher, upon their return to the group.



Employees who are permanently transferred into a different equalization group will be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest.

An employee returning to his/her equalization group from a supervisory position will be credited with the highest number of hours accumulated in the group upon return.

**(g)** Employees who are temporarily loaned into a different equalization group on the same shift or during periods of overtime shall equalize overtime during the first seven (7) calendar days with employees in the group from which the employee is loaned. It is recognized that there is no superior claim to such work if more than one employee outside the group is eligible.

If there is overtime in the group to which the employee is loaned during the first seven (7) calendar days, loaned employees shall be scheduled to work only if all employees of the group have been offered and additional employees are needed.

After seven (7) calendar days, temporarily loaned employees will equalize within the equalization group to which they are loaned and be charged with the average hours of the group or 16 hours in excess of the employee lowest in the group, whichever is lowest.

After seven (7) calendar days, the temporarily loaned employee who returns to his/her original equalization group will be charged with all hours accumulated outside of his/her original equalization group.

**(h)** In those limited circumstances where the continuation of a specific assignment is necessary and varying "outside" the established spread of hours and is in the best interest of the operation, Management will hold advance discussion with the appropriate Committeeperson and mutually agree where "continuity" is an issue.

**(i)** Skilled trades equalization groups will be defined by classification, shift, plant, and as shown below:

Overtime Groups

Facilities and Service groups:

- (1) Facilities: Facilities, Construction Plants 3, 12 & 14; Board Room; Technologies Group; Engineering Test; Tool Room Maintenance; Plants 15 & 17. The Plant 17 ATTRM is an individual OT group.
- (2) Plant 4 & 6 Service [Includes Parts Crib(s)]
- (3) Plant 12 Service [Includes Parts Crib(s)]
- (4) Plant 14 Service [Includes Parts Crib(s)]
- (5) Plant 20 (Facilities OT Group supports any additional requirements)

Tool and Die Makers:

A. Dept. 0342/ <u>Tool Room</u>	E. Plant 12
B. Engineering Test	F. Plant 14
C. Plant 4	G. Plant 15
D. Plant 6	

**(j)** Established equalization groups as they exist on the effective date of this Agreement shall not be changed except by written agreement between the Parties. In this regard, prior to moving work from one

equalization group to another, Management will first discuss the plans with the Skilled Trades Zone Committeeperson.

It is agreed that upon request from the Chairman of UAW Local 933, a discussion with the Executive Director of Human Resources shall take place to investigate excessive spreads of hours between the shifts.

**(k)** Employees with medical restrictions will be offered and may accept overtime on tasks that can be performed on a straight-time basis. Otherwise, the restricted employees are to be charged and so informed they are being bypassed due to the restriction.

**(l)** Employees who have been afforded necessary training, or have refused training, and cannot satisfactorily perform the work will be eliminated from further overtime consideration on that particular assignment and they will continue to be charged overtime hours and so informed until after they successfully perform the work.

**(m)** Union Committeeperson:

- (1) Hours worked by the Alternate District Committeeperson in the absence of the District Committeeperson, under Paragraph 21, should not be included on the overtime chart maintained for Paragraph 71.
- (2) All other overtime hours offered to the Alternate Committeeperson shall be in accordance with Paragraph (b) of this Agreement.
- (3) At such time as an employee ceases to function as a Union Committeeperson or Alternate Committeeperson, he/she shall be charged with the average overtime hours of the equalization group to which he/she is returning or 16 hours in excess of the employee lowest in the group, whichever is lowest.

**(n)** Management will schedule work in such a manner that hours shall be more equally divided between shifts, provided the shifts have similar productive capabilities. Where there is only one shift in a group and a new shift is established it shall start at the average of the established shift. Where two shifts exist and a third shift is established, it shall start with the average of the two existing shifts.

## **EQUALIZATION OF HOURS AGREEMENT - SKILLED TRADES**

### **APPENDIX A**

The Parties agree that overtime in the maintenance skilled trades classifications is scheduled under the provisions of Paragraph 71 of the Allison Transmission-UAW Agreement and the Equalization of Hours Agreement. However, Management will schedule all overtime in the future in such a manner that when an equalization group is exhausted in a skilled trades classification, equalization groups which parallel each other across shifts in that plant will be exhausted first. When a vacancy occurs on a shift, that shift will first be covered by offering 4.0 hours to each adjacent shift unless it is known in advance that one of the adjacent shifts will be requested to fill the 8.0 hour open shift due to the other adjacent shift refusing the offer. Thereafter, the extra work will be offered to employees in the same trade and plant before going to other plants. Problems encountered in the administration of this settlement will be reviewed with supervision by Labor Relations and the Shop Committeeman involved.

## **EQUALIZATION OF HOURS AGREEMENT- SKILLED TRADES**

### **APPENDIX B**

Equalization records during the period of temporary layoff will not be changed. Employees will not be charged in their respective groups for any hours worked, or not worked during the period.

(72) Employees who have been incapacitated at their regular work by injury or compensable occupational disease while employed by Allison, will be employed in other work on jobs that are operating in the facility which they can do without regard to any seniority provisions of this Agreement, except that such employees may not displace employees with longer seniority, provided, however, that by written agreement between Allison and Shop Committee, such employees may be placed or retained on jobs they can do without regard to seniority rules. Each three (3) months the name, job classification and seniority date of employees covered by such agreement will be furnished to the Chairperson of the Shop Committee.

(73) The employment of the following persons shall not be governed by seniority rules: students and graduates of technical or professional schools and special employees receiving training as a part of a formal training course.

(73a) Seniority status of employees who have completed or discontinued cooperative training courses and who are assigned to hourly rated jobs in the bargaining unit for other than training purposes shall be as follows:

An employee who has completed or discontinued a cooperative training course and who is assigned to an hourly rated job in the bargaining unit for other than training purposes shall have plant seniority established in keeping with Paragraph (57). Time spent in school shall not be considered as time worked in establishing the seniority date.

(74) To protect seniority, employees are responsible for keeping Allison informed of their proper home address. Updates to address of record are made on the Workday or its subsequent replacement website.

(74a) Within thirty (30) calendar days following the last day of each calendar February, May, August and November, during the term of this Agreement, Allison shall give to the UAW the names of all employees covered by this Agreement together with their addresses as they then appear on the records of Allison. The UAW shall receive and retain such information in confidence and shall disclose it only to those officials of the UAW whose duties require them to have such information.

## **SHIFT PREFERENCE AGREEMENT**

(75) Requests and placements under this agreement will be coordinated by the Joint Placement Representatives.

### **New Employees**

(75a) Upon hire, new employees will be placed in orientation. Such employees may be placed in vacancies on any shift for training purposes for such time as may be necessary for them to meet the requirements of the job and until such time as the efficiency of the operation will not be impaired by their transfer. Recognizing that the majority of employees prefer the day shift, the parties will work jointly to place new employees on the shift that causes the least disruption to the departments seniority rights. Where this is not possible it shall be the practice not to retain a new employee on the day shift for training purposes for a period in excess of thirty (30) calendar days from the date following the last day of orientation. Employees will not be held on day shift in departments 2201 or 2236 for longer than two (2) weeks after placement if there are employees on afternoon shift eligible to shift preference to day shift.

### **Seniority Employees**

(75b) Any employee having seniority who is desirous of changing shifts may make application to the shift he/she prefers by use of the Employee Information Center – UAWCAS, or its replacement. Having made application, the employee may be placed in an opening having no other transfer applications pending in his/her classification on the preferred shift or failing that, he/she will bump the least senior employee in the classification and plant on the preferred shift. Employees on approved sick leaves of absence will not be considered for shift preference until they return to active status. Employees who are on a sick leave of absence will not be considered for any movement activity until they clear through the Allison Medical

Department and are deemed fit to return to work. Employees who are deemed fit to return after the end of their shift on Tuesday, will be considered for the following month's shift preference in which they have a timely application on file. In the event there is more than one application for the same job, applications

will be handled in the order of the applicant's seniority, subject to the following conditions:

- (a) For purposes of this Agreement, Plants 3, 4, and 6, are one preference group.
- (b) The applicant must be fully qualified with normal instructions to satisfactorily perform a job held by an employee in the overtime group on the shift for which he/she is applying within the shift preference group.
- (c) Shift preference will be made from one classification on one shift to the same classification on another shift.
- (d) Employees who are granted shift preference (upon application) to a preferred shift cannot make further shift preference transfers within a period of three (3) months from such movement. Applications submitted by employees two weeks prior to the expiration of the three (3) month period, as specified herein, will be processed for shift preference under the terms of this Agreement. Applications for shift preference cannot be cancelled after they have been submitted. Any applicant that did not move via their shift preference application must re-apply if they wish to be eligible for the next shift preference movement.
- (e) The classification or shift of employees will not be changed to circumvent the application of the Shift Preference Agreement.
- (f) Employees who are granted shift preference as provided in Paragraph (75b) above will be assigned to the new shift on the first Monday of the month, except as provided for in (g), provided the employees have properly submitted a request, as required above, at least two (2) weeks prior to the effective date of the shift preference.
- (g) In a reduction in force situation whereby an employee is scheduled to be forced off his/her shift, such employee may exercise a "Special Shift Preference" to remain on his/her current shift, seniority permitting. The Joint Placement Representatives will contact employees who are scheduled to be forced off their shift to determine if they wish to exercise an immediate shift preference. In order to exercise an immediate shift preference, the employee must submit a "Special Shift Preference Request" by use of the Employee Information Center – UAWCAS, or its replacement.
- (h) In exercising shift preference, the recognized skilled trades' classification seniority shall be used to determine eligibility for transfer except as provided herein. When two or more employees have the same skilled trades' seniority, the employee with the longest plant wide seniority shall be given preference. The seniority of those employees having less than a 1-7-85 skilled trade's date of entry shall be by that date of entry. If a tie exists then by the following:
  - (1) Plant Skilled Date
  - (2) Plant Seniority Date
  - (3) GM Skilled Date
  - (4) GM Seniority Date
  - (5) Current last name closest to "A"
- (i) In those instances where the addition or deletion of departments involving the rights of bargaining unit employees under the Shift Preference Agreement are involved, the effect upon those rights will be mutually agreed to by the Parties.

All skilled trades' employees shall exercise shift preference in their respective skilled trades' seniority status.

- (j) Employees designated Leader and Assembly Coordinator/Leader will exercise shift preference with other Leaders and Assembly Coordinator/Leaders within their department only.
- (k) Shift preference agreement lists will be made available to the UAW for informational purposes.
- (l) Whenever it becomes necessary to rebalance the number of employees in an equalization group in a department, Management will canvas for volunteers in seniority order across the affected shifts. The most senior volunteer will submit a "Shift Preference Request" by use of the Employee Information Center - UAW CAS, or its replacement, prior to moving to the opening. In the event that there is no volunteer, the employee with the least seniority will fill the opening. The Joint Placement Representatives will contact this employee, as referenced in Paragraph (75b), to determine if he/she wishes to exercise an immediate shift preference, seniority permitting. These moves will be reflected on the Monday Personnel Placement list.

### **Temporary Transfers**

**(75c)** It is understood that in emergencies caused by absenteeism, expansion or contraction of the number of shifts or the size of shifts, or major change in the product to be manufactured, shortage of materials, etc., temporary transfers may be made as may be desired by Management without regard to seniority or shift preference. (For the purpose of this Agreement, such temporary transfers shall not be for a period in excess of seven (7) days unless a longer period is mutually agreed upon with the Zone Committeeman, and it is understood that "temporary transfers", as referred to in this Agreement on shift preference, shall apply only to this Agreement.)

**(75d)** Employees of tool, die and maintenance departments may be required to work on any shift to which it may be necessary to assign them during periods of product change, or retooling. (For the purpose of this agreement, such temporary transfers shall not be for a period in excess of seven (7) days unless a longer period is mutually agreed upon with the Skilled Trades Zone Committeeperson, and it is understood that "temporary transfer", as referred to in this Agreement on shift preference, shall apply only to this Agreement.)

**(75e)** It is understood that in its application, this Agreement must have sufficient flexibility to give full protection to efficiency of operation under all circumstances and conditions.

### **DISCIPLINARY LAYOFFS AND DISCHARGES**

**(76)** Employees, including probationary employees with more than thirty (30) days of employment, who have been disciplined by a suspension, layoff or discharge will be furnished a brief written statement advising them of their right to representation and describing the misconduct for which they have been suspended, laid off or discharged and, in the case of a layoff or discharge, the extent of the discipline. Thereafter, they may request the presence of the committeeperson for their district to discuss the case privately with them in a suitable office designated by Management, or other location by mutual agreement, before they are required to leave the plant. The committeeperson will be called promptly upon such request. Whether called or not, the committeeperson will be advised in writing within one working day of 24 hours of the fact of written reprimand, suspension, layoff or discharge and will be given a copy of the statement given to the employee. After a suspension has been converted to a layoff or discharge, the committeeperson will be notified in writing of the fact of layoff or discharge. The written statement furnished to the employee pursuant to this paragraph shall not limit Allison's rights, including the right to rely on additional or supplemental information not contained in the statement to the employee.

**(76a)** When a suspension, written reprimand/warning, layoff or discharge of an employee is contemplated, the employee, where circumstances permit, will be offered an interview to allow for answering the charges

involved in the situation for which such discipline is being considered before being required to leave the plant. Employees who, for the purpose of being interviewed concerning discipline, are called to the plant, or removed from their work to the supervisor's desk or to an office, or called to an office, will be advised that they may, if they so desire, request the presence of their District Committeeperson to represent them during such interview.

**(76b)** Employees will be tendered a copy of any warning, reprimand, suspension or disciplinary layoff entered on their personnel records, within three days of the action taken. In imposing discipline on a current charge, Allison will not take into account any prior infractions which occurred more than twenty-four months previously. Further, Allison will eliminate from an employee's record any infraction if a lapse of time of greater than 18 months between infractions has occurred, provided the employee has not been on leave of absence the majority of the time between the infractions. Allison will not impose discipline on employees for falsification of their employment applications after a period of twelve (12) months from their date of hire. Employees may schedule a review of their own personnel file upon request with the Hourly Human Resources Department

(1) Loss of holiday pay will not be included as part of the disciplinary penalty assessed.

**(76c)** The Parties further agree that contemplated discipline should be discussed in a calm manner allowing for an objective evaluation of the facts. For situations in which emotions preclude this from happening, the parties agree that, as a matter of practice and when possible, such discussions should be postponed until such time that, in the opinion of Management, a constructive exchange of information could occur.

Notwithstanding the foregoing, the parties recognize that certain actions such as assault, or other serious acts of misconduct, render the "cooling off" period totally inappropriate.

Providing or not providing a "cooling off" period will be without prejudice in the application of any terms of this Agreement and will not be cited or relied upon by an employee or either party as a basis for any grievance.

**(77)** It is important that complaints regarding unjust or discriminatory layoffs or discharges be handled promptly according to the Grievance Procedure. Grievances must be filed within three working days of the layoff or discharge. Grievances involving disciplinary layoffs or discharges will be subject to the time limits contained in paragraph 30 of this agreement.

### **PRODUCTION STANDARDS**

**(78)** Production standards shall be established on the basis of fairness and equity consistent with the quality of work, efficiency of operations, and the reasonable working capacities of normal operators.

**(78a)** Model mix shall be taken into account in establishing and/or changing production standards on transmission assembly operations. The speed of such assembly lines will not be increased beyond the level for which they are staffed for the purpose of gaining additional production or for the purpose of making up for loss of production due to breakdowns or unscheduled line gaps or stops.

**(78b)** Work assignments on conveyor lines will be made in accordance with line speeds and available work space and the expected normal ratio of model mix and optional equipment. When it is necessary to adjust the normal scheduled mix on conveyor lines which results in more or less work being required, compensating adjustments in work assignment, number of employees, spacing of units, line speed or any combination thereof will be made. Arrangements will be made to establish procedures which will provide advance knowledge of mix changes that require compensating adjustments so that such adjustments will be made in a timely manner. On conveyor line operations, Allison will designate specific off-line operations from which employees will be made available to compensate for such mix changes when one of the compensating adjustments requires an increase in the number of employees and in such case the assignment of employees to the conveyor line operation will be given priority over the off-line operation. Upon request, Allison will advise the UAW of the arrangements made.



**(78c)** After the time or the requirements for a normal operator to perform an element has been established on a transmission assembly operation and the element is subsequently changed because of engineering changes, a change in method, machinery, equipment, layout or tools, only the time or the requirements of the elements affected by such change will be adjusted.

**(78d)** If a standard is to be established on a new off-line or machine operation and has not been established when the operation is placed in production, the operator will be advised of the reason for not establishing the standard and the expected requirements of the operation.

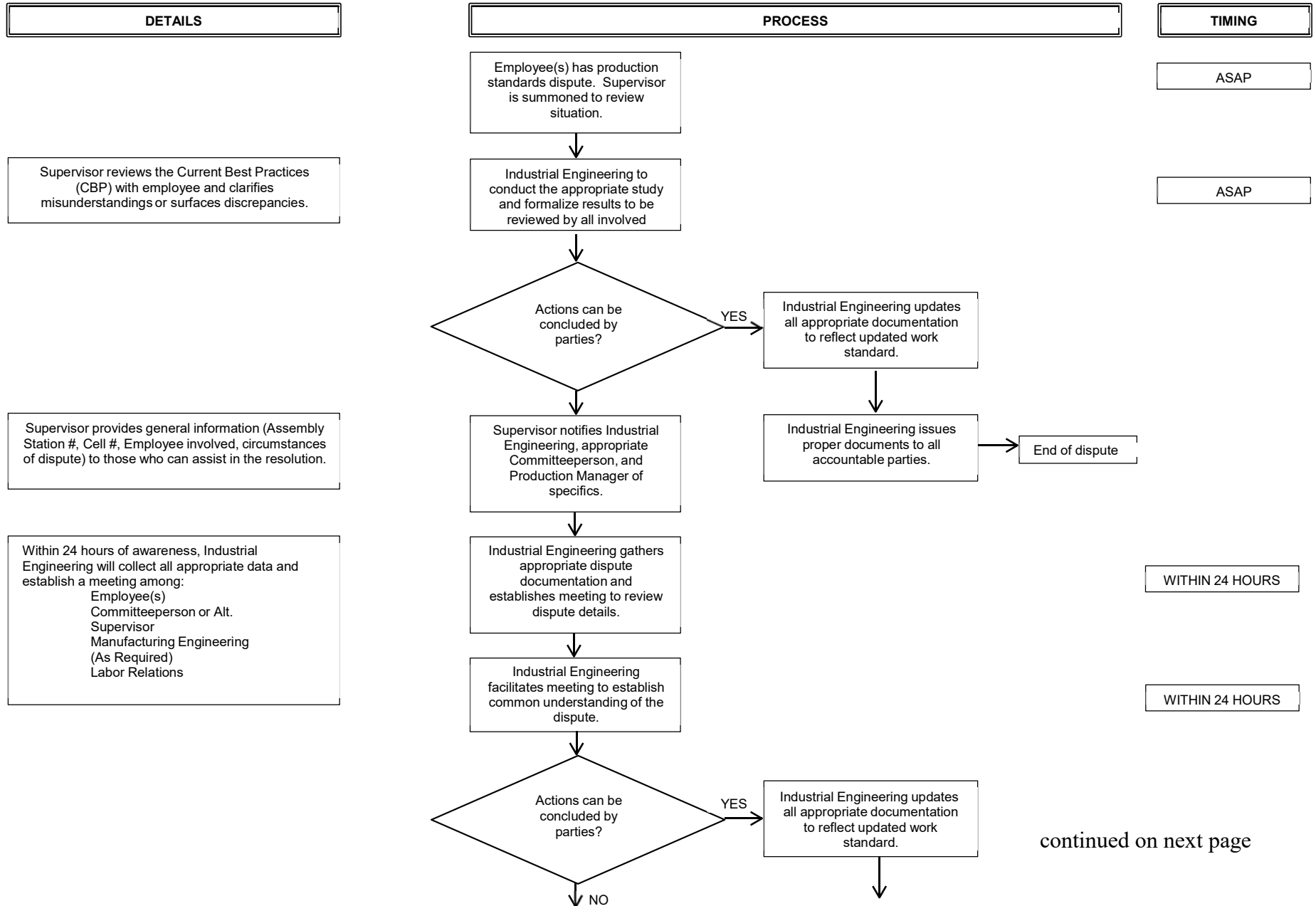
**(79)** Disputes regarding standards established or changed by Allison shall be addressed by the Grievance Procedure. The process for handling a production standards dispute within Allison Transmission is detailed on the following flow chart.

**(79a)** If a production standards grievance is filed on a job, the Committee person representing the employee who filed the grievance will be informed in writing of any change in work content which results in an increase or decrease in work content or which is made in an attempt to adjust the grievance.

**(79b)** If a standard has not been established on a job, an employee who is following the prescribed method and using the tools provided in the proper manner and performing at a normal pace, will not be disciplined for failure to obtain an expected amount of production on that job.

**(79c)** If a production standards grievance is settled in writing and the employee who signed the grievance is subsequently replaced by another employee and if, thereafter, additional work is added to the job without any other change having occurred which affects the job, the District Committee person may initiate a grievance alleging that the additional work constitutes a violation of the settlement.

## PROPOSED PROCESS FOR HANDLING A PRODUCTION STANDARDS DISPUTE WITHIN ALLISON TRANSMISSION



continued on next page

continued

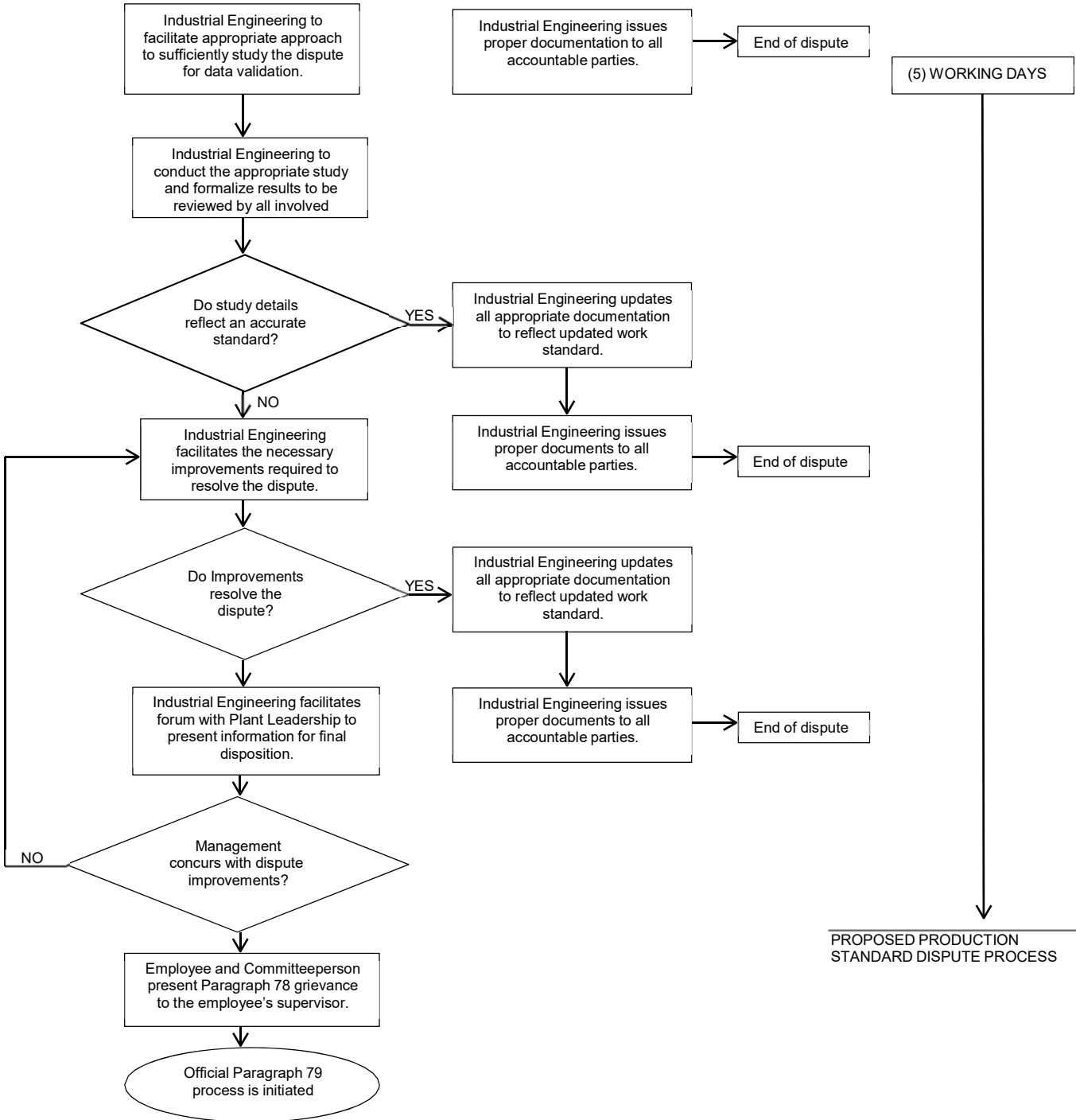
Industrial Engineering is to define the various techniques of data collection available:  
Time Study  
Delay Study  
ATI Standard Data  
Work Combination Chart

Industrial Engineering is to involve all interested parties in the chosen study. Supervisor and committee person are to select the employee to be studied. Industrial Engineering is responsible for all data collection and formal issuance of results.

The employees involved in the study decipher suspect work elements and propose possible resolutions/corrections.

Industrial Engineering coordinates meeting with Plant Leadership, the Manager of IE, and Director of ME

At this stage the employee and Committee person proceed with the official grievance procedure as specified in the ATI/UAW Agreement.



## CALL-IN PAY

(80) Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four (4) hours' pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond Allison's control.

(For the purposes of computing Overtime premium pay)

## WORKING HOURS

(81) For the purpose of computing overtime premium pay, the regular working day is eight hours and the regular working week is forty hours.

(82) Employees will be compensated on the basis of the calendar day (midnight to midnight) on which their shift starts working, for the regular working hours of that shift. Their working week shall be a calendar week beginning on Monday at the regular starting time of the shift to which they are assigned.

(83) Hourly employees will be compensated as follows:

### Straight Time

(84) (a) For the first eight hours worked in any continuous twenty-four hour period, beginning with the starting time of the employee's shift.

(b) For the first forty hours worked in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked during the regular working hours of any shift which starts on the day before and continues into a specified holiday or a Saturday.

### Time and One-Half

(85) (a) For time worked in excess of eight hours in any continuous twenty-four hours, beginning with the starting time of the employee's shift, except if such time is worked on a Sunday or holiday when double time will be paid as provided below.

(b) For time worked in excess of forty hours in the employee's working week, less all time for which daily, Saturday, Sunday or holiday overtime has been earned.

(c) For time worked on any shift which starts on Saturday.

### Double Time

(86) For time worked during the first eight (8) hours worked on any shifts that start on Sundays and on each holiday specified in Paragraph (203); for time worked on the calendar Sunday or specified holiday in excess of the first eight (8) hours worked on any shift that starts on Sunday or one of the specified holidays; and for time worked on a Sunday or specified holiday in excess of eight (8) hours worked on a shift which starts the previous day and runs over into Sunday or one of the specified holidays.

### Exceptions to Above Overtime Payment

(87) Employees working in necessary continuous seven-day operations whose occupations involve work on Saturdays and Sundays shall be paid time and one-half for work on these days only for time worked in excess of eight hours per day or in excess of forty hours in the employee's working week, for which overtime has not already been earned, except as otherwise provided in paragraph (1) below:

(1) Such employees shall be paid time and one-half for hours worked on the employee's sixth workday in the week.

(2) Such employees shall be paid double time for hours worked on the 7th work day in the calendar week if the 7th work day results from being required to work on their scheduled off day(s) in that calendar week, or for hours worked on a Sunday if that Sunday is their second scheduled off day in that calendar week.

(3) Such employees will be paid double time and one-half (2.50 times straight time) for the first eight (8) hours worked on any shift that starts on any of the holidays listed in Paragraph (203); for time worked on the calendar holiday in excess of the first eight (8) hours worked on any shift that starts on any such holiday; and for time worked on the calendar holiday in excess of eight (8) hours worked on a shift

which starts the previous day and runs over into any such holiday; provided, however, that if the particular holiday falls on their regularly scheduled off day(s) and they receive holiday pay pursuant to Paragraph (206) of this Agreement, they will be paid double time instead of double time and one-half for such hours worked. In the case of the employees who work 6 or 7 days during the work week, the first 8 hours worked at double time and one-half or double time, as the case may be, on shifts starting on such holidays shall be counted in computing overtime for work in excess of 40 hours in their working week.

(4) Such employees will be paid time and one-quarter (1.25 times straight time) for hours worked on the 7th workday in the calendar week, unless such hours are payable at an overtime premium rate under any other provision of this Agreement.

(5) If such employees receive holiday pay pursuant to Paragraph (206) for a particular holiday on which they do not work, that holiday will be counted as a day worked for the purpose of computing sixth or seventh day premium under sub-paragraphs (1), (2), and (4) above.

(6) Such employees shall be paid an additional thirty cents (30¢) per hour for time worked, which shall be included in computing vacation entitlement pay, holiday pay, bereavement pay, jury duty pay, short-term military duty pay, overtime and night shift premium.

Premium payments shall not be duplicated for the same hours worked under any of the terms of this Section.

(7) If an employee works for a continuous period of more than twenty-four (24) hours, those hours worked in excess of twenty-four (24) will be paid at the rate of time and one-half unless such hours would otherwise be paid for at a higher premium. Such hours paid at time and one half will be considered as having been paid at straight time purpose of computing daily overtime within the 24-hour cycle in which such time worked occurs.

(88) Any change in the established shift hours or lunch period shall be first discussed with the Shop Committee as far in advance as possible of any such change; a record of that discussion, which includes the position of the UAW regarding the change, will be published in the Shop Committee meeting minutes. However, if the length of an employee's established lunch period is extended on a temporary basis for a given day, the net amount of time by which the lunch period is so extended shall be considered as time worked for that day. Complaints of repeated violations of this paragraph will be handled under the provisions of Paragraph (5a) of this Agreement. For the purposes of this Special Procedure only, prior to being referred from the facility, the problem will be discussed between the Shop Committee, the Regional Servicing Representative, and Allison.

**Night Shift Premiums**

(89) A night shift premium on night shift earnings, including overtime premium pay, will be paid to employees hired on or before February 1, 2008, for time worked on shifts scheduled to start in accordance with the following chart:

Schedule Shift Starting Time	Amount of Regular Shift Premium	Amount of Conditional Shift Premium
(1) On or after 11:00 a.m. and before 7:00 p.m.	Five percent	Ten percent for all hours worked after 12 midnight when such employee is scheduled to work more than nine (9) hours and until or beyond 2 a.m.
(2) On or after 7:00 p.m. and on or before 4:48 a.m.	Ten percent	
(3) After 4:48 a.m. and before 6:00 a.m.	Ten percent until 7:00 a.m.	

(4) On or after 6:00 a.m. and before 11:00 a.m.	None	Five percent for all hours worked in excess of eight (8) when such employee is scheduled to work twelve (12) or more hours.
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In applying the above night shift premium provisions, employees shall be paid the premium rate, if any, which attaches to the shift they work on a particular day.

### **Special Three-Shift Operations**

**(89a)** This paragraph is not intended to change any present practice, or preclude the readoption of a prior practice, whereby it is possible to schedule certain operations on a three-shift, eight hours of work per shift basis with special provisions for lunch. Where it is not possible or practicable on three-shift operations to establish schedules of 8 hours of work each shift, work shifts will be established on the basis of arrangements for a lunch period not in excess of 20 minutes being provided during the shift period without loss of pay.

The above provisions shall not preclude necessary temporary variations in schedules.

The above provisions shall not be applicable in any state wherein a statute or administrative ruling requires the granting or establishment of lunch or meal periods of more than 20 minutes.

**(89b)** A premium of sixty cents (\$0.60) per hour on night shift earnings, including overtime premium pay, will be paid to employees hired after February 1, 2008 for time worked on shifts scheduled to start after 11:00 o'clock a.m. First shift employees who's shift starts before 4:48 am will receive sixty (\$0.60) per hour for all hours worked that day.

**(90)** Effective November 24, 2008, Allison will pay employees using automatic direct deposit. Complaints of improper pay shall be referred to the grievance procedure. The parties agreed that all employees will be required to enroll in the direct deposit payroll system. Employees can view their pay stub information electronically via an employee self-service portal.

### BREAK PERIODS

**(91)** The relief time shall be twenty-three (23) minutes before lunch and twenty-three (23) minutes after lunch on a regular eight (8) hour shift, making a total of forty-six (46) minutes. The amount of such relief shall be modified accordingly for a shift other than a regular eight (8) hour shift. Allison may, by mutual agreement with the UAW, allocate the relief before and after lunch to not more than two (2) periods before lunch and two (2) periods after lunch.

Sufficient labor will be provided to enable employees to obtain the above relief taking into consideration that the first hour at the start of the shift and the first one-half hour after lunch are not ordinarily required for relief except in emergencies.

The parties have agreed to continue the following informal procedure to address complaints regarding this subject.

1. The complaint may be raised by the Chairperson of the Shop Committee directly with Management representatives at the Shop Committee Meeting.
2. If not resolved, the Chairperson may refer the problem to a representative of the International UAW who may request a meeting with Director, Labor Relations to discuss the complaint and take appropriate action.

## **UAW BULLETIN BOARDS**

**(92)** The facilities covered by this Agreement will erect bulletin boards and supply racks which may be used by the UAW for posting notices bearing the written approval of the President of the Local 933 or the Chairperson of the Shop Committee and restricted to:

- (a)** Notices of UAW recreational and social affairs.
- (b)** Notices of UAW elections.
- (c)** Notices of UAW appointments and results of UAW elections.
- (d)** Notices of UAW meetings.
- (e)** Notices concerning bona fide UAW activities such as: Cooperatives; Credit Union; and Unemployment Compensation information.
- (f)** Other notices concerning UAW affairs, which are not political or controversial in nature.
- (g)** Official publications of the UAW as certified to Allison by the President of Local 933, the Chairperson of the Shop Committee, or International representative.

The UAW will promptly remove from such UAW bulletin boards, upon the written request of Allison, any material, which is libelous, scurrilous, or detrimental to the labor-management relationship. The UAW will discourage any littering growing out of the use of these racks.

**(93)** The number, location and size of such bulletin boards shall be decided by Allison and the Shop Committee.

**(94)** There shall be no other posting by employees, of pamphlets, advertising or political matter, notices, or any kind of literature upon Allison property other than as herein provided.

## **ESTABLISHMENT OF NEW PLANTS**

**(95)** If Allison begins production in a new facility within the eight counties described in Paragraph (2), Recognition, Allison will give preference to the applications of laid off employees having earned Allison seniority, provided previous Allison job assignment(s) show(s) current qualifications for the job. When hired, such employees will have the status of seniority employees in the new facility. Such employees will retain their seniority until broken in accordance with the seniority rules herein.

**(96)** If Allison begins production in a new facility outside the eight counties described in Paragraph (2), Recognition, Allison agrees to discuss with the UAW the following issues: relocation of work or employees, informational materials needed for such transfer, and how to use training funds to support such efforts.

In the event Allison begins manufacturing at any other location other than described above, Allison agrees to discuss such with UAW prior to commencement of any substantial investment in such manufacturing operations to determine what role, if any, the UAW will have at such facility.

## **WAGES**

**(97)** Employees will be hired into non-skilled classifications in accordance with the provisions of Paragraph (98), (98a) and (98b) of the Agreement.

Employees hired into skilled trades classifications will be hired in accordance with the provisions of Paragraph (99) of the Agreement.

### **(a) Transfers**

In cases where an employee who has reached the maximum rate of his/her classification is transferred, the following provisions apply:

- (1) When an employee is transferred from a lower rated to a higher rated classification, the employee will be advanced to the higher rate at the time of transfer.
- (2) When an employee is transferred from a higher rated to a lower rated classification, he/she shall be reduced to the job rate of his/her new classification.
- (3) When an employee is transferred from one classification to another where the pay is the same, there shall be no change in rate.

**(b) Skilled Trades Classifications**

Wage rules which apply to skilled trades classifications will be handled under the applicable paragraphs of the Agreement.

**(c) Effective Date of Automatic Increase**

The effective date of automatic increases will be handled in accordance with Paragraph (98) of the Agreement.

**(d) General Provisions**

- (1) If an employee is assigned to more than one job on which there is a difference in rate of the jobs, he/she shall be compensated on the highest rated job to which he/she is assigned.
- (2) When an employee is temporarily assigned to a higher-rated job on any given day, he/she will be compensated at the higher rate for all hours worked on that day, provided he/she works in such higher rated job for one (1) hour or more.
  - a. Employees temporarily assigned to higher rated skilled trades jobs will be compensated at the journeyman rate of the classification to which they are assigned for all hours worked on that day, provided they work in such higher rated job for one (1) hour or more.
  - b. In the administration of filling in for absenteeism, when employees having seniority recall rights are reduced from the classification, it is understood that the use of other employees shall not exceed thirty (30) calendar days. If the opening is filled, it will be filled under the appropriate agreement. Fill-in for employees on vacation is exempted from the above provisions.
- (3) Employees designated Leader shall receive a flat merit increase of \$.50 per hour. Such increase is not included when calculating the Annual Lump Sum Payment and Incentive Compensation Plan payment. Current Leaders who are above the \$.50 increase will remain at their respective rates; however, all future Leaders will follow the rate policy set forth above. Assemblers who are training other Assemblers will be paid at the \$.50 per hour Leader rate increase.

Employees designated Assembly Coordinator/Leader and PDC Coordinator/Leader shall receive a flat merit increase of \$1.50 per hour. Such increase is not included when calculating the Annual Lump Sum Payment and Incentive Compensation Plan payment. Current Leaders who are above the \$1.50 increase will remain at their respective rates; however, all future Leaders will follow the rate policy set forth above.
- (4) An employee transferred to Leader will be handled in accordance with the provisions of Paragraph (a) above.
- (5) When it becomes necessary due to emergencies, vacations, illness and other unforeseen situations, to utilize a non-skilled employee on skilled trades assignments, it is agreed that such assignments will not exceed sixty (60) days in duration. If problems occur, Labor Relations should be advised so that remedial action can be taken.

**(e) Allison Incentive Compensation Plan**

Employees will be eligible for an Incentive Compensation Plan (ICP) as described in Schedule A of this agreement.

**(f) Ratification Bonus**

Upon successful ratification of the Agreement, Allison will pay each employee on the active payroll a ratification bonus of \$7,000 per the terms of Doc. No. 39. Such bonus will be subject to required payroll



taxes.

**(98) Wage Rates and Wage Progression**

- (1) Wages and wage progression are set forth by job classification in Schedules D & E.
- (2) All employees who were active with Allison as of the effective date of this Agreement have a starting wage equal to their prior base rate.

An employee who is laid off prior to acquiring seniority and who is re-employed within one year from the last day worked prior to layoff shall receive a rate upon re-employment which has the same relative position to the maximum base rate of the job classification as had been attained by the employee prior to layoff.

For the purpose of applying the provisions of this Paragraph (98), (98a), and (98b) only, an employee will receive one week's credit toward acquiring the maximum base rate of the job classification provided the employee had worked in that given week. Credit will not be given for any week during which for any reason, the employee does not work except as provided in Paragraph (108) and when the Christmas Holidays consists of a full week. Notwithstanding other provisions of this Agreement, full weeks of time lost for vacation during the Plant Vacation Shutdown Week, bereavement, military duty and Family Medical Leave Act, if the employee would otherwise have been scheduled to work, will be considered as time worked. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of weeks of employment.

**(98a)** Laid-off seniority employees recalled to a job classification, identified in Paragraph (97), shall receive a base rate upon re-employment, which has the same relative position to the maximum base rate of the job classification they had attained prior to layoff. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Allison employment. Upon such re-employment, the credited rate progression period of the employees' prior period of Allison employment shall be applied toward their rate progression to the maximum base rate of the job classification.

**(98b)** Employees rehired under the provisions of Paragraph (64)(e) or (64)(f)(3) on or after the effective date of this Agreement, shall receive a base rate upon re-employment which has the same relative position to the maximum base rate of the job classification they had attained in their prior Allison employment. Such employees shall continue to be covered by the rate progression provisions in effect during their prior Allison employment. Upon such re-employment, the credited rate progression period of the employees' prior period of employment Allison shall be applied toward their rate progression to the maximum base rate of the job classification.

**(99)** The foregoing Paragraph (98), (98a), and (98b), shall not apply to job classifications covered by the Skilled Trades section of this Agreement.

**(100)** Any changes, additions or supplements to wages must be reduced to writing and are subject to the approval of Allison and the International UAW.

**(101) Lump Sum Pay Increases**

Production employees identified in Schedule D, shall receive a lump sum payment in lieu of increases to the Base Rate according to the following schedule:

<b>Eligibility Date</b>	<b>Amount</b>
<u>September 10, 2018</u>	<u>Three percent (3%) of Qualified Earnings</u>
<u>September 9, 2019</u>	<u>Three percent (3%) of Qualified Earnings</u>
<u>September 14, 2020</u>	<u>Three percent (3%) of Qualified Earnings</u>
<u>September 13, 2021</u>	<u>Three percent (3%) of Qualified Earnings</u>
<u>September 12, 2022</u>	<u>Three percent (3%) of Qualified Earnings</u>
<u>September 11, 2023</u>	<u>Three percent (3%) of Qualified Earnings</u>

Lump Sums will be payable no later than the final pay period in September of the eligibility year.

An employee shall become eligible for a Lump Sum payment as hereinafter defined, provided an employee has seniority as of the designated eligibility date set forth above.

An employee's Lump Sum will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay period in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from Allison during each designated Lump Sum eligibility year resulting from the following:

- Hourly Base Wages\*
- COLA\*
- Shift Premium\*
- Vacation Entitlement
- Holiday Pay
- Seven-Day Operator Premium
- Bereavement Pay
- Jury Duty Pay
- Apprentice Pay
- Call-In Pay
- Short Term Military Duty Pay
- Back pay awards related to the designated eligibility year.

\* Including overtime, Saturday, Sunday, and Holiday premium payments

**(101)(a)(1)** An employee who retires during the Lump Sum eligibility year provided in Paragraph (101) and who, but for such retirement, would have had seniority as of the designated eligibility date, shall qualify for the Lump Sum as defined in Paragraph (101).

**(101)(a)(2)** In the case of employees who die during the Lump Sum eligibility year, a Lump Sum shall become payable as if they were seniority employees on the designated eligibility date and calculated based on their Qualified Earnings during the eligibility year as defined in Paragraph (101) above. Such Lump Sum shall be paid to their duly appointed legal representatives, if there be one, and, if not, to the spouses, parents, children, or other relatives or dependents of such persons as Allison in its discretion may determine.

### **NEW JOBS**

**(102)** When new jobs are placed in production and cannot be properly placed in existing classifications by mutual agreement, Allison will set up a new classification and a rate covering the job in question, and will designate it as temporary. A copy of the temporary rate and classification name will be furnished to the Shop Committee.

**(102a)** As soon as possible after machinery and other equipment have been installed, and in any event, within 30 calendar days after a production employee has been placed on the job, the Shop Committee and Allison shall negotiate the rate and classification, and when negotiations are completed, such classification and rate shall become a part of the wage agreement, and the negotiated rate, if higher than the temporary rate shall be applied retroactively to the date the production employees started on the job, except as otherwise mutually agreed but not more than sixty (60) calendar days in arrears.

## LEAVES OF ABSENCE

### Informal Leaves of Absence

(103) A leave of absence may be granted for personal reasons for a period not to exceed thirty (30) days, upon application of employees to and approval by the Human Resources Director and Plant Director. Such leaves of absence shall not be renewed and seniority will accumulate during the leave.

### Formal Leave of Absence for Personal Reasons

(104) Employees requesting formal leave of absence shall first make application in writing to the Personnel Department on the form provided. Such leave of absence will be granted to employees for not more than ninety days on approval of Allison when the services of the employees are not immediately required and there are employees available in the facility capable of doing their work. A formal leave of absence may be granted under the foregoing conditions for not more than 150 days provided that employees do not work in any occupation for their own gain during such leave of absence unless mutually agreed by the Allison and the UAW. A formal leave of absence may be granted under the foregoing conditions for a period exceeding 150 days but not to exceed 180 days if required for the purpose of traveling to a foreign country.

(105) Such leaves of absence may be extended but Allison's prior approval is required. Seniority will accumulate during the period of formal leave of absence. Such formal leaves of absence will not be granted to employees who are laid off, and will not be extended for employees who would have been laid off had they been working during their leave.

(105a) Subject to the provisions of Paragraphs (104) and (105), a formal leave of absence may be granted to employees for service in the Peace Corps or to provide assistance in the case of a public emergency (e.g., disaster relief) if designated as such by an appropriate agency of the U.S. Government. If circumstances require, the duration of the original leave may be for a period up to thirty (30) months. Subject to Allison's needs and the nature of the disaster, Allison agrees to provide up to two weeks off with pay for employees previously qualified / credentialed by F.E.M.A.

### Sick Leave of Absence

(106) Employees who are known to be ill supported by satisfactory evidence, will be granted sick leave automatically for the period of continuing disability. Except as otherwise provided in Paragraph (111)(c), seniority of such employees shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Paragraph (64e) for laid off employees breaking seniority. Not later than thirty (30) calendar days prior to such loss of seniority, Allison will send a letter to each affected employee's last known address as shown on Allison records reminding them of the fact that their seniority is subject to being broken as provided above. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this

letter to such employees or furnish a copy to the Chairperson of the Shop Committee will not be the basis for any claim.

Each year the company shall supply the union with a report indicating those employees that may break seniority as described in this paragraph during that year.

**(107)** Probationary employees shall not receive credit for time off sick toward the ninety (90) days of employment required to acquire seniority, except as provided in Paragraph (108) and Appendix D, and in no case shall a probationary employee's name be placed on the seniority list while away from work on sick leave.

**(108)** An employee who has sustained a legal compensable injury or disease and has accrued three (3) or more years of seniority at the commencement of such injury or disease shall be automatically granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of such leave.

An employee who has sustained a legal compensable injury or disease with less than three (3) years of seniority at the commencement of such injury or disease shall be granted a compensable leave for the full period the employee is not working due to the compensable injury and is receiving Worker's Compensation Benefits under a State or Federal Worker's Compensation Law. The employee will continue to accrue seniority for the full period of temporary disability. In the event that such disability of an employee with less than three (3) years of seniority is determined to be permanent by the appropriate State or Federal authority, Allison shall have the right to convert the status of such employee to a Paragraph (106) Leave as of the date of such determination. In the event of such conversion, Allison will send written notification of the employee's change in status to the affected employee's last known address as shown on the Allison records. A copy of such letter will be furnished promptly to the Chairperson of the Shop Committee. However, failure through oversight to send this letter to such employees will not be a basis for any claim.

Each year the company shall supply the union with a report indicating those employees that may break seniority as described in this paragraph during that year.

Probationary employees disabled by a compensable injury shall be given credit for the period of such legal temporary disability toward acquiring seniority.

#### **Leave of Absence for UAW Activity**

**(109)** Employees elected to a permanent office in, or as a delegate to, any UAW labor activity necessitating a leave of absence, shall be granted such leave for a minimum of the first half or the second half of their shift and not to exceed one year and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed reemployment if there is sufficient work for which they are in line at the then current rate of pay. Written notice for such leaves, giving the length of leave, shall be given to Allison as far in advance as possible but in no event later than the day prior to the day such leave is to become effective. Seniority will accumulate during the period of such leaves.

**(109a)** Leaves of absence may be granted to employees for other UAW activities and seniority shall accumulate during such leaves. Such leaves will be granted only when requests are made in writing to the Manager, Labor Relations by the President of the International Union or the head of the department of the International Union at Detroit which handles matters under this Agreement.

#### **Leave of Absence for Public Office**

**(110)** Employees with seniority elected to public office may make written application for a leave of absence for the period of their first term of active service in such elective office. Additional leaves of absence for service in elective public office may be granted at Allison's option upon written application by such employee.

**(110a)** Employees with seniority who are appointed to a position as administrative assistant in a Congressional or Senatorial office, or to an administrative position in a State Agency, or as a Labor Representative on a Community Agency, or to a non-civil service governmental position which is not generally available to an applicant for employment, or as a full time officer in a credit union, may make written application for a leave of absence for the period of their active service in such position, not to

exceed one year. Such leave may be renewed at Allison's option upon written application by such employee.

**(110b)** Employees granted a leave of absence under Paragraph (110) or (110a), shall be guaranteed reemployment, at the then current rate of pay, if there is sufficient work available which they are capable of doing and to which they may be entitled on the basis of seniority. Seniority will accumulate during the period of such leaves.

**(111)** All of the above leaves of absence including sick leaves are granted subject to the following conditions:

**(a)** Employees on leave may return to work in line with their seniority before the expiration of their leave providing not less than seven (7) days' notice is given to Allison. The return within the seven-day period is at Allison's option. Employees who fail to return to work in accordance with the notice as given shall be considered as having voluntarily quit unless they have a satisfactory reason.

**(b)** Employees who fail to report for work within three working days after the date of expiration of the leave shall be considered as having voluntarily quit unless a reason satisfactory to Allison is provided within 72 hours of the breaking. Those employees who have voluntarily resigned will be sent a letter informing them that they have broken seniority. The Chairman of UAW Local 933 will be copied on all such correspondence. The union reserves the right to file a grievance in the event that the employee or the Union believes that Management acted inappropriately concerning paragraph (111)(b).

**(c)** If upon the expiration of a leave of absence there is no work available for employees in line with their seniority, or if they would otherwise have been subject to layoff according to seniority during the period of the leave, the period which breaks seniority shall start from the date of expiration of the leave, or in the case of a leave of absence under Paragraph (106), Paragraph (113), or Paragraph (113a), the period which breaks seniority shall start from the date such employee would otherwise have been laid off.

**(d)** In those instances where an employee's return to work information was submitted directly to Management or their representative by the employee's attending physician, an employee on a sick leave of absence would be provided written notification of the most current anticipated return to work date designated by his attending physician. A copy of this notification will be provided to the Union Benefit Representative.

Providing or not providing such information will be without prejudice to either party in the application of any terms of the Agreement and will not be cited or relied upon by an employee, the Union, or Management or their representative as a basis for any claim.

### **Leave of Absence for Military Service**

**(112)** Employees who enter either active or inactive training duty or service in the Armed Forces of the United States will be given a leave of absence subject to the conditions herein. Upon submission of satisfactory proof of pending induction for active service, such employees may arrange for the leave to begin up to thirty days prior to the induction date. The leave shall not exceed the term of the initial enlistment and one (1) consecutive re-enlistment. In no event will the period of such leave exceed a total of eight (8) years, except when additional service is involuntary. Seniority will accumulate during the period of such leave. Upon termination of such leave, employees shall be offered re-employment in their previous position or a position of like seniority, status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event they will be offered such employment in line with their seniority as may be available which they are capable of doing at the current rate of pay for such work, provided they meet the following requirements:

**(1)** Have not been dishonorably discharged.

**(2)** Are physically able to do the work.

**(3)** Report for work within ninety days of the date of such discharge, or ninety days after hospitalization continuing after discharge.

The seniority of any employee who fails to report for work within the times specified in Paragraph (112)(3) shall be automatically broken, unless the employee gives a satisfactory reason for such failure to report.

As used in this paragraph, "Armed Forces of the United States" is defined as and limited to the

United States Army, Air Force, Navy, Marine Corps, Coast Guard, Merchant Marines, National Guard, Air National Guard or any reserve component thereof.

Upon timely application, employees scheduled for Military Service leave as a result of being scheduled for active duty, shall be given 1 week's unpaid leave to prepare, and 1 week unpaid leave after active duty to promote readjustment to civilian life and resumed employment with Allison.

**(112a)** Employees with seniority who are spouses of employees who enter active duty service in the Armed Forces of the United States and who obtain a leave of absence in accordance with Paragraph (112), may make written application to the Personnel Department for a leave of absence for the period of the spouse's initial enlistment but in no event to exceed four (4) years. Such leaves may be granted by Allison and will be subject to the conditions set forth in Paragraph (111). Seniority will accumulate during the period of such leaves.

### **Educational Leave of Absence**

**(113)** Employees with seniority of one or more years who desire to further their education, may make application for a leave of absence for that purpose.

One continuous leave of absence for such education will be granted to eligible employees for a period not to exceed twelve (12) months, subject to the conditions set forth in Paragraph (111) of this Agreement. Additional leaves of absence may be granted, at the option of Allison. Requests for additional leave shall be made to the Executive Director of Human Resources. Except as otherwise provided in Paragraph (111)(c), seniority shall accumulate during such leaves of absence.

**(114)** An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the employee.

### **STRIKES, STOPPAGES AND LOCKOUTS**

**(115)** It is the intent of the parties to this Agreement that the procedures herein shall serve as a means for peaceable settlement of all disputes that may arise between them.

**(116)** During the life of this agreement, Allison will not lock out any employees until all of the bargaining procedures identified in this Agreement have been exhausted, and in no case on which an Arbitrator shall have ruled, and in no other case on which an Arbitrator is not empowered to rule, until after talks have continued for at least five days at the third step of the Grievance Procedure. In case a lockout shall occur the UAW has the option of canceling the Agreement at any time between the tenth day after the lockout occurs and the date of its settlement.

**(117)** During the life of this agreement, the UAW will not cause or permit its members to cause, nor will any member of the UAW take part in, any sit-down, stay-in, slow-down curtailment of work, restriction of, or interference with, production in any Allison facility. The UAW will not cause or permit its members to cause nor will any member of the UAW take part in any strike or stoppage of any of Allison's operations or picket any of Allison's premises until all the bargaining procedures as outlined in this Agreement have been exhausted, and in no case on which an Arbitrator shall have ruled, and in no other case on which an Arbitrator is not empowered to rule until after talks have continued for at least five days at the third step of the Grievance Procedure and not even then unless authorized by the International Union and written notice of such intention to authorize has been delivered to Allison's Labor Relations Staff at least five (5) working days prior to such authorization. The UAW will not cause or permit its members to cause, nor will any member of the UAW take part in any strike or stoppage of any of Allison's operations or picket any of Allison's premises because of any dispute or issue arising out of or based upon the provisions of the Pension Plan, Life and Disability Benefits Program, Health Care Program, Supplemental Unemployment Benefit Plan, Incentive Compensation Plan, Hourly Employee Savings Plan, Legal Services Plan, or Dependent Care Reimbursement Plan; nor will the UAW authorize such a strike, stoppage, or picketing. In case a strike or stoppage of production shall occur, Allison has the option of canceling the Agreement at any time between the tenth day after the strike occurs and the day of its settlement. Allison reserves the right to discipline any employee taking part in any violation of this Section of this Agreement.

**(118)** This Paragraph is intentionally left blank.

## Apprentices

### SKILLED TRADES

(119) This Section is applicable to apprentices of Allison covered by this Agreement.

(120) This paragraph intentionally left blank.

(121) The following paragraphs shall not be applicable to apprentices:

63(a) (66)(a) (70)  
63(b) (66)(b) (71)  
(66)(c)

### Skilled Trades and Apprentice Committee

(122) An AT-UAW Skilled Trades and Apprentice Committee will be established, composed of three representatives of Allison and the Chairman and two (2) members of the Local UAW Apprentice Committee, which shall meet monthly unless otherwise mutually agreed. The duties of this Committee shall be:

a. Review and revise the uniform shop training schedules when necessary. The shop training schedules which have been agreed to by the AT-UAW Skilled Trades and Apprentice Committee are made a part of this Agreement.

b. Review and revise the related training schedules when necessary. Example-related training schedules which may be agreed to pursuant Paragraph (123) by the AT-UAW Skilled Trades and Apprentice Committee are made part of this Agreement.

c. Review and revise, when necessary, the AT-UAW Standard Apprentice Plan which is made a part of this Agreement.

d. Receive reports of the number of apprentices within each training period by apprentice classification and the number of Journeypersons by classification included in the ratio of apprentices in training to Journeypersons.

e. Establish new apprentice training schedules for classifications in which such schedules have not been previously agreed upon by the AT-UAW Skilled Trades and Apprentice Committee.

f. Approve Pre-Apprentice Training Programs, review, and make disposition of other apprentice training matters referred to the Committee.

g. Deal with all matters concerning the Apprentice and Skilled Trades Sections of this Agreement.

h. Disputes concerning the Apprentices and Skilled Trades Sections of this Agreement may be appealed to Arbitration in accordance with Paragraph (55).

(123) Shop and related training schedules will remain in effect until revised. Revised schedules will be adopted for those apprentices presently in the training program to the extent that they can be integrated into such revised programs without interfering with the progress of the apprentice. If requirements indicate deviation should be made in such shop or related training schedules, proposed changes must be referred to the AT-UAW Skilled Trades and Apprentice Committee, together with the reason for requesting the deviation, for consideration. Shop training schedules which have not been agreed to, will be reviewed by the AT-UAW Skilled Trades and Apprentice Committee as soon as possible.

(124) An Apprentice Committee composed of two (2) Union members and two (2) Management members shall be established. The International Union shall appoint Journeypersons from the facility as members of the Local Apprentice Committee. Management will notify the UAW of its members, one of whom shall be designated the Apprentice Coordinator.

(125) The Chairperson of the UAW members of the Apprentice Committee will be permitted to attend regular Shop Committee meetings and will be paid the regular rates for time spent in such meetings and for making the investigations provided for in this sub-paragraph for the hours that would otherwise have been worked.

**(126)** The Apprentice Committee will meet at a mutually agreed-upon time at least once each 30 days, unless otherwise agreed to extend the time between meetings. Apprentice Committeepersons will be paid their regular rates for time spent in such meetings and for the necessary time to properly perform their duties and functions provided for in Paragraph (127) for the hours they would otherwise have worked in the facility. Minutes of such meetings will be furnished to the UAW members of the Apprentice Committee within seven (7) calendar days from the date of the meeting.

**(127)** The duties and functions of the Apprentice Committee will be as follows:

**(a)** Negotiate on issues involving the effect of the employment of apprentices on the employment of Journeypersons in the trades involved.

**(b)** Study other matters that may involve the training of apprentices by Journeypersons in the shop. When machinery, equipment or material is introduced or modified and new skills are required of the Journeyperson classification, the matter may be reviewed to determine the effect on the shop and related training of apprentices including necessary revision of such training. If requested, arrangements will be made with the Apprentice Coordinator for the Apprentice Committee to investigate the new skills on the shop floor. When a meeting is held with an educational institution providing related training to implement changes in the related training curriculum, the UAW members of the Apprentice Committee will be given the opportunity to attend.

**(c)** Progress reports of the apprentice shop and related training schedules will be reviewed in meetings of the Apprentice Committee, except that upon the request of a member of the Apprentice Committee an individual apprentice's record shall be reviewed in a meeting of the Apprentice Committee once during the last thirty (30) day period prior to completion of the apprentice shop training schedule. Problems involving the improper application of the shop training schedules to individual apprentices may be raised with supervision and if necessary discussed with the apprentice on the shop floor by the Chairperson or another UAW member of the Apprentice Committee.

**(d)** **(1)** Interview tested apprentice applicants in accordance with the Apprentice Selection Procedure. Interview results will be combined with test scores by central scoring where separate lists will be developed, one for seniority employee applicants and one for all other applicants, each list to be in descending order of points scored for each classification for which they have applied. The lists for each apprentice classification will be provided by central scoring for review by the Apprentice Committee. When apprentices are selected, such selections will be on the basis of at least two from the seniority employee applicant list for every one selected from the other list in descending order of total point score in accordance with the Apprentice Selection Procedure; however, more selections from the other list may be made in the event sufficient seniority employee applicants are not available. Notwithstanding the above provisions of this Paragraph, laid off apprentices may be placed in the classification from which they were laid off prior to the selection of new applicants from either the seniority employee applicant list or the one from all other applicants.

**(2)** When a list of qualified applicants for a classification is exhausted, additional qualified applicants may be placed on the list for that classification.

**(3)** When necessary, the Apprentice Coordinator will make arrangements to temporarily assign a UAW member of the Apprentice Committee to another shift for the purpose of interviewing applicants or to handle specified, legitimate apprentice matters. The overtime premium pay provisions of this Agreement are hereby waived in such instances and such changes in shift for this purpose will not result in the payment of overtime premium.



(e) All applications for apprenticeship will be available upon request for review by the Chairperson of the UAW members of the Apprentice Committee.

(f) The Apprentice Committee will be provided an Interview List containing the name, employee identification number, Allison employment information and trades applied for prior to any interview. The Apprentice Committee will also be provided with a copy of the Final Applicant Rankings of qualified applicants eligible for selection for each classification containing the name and, in the case of employee applicants, the seniority date will be included.

(g) Employees eligible for tuition assistance who express a desire to enter the apprentice program will be advised by a member of the Apprentice Committee of courses that are available through the Tuition Assistance Plan which may help them become better prepared as applicants for apprentice training.

(h) The Apprentice Coordinator and the Chairperson of the UAW members of the Apprentice Committee may confer with new apprentices for the purpose of acquainting the apprentices with the role of Allison, the UAW, and the AT<sub>I</sub>-UAW Skilled Trades and Apprentice Committee in the apprentice program and to ascertain that the apprentices understand their status and obligations as apprentices in accordance with the Apprentice Training Agreement provided for in Paragraph (144).

(i) The Apprentice Coordinator and the Chairperson of the UAW members of the Apprentice Committee may confer with apprentices where there are indications that apprentices are failing to perform their obligations as apprentices.

(j) Evaluate and credit previous experience as provided for in Paragraph (132).

(k) Issue certificates of completion of apprenticeship as provided for in Paragraph (150).

(l) Each six months, the Chairperson of the UAW members of the Apprentice Committee will be furnished with a list of the number of apprentices in each training period by classification and the number of Journeypersons by classification included in the ratio of apprentices in training to Journeypersons.

(m) Apprentice training matters which are discussed by the Apprentice Committee and are not resolved may be referred to the AT<sub>I</sub>-UAW Skilled Trades and Apprentice Committee for disposition.

**(128)** Grievances filed by apprentices will be handled under the Representation and Grievance Procedure Sections.

**(129)** Notwithstanding the provisions of Paragraph (128) above, problems involving apprentice related training schedules which cannot be settled by the Apprentice Committee shall not be subject to the Grievance Procedure. Such problems may be referred to AT<sub>I</sub>-UAW Skilled Trades and Apprentice Committee.

### **Apprenticeship Eligibility Requirements**

**(130)** Management will review its apprentice training needs and will post on appropriate bulletin boards a list of apprentice openings. In order to be eligible for consideration for apprenticeship, all applicants must meet the requirements for apprentice training as established in the Standard Apprentice Plan, including education and other tests, such as aptitude tests. To satisfy the education requirement, the applicant must be a high school graduate, or have an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the AT<sub>I</sub>-UAW Skilled Trades and Apprentice Committee, or meet the alternative requirements set forth in the Standard Apprentice Plan. The new employee applicant must be at least age 18 or otherwise compliant with applicable State and Federal laws, including ITAR, immigration, and naturalization laws.

**(131)** Notwithstanding other provisions of this Agreement, any seniority employee other than those classified as apprentices may file an application for an opening in the apprentice program; provided, however, that where there is evidence that the filing of such applications by Journeypersons is

inconsistent with skilled trades staffing objectives, such application shall be subject to review and decision by the Skilled Trades and Apprentice Committee. An apprentice with seniority who is scheduled to be removed from an apprenticeable classification in a reduction in force may apply for an apprentice opening in a related skilled classification.

If such applicants meet all of the requirements for apprentice training as established in the Standard Apprentice Plan their applications will be considered for the apprentice program (consistent with applicable State and Federal laws). When the qualifications of employee-applicants are equal, the employee-applicant with the longest seniority will be given preference.

### **Credit for Previous Experience**

**(132)** Credit for previous related experience in military service, an apprentice training program, or a skilled trades classification for any other employer, may be given up to the total time required on any phase of the apprentice shop training or related training schedules. Credit for such previous experience will be given to apprentices at the time they have satisfactorily demonstrated that they possess such previous experience and are able to do the job. Related training credit shall be given apprentices at the time that they have demonstrated that they possess the educational knowledge for which they are requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule.

Any dispute over such credit shall be referred to the ATJ-UAW Skilled Trades and Apprentice Committee for decision.

### **Term of Apprenticeship**

**(133)** The term of apprenticeship will be nominally four (4) years in length, but shall be based on the number of hours actually worked. The shop schedule shall be divided into eight (8) periods of 916 hours each.

### **Seniority of Apprentices**

**(134)** Each apprentice classification in the apprentice program will be a separate non-interchangeable occupational group.

**(135)** Apprentices hired directly into an apprentice classification shall establish seniority in their non-interchangeable occupational group in accordance with Paragraphs (57) and (58).

**(136)** Employees transferred to an apprentice classification will have a date of entry in the non-interchangeable occupational group to which they are transferred and will continue to accumulate seniority in the seniority group from which they were transferred.

**(137) (a)** For the purpose only of determining the seniority status of apprentices in training, such apprentices shall have their seniority established as provided in Paragraphs (135) and (136) above.

**(b)** Credited hours will be converted to seniority under this Paragraph (137)(b) by crediting 7 calendar days for each 40 hours and 1 calendar day for each additional eight (8) hours. Graduate apprentices' Journeyman seniority dates shall not precede their seniority dates established pursuant to Paragraph (57). For all other purposes seniority shall be as established by the Section entitled "Acquiring Seniority".

**(c) (1)** Graduate apprentices whose apprentice training was interrupted by a leave of absence under the provisions of Paragraph (105a), Paragraph (112), by an approved leave of absence for jury duty, absences which qualify under the Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Plan under prior Agreements or Short Term Military Duty sections of this Agreement, by approved vacation time off, or by a sick leave of absence under the provisions of Paragraph (106), will upon graduation, be given the same Journeyman seniority date as they would have received had they not served in the Peace Corps, entered military service, served on the jury, been on approved absence for which they received Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Pay under prior

Agreements or Short Term Military Duty Pay, taken vacation time off, or been on a sick leave of absence. The period covered by a sick leave of absence pursuant to Paragraph (108) and the portion of any sick leave of absence, pursuant to Paragraph (106) shall be credited.

**(c) (2)** For pay period during which apprentices work in their apprentice classification and, in the case of the pay period in which the full week of Christmas holidays fall provided they would otherwise have been scheduled to work, they will be credited as having spent seven calendar days in the apprentice program.

**(d)** Apprentices who satisfactorily complete their shop training schedule prior to the time they complete their related training shall, notwithstanding the provisions of Paragraph (178)(1), be considered as Journeypersons. Such employees shall be required to complete their related training requirements specified in Paragraph (145). Notwithstanding the provisions of Paragraphs (151), such employees who hereafter fail to attend available courses or decline to complete the related training requirements specified in Paragraph (145) will have their rate adjusted to a rate not greater than the minimum rate of the Journeyperson classification. Shift Preference Agreements must have sufficient flexibility to permit such employees to complete the related training courses in which they are currently enrolled. Seniority of such employees shall be established in accordance with Paragraph (137)(a), (b) and (c).

Time spent by such employees in completing their required apprentice related training schedule shall be paid for at the straight-time hourly rate applicable to such related training for that classification in accordance with Paragraph (146) and the Apprentice Rate Schedule set forth in Paragraph (151); provided, however, the hourly rate for such apprentice related training shall not exceed the applicable rate for the eighth (8th) 916 hour Apprentice Training Period for that classification as set forth in Paragraph (151). Allison's payment of fees and/or tuition required in connection with apprentice related training for such employees is limited to the maximum provided in Paragraph (148).

Upon completion of their related training schedule, the employees shall be given a certificate of completion of apprenticeship, in accordance with Paragraph (150), and shall thereupon be Journeypersons within the meaning of Paragraph (178).

**(138)** Apprentices removed from the non-interchangeable occupational group to which they are assigned due to a reduction in force or inability to satisfactorily perform the shop and/or related training requirements shall be retained at work, seniority permitting, as follows:

**(a)** Apprentices with seniority who were hired directly into an apprentice classification will be placed on other available work in accordance with Paragraph (59).

**(b)** Apprentices with seniority who have been transferred from a job in the facility to an apprentice classification will be returned to the group from which they were so transferred, or otherwise placed according to the Seniority Agreement provisions.

**(c)** Failing to have sufficient seniority to be placed on other work, as provided above, apprentices will be laid off.

**(139)** Apprentices who have been removed from an apprentice non-interchangeable occupational group due to a reduction in force pursuant to Paragraph (138) above, will be recalled to such group in line with their seniority in such group.

### **Ratio of Apprentices to Journeypersons**

**(140)** The number of new apprentices who may be enrolled shall be determined on the basis of the number of Journeypersons employed for the program averaged over the preceding twelve (12) months. The ratio of apprentices in training to Journeypersons should not exceed one (1) apprentice to eight (8) Journeypersons. However, the UAW agrees that Allison can establish a ratio of apprentices to

Journeypersons in excess of the one (1) to eight (8) ratio, but not to exceed a ratio of one (1) apprentice to five (5) Journeypersons. Deviations below the one (1) to five (5) ratio may be agreed to by the Apprentice Committee. Favorable consideration will be given to requests for deviation below the one (1) to five (5) ratio in instances in which it is anticipated the impact of early retirement will create a shortage of skilled trades employees. Disputes concerning such deviations or the enrolling of new apprentices at a time when seniority Journeypersons in the same classification are laid off due to a permanent reduction in force will be referred to the AT-UAW Skilled Trades and Apprentice Committee for decision.

### **Ratio - Reduction in Force**

**(140a)** In the event of a reduction of force, the apprentices in excess of the one (1) to eight (8) ratio will be laid off before any Journeyperson in that trade is laid off. The ratio of apprentices in training to Journeypersons will be based on the average number of Journeypersons employed for the program computed on the last Monday of each of the twelve preceding months. The average thus computed shall remain in force until a new computation is made on the last Monday of the next succeeding month. If, during periods when Journeypersons are laid off, any monthly computation results in a ratio in excess of one (1) apprentice to eight (8) Journeypersons, such excess apprentices will be laid off by the end of the pay period during which the last Monday of the month falls except that a minimum of one apprentice may be retained in each trade.

### **Reduction in Force (Unusual Circumstances)**

**(140b)** In the event the reduction in force is due to unusual circumstances, including, but not confined to: a transfer or discontinuance of an operation, major technological developments, the elimination or consolidation of classifications, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force; Allison, the Shop Committee and the UAW members of the Apprentice Committee will mutually agree to an acceptable layoff and recall plan. Such a layoff plan may provide for reducing the ratio below one (1) to eight (8), or for laying off all apprentices in a particular trade. A plan that provides for the layoff of all apprentices in a particular trade is to be reviewed and approved in advance by the AT-UAW Skilled Trades and Apprentice Committee.

### **Standard Work Week**

**(141)** To maintain the proper schedule for graduating apprentices, their standard work week, including time spent in connection with related training, will be forty (40) hours.

**(a)** Apprentices may be assigned to overtime work when all Journeypersons on the shift in the equalization group with which the apprentices in the course of their training are currently associated, are either scheduled to work overtime or have had the opportunity to work overtime. Deviation from this provision may be negotiated by Allison and the Shop Committee.

**(b)** Equalization of any overtime available to apprentices is subject to arrangement between Allison and the UAW in a manner consistent with the shop and related training of each apprentice.

**(c)** Individual apprentices will not be assigned to work overtime for the purpose of completing their apprentice training ahead of other apprentices in like circumstances in the trade.

**(142)** In case apprentices are required to work overtime, they shall receive credit on the term of apprenticeship for only the actual hours of work.

### **Allowance - Tools, Books, Supplies**

**(143)** As soon as practicable after being placed in an apprentice group, apprentices will be furnished an appropriate new tool box, which will become the property of the apprentice upon graduation. At the same time and also upon satisfactory completion of the first period of 916 hours of work they will be paid an allowance of \$300.00 for the purchase of tools, books and supplies. Upon satisfactory completion of the second, third, fourth, fifth, sixth and seventh periods of 916 hours of work in the apprentice program,

apprentices will be paid \$200.00 for the purchase of tools, books and supplies. Allison will assist apprentices in obtaining tools. Upon completion of all shop and related training requirements and graduation, apprentices will be paid \$300.00 for a total allowance of \$2,000.00 including credit granted for prior experience pursuant to Paragraph (132) less any such payments previously received. The apprentice shall be supplied all the tools on the apprentice tool list for their trade within fourteen (14) calendar days of entering the apprentice program.

### **Apprentice Training Agreement**

(144) All apprentices will be required to sign an Apprentice Training Agreement. A copy of the Apprentice Training Agreement shall be furnished to the Apprentice. The Apprentice Training Agreement shall be registered with the Bureau of Apprenticeship and Training, U.S. Department of Labor.

### **Related Training**

(145) Apprentices shall be required during the period of this apprentice program, to complete a program of related and supplemental classroom instructions not to exceed 576 hours during a four-year training course, less the amount of related training for which they received credit pursuant to Paragraph (132). Exceptions up to a maximum of 672 hours may be jointly recommended for specific classifications by the Apprentice Committee subject to approval by the ATJ-UAW Skilled Trades and Apprentice Committee.

(146) Time spent by apprentices in connection with related training shall not be considered time worked under this Agreement; nevertheless, time spent by apprentices in taking required related training shall be paid for at the apprentices' straight time hourly rate.

(147) Whether related training shall be conducted by Allison or through an educational institution, or otherwise, shall be determined by Allison in light of prevailing circumstances in the community. Allison will notify and discuss this matter with the Apprentice Committee. However, the final determination will remain the responsibility of Allison.

(148) Allison agrees to pay, on behalf of apprentices covered by this Agreement, registration fees and/or tuition required in connection with related training under the apprentice program, but not to exceed 576 hours of related training. However, if an Apprentice does not meet the minimum grade criteria of a "C" or higher, they will be required to retake the specific class on their own time and at their expense. If there is a refusal to retake the class Apprentice will be removed from the program. If the class is taken a second time and the grade is lower than "C" the Apprentice will automatically be removed from the program.

### **Progress Reports**

(149) An accurate record shall be kept of the hours worked by each apprentice under the training program. These hours shall be recorded on appropriate forms. Where the basic work processes are subdivided on the uniform shop training schedules, a more detailed breakdown of hours conforming to such subdivisions, which do not change the uniform shop training schedules, may be developed.

(149a) Optional hours are provided in each shop training schedule to be used as follows:

(1) To give additional training over and above the hours designated in the shop training schedule in those phases which would be most beneficial to apprentices in acquiring their Journeyman status.

(2) To give training in related phases of the trade not specifically designated in the shop training schedule but normally required of a Journeyman.

### **Certificate of Completion**

(150) Upon completion of apprenticeship, a certificate, a copy of which is contained in the Standard Apprentice Plan, will be issued to the apprentice. The certificate shall be signed by Allison and the UAW Members of the Apprentice Committee. The Apprentice Committee will recommend to the Bureau

of Apprenticeship and Training, U.S. Department of Labor, or to the state agency in those states where appropriate, that a certificate signifying completion of the apprenticeship be issued to the Apprentice.

### **Apprentice Wage Rates**

**(151)** Effective with the effective date of this agreement, the straight time hourly wage rates (exclusive of shift premium) for apprentices in the bargaining unit will be the rates set forth in the following Apprentice Rate Schedule:

<b>Apprentice Training Period</b>	<b>Hourly Rate*</b>
1st 916 Hours	\$27.56
2nd 916 Hours	27.72
3rd 916 Hours	27.72 plus 9% of "Rate Difference"
4th 916 Hours	27.72 plus 20% of "Rate Difference"
5th 916 Hours	27.72 plus 33% of "Rate Difference"
6th 916 Hours	27.72 plus 48% of "Rate Difference"
7th 916 Hours	27.72 plus 66% of "Rate Difference"
8th 916 Hours	27.72 plus 86% of "Rate Difference"

\*The "Rate Difference" will be determined by subtracting the sum of \$.20 and the Hourly Rate for the 2nd 916 Hours from the maximum rate established in the Wage Agreement for the Journeyman classification for which the apprentice is in training. Resultant rates will be rounded to the nearest 1 cent (1¢).

Notwithstanding the foregoing provisions, seniority employees transferred to apprentice training, including seniority Allison employees transferred from other Allison locations, will be transferred at their current rate, provided, however, that in no event will their 1st Period Rate be lower than a rate of ten cents (10¢) over the 1st Period Hourly Rate set forth above. Upon their completion of that 1st Period, they shall be paid a rate of \$27.72 or their first period rate, whichever is higher, and, will be paid such rate until they qualify for a higher rate in accordance with the Apprentice Rate Schedule.

Upon graduation, apprentices will receive an increase, to the Journeyman rate for the skilled classification to which they are assigned.

### **Skilled Trades Vacancies**

**(152)** Allison will study its future staffing needs, and at least once each six months will post on the appropriate bulletin boards a list of jobs, if any, for which a shortage of Journeymen is anticipated. Where qualified Journeymen are not available either through new hires, from Journeymen currently working on other than skilled trades classifications who have submitted appropriate documents to Allison pursuant to Paragraph (178), or from graduated apprentices, employees working on other than skilled trades classifications will be permitted to file application for vacancies in skilled trades classifications listing their qualifications for such jobs. However, subject to rules and conditions established by written agreement employees working in skilled trades classifications will be permitted to file application for vacancies in other skilled trades classifications listing their qualifications for such jobs.

**(153)** Notwithstanding other provisions of this Agreement, Allison may select non-Journeyman seniority employees who have previously filed an application as provided above for transfer to the skilled trades classifications for training and to perform the work in such classifications.

Employees transferred to skilled trades classifications will be selected on the basis of their qualifications, and when their qualifications are equal, employees with the longest seniority will be given preference.

(154) When no applications of seniority employees with qualifications have been filed for transfer, non-seniority employee applicants may be transferred or new non-Journey person applicants with qualifications may be hired for the work.

(155) - (177) These paragraphs intentionally left blank.

### **Definition of "Journey person"**

(178) The term "Journey person" when used in this Agreement means an employee who: (1) has satisfactorily completed a bona fide apprentice training course with similar standards to the ATU-UAW Apprentice Training Program; or (2) one who has properly carried such Journey person status in any Allison plant under the terms of previous agreements between the parties; or, (3) one who has been reclassified as a Journey person under the terms of the Skilled Trades Section of this Agreement; or (4) one, newly hired, who meets one of the above alternative requirements or can prove work experience in the trade at least equivalent to that on-the-job experience required for reclassification to Journey person. Copies of any documents presented pursuant to this provision will be furnished to the Chairperson of the Shop Committee upon request.

(178a) Journey persons in an apprenticeable classification will be considered to be a Journey person classified in the classification(s) for which they are qualified and which is (are) related to that apprenticeable classification.

For the purpose of this Paragraph, the machine operations listed in the apprentice training schedules, are considered related to their respective classification. In addition for this purpose, the parties may determine, in writing, other classifications, which are to be considered related to these and other apprenticeable classifications, subject to approval of the ATU-UAW Skilled Trades and Apprentice Committee. In the event the parties are unable to reach agreement, the area of difference will be referred to the ATU-UAW Skilled Trades and Apprentice Committee for resolution on the basis of the specific facts involved. The ATU-UAW Skilled Trades and Apprentice Committee will also determine classifications which are to be considered related to the apprenticeable classifications.

### **Product Change or Major Facility Rearrangement**

(179) During product change or major facility rearrangement employees may be temporarily transferred to classifications to assist in such work and paid in accordance with the wage agreement. The duration of such temporary transfers is limited to the temporary period of such product changes or major facility rearrangements. Seniority of such employees will remain and accumulate in the seniority group in which it is established at the time of the temporary transfer. It is understood, therefore, that no employee will be credited with any seniority in such classifications for the purpose of being retained in the classification.

(180) - (181a) This paragraph intentionally left blank.

### **Lines of Demarcation**

(182) (a) The Chairperson of the Shop Committee may request the Labor Relations Manager or Director to arrange a special conference to hear the skilled trades representative's views concerning problems in connection with work assignments of employees in skilled trades classifications and to discuss the matter. Such special conference will be attended by two committeepersons representing employees in skilled trades classifications, the Chairperson of the Shop Committee, a representative of the section of the Management organization in charge of the skilled trades activity involved, a representative of labor relations and another representative of Allison. The Regional Director of the International Union or a designated representative, upon request to the Manager, Labor Relations, may attend the conference.

(b) If the matter involves the appropriateness of the work assignment of employees in skilled trades classifications and is resolved, the settlement will be reduced to writing within seven (7) calendar days from the date of the settlement unless otherwise agreed to by the parties. If the matter is not

resolved, the UAW may reduce the matter to writing in a statement setting forth all the facts and circumstances surrounding the

case and the position taken by the union. The statement will be presented to Allison, within ten (10) working days of the special conference. Within five working days thereafter, Allison will prepare and give to the UAW a complete statement of the facts of the case and the reasons for the position taken. The UAW may within 30 days of such delivery forward the Union's statement and the Management's statement to the Director of the Heavy Truck Department of the International Union.

(c) If in its judgment the matter warrants appeal, the International Union may within 30 days of receipt of the statements, appeal the matter to the ATU-UAW Skilled Trades and Apprentice Committee by written notice to the Manager, Labor Relations.

(d) The ATU-UAW Skilled Trades and Apprentice Committee shall attempt to resolve the matter. If they are unable to resolve the case within three months of the date of appeal to it or any mutual extension of said period, the case may be withdrawn without prejudice by the UAW members or may be appealed to the Arbitrator for final and binding decision. Upon the submission of a case to the Arbitrator, the parties will make an effort to provide the Arbitrator with a jointly agreed upon set of specific criteria to guide the Arbitrator's decision in each case.

(183) (a) Employees of an outside contractor will not be engaged to replace seniority employees on production assembly or manufacturing work, or fabrication of tools, jigs and fixtures, normally and historically performed by them, when performance of assigned work involves the use of Allison-owned machines, tools, or equipment maintained by Allison employees.

(b) The foregoing shall not affect the right of Allison to continue arrangements currently in effect; nor shall it limit the fulfillment of normal warranty obligations by vendors nor limit work which a vendor must perform to prove out equipment.

(c) It is the policy of Allison to fully engage its seniority employees in maintenance skilled trades classifications in the performance of assigned maintenance and construction work.

(d) In all cases, except when time and circumstances prevent it, Allison will hold advance discussion with and provide advance written notice to the Chairperson of the Shop Committee and the Shop Committeeperson or Shop Committeepersons whose zones include the maintenance activities, prior to letting a contract for the performance of maintenance and construction work. In this discussion Allison is expected to review its plans or prospects for letting a particular contract. The written notice will describe the nature, scope and approximate dates of the work to be performed and the reasons (equipment, available human resources, etc.) why Allison is contemplating contracting out the work. Further, this written notice will include the type and estimated duration of warranty work.

At such times Allison representatives are expected to afford the UAW representatives an opportunity to comment on the Allison's plans and to give appropriate weight to those comments in the light of all attendant circumstances. When Journeypersons, tool making or engineering employees are on layoff or become laid off as a result of subcontracting work normally performed by them, Allison will, except where time and circumstances prevent it, hold such advance discussions of contracts for the performance of major tooling construction programs of the type normally performed by such employees.

(e) In no event shall any seniority employee who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside contractor on the plant premises.

#### **VACATION ENTITLEMENT**

(184) The vacation entitlement provisions of this Section shall apply during the term of this Agreement.

(185) The eligibility date for vacation entitlement for all seniority employees is December 31.



**(186)** Each “eligibility year” shall begin with the first pay period following the pay period containing December 31 of the previous year and end with the pay period in which December 31 falls.

**(187)** Employees shall become eligible for vacation entitlement as hereinafter defined, provided they have at least one year’s seniority as of December 31 of the eligibility year and have worked during at least 13 pay periods during the eligibility year.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year’s seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (192) and (193b).

**(188)** In determining the number of pay periods an employee shall have worked in the eligibility year, the employee shall be credited with one pay period for each pay period in which the employee performs work for Allison during that year.

**(189)** For the purpose of this Vacation Entitlement Section only, a pay period during which an employee qualifies for pay pursuant to Paragraph (194), Paragraphs (203) through (213a) for holidays falling within the Christmas Holiday Period, Paragraph (218), Paragraph (218a), or Paragraph (218b) shall be counted as a pay period worked. A laid off employee who receives pay for a designated holiday shall receive credit for the pay period in which the holiday falls as a pay period worked.

**(190)** For employees hired by Allison after February 1, 2008, and who have been employed for at least one year, a vacation will be allowed as appears in Schedule B.

Without modifying or adding to any other provision of the Vacation Entitlement Section, an employee who has seniority but has not acquired one year’s seniority as of December 31 shall nevertheless become eligible for a percentage of 40 hours of vacation entitlement pursuant to Paragraphs (192) and (193b).

**(191)** For employees who have been employed for at least 26 pay periods, a vacation will be allowed as scheduled below:

<b>Seniority of:</b>	<b>Hours of Vacation Entitlement</b>
Less than one year	40
One but less than three	80
Three but less than five years	100
Five but less than ten years	120
Ten but less than fifteen years	140
Fifteen but less than twenty years	160
Twenty or more years	200

**(192)** An eligible employee shall be entitled to a percentage of vacation entitlement shown in Paragraph (191) based on the number of weeks the employee works in the eligibility year, in accordance with the following:

<b>Weeks Worked</b>	<b>Percentage of Hours of Vacation Entitlement</b>
26	100%
25	96
24	92
23	88
22	84
21	80

20	76
19	73
18	69
17	65
16	61
15	57
14	53
13	50

**(193)** An eligible employee who, at the time of the eligibility date, has not used the entire vacation entitlement provided for in Paragraph (191) shall receive a payment in lieu of vacation time off for the unused portion at the rate established in accordance with Paragraph (193a).

**(193a)** Vacation time off payments will be calculated on the basis of the employee's regular rate of pay, plus attached night shift premium, not including overtime, as of the employee's last day worked prior to the approved vacation time off period for vacation with pay. Payment of the unused portion, if any, of Vacation Entitlement will be calculated on the basis of the employee's rate of pay as of the last day worked prior to the eligibility date or the highest rate paid during the eligibility year as long as the employee was paid the rate for at least one hundred twenty (120) consecutive calendar days. The higher of the identified rates above will be paid to the employee and will include the attached night shift premium but will not include the overtime premium.

**(193b)** Payment of the unused portion, if any, of the employee's vacation entitlement, shall be made as soon as possible but not later than February 1 of the following year.

**(194)** Eligible employees may use forty (40) hours of their vacation entitlement during the eligibility year, vacation restricted (VR), provided their absence from work is for not less than four (4) continuous hours and is excused for illness (when not receiving Sickness and Accident benefits), or personal business, or a leave of absence for vacation purposes. Periods of absence less than four (4) continuous hours may be granted by Allison upon prior approval.

Employees subject to the Special Procedure for Attendance will have VR time allocated per the terms of Document 8. Use of VR time on Friday or Monday does not automatically excuse employees for Plan A Saturdays.

Employees that are not in the Attendance Procedure and did not have perfect attendance the previous calendar year will be granted VR hours for unscheduled absences, up to three (3) instances, provided their absence from work is for not less than four (4) continuous hours and a request for regular vacation time off had not been previously denied, subject to the terms of this agreement. Use of VR time on a Friday or Monday does not automatically excuse employees for a Plan A Saturday. VR hours remaining after the three (3) instance outlined above may be taken for unscheduled absences subject to Management approval.

For employees that had perfect attendance the previous year, 40 hours of their vacation entitlement during the eligibility year for unscheduled absences up to five instances provided their absence from work is for not less than four (4) continuous hours and a request for regular vacation time off had not been previously denied. VR time will not be approved on the last scheduled work day before and the first scheduled work day after holidays. In no instance will VR time be allowed if the time off is as a result of concerted action by the employees or the Union.

For employees utilizing FMLA such employees can retain up to 40 Vacation Restricted (VR) hours.

Further, Management will have the ability to "blackout" three dates during any calendar year in which VR time may not be used. These dates will be communicated to the Union at least seven (7) days in advance. Any portion of the forty (40) hours remaining after the five instances have been allocated, as outlined above, must be scheduled in advance. Periods of absence less than four (4) continuous hours may be granted by Allison upon prior approval.

**(195)** Employees who retire or are retired under the provisions of the Allison's Hourly Rate Employees Pension Plan shall receive prorated vacation entitlement up to the vacation entitlement to which the employee's seniority would have entitled them on December 31 of the current year as follows:

- in accordance with Paragraph (192) provided the employee has worked at least thirteen ( 13) pay periods in the eligibility year in which they retire or
- one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked less than 13 pay periods in the eligibility year in which they retire.

**(196)** Employees who are placed on or return from a Leave of Absence for Military Service pursuant to the provisions of Paragraph (112), shall receive vacation entitlement in accordance with Paragraph (192) if the employee has worked at least 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service, or one twenty-sixth (1/26) of the vacation entitlement provided for in Paragraph (191) for each pay period worked within the eligibility year if they have worked fewer than 13 pay periods in the eligibility year in which they are placed on or return from a Leave of Absence for Military Service.

**(197)** Employees disabled from working by compensable work-related injury or legal occupational disease shall receive credit toward pay periods worked under this Vacation Entitlement Section for pay periods they would otherwise have been scheduled to work during the period of compensable disability, provided they worked during at least one (1) pay period in the eligibility year and are otherwise eligible for a vacation entitlement.

**(198)** In the case of an employee who has worked during at least 13 pay periods in the eligibility year and who voluntarily quits or dies prior to the

eligibility date, the vacation entitlement to which the employee would have been entitled based on the number of pay periods worked, shall be paid to the employee or in the event of death, the employee's duly appointed legal representative, if there is one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as Allison in its discretion may determine.

**(199)** This paragraph intentionally left blank.

**(200)** In the case of an employee who goes on sick leave during one eligibility year after having worked fewer than thirteen (13) pay periods in that year and who retires during the next eligibility year under the provisions of Allison's Hourly-Rate Employees Pension Plan before returning to work, the retirement, for the purpose of this Vacation Entitlement Section only, shall be deemed to have occurred as of the day following the employee's last day worked.

**(201)** This paragraph intentionally left blank.

### **Vacation Time off Procedure**

**(202)** Allison recognizes the desirability of providing vacation time off with pay, up to the vacation entitlement to which the employee's seniority will entitle them on December 31 of the current year, in a manner that preserves the maintenance of efficient operations while giving consideration to the desires of the employee.

**(202a)** During each year of this Agreement, Allison may designate up to one week as a Plant Vacation Shutdown period. During such shutdown periods, employees will be required to use earned vacation or flexible holidays; employees without sufficient earned vacation or flexible holidays will be granted unpaid leave.

**(202b)** On or before March 31 of each year, Allison will notify the Shop Committee of its decision to schedule one week of Plant Vacation Shutdown. Allison may schedule the Plant Vacation Shutdown week to take place during any week of July or August, or, with the union's agreement, during another week that is more advantageous to plant operations.

(1) Beginning January 1, 2019 and each year thereafter Allison may designate up to five (5) days, in any calendar year, as a Shutdown. Such days may be utilized individually or in segments by any department. In the event of a five (5) consecutive day shutdown employees will be notified at least sixty (60) calendar days in advance. For shutdowns of three (3) to (4) consecutive days, employees will be notified at least thirty (30) calendar days in advance. For shutdowns two (2) or one (1) day shutdowns employees will be notified seven (7) days in advance. Employees shall be

permitted to use available vacation for any or all of the shutdown days. Employees who choose not to use vacation time shall be coded as informal leave. Any shutdown period shall abut a Saturday and/or Sunday. Such shutdown periods shall not be subject to short work week or SUB pay provisions, except any employee who individually exceeds five (5) days of shutdown in an individual calendar year will be eligible for short work week or SUB pay provisions.

**(202c)** The Notice identified in Par. (202b) will also notify the Shop Committee which productive operations, if any, will be scheduled to operate during the scheduled Plant Vacation Shutdown week as identified in Paragraph (202a). Unforeseen circumstances may require subsequent changes in these announced schedules and will be reviewed with the Shop Committee as soon as is practicable.

**(202d)** Eligible employees who, as of the next eligibility date, have not used their entire Additional Time Off, shall be paid the unused portion in accordance with Paragraphs (193a) and (193b).

**(202e)** Allison will establish a procedure whereby employees, during February, may make application in writing for vacation time off, indicating first, second and third choices. If a Plant Vacation Shutdown is scheduled, the dates of such shutdown are to be included in the employee's vacation schedule. In the event more employees apply for time off than can be spared from the job at a given time, plant seniority will be the basis for resolving priority of applications for time off, except that applicants working on jobs which usually operate when the plant is shut down during such periods as product change, plant rearrangement, plant vacation shutdown or inventory will be given first consideration for time off during periods other than shutdown period.

**(202f)** Each employee will be given a written disposition of their vacation time off request. Approved vacation time off, exclusive of the time identified as a Plant Vacation Shutdown, will not thereafter be canceled or changed without the mutual consent of Allison and the employee. If an employee's approved vacation time off scheduled for a Vacation Shutdown is canceled or changed, the employee may reschedule their vacation in accordance with plant practice.

**(202g)** An active seniority employee who is not scheduled to work during the Plant Vacation Shutdown week, shall use any available Vacation Entitlement hours starting with the first day of the Plant Vacation Shutdown week and will be placed on a leave of absence for vacation purposes for the balance of the Plant Vacation Shutdown week. An active employee without seniority who is not scheduled to work shall be considered on layoff for the entire shutdown period.

**(202h)** An eligible employee who has approved vacation time off in accordance with Paragraph (202e), either through individual vacation scheduling or a scheduled plant vacation shutdown, shall receive their vacation pay, up to the amount of their approved time off, in the pay period following the pay period in which the approved vacation time off is taken. An employee may elect to waive this provision by submitting an application at least two (2) days prior to the approved vacation time off. Upon receipt of the application, payment of the specified Vacation Entitlement will be made pursuant to the provisions for payment of an unused balance in Paragraphs (193a) and (193b).

**(202i)** Regardless of the provisions of Paragraph (49), Allison will deduct from earnings subsequently due and payable the amount of any vacation payment made to an employee who does not have seniority as of their next eligibility date, or who receives state or federal benefits as a result of unemployment during the Vacation Entitlement Period, or who receives any payment in excess of their eligibility. Recovery of such overpayments may be made from any future payments payable under any term of this agreement or any Supplemental Agreement thereto, but shall be limited to no more than one hundred fifty dollars (\$150.00) per pay check unless a higher amount is otherwise agreed with the employee.

## HOLIDAY PAY

**(203)** Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods as provided in Schedule F attached to this Agreement if they meet all of the following eligibility rules unless otherwise provided herein:

**(1)** The employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods, and

**(2)** The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

**(3)** The employee has worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week. For each Christmas holiday period, the employee must have worked the last scheduled workday prior to each holiday period and the next scheduled work day after each holiday period.

Each of the designated days in the Christmas holiday period shall be a holiday for purposes of this Holiday Pay Section.

**(203a)** Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the employee for pay for the one holiday in the Christmas holiday period which follows or precedes such scheduled work day.

**(203b)** An employee who retires as of January 1, and who is otherwise eligible for holiday pay for those holidays falling in the Christmas holiday period up to and including December 31, will receive holiday pay for such holidays.

**(203c)** In order for employees to have maximum time off during the Christmas Holiday Period, employees will only be scheduled for work on the following days, which are not paid holidays under this Agreement, on a voluntary basis, except in emergency situations:

Saturday, December 23, 2017  
Sunday, December 24, 2017  
Saturday, December 30, 2017  
Sunday, December 31, 2017

Saturday, December 22, 2018  
Sunday, December 23, 2018  
Saturday, December 29, 2018  
Sunday, December 30, 2018

Saturday, December 21, 2019  
Sunday, December 22, 2019  
Saturday, December 28, 2019  
Sunday, December 29, 2019

Saturday, December 26, 2020  
Sunday, December 27, 2020  
Saturday, January 2, 2021  
Sunday, January 3, 2021

Saturday, December 25, 2021  
Sunday, December 26, 2021  
Saturday, January 1, 2022  
Sunday, January 2, 2022

Saturday, December 24, 2022  
Sunday, December 25, 2022  
Saturday, December 31, 2023  
Sunday, January 1, 2023

Employees shall not be disqualified for holiday pay if they do not accept work on such days. This does not apply to employees on necessary continuous seven-day operations.

**(204)** When a holiday falls on Saturday eligible employees shall receive holiday pay provided they have worked the last preceding scheduled workday within the week in which that holiday falls.

**(205)** Employees eligible under these provisions shall receive eight hours pay for each of the holidays specified in Paragraph (203), computed at their regular straight time hourly rate exclusive of overtime premium.

**(205a)** For holidays specified in Paragraph (203), eligible employees shall have the night shift premium rate which attached to the straight time hours on their last straight time day worked preceding the holiday included in the computation of holiday pay paid pursuant to Paragraph (205).

**(206)** Employees whose work is in necessary continuous seven-day operations as covered by Paragraph (87) of this Agreement shall receive holiday pay only in the event the holiday falls on one of their regularly scheduled days off, and they meet the other eligibility requirements of this Holiday Pay Section; provided, however, that such employees shall not receive holiday pay if they are scheduled to work on such day off and absent themselves from scheduled work on such holiday without reasonable cause acceptable to Allison.

**(207)** Employees who obtain employment in another Allison facility within one of the eight counties identified in Paragraph (2) of this Agreement, will be eligible for holiday pay during their probationary period provided they have seniority in the facility where previously employed as of the date of the holiday and they are otherwise eligible under the terms of these Holiday Pay provisions.

**(208)** Seniority employees who have been laid off in a reduction of force (except as provided below), or who have gone on sick leave, on leave of absence for military service, or on a Leave for Family and Medical Reasons, during the work week prior to or during the week in which the holiday falls, shall receive pay for such holiday.

Seniority employees who work in the fourth work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, or seniority employees who are laid off in a reduction in force during the first, second or third work week prior to or during the work week in which the Christmas Holiday Period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

Seniority employees who work in the fifth, sixth, or seventh work week prior to the week in which the Christmas Holiday Period begins, and who are laid off in a reduction in force during that week, shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas Holiday Period providing such employees worked the last scheduled work day prior to such layoff.

**(209)** Employees who have been laid off because of product change, plant rearrangement, or inventory shall be eligible for holiday pay under these Holiday Pay provisions, for a specified holiday falling within the period of such layoff providing they meet all the following eligibility rules:

- (1)** They have seniority as of the day of the holiday.
- (2)** They are ineligible for holiday pay for the holiday under the other provisions of this Holiday Pay Section.
- (3)** They return to work during the workweek in which the holiday falls or during the workweek immediately following the workweek in which the holiday falls.
- (4)** They work the first day they are scheduled to work following the holiday.

**(210)** When a holiday falls within an eligible employee's approved vacation period or during a period in which jury duty pay is received pursuant to Paragraph (218) of this Agreement, and such vacation or jury duty causes the employee to be absent from work during the regularly scheduled work week, the employee shall be paid for such holiday.

**(211)** When eligible employees are on an approved leave of absence and return to work following the holiday but during the week in which the holiday falls, they shall be eligible for pay for that holiday. Eligible employees whose leave of absence terminates during the Christmas Holiday Period, and who report for work on the next scheduled work day after the Christmas Holiday Period, will be eligible for holiday pay beginning with the first holiday such employees would otherwise have worked and each holiday thereafter in the Christmas Holiday Period.

**(212)** Employees not working in necessary continuous seven-day operations who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to report for and perform such work, without reasonable cause, shall not receive holiday pay under this Holiday Pay Section.

**(212a)** Employee who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay.

Eligible employees, who work on any designated Christmas Period Holiday, may request that eight (8) hours for each day worked be credited to their Vacation Entitlement Allowance, in lieu of receiving holiday pay. Additional time off resulting from the Christmas Holiday Period may be utilized, per plant practice, at any time during the following year prior to the next Christmas Holiday Period.

To provide sufficient time for administration, the employees must submit their request in writing no later than Friday of the next week in which the holiday occurs.

**(213)** When any of the holidays defined in Schedule F falls on Sunday and the day following is observed as the holiday by the State or Federal Government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

**(213a)** It is the purpose of the Holiday Pay Provisions in this Agreement to enable eligible employees to enjoy the specified holidays with full straight time pay. If, with respect to a week included in the Christmas Holiday Period, employees supplement their Holiday Pay by claiming and receiving an unemployment compensation benefit, or claim and receive waiting period credit, to which they would not have been entitled if their Holiday Pay had been treated as remuneration for the week, such employees shall be obligated to pay to Allison the lesser of the following amounts:

(a) an amount equal to their Holiday Pay for the week in question, or

(b) an amount equal to either the unemployment compensation paid to them for such week or the unemployment compensation which would have been paid to them for such week if it had not been a waiting period.

Allison will deduct from earnings subsequently due and payable the amount, which such employees are obligated to pay as provided above.

**(214)** After consultation with the Shop Committee, Allison shall make reasonable rules regarding smoking. Any protest against the reasonableness of the rules may be treated as a grievance.

**(215)** Supervisory employees and floor engineers shall not be permitted to perform work on any hourly-rated job except in the following types of situations: (1) emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) the instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. Complaints of repeated violations of this paragraph will be handled under the provisions of (5a) of this Agreement. For the purposes of this Special Procedure only, the problem will be discussed between the District Committeeman and the Plant Director. Prior to being referred from the Plant, the problem will be discussed between the Chairperson of the Shop Committee and the Executive Director of Plant Operations.

**(216)** A report of physical examination and any laboratory tests made by physicians acting for Allison will be given to the individual employee involved upon the written request of the employee.

**(217)** This paragraph intentionally left blank.

#### JURY DUTY/MILITARY DUTY/BEREAVEMENT LEAVE

**(218)** Employees with seniority who are summoned and report for jury duty (including coroners' juries) as prescribed by applicable law, or who report for pre-jury duty examination required by the court or administrative governmental agency, shall be paid by Allison the wages (including night shift premium) they otherwise would have earned by working during straight-time hours for Allison for the day on which they report for pre-jury duty examination, and for each day on which they report for or perform jury duty and on which they otherwise would have been scheduled to work for Allison.

Employees with an established shift starting time on or after 7:00 p.m. and on or before 4:45 a.m.

will be excused from work on either their shift immediately preceding the jury service, or their shift immediately following the completion of the jury service, at the option of the employee. Such employee must notify their immediate supervisor of their election prior to being absent from work.

In order to receive payment, employees must give Allison prior notice that they have been directed to report for pre-jury duty examination or have been summoned for jury duty and must furnish satisfactory evidence that they reported for such examination or reported for or performed jury duty on the days for which they claim such payment. The provisions of this Paragraph (218) are not applicable to employees who, without being summoned, volunteer for jury duty.

Allison shall compensate for all lost time any employee who is called by the company to testify on its behalf in any judicial or administrative proceeding.

**(218a)** Employees with Allison seniority who are called to and perform short-term active duty of thirty (30) 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 they would not otherwise be on layoff or leave of absence.

A payment will be made for each day, except for a day for which they receive holiday pay, which they would otherwise have worked equal to the amount by which their straight time rate of pay as of their last day worked plus applicable night shift premium (but not including overtime) for not more than eight (8) hours, exceeds their military earnings for that day including all allowances except for rations, subsistence and travel. Except for short term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency (e.g., disaster relief), payment is limited to a maximum of fifteen (15) working days in a calendar year.

In order to receive payment under this Paragraph (218a), employees must give Allison prior notice of such military duty and, upon their return to work, furnish Allison with a statement of the military pay received for performing such duty.

**(218b)** When death occurs in a seniority employee's immediate family as defined below, the employee, on request, will be excused for any of the first three (3) normally scheduled working days or the first five (5) normally scheduled working days in the case of the death of an employee's current spouse, parent, child, or stepchild (excluding Saturdays, Sundays and holidays) immediately following the date of death. The five-(5) day limit will also apply in cases of multiple deaths of members of the employee's immediate family resulting from a single incident. The immediate family for purposes of this Paragraph (218b) is defined as including the employee's:

- Current Spouse
- Parent
- Step-Parent
- Grandparent
- Great Grandparent
- Child
- Step-Child
- Grandchild
- Brother
- Step-Brother
- Half-Brother
- Sister
- Step-Sister
- Half-Sister
- Current Spouse's Parent
- Current Spouse's Step-Parent
- Current Spouse's Grandparent
- Current Spouse's Great Grandparent

In the case of an employee who is granted a leave of absence due to the illness of an immediate family member, as above defined, and such family member dies within the first seven (7) calendar days of the leave, the requirement that the employee otherwise be scheduled to work will be waived.

Employees excused from work under this Paragraph (218b) shall, after making written application,



receive the amount of wages they would have earned by working during straight time hours on such scheduled days of work for which they are excused (excluding Saturdays, Sundays and holidays, or, in the case of employees working in necessary continuous seven-day operations, the sixth and seventh work days of the employee's scheduled working week and holidays).

(218c) If an employee is on vacation time off with pay and has satisfied the requirements of Paragraph (218b), the employee will be entitled to three additional days, or five additional days in the case of the death of an employee's current spouse, parent, child, or stepchild, of vacation time off during the employee's vacation eligibility year. If an employee does not use these days by the employee's next vacation eligibility date, the employee shall be compensated for these days at a rate of pay established in accordance with Paragraph (193a) of the Agreement. Recovery of overpayments made pursuant to this understanding will be made in accordance with Paragraph (202I).

#### TERM OF AGREEMENT

**(219)** Each of the parties warrants that it is under no disability of any kind that will prevent it from completely carrying out and performing each and all of the provisions of this Agreement, and further that it will not take any action of any kind that will prevent or impede it in the complete performance of each and every provision hereof.

**(220)** This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties, and no representative of either party has authority to make, and none of the parties shall be bound by, any statement, representation or agreement reached prior to the signing of this Agreement or made during these negotiations not set forth herein.

**(221)** The waiver of any breach of any of the provisions or terms of this Agreement by either party does not constitute a precedent for any future waiver or enforcement of such breach. If either party claims it is relieved of its obligations hereunder as a result of an alleged breach of the Agreement by the other party, it shall notify the other party of such claim and alleged breach and allow ten (10) days to such other party for discussion, redress or correction prior to asserting that it has rescinded the contract.

**(222)** It is distinctly understood and agreed that all previous agreements, whether oral or written, by and between Allison (and any predecessor) and the UAW are superseded by this Agreement.

The Parties agree that this Agreement was reached after negotiations, and that they are equally and mutually responsible for its final content. In the event of a dispute about the Agreement's intent or meaning, authorship shall not be construed in favor of or against either party.

**(223)** This Agreement shall continue in full force and effect without change until 11:59 P.M. (Indianapolis time), November 14 2023. If either party desires to terminate this Agreement, it shall, 60 days prior to November 14, 2023, give written notice of the termination. If neither party shall give notice to terminate this Agreement as provided above, or to modify this Agreement as hereinafter provided, the Agreement shall continue in effect from year to year after November 14, 2023, subject to termination by either party on sixty (60) days' written notice prior to November 14<sup>th</sup> of any subsequent year.

If either party desires to modify or change this Agreement it shall, sixty (60) days prior to November 14, 2023, or any subsequent November 14<sup>th</sup> date, give written notice to such effect. Within ten days after receipt of said notice, a conference will be arranged to negotiate the proposals in which case this Agreement shall continue in full force and effect until terminated as provided hereinafter.

If notice of intention to modify or change has been given in accordance with the above provisions, this Agreement may be terminated by either party on thirty (30) days' written notice of termination given on or after the next October 14<sup>th</sup> following said notice of intention to modify or change.

#### **BENEFIT PLANS**

**(224)** The parties have provided for certain benefit plans by Supplemental Agreements signed by the parties simultaneously with the execution of this Agreement, which Supplemental Agreements are attached hereto as Exhibit "A", Exhibit "B", Exhibit "C", Exhibit "D", Exhibit "G", Exhibit "I", Exhibit "J," Exhibit "K" and the Memorandum of Understanding for the Tuition Assistance Plan, and made part of this

Agreement as if set out in full herein, subject to all provisions of this Agreement. In addition, there will henceforth be separate plan documents and summary plan descriptions ("Plan Documents") prepared for each of the Supplemental Agreements, which will not be part of this Agreement. The Plan Documents may be amended and submitted for approval by the Company to the Internal Revenue Service from time to time as allowed by law. However, the plan Documents may not be amended in a manner to materially diminish the benefits described in the Supplemental Agreements without the agreement of the Union, except to the extent required by law. In the event of a conflict between the Supplemental Agreements and the Plan Documents, the Plan Documents shall control, provided, however, that nothing in the Plan Documents will be interpreted to diminish an employee's right to benefits as described by the Supplemental Agreements (except to the extent required by law). No matter respecting the provisions of the Plans shall be subject to the grievance procedure established in this Agreement, except as expressly provided in Paragraph (46) of this Agreement.

#### **WAIVER**

**(225)** The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, Allison and the UAW, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

#### **Partial Invalidity of Agreement**

**(226)** Should the parties hereafter agree that applicable law renders invalid or unenforceable any of the provisions of this Agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related thereto, the parties may agree upon a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement of the parties, without the need for further ratification by the Union membership, and shall remain in effect for the duration of this Agreement.

**(227)** Separability - In the event that any of the provisions of this Agreement or of any agreement, including all agreements, memoranda of understanding, or letters supplemental, amendatory, or related thereto, shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions thereof.

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement is entered into the 18th day of December 2017 between Allison Transmission, Inc., and Local 933, United Automobile, Aerospace and Agriculture Implement Workers of America (UAW).

In a Series of Meetings, the Parties have resolved all issues submitted on either Party by the other during negotiations. It is acknowledged by the Parties that the provisions of this agreement constitute the final record and settlement of all issues.

All grievances not resolved will remain at the respective steps of the appropriate grievance procedure in effect at the time the grievance was filed as set forth in the Agreements.

All agreements, understandings and memorandums between the Parties not specifically superseded or modified during these negotiations shall be reinstated.

This agreement was ratified by UAW Local933 on December 18, 2017, and notification was provided to Management on December 18, 2017.

In witness thereof, the Parties have caused their names to be subscribed by their duly authorized representatives this 28<sup>th</sup> day of February 2018

**FOR THE UNION**

Chris McTaggart

James King

Allen Harris

Phil Doyle

Ken Berger

Mike Mansfield

Randy Gott

Andy Hurrle

Rich Hugart

Ryan Cummings

Tim Connor

Dave Cline

James Bewley

Joe Murphy

Rob Back

Spencer Grobey

Andy McAtee

Cozette Heller

Gary Collins

**FOR THE COMPANY**



Mary Anne Hoffman



Matthew McLaughlin

Chris Coffman

Doug Bolton

Jeff Pence

Lonnie Morrison

Rob Posa

Tony Harbin

William Turner

## **APPENDIX B**

During these negotiations, Allison and the UAW discussed situations where the placement in the program of a selected apprentice – applicant is delayed. The UAW emphasized that problems resulted when such a delay occurs due to (1) an approved leave of absence for jury duty, (2) approved time off pursuant to the Vacation Entitlement Section, (3) a sick leave of absence under the provisions of Paragraph (106) or (108), (4) the short term needs of Allison such as the necessity to train a replacement for the person who has been selected, or (5) an absence which qualifies the employee for bereavement pay, (6) for paid absence allowance time off under the provisions of prior agreements, or (7) for short term military duty.

Allison has advised the UAW that if an opening occurs and the person selected to fill the opening is delayed for one of the reasons specified above and the delay is for not more than 21 calendar days, that person's date of entry for seniority purposes shall be the date he or she would have originally been placed in the opening.

## **APPENDIX C**

Employees whose training in the skilled trades was interrupted by a leave of absence under Paragraph (105a), the portion of a leave of absence under Paragraph (106), Paragraph (108) or Paragraph (112), or for Jury Duty, approved absences which qualify under the Bereavement Pay, Paid Absence Allowance, Paid Personal Holiday Plan or Short Term Military Duty Sections of this Agreement, by approved vacation time off, by up to thirty (30) calendar days of layoff in a calendar year occurring on and after, and all time on layoff out of the program occurring on and after, and who thereafter qualify for status as or are reclassified as Journeyperson in the skilled trades, shall, at such time, be given the same Journeyperson seniority date as they would have received if they had not been on such leave, layoff or approved absence.

## APPENDIX D

### INTERPRETATION OF PARAGRAPH (4) THRU (4C) AND PARAGRAPH (57)

#### **Rules for Computing Seniority of Employees Who Acquire Seniority by Working 90 Days Within Six Continuous Months, and Computing the Period Specified in Paragraph (4) thru (4c)**

1. Credit toward acquiring seniority will begin with the first day worked by the new employee and will include the subsequent days of that pay period.
2. Thereafter during six consecutive months until the employee acquires seniority the employee will receive credit for seven days for each pay period during which the employee works except that credit will not be given for any days the employee is on layoff.
3. No credit will be given for any pay period during which for any reason, the employee does not work except as provided in Paragraph (108) and in the case of the pay period in which the full week of Christmas holidays, provided the employee would otherwise have been scheduled to work.
4. Unless employees are at work on the 90<sup>th</sup> day of their accumulated credited period, they must work another day within their probationary period to acquire seniority. If the 90<sup>th</sup> day of their accumulated credited period falls on a holiday, the employees will be considered as having seniority as of the holiday. If the 90<sup>th</sup> day of their accumulated credited period falls on their vacation pay eligibility date, the employees will be considered as having seniority as of the vacation pay eligibility date.
5. In the event probationary employees are summoned and report for jury duty as prescribed by applicable law during the period of six continuous months preceding the date they acquire seniority pursuant to Paragraph (57), the employees' seniority when acquired will be adjusted to give the employees credit for seven additional days for each week in the period in which they did not work and during which jury duty was performed. The employees must furnish evidence that the jury duty was performed in order to receive seniority credit in accordance with this provision.

## **APPENDIX F**

Allison's policy is to perform maintenance work with its own employees, provided they have the labor, skills, equipment and facilities to do so and can do the work competitively in quality, cost and performance, and within the projected time limits. At times Allison does not deem advisable doing the work itself, and it must, as in the past, reserves to itself the right to decide whether it will do any particular work or let the work to outside contractors. This Appendix is not to be regarded as impairing that right in any way.

Allison hereby assures the UAW that it has no plans to change its policy and that it expects to continue its general operating policy of placing primary reliance on its own skilled trades employees to perform maintenance work to the extent consistent with sound business practice, as in the past.

In this regard, we have seen the use of a joint Allison and UAW work schedule and business opportunity team work very successfully. This approach has not only enhanced job security, but allows a better understanding as to the competitive challenges facing the parties. Allison will continue its skilled trades subcontracting planning team involving both Management and UAW representation which will review forecasted work schedules, including projects and jobs which may be subject to subcontracting, in order to develop the most efficient approach to the work to be performed. Allison has experienced success with this approach and found that meetings scheduled weekly, if necessary, were most beneficial, and therefore such meetings should be scheduled accordingly.

Allison is genuinely interested in maintaining maximum employment opportunities for its skilled trades employees consistent with business needs. Therefore, in making these determinations, Allison intends always to keep the interests of Allison employees in mind.

## APPENDIX F-1

During these negotiations, the UAW discussed with Allison issues affecting the job security of employees resulting from contracting out of work.

The essential elements in the issues raised by the UAW went to the question of job security.

The parties reviewed the competitive advantage of Allison's talented skilled trades workforce. Discussed were the UAW's concerns for the integrity of the apprenticeable trades, the job security of the skilled trades workforce, the content of skilled trades work assignments, and the status of work functions historically performed by the bargaining unit.

At times it is not practicable for Allison to do the work itself, and it must, as in the past, reserve the right to decide whether it will do particular maintenance, tool and die and engineering skilled trades work, or contract it out. The UAW recognizes that in making such decisions Allison must consider among other things, the efficiencies and economies involved, the need for specialized tools and equipment, special skills and the necessity of meeting production schedules, product change and plant rearrangement deadlines.

The Parties agree that employees' jobs should not be eliminated by reason of a practice of contracting out, and we agreed that existing employment opportunities of seniority employees should not be unnecessarily reduced by reason of management contracting out work. Allison, moreover, states that its policy is to fully utilize its seniority employees, under circumstances in which it is reasonable and practicable to do so, in the performance of work which they have historically performed to produce its product and perform its services.

The parties further agreed that prolonged schedules involving substantial overtime were not in the best interest of employees or Allison and, as a result, Allison must consider the availability of its skilled workforce when scheduling potential overtime. The parties are expected to work out acceptable means by which Allison will have reliable information as to the hours employees will work when planning such work schedules.

Accordingly, Allison states that it will make a reasonable effort to avoid contracting out work which adversely affects the job security of its employees and that it will utilize various training programs available to it, whenever practicable, to maintain employment opportunities for its employees consistent with the needs of the Corporation.



## APPENDIX I

### Special Skilled Trades Representative

- I. In any Plant on a shift where there are 30 or more skilled trades employees who are not represented by a District Committeeperson who is classified as a skilled trades employee, a Special Skilled Trades Representative may be selected as specified below to assist in handling skilled trades grievances as provided hereinafter.
  - A. If there is a District Committeeperson on the shift classified as a skilled trades employee, such District Committeeperson shall be the designated Special Skilled Trades Representative on that shift. If there is more than one District Committeeperson on the shift classified as a skilled trades employee, only one shall be selected as the Special Skilled Trades Representative by the Union.
  - B. Where there is no District Committeeperson on a shift classified as a skilled trades employee, the Union will select a skilled trades employee from among those working on that shift to be the Special Skilled Trades Representative and a reservoir of 12 scheduled straight time hours for Monday through Friday will be established for that representative to handle the duties specified below without loss of pay except that time spent attending the regular Shop Committee meetings pursuant to Section II.C. below will not be charged against this reservoir.
- II. Upon written notification designating the Special Skilled Trades Representative selected pursuant to Paragraph I above, that representative will be allowed to leave regular job duties without undue delay to perform the following duties:
  - A. If a District Committeeperson who is not a skilled trades employee is called pursuant to Paragraph (29) to represent a skilled trades employee to handle a specified grievance concerning an alleged violation of one of the provisions of Paragraphs (152) through (183), such committeeperson may request that the supervisor call the Special Skilled Trades Representative for that shift. Before a grievance is reduced to writing by the District Committeeperson, the Special Skilled Trades Representative may assist the District Committeeperson in a consultative and advisory capacity, and in doing so, if necessary, may make an independent investigation of the grievance and submit a report to the District Committeeperson. The Special Skilled Trades Representative may not function as a committeeperson nor initiate a grievance.
  - B. If the grievance is reduced to writing by the District Committeeperson and the Special Skilled Trades Representative has made an independent investigation and submitted a report to the District Committeeperson on that grievance before it is reduced to writing, the Special Skilled Trades Representative may, at the request of the District Committeeperson, assist the District Committeeperson in a consultative and advisory capacity during the committeeperson's discussions conducted with supervision pursuant to Paragraph (30) of the Agreement. During discussions with higher supervision, the Special Skilled Trades Representative will function as an alternative to the second committeeperson provided for in the provisions of Paragraph (30) of the Agreement.
  - C. If there is no member of the Shop Committee classified as a skilled trades employee, one Special Skilled Trades Representative will attend regular Shop Committee meetings to serve in a consultative and advisory capacity during the resolution of a Paragraph (140b) or Paragraph (141)(a) issue or discussion of a grievance which involves a specific skilled trades issue and which alleges a violation of the Agreement, or Paragraphs (3), (102) or one of the provisions of Paragraphs (152) through (183) of the Agreement.
  - D. In the event there is no committeeperson classified as a skilled trades employee representing skilled trades employees, one Special Skilled Trades Representative will attend the special conference provided for in the provisions of Paragraph (182)(a) of the Agreement, replacing one

of the Union's representatives provided for in that paragraph, to serve in a consultative and advisory capacity during such conference.

- E.** In the event none of the representatives designated in Paragraph (183)(d) are skilled trades employees, one Special Skilled Trades Representative will replace one of those representatives during the specified advance discussion and serve in a consultative and advisory capacity during those discussions.
- III.** Where Special Skilled Trades Representatives are selected pursuant to Paragraph I-B, they shall work at their regular jobs except when carrying out the representation duties and functions as provided herein. Even though such Special Skilled Trades Representatives are not committeepersons, they will nevertheless be governed by the provisions of Paragraphs (17), (20), and (22) of the Agreement.
- IV.** The provisions of Paragraph (21) of the Agreement will not be applicable to the Special Skilled Trades Representative.

**APPENDIX K MEMORANDUM OF  
UNDERSTANDING JOB SECURITY PROGRAM**

Allison and the UAW are committed to enhancing employees' job security. The Parties recognize that long-term job security can best be realized in a work environment that promotes operational effectiveness, continuous improvement and business competitiveness. Accordingly, the parties have agreed to a job security program that helps grow the business and UAW membership through improved competitive practices. Both parties recognize that market conditions ultimately will drive Allison's financial success. Recognizing our mutual goal of providing long-term job security, the Parties have negotiated these job security provisions to address market downturns. The cornerstone of this program is protection for Allison's employees against indefinite layoff as expressly provided herein.

**I. SCOPE OF THE PROGRAM**

The Parties agree that:

(A) Layoffs may occur for any of the following reasons:

- (1) volume declines attributable to market related conditions over the life of the Agreement;
- (2) acts of God or other such reasons beyond the control of Allison;
- (3) the sale of a part of Allison's operations as an ongoing business;
- (4) termination of a temporary reassignment of a recalled employee; or
- (5) product change or plant rearrangement

(B) An employee impacted for any of the above reasons is, if otherwise eligible, covered by the appropriate Supplemental Agreement

**II. JOB SECURITY ELIGIBILITY**

All seniority employees on roll as of the effective date of this Agreement are covered by this Memorandum. A listing of the number of employees covered by this Memorandum will be regularly provided to the UAW.

**III. JOB SECURITY AND OPERATIONAL EFFECTIVENESS**

In recognition of the fact that job security most effectively results from joint efforts to improve operational effectiveness, the Parties agree that:

(A) Commencing with the Effective Date of this Agreement, no employee covered by this Job Security Memorandum will be laid off as a result of any event other than those described in Paragraph I(A).

(B) An employee whose regular job is eliminated will be placed pursuant to the applicable provisions of this Agreement.

**IV. ADMINISTRATION**

The Parties agree that:

(A) An oversight Committee will be established to administer the Program.

(B) The Committee will consist of the Jobs Committee Representatives, and other representatives selected by management; Local 933's President, if an Allison employee, and the Shop Committee.

(C) The duties of the oversight Committee will be to:

- (1) Review employment levels.
  - (2) Monitor the initial placement of an employee who returns to work following an event covered in Paragraph I(A).
  - (3) Monitor permanent layoffs caused by the events described in I(A).
  - (4) Participate in discussions regarding sourcing decisions as outlined in Appendix L.
  - (5) Participate in discussions regarding the introduction of new or advanced technology.
  - (6) Review attrition and changes in the workplace. As required, develop plans to replace attrition, including the use of hires or rehires, to meet operational needs when other appropriate placement sources have been exhausted.
  - (7) Determine monthly that appropriate communications have taken place.
  - (8) Review the manpower requirements of product, facility and business plans, maintaining the confidentiality of the material being evaluated.
  - (9) Jointly develop and initiate proposals to improve operational effectiveness, secure existing jobs, and attract customers and additional business, thus providing additional job opportunities.
- (D) A Committee will be established consisting of three (3) representatives selected by Allison and three (3) representatives selected by the Region 2-B Director of the International UAW.
- (E) The Committee will be responsible to the Key 4-Joint Activities and will meet periodically as required to:
- (1) Monitor the efforts of the Committee.
  - (2) Maintain liaison with the Joint Training Committee to coordinate: (a) placement efforts for employees, (b) assessment and training programs, and (c) funding.
  - (3) Approve efforts to improve operational effectiveness and coordinate these actions when appropriate.
  - (4) Coordinate, where applicable, the execution of special programs. The parties may discuss transfer of employees in advance of scheduled job loss, if it could be accomplished without adversely affecting quality and operating efficiency.
  - (5) Act on requests to waive, modify or change contractual provisions when such action would result in the preservation or increase of job opportunities.
  - (6) Make quarterly reports to the Key 4-Joint Activities and periodically to UAW and Allison leadership.

(7) In cases involving employees facing indefinite layoffs where recall or future Allison placement is unlikely, the parties agreed that efforts will include pre-layoff meetings. The Joint Training Committee will jointly develop the material to be covered and may include the following topics:

- State of the Business, Local Perspective
- Contractual Rights and Responsibilities
- Benefits (services, entitlements and continuation)
- Unemployment Compensation
- Money Management
- Community Services
- Employee Assistance Program
- Tuition Assistance
- Training and Outplacement
- Veterans Services
- Legal Services

Labor Relations will notify UAW as soon as practicable but no later than 30 days prior to such layoffs.

Post layoff services will continue to be made available if practicable to laid off employees through such agencies designated by Joint Training Committee.

## APPENDIX L

### SOURCING

During these negotiations, the Parties discussed numerous concerns about sourcing actions and the impact on employment opportunities. To that end, Allison will work with and assist the UAW to preserve jobs, and to create jobs that add value to the business. Allison's objective is to grow the business and to continue to rely upon its employees and facilities as the source of its products. During the life of this Agreement, Allison will advise, in writing, the UAW Chairperson of decisions relative to sourcing recommendations, including the number of potential jobs affected. Additionally, data regarding incoming and outgoing work will be given quarterly to the UAW. (In this manner, the parties can judge the success of mutual efforts toward improved job security.) Allison agrees to incorporate the procedures and structure outlined herein when making sourcing determinations during the current Agreement.

The rationale for sourcing actions will consider the criteria of quality, technology, cost, timing, statutory requirements, occupational and related environmental health and safety issues, the impact on long-term job stability, and the degree to which Allison's resources can be allocated to further capital expenditures. Other factors considered by Allison before a final sourcing decision is made will include the effect on employment, and job and income security costs, on both a short and long-term basis. Such criteria shall give equal weight to the full impact of a sourcing action on UAW represented employment levels at Allison and the job and income security of UAW represented employees. The Parties will jointly further develop the above criteria to be used to address sourcing issues. Only appropriate return on investment, factoring part cost, and burden will be considered.

The Chairperson, the Vice President of Operations and the Director, Labor Relations shall monitor full implementation of the sourcing criteria and, on an as needed basis, address any specific sourcing areas of identified concerns. Pertinent criteria will be applied consistently in comparisons of internal and external supply capability. The UAW will be provided full and timely access to all appropriate data; including financial information, that is pertinent to evaluate product competitiveness and contemplated sourcing. The UAW agrees to keep all such information confidential until Allison consents to its release. Further, in this regard, the Chairperson will designate in writing those UAW representatives who will have access to the quote package and related information.

If the three identified people cannot resolve a sourcing issue, a grievance may be filed at the fourth step of the grievance procedure.

In addition, the following specific commitments have been made to address sourcing-related job security concerns of UAW members:

#### 1. Insourcing

Allison will, upon request by the UAW, provide access to or copies of the Bill of Materials indicating current make/buy content. If issues or concerns arise from such review of a bill of materials, the Appendix L Analysis Committee ("the Committee") will discuss the practicality of an insourcing study analysis. If the Committee determines an insource study has potential value, then an overview will be presented to the Committee comprised of the UAW Chairperson, Vice President of Operations, and Director, Labor Relations.

If it is established that certain work can be performed competitively judged by the above criteria, Allison will adopt the Committee's proposal and, barring unique or unforeseen circumstances, bring the work in-house. The Parties shall thereafter initiate any necessary appropriations request within thirty (30) days of the decision to bring the work in-house.

Insourcing credit will be given when:

- The impact of the event is at least one full-time equivalent direct, indirect, or skilled employee.

- Work previously outsourced (as documented in the sourcing database) is subsequently insourced and the Committee verifies the actual employee impact; or
- Work currently performed by an outside supplier that has never been produced inside Allison is subsequently insourced and actual manpower impact on the plant floor is verified.

## 2. Outsourcing

Outsourcing as used herein means Allison's sourcing of work currently performed at Allison and moved to non-Allison locations, including work connected with current, new or redesigned Allison products.

The parties have agreed that the provisions of the Appendix will apply to all sourcing initiatives that are projected to impact at least one full-time equivalent direct, indirect, or skilled job (except as agreed otherwise between the Parties); and to all sourcing initiatives regardless of manpower impact related to the nature of the businesses. Allison will not intentionally restructure sourcing proposals for the sole purpose of maintaining estimated manpower impact below the threshold. Concerns in this regard will be discussed by the Sourcing Committee.

When the quoting process begins, the UAW will review and have access to the entire request for quotation package for this work. Upon receipt of this package, the Chairperson and the Director, Labor Relations will indicate on the accompanying notice (Notice of Potential Outsourcing) that the information has been received. Following receipt of the request for quotation package (or in the infrequent instances where a quote package is not utilized), the Parties will have the opportunity to jointly develop a plan to perform the work competitively, judged by the criteria listed earlier in this Appendix. The UAW will be provided full and timely access to all appropriate data, including financial information that is pertinent to evaluate product competitiveness and the potential sourcing action.

At the close of the quoting process, the Parties will be advised in writing of the most favorable quote response which best meets customer requirements and the terms and conditions contained therein. If this quote response is other than the one submitted by the affected location(s), a written notice will be issued to the Chairperson which includes the reason for the potential outsourcing, the quote price from the affected location, if applicable, the terms and conditions of the most favorable quote response, the potential jobs impact, and the anticipated impact date. Thereafter, the parties will be given an additional 60 days, to meet the terms and conditions of the quote response referenced above.

If it is established that the work can be performed competitively, judged by the criteria listed earlier in this Appendix, Allison will, barring unique and unforeseen circumstances, keep the work in-house.

Allison will not enter into a contractual relationship with a supplier until the Director, Labor Relations provides written verification that the above notification procedure and discussion with the Chairperson have taken place.

Additionally, UAW input will be sought by Allison as early as possible in the outsourcing decision-making process in order to allow for a thorough discussion and to permit the parties to better assess the impact of outsourcing on the long-term job stability of employees and Allison's financial viability.

Allison agrees to a full disclosure to the UAW of the procedures utilized in sourcing activities.

## 3. Temporary Outsourcing

The Parties agree that temporary outsourcing is not intended to provide a means for circumvention and abuse of the normal outsourcing notification procedures outlined in this Agreement. Outsourcing notices issued for temporary situations e.g., spot buys resulting from breakdown of machinery or equipment, plant rearrangement and/or modernization, product changeovers, and factory assists, will be given to the UAW. The Parties will monitor all temporary outsourcing to assure the return of such work in a timely fashion in keeping with the intent of Appendix L.

Beginning with the effective date of this Agreement, Temporary Outsourcing Notices which remain open thirty (30) days beyond the planned completion date without an extension will be converted to a permanent notice that requires a full analysis leading to the described Appendix L process.

If a situation arises wherein work which was temporarily outsourced under these provisions is subsequently contemplated for permanent outsourcing, the 60-day sourcing process described in this Appendix will be applied prior to such work being permanently sourced to an outside supplier, provided that such work falls within the scope of this Appendix from a manpower perspective, as described in the Outsourcing Section. Management reiterates that the Temporary Outsourcing process is not to be used to circumvent the other provisions of this Appendix.

The Parties understand that circumstances do arise wherein the projected return date of temporarily sourced work legitimately requires an extension and the above provisions are not intended to create Appendix K liabilities in those circumstances.

Any questions or problems that may arise relative to the meaning and intent of this understanding will be reviewed and resolved by the National Parties on a case-by-case basis.

#### 4. Future Product Sourcing

Semi-annually, a confidential review will be held concerning future product programs which will identify new or redesigned products. These semi-annual meetings will be attended by designated representatives of the UAW and Allison. In reviewing future product programs, representatives from various disciplines; e.g., Marketing, Engineering, and Product Planning, may be invited to attend.

The UAW's input to early sourcing decisions will be sought by Allison. The UAW will be notified in writing by the Director, Labor Relations that Allison will proceed with a study involving a new or redesigned product. A comparable notification will be given for those components and subsystems that are not included in a new product development process.

Following the notification, the members of the Committee shall have responsibility for overseeing the interface with individual programs. The UAW Representatives will work with members of their respective organizations so as to gain information and knowledge and to provide input into sourcing discussions and sourcing determinations for those organizations.

Allison is committed to the UAW's early involvement, open access and input to product sourcing strategies.

Allison agrees not to use the results of such discussions to obtain more attractive contract terms from outside suppliers in lieu of keeping the work in-house. This does not, however, prevent Allison from using information from any bidding source to correct technical, clerical or other good faith bidding mistakes.

If requested, higher level meetings or discussions on these matters will be scheduled.

The implementation of this process should provide the parties with the mechanism to take advantage of every opportunity to use internal resources and to create jobs for employees.

The commitments expressed in this Appendix are intended to contribute significantly to our cooperatively working together to provide Allison employees improved job security by growing the business.

### **Allison Incentive Compensation Plan (ICP) for Hourly Employees**

During the current negotiations the parties had considerable discussion regarding the ability of the Allison UAW represented employees to financially participate in the success of the business. The union pointed out the important role that the hourly workforce plays with respect to the company achieving its business goals, specifically in the area of cost and efficiency. The company, in recognition of this fact, is interested in aligning the goals of all employees to support the business results that every employee desires to achieve in order to promote profitable growth and long term job security.

In order to achieve alignment of employee and business interests and reflect the contribution of all Allison employees, the parties agreed that the represented hourly workforce will have the opportunity to share in the business success through the establishment of the Allison Incentive Compensation Plan. Given the new Allison Incentive Compensation Plan, the UAW Profit Sharing Plan will no longer be in effect.

Key features of the Allison Incentive Compensation Plan are as follows:

#### **I. Eligibility:**

Plan participation will commence in 2017, and remain in effect for each year of this agreement.

All hourly represented employees are eligible to participate provided they have worked 1,000 hours during the course of each year in which payment is made.

Employee is on the active role or on an approved leave at the time the payment is made.

Employees that retire following the completion of the plan year will receive payment.

Employees that worked 1,000 hours during the plan year and retire prior to the end of plan year will be eligible to receive payment. Workers Compensation compensated hours shall be counted for purposes of determining whether an employee has worked 1,000 hours.

#### **II. Criteria for Payment:**

The criteria for payment (plan goals) will be established each year by the Allison Transmission, Inc. Board of Directors, and communicated to hourly represented employees by March 31<sup>st</sup> of each year.

The number of goals in any given year may vary, with some goals weighted more heavily than others. Performance against plan will be determined by the composite score of the collective goals.

Management and hourly represented employees will be awarded payments based on the same company performance metrics.

#### **III. Payment to Eligible Participants**

Payable the later of 60 days after either of the following dates: (a) date our audited financial statements are filed with our lenders or (b) March 31.

Payments will have all required deductions withheld.

Payments will be made using direct deposit.

#### **IV. Payments to Employees Based on Performance vs. Plan Goals:**

Payments to eligible employees will be determined by the Board of Directors using the following table.



<b>Performance vs. Plan Goals</b>	<b>Participant Payment</b>
85%	0.00% of annual base pay plus overtime
86%	0.27% of annual base pay plus overtime
87%	0.53% of annual base pay plus overtime
88%	0.80% of annual base pay plus overtime
89%	1.07% of annual base pay plus overtime
90%	1.33% of annual base pay plus overtime
91%	1.60% of annual base pay plus overtime
92%	1.87% of annual base pay plus overtime
93%	2.13% of annual base pay plus overtime
94%	2.40% of annual base pay plus overtime
95%	2.67% of annual base pay plus overtime
96%	2.93% of annual base pay plus overtime
97%	3.20% of annual base pay plus overtime
98%	3.47% of annual base pay plus overtime
99%	3.73% of annual base pay plus overtime
100%	4.0% of annual base pay plus overtime
101%	4.3% of annual base pay plus overtime
102%	4.6% of annual base pay plus overtime
103%	5.0% of annual base pay plus overtime
104%	5.3% of annual base pay plus overtime
105%	5.6% of annual base pay plus overtime
106%	5.9% of annual base pay plus overtime
107%	6.2% of annual base pay plus overtime
108%	6.6% of annual base pay plus overtime
109%	6.9% of annual base pay plus overtime
110%	7.2% of annual base pay plus overtime
111%	7.5% of annual base pay plus overtime
112%	7.8% of annual base pay plus overtime
113%	8.2% of annual base pay plus overtime
114%	8.5% of annual base pay plus overtime
115%	8.8% of annual base pay plus overtime
116%	9.1% of annual base pay plus overtime
117%	9.4% of annual base pay plus overtime
118%	9.8% of annual base pay plus overtime
119%	10.1% of annual base pay plus overtime
120%	10.4% of annual base pay plus overtime
121%	10.7% of annual base pay plus overtime
122%	11.0% of annual base pay plus overtime
123%	11.4% of annual base pay plus overtime
124%	11.7% of annual base pay plus overtime
125%	12.0% of annual base pay plus overtime

## VACATION &amp; HOLIDAY SCHEDULE

<b>Holidays</b>	<b>Current Employees Hired before February 1, 2008</b>	<b>New Employees Hired After February 1, 2008</b>
Number of holidays per year	12, 13 or 14	12, 13 or 14
Number of flexible holidays per year	5	3
<b>Vacation</b>		
Less than one year	40 hours	40 hours
One but less than three years	80 hours	80 hours
Three but less than five years	100 hours	100 hours
Five but less than ten years	120 hours	120 hours
Ten but less than fifteen years	140 hours	140 hours
Fifteen but less than twenty years	160 hours	160 hours
Twenty or more years	200 hours	<u>200 hours</u>

**Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective January 1, 2018:

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>34.63</u>
180J	Carpenter	<u>34.63</u>
581J	Millwright Welder	<u>34.63</u>
429J	Pipefitter	<u>34.63</u>
226J	Exp. Transmission Mechanic	<u>34.81</u>
447J	Refrigeration & AC Maintenance	<u>34.95</u>
223J	Electrician	<u>34.95</u>
387J	Machine Repair	<u>34.95</u>
493J	Stationary Engineer PHSE	<u>34.95</u>
512J	Tool & Die Maker	<u>35.06</u>

**New Hire Skilled Trades Classification Job Structure & Progression  
Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective January 1, 2018

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>33.63</u>	<u>34.13</u>	<u>34.63</u>
180J	Carpenter	<u>33.63</u>	<u>34.13</u>	<u>34.63</u>
581J	Millwright Welder	<u>33.63</u>	<u>34.13</u>	<u>34.63</u>
429J	Pipefitter	<u>33.63</u>	<u>34.13</u>	<u>34.63</u>
226J	Exp. Transmission Mechanic	<u>33.81</u>	<u>34.31</u>	<u>34.81</u>
447J	Refrigeration & AC Maintenance	<u>33.95</u>	<u>34.45</u>	<u>34.95</u>
223J	Electrician	<u>33.95</u>	<u>34.45</u>	<u>34.95</u>
387J	Machine Repair	<u>33.95</u>	<u>34.45</u>	<u>34.95</u>
493J	Stationary Engineer PHSE	<u>33.95</u>	<u>34.45</u>	<u>34.95</u>
512J	Tool & Die Maker	<u>34.06</u>	<u>34.56</u>	<u>35.06</u>

Schedule D

**Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective September 1, 2019

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>35.66</u>
180J	Carpenter	<u>35.66</u>
581J	Millwright Welder	<u>35.66</u>
429J	Pipefitter	<u>35.66</u>
226J	Exp. Transmission Mechanic	<u>35.85</u>
447J	Refrigeration & AC Maintenance	<u>35.99</u>
223J	Electrician	<u>35.99</u>
387J	Machine Repair	<u>35.99</u>
493J	Stationary Engineer PHSE	<u>35.99</u>
512J	Tool & Die Maker	<u>36.11</u>

Schedule D

**New Hire Skilled Trades Classification Job Structure & Progression**  
**Skilled Trade Job Structure & Wage Rates**  
**Skilled Trade Classifications**

Rates Effective September 1, 2019

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>34.66</u>	<u>35.16</u>	<u>35.66</u>
180J	Carpenter	<u>34.66</u>	<u>35.16</u>	<u>35.66</u>
581J	Millwright Welder	<u>34.66</u>	<u>35.16</u>	<u>35.66</u>
429J	Pipefitter	<u>34.66</u>	<u>35.16</u>	<u>35.66</u>
226J	Exp. Transmission Mechanic	<u>34.85</u>	<u>35.35</u>	<u>35.85</u>
447J	Refrigeration & AC Maintenance	<u>34.99</u>	<u>35.59</u>	<u>35.99</u>
223J	Electrician	<u>34.99</u>	<u>35.59</u>	<u>35.99</u>
387J	Machine Repair	<u>34.99</u>	<u>35.59</u>	<u>35.99</u>
493J	Stationary Engineer PHSE	<u>34.99</u>	<u>35.59</u>	<u>35.99</u>
512J	Tool & Die Maker	<u>35.11</u>	<u>35.61</u>	<u>36.11</u>

Rates above represent the following:

3% Improvement Factor in top rate for all Classifications

**Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective September 1, 2020

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>36.72</u>
180J	Carpenter	<u>36.72</u>
581J	Millwright Welder	<u>36.72</u>
429J	Pipefitter	<u>36.72</u>
226J	Exp. Transmission Mechanic	<u>36.92</u>
447J	Refrigeration & AC Maintenance	<u>37.06</u>
223J	Electrician	<u>37.06</u>
387J	Machine Repair	<u>37.06</u>
493J	Stationary Engineer PHSE	<u>37.06</u>
512J	Tool & Die Maker	<u>37.19</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

**Schedule D**

**New Hire Skilled Trades Classification Job Structure & Progression  
Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective September 1, 2020

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>35.72</u>	<u>36.22</u>	<u>36.72</u>
180J	Carpenter	<u>35.72</u>	<u>36.22</u>	<u>36.72</u>
581J	Millwright Welder	<u>35.72</u>	<u>36.22</u>	<u>36.72</u>
429J	Pipefitter	<u>35.72</u>	<u>36.22</u>	<u>36.72</u>
226J	Exp. Transmission Mechanic	<u>35.92</u>	<u>36.42</u>	<u>36.92</u>
447J	Refrigeration & AC Maintenance	<u>36.06</u>	<u>36.56</u>	<u>37.06</u>
223J	Electrician	<u>36.06</u>	<u>36.56</u>	<u>37.06</u>
387J	Machine Repair	<u>36.06</u>	<u>36.56</u>	<u>37.06</u>
493J	Stationary Engineer PHSE	<u>36.06</u>	<u>36.56</u>	<u>37.06</u>
512J	Tool & Die Maker	<u>36.19</u>	<u>36.69</u>	<u>37.19</u>

Rates above represent the following:

3% Improvement Factor in top rate for all Classifications

Scheduled D

**Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective September 1, 2021

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>37.82</u>
180J	Carpenter	<u>37.82</u>
581J	Millwright Welder	<u>37.82</u>
429J	Pipefitter	<u>37.82</u>
226J	Exp. Transmission Mechanic	<u>38.02</u>
447J	Refrigeration & AC Maintenance	<u>38.17</u>
223J	Electrician	<u>38.17</u>
387J	Machine Repair	<u>38.17</u>
493J	Stationary Engineer PHSE	<u>38.17</u>
512J	Tool & Die Maker	<u>38.30</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

Schedule D

**New Hire Skilled Trades Classification Job Structure & Progression**  
**Skilled Trade Job Structure & Wage Rates**  
**Skilled Trade Classifications**

Rates Effective September 1, 2021

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>36.82</u>	<u>37.32</u>	<u>37.82</u>
180J	Carpenter	<u>36.82</u>	<u>37.32</u>	<u>37.82</u>
581J	Millwright Welder	<u>36.82</u>	<u>37.32</u>	<u>37.82</u>
429J	Pipefitter	<u>36.82</u>	<u>37.32</u>	<u>37.82</u>
226J	Exp. Transmission Mechanic	<u>37.02</u>	<u>37.52</u>	<u>38.02</u>
447J	Refrigeration & AC Maintenance	<u>37.17</u>	<u>37.67</u>	<u>38.17</u>
223J	Electrician	<u>37.17</u>	<u>37.67</u>	<u>38.17</u>
387J	Machine Repair	<u>37.17</u>	<u>37.67</u>	<u>38.17</u>
493J	Stationary Engineer PHSE	<u>37.17</u>	<u>37.67</u>	<u>38.17</u>
512J	Tool & Die Maker	<u>37.30</u>	<u>37.80</u>	<u>38.30</u>

Rates above represent the following:

3% Improvement Factor in top rate for all Classifications

Scheduled D

**Skilled Trade Job Structure & Wage Rates  
Skilled Trade Classifications**

Rates Effective September 1, 2022

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>38.95</u>
180J	Carpenter	<u>38.95</u>
581J	Millwright Welder	<u>38.95</u>
429J	Pipefitter	<u>38.95</u>
226J	Exp. Transmission Mechanic	<u>39.16</u>
447J	Refrigeration & AC Maintenance	<u>39.31</u>
223J	Electrician	<u>39.31</u>
387J	Machine Repair	<u>39.31</u>
493J	Stationary Engineer PHSE	<u>39.31</u>
512J	Tool & Die Maker	<u>39.44</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

Schedule D

**New Hire Skilled Trades Classification Job Structure & Progression**  
**Skilled Trade Job Structure & Wage Rates**  
**Skilled Trade Classifications**

Rates Effective September 1, 2022

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>37.95</u>	<u>38.45</u>	<u>38.95</u>
180J	Carpenter	<u>37.95</u>	<u>38.45</u>	<u>38.95</u>
581J	Millwright Welder	<u>37.95</u>	<u>38.45</u>	<u>38.95</u>
429J	Pipefitter	<u>37.95</u>	<u>38.45</u>	<u>38.95</u>
226J	Exp. Transmission Mechanic	<u>38.16</u>	<u>38.56</u>	<u>39.16</u>
447J	Refrigeration & AC Maintenance	<u>38.31</u>	<u>38.81</u>	<u>39.31</u>
223J	Electrician	<u>38.31</u>	<u>38.81</u>	<u>39.31</u>
387J	Machine Repair	<u>38.31</u>	<u>38.81</u>	<u>39.31</u>
492J	Stationary Engineer PHSE	<u>38.31</u>	<u>38.81</u>	<u>39.31</u>
512J	Tool & Die Maker	<u>38.44</u>	<u>38.94</u>	<u>39.44</u>

Rates above represent the following:

3% Improvement Factor in top rate for all Classifications

**Scheduled D**  
**Skilled Trade Job Structure & Wage Rates**  
**Skilled Trade Classifications**

Rates Effective September 1, 2023

<b>Job Code</b>	<b>Classification</b>	<b>Journeyman Schedule</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>40.11</u>
180J	Carpenter	<u>40.11</u>
581J	Millwright Welder	<u>40.11</u>
429J	Pipefitter	<u>40.11</u>
226J	Exp. Transmission Mechanic	<u>40.33</u>
447J	Refrigeration & AC Maintenance	<u>40.48</u>
223J	Electrician	<u>40.48</u>
387J	Machine Repair	<u>40.48</u>
493J	Stationary Engineer PHSE	<u>40.48</u>
512J	Tool & Die Maker	<u>40.62</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

**Schedule D**  
**New Hire Skilled Trades Classification Job Structure & Progression**  
**Skilled Trade Job Structure & Wage Rates**  
**Skilled Trade Classifications**

Rates Effective September 1, 2023

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>
153J	Auto, Truck & Trailer Repair Mechanic	<u>39.11</u>	<u>39.61</u>	<u>40.11</u>
180J	Carpenter	<u>39.11</u>	<u>39.61</u>	<u>40.11</u>
581J	Millwright Welder	<u>39.11</u>	<u>39.61</u>	<u>40.11</u>
429J	Pipefitter	<u>39.11</u>	<u>39.61</u>	<u>40.11</u>
226J	Exp. Transmission Mechanic	<u>39.33</u>	<u>39.83</u>	<u>40.33</u>
447J	Refrigeration & AC Maintenance	<u>39.48</u>	<u>39.98</u>	<u>40.48</u>
223J	Electrician	<u>39.48</u>	<u>39.98</u>	<u>40.48</u>
387J	Machine Repair	<u>39.48</u>	<u>39.98</u>	<u>40.48</u>
493J	Stationary Engineer PHSE	<u>39.48</u>	<u>39.98</u>	<u>40.48</u>
512J	Tool & Die Maker	<u>40.01</u>	<u>40.51</u>	<u>40.62</u>

Rates above represent the following:

3% Improvement Factor in top rate for all Classifications



**Production Classification Job Structure  
For Employees Hired on or before February 1, 2008**

<b>Code</b>	<b>Classification</b>	<b>Base Rate</b>
<u>280B</u>	Manufacturing Support	<u>15.86</u>
<u>415B</u>	Oiler	29.46
<u>275B</u>	Heat Treat, Material Services	29.70
<u>388B</u>	Machining General	29.82
<u>392B</u>	Material Services	29.70
<u>290B</u>	Inspector, Process Audit	29.82
<u>137B</u>	Assembler, Skilled	29.83
<u>524B</u>	Transmission Test Mechanic	29.88
<u>520B</u>	Transmission Rework Mechanic	29.97
<u>230B</u>	Fabrication Machining Special	30.24
<u>195B</u>	Coordinator/Heat Treat Control	30.85
<u>515B</u>	Transmission Repair, Salvage, Rework & Weld	30.85
<u>200B</u>	Coordinator/Job Setter	31.85
<u>393B</u>	Warehouse Services	<u>15.75</u>

Effective 1/1/18- Employees hired before February 1, 2008 in classifications 280B and 393B will assume the top rate of these classifications as specified in Schedule E of this Agreement

Seniority employees who did not complete wage progression to the full base rate of the job classification, and;

- 1) entered into the apprenticeship program but returned to a non-skilled classification before completing said apprenticeship shall be given credit for non-skilled wage progression purposes for the weeks worked while in the apprenticeship program, or
- 2) accepted and worked a temporary salaried assignment and returned to an hourly non-skilled classification shall be given credit for non-skilled wage progression purposes for the weeks worked as a temporary salaried employee.

## Schedule E

### New Hire Production Classification Job Structure and Progression For Employees hired after February 1, 2008

Rates Effective on January 1, 2018:

Code	Classification	New Hire	Week 26	Week 52	Week 78	Week 104	Week 130	Week 156
393B	Warehouse Services	<u>14.72</u>	<u>14.97</u>	<u>15.17</u>	<u>15.36</u>	<u>15.56</u>	<u>15.75</u>	<u>16.22</u>
280B	Manufacturing Support	<u>14.72</u>	<u>14.99</u>	<u>15.21</u>	<u>15.42</u>	<u>15.63</u>	<u>15.85</u>	<u>16.33</u>
415B	Oiler	<u>14.72</u>	<u>15.49</u>	<u>16.16</u>	<u>16.84</u>	<u>17.51</u>	<u>18.17</u>	<u>19.32</u>
392B	Material Services	<u>14.72</u>	<u>15.49</u>	<u>16.16</u>	<u>16.84</u>	<u>17.51</u>	<u>18.17</u>	<u>19.32</u>
275B	Heat Treat	<u>14.72</u>	<u>15.49</u>	<u>16.16</u>	<u>16.84</u>	<u>17.51</u>	<u>18.17</u>	<u>19.32</u>
290B	Inspector, Process Audit	<u>14.72</u>	<u>16.05</u>	<u>17.28</u>	<u>18.50</u>	<u>19.73</u>	<u>20.95</u>	<u>22.73</u>
524B	Transmission Test Mechanic	<u>14.72</u>	<u>16.05</u>	<u>17.28</u>	<u>18.50</u>	<u>19.73</u>	<u>20.95</u>	<u>22.73</u>
520B	Transmission Rework Mechanic	<u>15.14</u>	<u>16.59</u>	<u>17.93</u>	<u>19.27</u>	<u>20.61</u>	<u>21.94</u>	<u>23.86</u>
195B	Coordinator/Heat Treat Control	<u>15.86</u>	<u>17.38</u>	<u>18.78</u>	<u>20.18</u>	<u>21.58</u>	<u>22.98</u>	<u>24.99</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>17.30</u>	<u>18.96</u>	<u>20.49</u>	<u>22.02</u>	<u>23.55</u>	<u>25.08</u>	<u>27.27</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

## Schedule E

### New Hire Production Classification Job Structure & Progression For employees hired after February 1, 2008

Rates Effective September 1, 2019:

Code	Classification	New Hire	Week 26	Week 52	Week 78	Week 104	Week 130	Week 156
393B	Warehouse Services	<u>15.16</u>	<u>15.41</u>	<u>15.62</u>	<u>15.82</u>	<u>16.02</u>	<u>16.22</u>	<u>16.70</u>
280B	Manufacturing Support	<u>15.16</u>	<u>15.43</u>	<u>15.66</u>	<u>15.88</u>	<u>16.09</u>	<u>16.32</u>	<u>16.81</u>
415B	Oiler	<u>15.16</u>	<u>15.95</u>	<u>16.64</u>	<u>17.34</u>	<u>18.03</u>	<u>18.71</u>	<u>19.89</u>
392B	Material Services	<u>15.16</u>	<u>15.95</u>	<u>16.64</u>	<u>17.34</u>	<u>18.03</u>	<u>18.71</u>	<u>19.89</u>
275B	Heat Treat	<u>15.16</u>	<u>15.95</u>	<u>16.64</u>	<u>17.34</u>	<u>18.03</u>	<u>18.71</u>	<u>19.89</u>
290B	Inspector, Process Audit	<u>15.16</u>	<u>16.53</u>	<u>17.79</u>	<u>19.05</u>	<u>20.32</u>	<u>21.57</u>	<u>23.41</u>
524B	Transmission Test Mechanic	<u>15.16</u>	<u>16.53</u>	<u>17.79</u>	<u>19.05</u>	<u>20.32</u>	<u>21.57</u>	<u>23.41</u>
520B	Transmission Rework Mechanic	<u>15.59</u>	<u>17.08</u>	<u>18.46</u>	<u>19.84</u>	<u>21.22</u>	<u>22.59</u>	<u>24.57</u>
195B	Coordinator/Heat Treat Control	<u>16.33</u>	<u>17.90</u>	<u>19.34</u>	<u>20.78</u>	<u>22.22</u>	<u>23.66</u>	<u>25.73</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>17.81</u>	<u>19.52</u>	<u>21.10</u>	<u>22.68</u>	<u>24.25</u>	<u>25.83</u>	<u>28.08</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

## Schedule E

### New Hire Production Classification Job Structure & Progression For employees hired after February 1, 2008

Rates Effective September 1, 2020:

Code	Classification	New Hire	Week 26	Week 52	Week 78	Week 104	Week 130	Week 156
393B	Warehouse Services	<u>15.61</u>	<u>15.87</u>	<u>16.08</u>	<u>16.29</u>	<u>16.50</u>	<u>16.70</u>	<u>17.20</u>
280B	Manufacturing Support	<u>15.61</u>	<u>15.89</u>	<u>16.12</u>	<u>16.35</u>	<u>16.57</u>	<u>16.80</u>	<u>17.31</u>
415B	Oiler	<u>15.61</u>	<u>16.42</u>	<u>17.13</u>	<u>17.86</u>	<u>18.57</u>	<u>19.27</u>	<u>20.48</u>
392B	Material Services	<u>15.61</u>	<u>16.42</u>	<u>17.13</u>	<u>17.86</u>	<u>18.57</u>	<u>19.27</u>	<u>20.48</u>
275B	Heat Treat	<u>15.61</u>	<u>16.42</u>	<u>17.13</u>	<u>17.86</u>	<u>18.57</u>	<u>19.27</u>	<u>20.48</u>
290B	Inspector, Process Audit	<u>15.61</u>	<u>17.02</u>	<u>18.32</u>	<u>19.62</u>	<u>20.92</u>	<u>22.21</u>	<u>24.11</u>
524B	Transmission Test Mechanic	<u>15.61</u>	<u>17.02</u>	<u>18.32</u>	<u>19.62</u>	<u>20.92</u>	<u>22.21</u>	<u>24.11</u>
520B	Transmission Rework Mechanic	<u>16.05</u>	<u>17.59</u>	<u>19.01</u>	<u>20.43</u>	<u>21.85</u>	<u>23.26</u>	<u>25.30</u>
195B	Coordinator/Heat Treat Control	<u>16.81</u>	<u>18.43</u>	<u>19.92</u>	<u>21.40</u>	<u>22.88</u>	<u>24.36</u>	<u>26.50</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>18.34</u>	<u>20.10</u>	<u>21.73</u>	<u>23.36</u>	<u>24.97</u>	<u>26.60</u>	<u>28.92</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

## Schedule E

### New Hire Production Classification Job Structure & Progression For employees hired after February 1, 2008

**Rates Effective September 1, 2021:**

<b>Code</b>	<b>Classification</b>	<b>New Hire</b>	<b>Week 26</b>	<b>Week 52</b>	<b>Week 78</b>	<b>Week 104</b>	<b>Week 130</b>	<b>Week 156</b>
393B	Warehouse Services	<u>16.07</u>	<u>16.34</u>	<u>16.56</u>	<u>16.77</u>	<u>16.99</u>	<u>17.20</u>	<u>17.71</u>
280B	Manufacturing Support	<u>16.07</u>	<u>16.36</u>	<u>16.60</u>	<u>16.84</u>	<u>17.06</u>	<u>17.30</u>	<u>17.82</u>
415B	Oiler	<u>16.07</u>	<u>16.91</u>	<u>17.64</u>	<u>18.39</u>	<u>19.12</u>	<u>19.84</u>	<u>21.09</u>
392B	Material Services	<u>16.07</u>	<u>16.91</u>	<u>17.64</u>	<u>18.39</u>	<u>19.12</u>	<u>19.84</u>	<u>21.09</u>
275B	Heat Treat	<u>16.07</u>	<u>16.91</u>	<u>17.64</u>	<u>18.39</u>	<u>19.12</u>	<u>19.84</u>	<u>21.09</u>
290B	Inspector, Process Audit	<u>16.07</u>	<u>17.53</u>	<u>18.86</u>	<u>20.20</u>	<u>21.54</u>	<u>22.87</u>	<u>24.83</u>
524B	Transmission Test Mechanic	<u>16.07</u>	<u>17.53</u>	<u>18.86</u>	<u>20.20</u>	<u>21.54</u>	<u>22.87</u>	<u>24.83</u>
520B	Transmission Rework Mechanic	<u>16.53</u>	<u>18.11</u>	<u>19.58</u>	<u>21.04</u>	<u>22.50</u>	<u>23.95</u>	<u>26.05</u>
195B	Coordinator/Heat Treat Control	<u>17.31</u>	<u>18.98</u>	<u>20.51</u>	<u>22.04</u>	<u>23.56</u>	<u>25.09</u>	<u>27.29</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>18.89</u>	<u>20.70</u>	<u>22.38</u>	<u>24.06</u>	<u>25.71</u>	<u>27.39</u>	<u>29.78</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

## Schedule E

### New Hire Production Classification Job Structure & Progression For employees hired after February 1, 2008

Rates Effective September 1, 2022:

Code	Classification	New Hire	Week 26	Week 52	Week 78	Week 104	Week 130	Week 156
393B	Warehouse Services	<u>16.55</u>	<u>16.83</u>	<u>17.05</u>	<u>17.27</u>	<u>17.49</u>	<u>17.71</u>	<u>18.24</u>
280B	Manufacturing Support	<u>16.55</u>	<u>16.85</u>	<u>17.09</u>	<u>17.34</u>	<u>17.57</u>	<u>17.81</u>	<u>18.35</u>
415B	Oiler	<u>16.55</u>	<u>17.41</u>	<u>18.16</u>	<u>18.94</u>	<u>19.69</u>	<u>20.43</u>	<u>21.72</u>
392B	Material Services	<u>16.55</u>	<u>17.41</u>	<u>18.16</u>	<u>18.94</u>	<u>19.69</u>	<u>20.43</u>	<u>21.72</u>
275B	Heat Treat	<u>16.55</u>	<u>17.41</u>	<u>18.16</u>	<u>18.94</u>	<u>19.69</u>	<u>20.43</u>	<u>21.72</u>
290B	Inspector, Process Audit	<u>16.55</u>	<u>18.05</u>	<u>19.42</u>	<u>20.80</u>	<u>22.18</u>	<u>23.55</u>	<u>25.57</u>
524B	Transmission Test Mechanic	<u>16.55</u>	<u>18.05</u>	<u>19.42</u>	<u>20.80</u>	<u>22.18</u>	<u>23.55</u>	<u>25.57</u>
520B	Transmission Rework Mechanic	<u>17.02</u>	<u>18.65</u>	<u>20.16</u>	<u>21.67</u>	<u>23.17</u>	<u>24.66</u>	<u>26.83</u>
195B	Coordinator/Heat Treat Control	<u>17.82</u>	<u>19.54</u>	<u>21.12</u>	<u>22.70</u>	<u>24.26</u>	<u>25.84</u>	<u>28.10</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>19.45</u>	<u>21.32</u>	<u>23.05</u>	<u>24.78</u>	<u>26.48</u>	<u>28.21</u>	<u>30.67</u>

Rates above represent the following:

3% Improvement Factor for all Classifications

## Schedule E

### New Hire Production Classification Job Structure & Progression For employees hired after February 1, 2008

**Rates Effective September 1, 2023:**

Code	Classification	New Hire	Week 26	Week 52	Week 78	Week 104	Week 130	Week 156
393B	Warehouse Services	<u>17.04</u>	<u>17.33</u>	<u>17.56</u>	<u>17.78</u>	<u>18.01</u>	<u>18.24</u>	<u>18.78</u>
280B	Manufacturing Support	<u>17.04</u>	<u>17.35</u>	<u>17.60</u>	<u>17.86</u>	<u>18.09</u>	<u>18.34</u>	<u>18.90</u>
415B	Oiler	<u>17.04</u>	<u>17.93</u>	<u>18.70</u>	<u>19.50</u>	<u>20.28</u>	<u>21.04</u>	<u>22.37</u>
392B	Material Services	<u>17.04</u>	<u>17.93</u>	<u>18.70</u>	<u>19.50</u>	<u>20.28</u>	<u>21.04</u>	<u>22.37</u>
275B	Heat Treat	<u>17.04</u>	<u>17.93</u>	<u>18.70</u>	<u>19.50</u>	<u>20.28</u>	<u>21.04</u>	<u>22.37</u>
290B	Inspector, Process Audit	<u>17.04</u>	<u>18.59</u>	<u>20.00</u>	<u>21.42</u>	<u>22.84</u>	<u>24.25</u>	<u>26.33</u>
524B	Transmission Test Mechanic	<u>17.04</u>	<u>18.59</u>	<u>20.00</u>	<u>21.42</u>	<u>22.84</u>	<u>24.25</u>	<u>26.33</u>
520B	Transmission Rework Mechanic	<u>17.53</u>	<u>19.20</u>	<u>20.76</u>	<u>22.32</u>	<u>23.86</u>	<u>25.39</u>	<u>27.63</u>
195B	Coordinator/Heat Treat Control	<u>18.35</u>	<u>20.12</u>	<u>21.75</u>	<u>23.38</u>	<u>24.98</u>	<u>26.61</u>	<u>28.94</u>
515B	Transmission Repair, Salvage, Rework & Weld	<u>20.03</u>	<u>21.95</u>	<u>23.74</u>	<u>25.52</u>	<u>27.27</u>	<u>29.05</u>	<u>31.59</u>

Rates above represent the following:  
3% Improvement Factor for all Classifications

**Holiday Pay**

Employees shall be paid for specified holidays and the holidays in each of the identified Christmas Holiday periods:

2018	
January 1	New Year's Day
January 15	Martin Luther King, Jr. Day
May 28	Memorial Day
July 4	Independence Day
September 3	Labor Day
November 22	Thanksgiving Day
November 23	Day after Thanksgiving
December 24	Christmas Holiday Period
December 25	
December 26	
December 27	
December 28	
December 31	New Year's Eve

2019	
January 1	New Year's Day
January 21	Martin Luther King, Jr. Day
May 27	Memorial Day
July 4	Independence Day
September 2	Labor Day
November 28	Thanksgiving Day
November 29	Day after Thanksgiving
December 23	Christmas Holiday Period
December 24	
December 25	
December 26	
December 27	
December 30	
December 31	New Year's Eve

2020	
January 1	New Year's Day
January 20	Martin Luther King, Jr. Day
May 25	Memorial Day
July 3	Independence Day
September 7	Labor Day
November 26	Thanksgiving Day
November 27	Day after Thanksgiving
December 24	Christmas Holiday Period
December 25	
December 28	
December 29	
December 30	
December 31	New Year's Eve

2021	
January 1	New Year's Day
January 18	Martin Luther King, Jr. Day
May 31	Memorial Day
July 5	Independence Day
September 6	Labor Day
November 25	Thanksgiving Day
November 26	Day after Thanksgiving
December 24	Christmas Holiday Period
December 27	
December 28	
December 29	
December 30	
December 31	New Year's Eve

2022	
January 3	New Year's Day observed
January 17	Martin Luther King, Jr. Day
May 30	Memorial Day
July 4	Independence Day
September 5	Labor Day
November 24	Thanksgiving Day
November 25	Day after Thanksgiving
December 26	Christmas Holiday Period
December 27	
December 28	
December 29	
December 30	

2023	
January 2	New Year's Day observed
January 16	Martin Luther King, Jr. Day
May 29	Memorial Day
July 4	Independence Day
September 4	Labor Day



## Schedule G

### Production Classification Job Structure & Progression

#### For Employees hired After February 1, 2008

<b>Code</b>	<b>Classification</b>	<b>0-1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-4 Years</b>	<b>4-5 Years</b>	<b>5-6 Years</b>	<b>Top Pay</b>
<u>230B</u>	<u>Fabrication Machining Special</u>	<u>\$15.05</u>	<u>\$17.25</u>	<u>\$19.45</u>	<u>\$21.65</u>	<u>\$23.84</u>	<u>\$26.04</u>	<u>\$28.24</u>
<u>137B</u>	<u>Assembler, Skilled</u>	<u>\$14.72</u>	<u>\$16.91</u>	<u>\$19.09</u>	<u>\$21.28</u>	<u>\$23.46</u>	<u>\$25.65</u>	<u>\$27.83</u>
<u>200B</u>	<u>Jobsetter / Coordinator</u>	<u>\$16.80</u>	<u>\$19.31</u>	<u>\$21.82</u>	<u>\$24.33</u>	<u>\$26.83</u>	<u>\$29.34</u>	<u>\$31.85</u>
<u>524B</u>	<u>Transmission Test Mechanic</u>	<u>\$14.30</u>	<u>\$16.49</u>	<u>\$18.67</u>	<u>\$20.86</u>	<u>\$23.04</u>	<u>\$25.23</u>	<u>\$27.83</u>

Employees who reach Top Pay will receive a 2.5% lump sum on qualified earnings on the specified dates following the date they reach top pay (see Paragraphs (101), (101)(a)(1), and (101)(a)(2).

## **MEMORANDUM OF UNDERSTANDING ON OVERTIME**

### **INTRODUCTION**

The parties recognize that the manufacturing operations of Allison are highly and completely integrated. An interruption at one stage of the production process, whether during the regular work day, work week, or overtime or other premium hours, can, and probably will, cause costly interruptions of the process at earlier and/or later stages. This Memorandum represents an accommodation between the needs of Allison and the rights of individual employees to decline overtime work on occasion for a variety of individual and personal reasons.

The parties have earnestly sought during negotiations resulting in the contract dated today, feasible steps that Allison might take in scheduling overtime work to provide employees an opportunity to accept or decline work opportunities during such periods, and have reached the following understanding which shall constitute a supplement to this Agreement.

In order to accommodate the scheduling of overtime in a manner compatible with changing production requirements, while preserving the right of employees to decline overtime, Allison will schedule overtime operations in accordance with Plan A below.

### **PLAN A**

#### **1. Daily Overtime**

Hours in excess of nine (9) hours worked per shift shall be voluntary, except as otherwise provided in this Memorandum of Understanding, for an employee who shall have notified Management in accordance with Paragraph 8.

#### **2. Saturday Overtime**

Employees may be required to work Saturdays; however, except as otherwise provided in this Memorandum of Understanding, an employee who has worked two or more consecutive Saturdays may decline to work the following (third) Saturday provided (a) the employee shall have notified Management in accordance with Paragraph 4, and (b) the employee has not been absent for any reason (excluding absences for which pay is received under Paragraphs [194], [203], [218] and [218b]) on any day during the week preceding the Saturday. Absences excluded under Paragraph (194) must be excused. For purposes of this Paragraph, Saturday work shall not include hours worked on Saturday by employees regularly scheduled to work Saturday or any portion thereof as the normal fifth day worked such as (i) an employee whose shift starts Friday and continues into Saturday, or (ii) an employee who is assigned to work on No. 1 Shift (Midnight) operations regularly scheduled to start with the No. 1 Shift (Midnight) Tuesday.

#### **3. Sunday Overtime**

Except as otherwise provided in this Memorandum of Understanding, overtime work on Sundays shall be voluntary and employees may decline to work Sunday; provided that (a) the employee shall have notified Management in accordance with Paragraph 4, and (b) the employee has not been absent for any reason (excluding absences for which pay is received under Paragraphs [194], [203], [218] and [218b]) on any day during the week preceding such Sunday, except for a Saturday which employee declined to work pursuant to Paragraph 2 above. Absences excluded under Paragraph (194) must be excused. For purposes of this Paragraph, Sunday work shall not include those hours worked on Sunday which are part of an employee's normal five-day work week (Sunday P.M. through Friday A.M.)

#### **4. Notice**

With respect to all voluntary hours provided for in this Memorandum of Understanding in a given week, the employee may decline to work such hours if the employee notifies the employee's supervisor on a form to be provided by Allison before the end of the shift on the preceding Wednesday provided the employee has been notified of the overtime schedules for such week not later than the preceding day. If the employee is not so notified, the employee shall give such notice to the employee's supervisor before the end of the shift following the day of such notice, provided that if the employee is not so notified until the week in which the overtime is scheduled, the employee shall give such notice by the end of the shift in which the employee receives such notice from Allison.

#### **5. Concerted Activity**

**A.** Any right to decline daily overtime or Saturday or Sunday work that this Memorandum of Understanding confers on any employee may be exercised only by each employee acting separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or employees or the Union or pursuant to any other concerted action or decision. No employee shall seek by any means to cause or influence any other employee to decline to work overtime. Violation by any employee of the terms, purpose or intent of this Paragraph shall, in addition to subjecting the employee to discipline, nullify for one (1) month the employee's right to decline overtime.

**B.** Allison shall have the right to suspend for a period of two (2) weeks as to an affected plant or part of a plant the provisions of this Memorandum of Understanding that limit or restrict its right to require employees to work daily overtime or Saturdays or Sundays, or that entitle employees to elect not to work daily overtime or on Saturdays and Sundays, in the event employees collusively, concertedly or in response to the influence of any employee, or group of employees, or the Union (i) fail or refuse to report for daily overtime work or work on Saturday or Sunday that they have not declined as herein provided, or (ii) decline, as so provided, daily overtime work or work on Saturday or Sunday. If employees who are scheduled to work daily overtime in a plant or department or on Saturday or Sunday fail or refuse to work as scheduled in significantly greater numbers than Allison's experience under this Memorandum can reasonably lead it to expect, such evidence should be carefully considered by the Arbitrator in any decision involving the question of whether their failing or refusing to work the scheduled hours was collusive, concerted or influenced by other persons. The UAW shall have the right to present directly to the Arbitrator any claim that Allison has acted wrongly in suspending the provisions of this Memorandum as to employees or a plant or part thereof. If the Arbitrator sustains the UAW's claim, Allison shall, within sixty (60) days of the date of the Arbitrator's award, give each affected employee the right to decline work on as many daily overtime days or Saturdays or Sundays as such right was suspended.

#### **6. Emergencies**

The provisions of this Memorandum of Understanding that limit or restrict the right of Allison to require employees to work daily overtime or Saturdays or Sundays shall be suspended in any plant whose operations are interrupted by emergency situations, such as single breakdowns of four hours or more, government mandated work, power shortages, strike, fire, tornado, flood or acts of God, for a period of time necessary to overcome such emergencies.

Any breakdown is to be considered justification for suspending the limitations on Allison's right to require overtime work for purposes of correcting the breakdown itself; Allison's right to suspend such limitations for the purpose of making up lost production is, however, in the case of breakdowns, limited to production lost as the result of single breakdowns of four or more hours.

#### **7. New Plants**

The provisions of this Memorandum of Understanding that limit or restrict the right of Allison to require daily overtime work or work on Saturdays and Sundays shall be ineffective at any plant Allison builds or buys and remodels for a period of one year after regular production in such plant starts.

## **8. SUB**

Daily overtime hours or Saturday or Sunday work that an employee declines under the terms of this Memorandum of Understanding shall be deemed "Compensated or Available Hours" within the meaning of the Supplemental Unemployment Benefit Plan.

## **9. General**

**A.** In order to implement this Memorandum, Allison shall have the right to hire temporary part-time employees for straight-time, overtime or weekend work in any plant. Such temporary part-time employees shall not be entitled to Saturday or Sunday overtime premium pay, except as required by law, until they are qualified to perform the work to which they are assigned or for fifteen (15) working days, whichever is sooner.

As to skilled trades work such part-time employees will be qualified to perform the work. The term "qualified" will conform with the skilled trades provisions of this Agreement.

**B.** Nothing herein shall preclude a plant from expanding its work force beyond the normal requirements of its operations by hiring new employees and adopting a program pursuant to which employees of said plant may have one (1) or two (2) days off per week (which days need not be Saturdays or Sundays); provided, however, that work performed on Saturday or Sunday shall be at present premium rates. Plans for such a program shall be discussed in advance with the International Union, and any system of rotating days off among some or all of the employees shall be by mutual agreement between the UAW and Allison.

**C.** Nothing in this Memorandum of Understanding shall make ineffective any agreement pertaining to overtime equalization or augmentation.

**D.** Problems which may not be foreseen in the administration of the voluntary overtime concept which may affect the ability of Allison to operate efficiently may arise during the course of this Agreement. In such event, the matter will be raised at the Allison-International Union level for resolution.

## **MEMORANDUM OF UNDERSTANDING ON WORK CENTERS**

During negotiations, the UAW requested that a Work Center be furnished where designated UAW representatives could meet internally regarding representation matters, prepare statements required by the Grievance Procedure Section of the Agreement, and keep files necessary to carry out their representation functions. Company agrees to provide such Work Centers with certain contingencies:

As a result of those discussions, it was agreed as follows that Allison may bring to the attention of the Shop Committee and Regional Servicing Representative any alleged abuses in the operation of the Work Center. The parties will attempt to resolve the issue and the International Union and Allison will determine the necessary corrective action.

### **Utilization of Work Centers**

1. Usual office type equipment such as typewriters and duplicating machines may be furnished by the UAW for use in the Work Center. In such instances, Allison procedures for bringing and removing personal property into and from the plant must be followed.
2. A notice will be placed at the entrance of the Work Center explaining the function of the facility and expressly prohibiting unauthorized entrance by persons other than the Shop Committee.
3. Pictures, calendars, cardboard, etc., will not be affixed to the windows, nor will the view be obscured in any manner.
4. Lighting will be provided in such a manner that it cannot be extinguished during times that Shop Committeemen are in the facility.
5. Non-duplicating keys or magnetic keys will be issued to members of the Shop Committee, and the Work Center will be locked to prohibit entry by unauthorized persons.
6. A joint examination of the furniture in the Work Center will be made annually. Furniture that is unsatisfactory will be repaired or replaced. Union representatives will exercise care in using the facilities and good housekeeping practices will be followed.

## **MEMORANDUM OF UNDERSTANDING JOINT ACTIVITIES**

During current negotiations, the parties discussed the challenges in the marketplace from both foreign and domestic competitors. There is mutual recognition that these challenges require a fundamental change to maximize the potential of our human resources. This change can occur only by building on our current joint efforts and by fostering a spirit of cooperation and mutual dedication that will permit the full development of the skills of our people and meaningful involvement in the decision-making process. Success in these endeavors benefits all of the parties: The UAW through a strong and viable membership; the employees through job satisfaction and job security; and Allison through achieving its goal of becoming a world class competitor.

The parties agree that in order to make constructive progress in this regard, there is a need to reach a common understanding of the concept of "jointness" and to establish a facilitating mechanism to assure that the various programs related to changes in the work environment are appropriately and effectively administered.

The term "jointness" is understood to mean that concepts for these activities are jointly developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of achieving common goals.

The parties agree that the appropriate facilitating mechanism for joint endeavors is the Key 4 – Joint Activities

### **I. KEY 4 – JOINT ACTIVITIES**

It is agreed the Co-Directors of the Key 4 – Joint Activities will be the Vice President, Human Resources, Vice President, Operations, President of the UAW Local 933 and Shop Committee Chairperson. The Key 4 – Joint Activities will actively direct and support the Joint Training Committee, and other joint committees and activities as may be mutually agreed to by the UAW and Allison at monthly Quality Council Meetings.

The duties and responsibilities of the Key 4 – Joint Activities will include, but not be limited to, the following:

- A. Approving policies and providing guidelines;
- B. Approving budget for projects and activities;
- C. Monitoring expenditures for approved projects and activities;
- D. Evaluating and auditing the ongoing performance and results of these committees;
- E. Review and approve proposals for meetings, conferences, and workshops;
- F. Integrate Joint Activities with Allison structures and business decisions;

### **II. QUALITY COUNCIL**

During current negotiations, the parties discussed the need to focus the responsibility for all joint activities on those individuals who have primary responsibility for their success and to enhance their effectiveness through improved information sharing, priority and goal setting, resource allocation and the elimination of duplication.

Accordingly, the parties agree that the appropriate facilitating mechanism for all joint activities is the Quality Council consisting of the President of the UAW Local 933, Shop Committee Chairperson and members of the Shop Committee, Executive Director of Operations, Director of Labor Relations, and

other UAW and ATI Representative(s) as appropriate. The Quality Council is responsible for actively supporting and directing the Joint Training Committee Program, Human Resource Development Process, J.O.B.S. activities and to provide coordination among all other joint activities such as Health and Safety, Work/Family, Quality Network, etc. The UAW Regional Director and/or their representatives should be fully involved regarding joint activities including actions of the Quality Council.

The duties and responsibilities of the Quality Council include the following:

- A.** Provide structure for integrating all joint efforts.
- B.** Set policies/guidelines to enhance each joint activity.
- C.** Integrate joint activities with business operations through a joint planning process.
- D.** Allocate and monitor joint funds and other resources in accordance with this memorandum and guidelines in support of all joint activities.
- E.** Approve and implement annual training plans directed at UAW represented Allison employees.
- F.** Provide the necessary resources to conduct training identified in the approved plan.
- G.** Monitor and evaluate the performance and results of joint activities and provide positive recognition and/or corrective direction as required.
- H.** Regularly exchange information on operations and communicate appropriate information to all employees.
- I.** Keep UAW/Allison leadership including the Key 4 - Joint Activities informed of the status and progress of joint activities.

The UAW will be fully involved in all phases of training including analysis and development that is directed at UAW-represented employees. When such employees will be impacted by training and manual specifications for equipment and manufacturing systems, UAW input with respect to development and delivery of training will be obtained by Allison prior to signing off on the specifications.

In situations where mutual agreement regarding joint activities cannot be reached within the Quality Council, either party may appeal the issue to the Key 4 – Joint Activities for resolution. If still not resolved then the issue may be appealed to the Vice President of Human Resources and International UAW, Region 2-B Director or his designee.

It is understood that nothing in this Memorandum limits the rights of either party to provide education and training programs on the same, similar or other subjects.

## **MEMORANDUM OF UNDERSTANDING JOINT TRAINING COMMITTEE**

Allison and the UAW reaffirm the need to continue and expand the Joint Training Committee Program. Furthermore, the parties pledge to continue providing the resources necessary to assure that all employees receive training and development opportunities in order to produce a highly motivated, capable workforce that continually improves its own, and Allison's ability to succeed in an increasingly competitive industry. The UAW will be fully involved in all phases of training including analysis and development that is directed at UAW-represented employees.

### **I. JOINT TRAINING COMMITTEE**

This Committee will consist of an equal number of members to include at least 2 members each from management and the UAW. The UAW members will be designated by the Chairman of the Shop Committee. The function of the Committee will be to promote and direct the development and implementation of skill development and training activities, including technical training for active and dislocated employees. Allison and the UAW strongly encourage all employees to avail themselves of these activities.

Training and job placement efforts for dislocated workers will be focused on finding comparable employment as soon as possible. In cases involving employees facing indefinite layoff where recall or future Allison placement is unlikely, the parties agreed that efforts will include pre-layoff meetings. Guidelines and services for dislocated workers will be developed and approved by the Key 4 – Joint Activities.

In order to insure that Training activities improve the performance of the enterprise and provide participants with enhanced job security, it is essential that Joint Training Committee activities be integrated with Allison structures and business decisions. Therefore, the Parties agree that the Joint Training Committee will establish and maintain close communication with Allison staffs and training functions to assure that the parties at all levels contribute to the development of effective joint training and development initiatives.

The duties and responsibilities of the Committee will include the following:

- Meet at least quarterly at jointly agreed upon times and places or more often as agreed upon by the parties
- A review of roles and responsibilities of Doc. 46 Human Resource Development Representatives (HRDs), Joint Training Representatives (JTRs) and Joint Activities Representatives (JARs) in order to provide training to ensure the effectiveness of these joint activities.
- Conduct annual joint programs representatives' training needs analysis and schedule required training.
- Insure UAW Joint Training Representative(s) are involved in the preparation of training budgets/plans directed at UAW represented Allison employees.
- Identify Skill Development and Training needs for active employees in the areas of basic education, job-related and interpersonal skills.
- Design promotional materials and activities to encourage the expansion of joint UAW-Allison efforts in our society.



- Sponsor appropriate activities to provide a forum for experts from labor, academia, business and government to convene and deliberate upon the future of Human Resource Development.
- Provide input into the design of a new training records system in the event there is a change from the current training platform.
- Monitor and evaluate Allison Joint Training Committee activities and provide status reports to the Key 4 - Joint Activities.
- Develop and rollout a comprehensive program for use at plants in their efforts to conduct training needs analysis, task analysis, training plans and maintain training records. Assure that a training needs analysis is conducted as needed based upon business plan information.
- Conduct process reviews to monitor key elements of the Allison Training and Development Planning Process.
- Joint Activities, Human Resource Development and Joint Training Representatives Workshops may be scheduled during the term of the Agreement as determined by the Joint Training Committee and the Key 4-Joint Activities.

## **II. OTHER JOINT ACTIVITIES**

In addition to its previously described duties, the Joint Training Committee will support other joint Committees by:

1. Coordinating requests to the Key 4-Joint Activities for funding of joint activities, studies, pilot programs, training, etc.
2. Providing professional and staff support for joint program development, implementation and administration;
3. Providing facilities as required for joint program development, implementation and administration;
4. Providing appropriate communication vehicles or information sharing processes for joint activities;
5. Providing mechanisms, facilities and staff to monitor, audit, and evaluate joint activities; and
6. Coordinating joint efforts, projects, and the various committees on behalf of the Key 4-Joint Activities.

## **MEMORANDUM OF UNDERSTANDING HUMAN RESOURCE DEVELOPMENT**

Allison and the International Union, UAW agree that a single focus must be communicated throughout the organization to improve the quality of work life of employees.

This focus should revolve around people and the beliefs and values of the Quality Network, recognizing that the total involvement of people in all that we do is essential to job security and the success of both the UAW and Allison.

In accordance with this focus, the parties recognize that all joint activities will continue to encompass a philosophy that emphasizes joint relationships built on mutual trust, cooperation and respect.

Therefore, the parties agree that all processes directed at developing our human resources will be jointly developed, implemented, monitored and evaluated.

The parties further recognize the need for organizational strategies that focus on large systems change and the integration of all people involvement efforts. Joint resources will be provided to support this objective.

The Human Resource Development Representative will have responsibility for:

- Promoting and initiating processes, projects, and training that enhance the development of our human resources;
- Making Human Resource Development Training available for UAW International Representatives and union and management representatives who initiate joint processes;
- Providing information to local parties on the availability of resources including consulting and training;
- Assuring that joint Union and Allison groups receive consultative support and assistance as requested;
- Assuring that consultative resources are established and maintained;
- Publishing Human Resource Development guidelines and materials;
- Monitoring the use of non UAW-Allison consultants.

The Joint Training Committee will be responsible for supporting the appropriate Human Resource Development processes, goals and policy direction and will jointly guide, maintain and evaluate the process.

## **MEMORANDUM OF UNDERSTANDING TUITION ASSISTANCE PLAN**

During negotiations, the Parties affirmed the necessity of providing active and laid-off workers with opportunities for education and training. These efforts will enable them to either re-enter the work force or enhance their development. Accordingly, the parties agree to continue the Tuition Assistance Plan for all qualifying workers who wish to pursue further education and training. The plan is designed to help active workers, laid off workers, workers who enter active or inactive service in the armed forces, or workers on an educational leave, enhance their opportunities for advancement.

Under this Plan, qualified workers are able to receive tuition assistance in the form of reimbursement or up-front payment to licensed or accredited schools such as colleges, universities, proprietary schools or vocational institutions. The Plan permits workers to select vocational training or education for their situation and goals, subject to approval by the UAW-Allison Joint Training Committee.

### **TUITION ASSISTANCE PLAN FOR LAID OFF WORKERS**

#### **Eligibility**

The participant must be a UAW represented Allison worker on indefinite layoff, who has recall or rehire rights (as defined in Paragraph 64(e)) under the terms of this Agreement, and who had at least one year seniority as of the last day worked prior to layoff.

#### **Courses**

Suitable courses are those required for adult basic education, high school completion or high school equivalency certification, university, college, business, trade or vocational school courses or adult education classes.

#### **Schools**

Acceptable schools are those approved by the Joint Training Committee, including, but not limited to those generally recognized by accrediting agencies, or under governmental education agencies.

### **TYPE OF ASSISTANCE**

The Plan will provide for tuition and compulsory fees to be paid directly to the recipient or the recipient's educational institution. There shall be no duplication of tuition fees already covered by other state or federal education assistance plans or programs. Maximum eligibility under this Plan is \$8,400 of tuition assistance while on indefinite layoff. Eligibility is established by seniority as of last day worked prior to layoff as follows:

#### **SENIORITY AS OF DATE OF LAYOFF**

- 1 to 3 years      \$6,400
- 3 to 4 years      \$7,400
- 4 or more years   \$8,400

The above specified amounts shall constitute an account upon which the worker may draw so long as the individual retains recall or rehire (as defined in Paragraph 64(e)) rights while on indefinite layoff. Certain changes in employment status will affect eligibility. If recall or rehire (as defined in Paragraph 64(e)) rights are lost under the terms of this Agreement, or full-time employment is accepted that would pay wages comparable to those on the former job at Allison, or if similar training programs are provided by a new employer, eligibility will cease. Continued eligibility will

depend upon satisfactory completion of courses in which the employee has enrolled and compliance with other provisions of the Plan. In no event shall total assistance to an employee exceed \$8,400 in any four calendar year period.

## **TUITION ASSISTANCE PLAN FOR ACTIVE WORKERS**

### **Eligibility**

The participant must be a UAW represented Allison worker on the active employment rolls or on temporary layoff with seniority under the terms of this Agreement. Also included are union officials on leave under the provisions of Paragraph (109) who are functioning in positions at Allison or special assigned Allison-UAW employees on leave under the provisions of Paragraph (109a) who are assigned at Allison-UAW facilities.

Employees are eligible for tuition assistance while on military service leave, under the provisions of Paragraph (112). However, these employees shall exhaust all military tuition assistance benefits prior to utilizing the Tuition Assistance Plan (TAP).

During the term of this Agreement, active employees pursuing a four year degree or a graduate degree are eligible for one (1) Tuition Assistance allotment, excluding advance payment, while on an educational leave of absence under the provisions of Paragraph (113). Employees utilizing Tuition assistance while on an educational leave will receive reimbursements at 75% for a grade of C- to C+. Grades of B- or above will receive reimbursement at 100%.

Additionally, the surviving spouse or dependent child(ren) of a deceased, active employee will be entitled to:

### **Spouse**

- Utilize the remaining balance of the employee's current Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.
- A one-time payment up to a maximum of three hundred dollars(\$300) of the remaining balance may be used for jointly approved financial counseling.

The benefit is not to exceed the maximum annual benefit allowed in each year following the employee's date of death.

### **Dependent Children**

In the event that the decedent's spouse does not use this benefit, the dependent child(ren) of a deceased, active employee will be entitled to:

- Utilize the remaining balance of the employee's current year's Tuition Assistance eligibility (excluding any advance payment) for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

### **Type of Assistance**

The Plan will provide reimbursement for tuition and/or compulsory fees to be paid directly to the recipient. There shall be no duplication of tuition or fees already covered by state or federal education assistance plans or programs. Courses must be completed satisfactory (defined as a grade of B or better) to be eligible for reimbursement. Grades of C- through C+ will be reimbursed at 75%. Grades of F will not be reimbursed. Courses that are graded only as Pass/Fail will be reimbursed at 100% for Pass and 0% for Fail. The following courses shall entitle individuals to those benefit levels specified below:

- \$5,250 per year for courses at regionally accredited colleges or universities of which \$200 may be used for the purchase of books.
- • \$2,200 per year for other potential occupational related course
- \$1,450 per year for personal enhancement courses not related to the employees current job assignment, excluding courses commonly considered sports, games or hobbies, through acceptable schools including those accredited by recognized accreditation agencies, those approved by Government Education or Training Programs, or certain specified others

In no event shall the total assistance to an employee exceed \$5,250 in a twelve-month period. All courses are subject to approval by the UAW-Allison Joint Training Committee.

### **Funding**

The plan shall be budgeted by the Joint Training Committee upon approval of the KEY 4- Joint Activities. All TAP payments are subject to applicable IRS tax codes.

### **Administration**

The Plan will be jointly administered by the Joint Training Committee.

### **Repayment**

Employees who voluntarily leave (including under the provisions of 64d, 111b, and/or the Attendance Program) Allison Transmission or are terminated for cause will be required to repay any funds they have utilized in the twelve (12) months prior to the termination date. The union shall have the right to grieve the collection of such funds for employees who voluntarily leave under these provisions.

**MEMORANDUM OF AGREEMENT**  
**Voluntary Political Contributions**

It is agreed between Allison and the UAW that the following understandings have been reached in connection with the UAW's request to have deductions taken for voluntary political contributions from the monthly pension checks of Allison's hourly retirees and eligible surviving spouses.

1. A designated official of the UAW will furnish to Allison for each hourly employee, retiree, or surviving spouse for whom a deduction is to be taken, an Authorization Card, satisfactory to the Allison, signed by the employee, retiree or surviving spouse.

Cards that cannot be processed will be returned to the designated official of the UAW for correction.

2. The UAW will retain exclusive responsibility for soliciting employees', retirees' and surviving spouses' participation, including expenses and compliance with the Federal Election Campaign Act.

3. With respect to retirees and surviving spouses, Allison will take such authorized deductions from regular pension checks monthly, and continuing monthly while such authorization is in effect, absent any conflicting legal requirements. In any case, deductions will be taken from any pension checks transmitted to the retiree or surviving spouse through regular processing but will not be made from checks prepared through special processing.

4. A deduction not taken in one month will not be carried forward to a subsequent month. The amount that can be deducted from pension checks is limited by law. Deductions for V-CAP will be subordinate to all other deductions permitted or authorized by law if total deductions exceed legal limitations.

5. Allison will assume the actual costs of general administration, as part of the economic settlement of these negotiations.

6. Retirees, surviving spouses, and employees who wish to cancel their authorizations for deductions will sign a card supplied by the UAW for that purpose. Refunds will be the responsibility of the UAW.

7. Designated officials of the UAW will collect and forward to Allison, as one transmittal, all signed Authorization Cards and Cancellation Cards for the initial processing and once each month for subsequent additions, deletions, and changes.

8. The UAW will indemnify and hold Allison harmless from any and all liability or claims arising from any claims or administrative errors resulting from the deductions provided for in this Agreement.

9. With respect to this Memorandum, the parties acted in reliance upon FECA Advisory Opinion 1981-39. Allison reserves its right to unilaterally, following discussion with the UAW, terminate its agreement to bear the ongoing administrative costs of processing V-CAP deductions and contributions upon discovery or the issuance of any decision, opinion, regulation, or statute by an agency, court or legislature that would call into question the lawfulness of the Allison's assumption of these costs.

**INTERPRETATIONS, STATEMENTS,  
LETTERS AND THE  
MEMORANDUM OF UNDERSTANDING  
ON HEALTH AND SAFETY**

(The following documents connected with the 2012 Allison-UAW negotiations are not a part of the Agreement but have been included in this booklet for information purposes.

(See Index in the front of  
the Agreement Book)

Doc. No. 1

**Interpretation of the Time and One-Half Provisions of the Agreement  
(Special Case Caused by Short Shift)**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

In the event an employee works more than eight consecutive straight time hours on a shift (exclusive of an unpaid lunch period) under circumstances where the present daily overtime provisions and interpretations would make the time worked in excess of eight hours on that shift payable at straight time, such time worked in excess of eight hours on that shift will be paid for at time and one-half. Any such time worked and paid at time and one-half instead of straight time, will be considered as having been paid at straight time for purposes of computing daily overtime within the 24-hour cycle in which such time worked occurs.

**WORKING HOURS**

Example: Special Case  
          Caused By  
          Short Shift

D - Calendar Day  
HW - Hours Worked  
ST - Straight Time  
T 1/2 - Time and One-  
Half  
DT - Double Time  
PH - Pay Hours

D	FROM	D	TO	HW	ST	T 1/2	DT	PH	REMARKS
S	7:00 A		3:30 P	8			8	16	
M	6:00 A		3:30 P	9	8	6:00 A - 7:00 A		9.5	
T	6:00 A		11:30 A	5.5	4.5	6:00 A - 7:00 A		6	(1)
W	6:00 A		3:30 P	9	8	2:30 P - 3:30 P		9.5	(2)
Th	6:00 A		3:30 P	9	8	6:00 A - 7:00 A		9.5	
F	6:00 A		3:30 P	9	8	6:00 A - 7:00 A		9.5	

(1) Sent home or excused by Allison.

(2) Under G-153 and G-208, all 9 hours would be at ST. Under the 1967 interpretation, the hour from 2:30 to 3:30 p.m. would be at T 1/2 but would be counted as a straight time hour for purposes of computing daily overtime for the 24-hour cycle from 7:00 a.m. Wednesday to 7:00 a.m. Thursday.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 2**

**Interpretation of  
Working Hours Section**

**(Delayed Starting Time on Sunday Night)**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

In negotiations, the Union has cited the following examples:

An employee is scheduled to start work at 12:01 a.m. on Monday and at 10:30 p.m. for the rest of the week. The first eight hours beginning at 12:01 a.m. Monday were paid at straight time.

An employee starts a week at 10:30 p.m. Monday. This shift is also worked Tuesday night, Wednesday night, Thursday night and Friday night. The shift beginning 10:30 p.m. Saturday may or may not be worked. The employee is brought in Sunday night but instead of starting at the usual time of 10:30 p.m., the starting time is delayed until 12:01 a.m. Monday. The next week is then started at the usual time of 10:30 p.m. Monday. The first 8 hours beginning at 12:01 a.m. Monday were paid at straight time.

The Company advised the Union that in these and similar cases, the shift that starts at 12:01 a.m. on Monday will be considered a Sunday shift and paid at double time. The employee's 24-hour cycle shall be considered to have started at 10:30 p.m. Sunday night.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

Doc. No. 3

**Interpretation of  
Working Hours Section  
(Special Double Time Case)**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

During negotiations the Union has cited a situation in which a third shift employee worked seven shifts in the week and received no double time under the following circumstances.

**Example #1**

The employee worked the first five days of the week beginning each day at the regular shift starting time. The employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and the employee then worked eight hours. The seventh shift was advanced from 12:01 a.m. Sunday to 11:00 p.m. Saturday.

**Example #2**

The employee worked the first five days of the week beginning each day at the regular shift starting time. Then the employee's sixth shift was advanced from 12:01 a.m. Saturday to 11:00 p.m. Friday and eight hours were then worked. The seventh shift was advanced from 12:01 a.m. Sunday to 3:30 p.m. Saturday.

Allison advised the Union that if this or other such cases occur where the starting time of the employee's seventh shift is advanced from Sunday to Saturday, the employee involved will be paid at double time for the hours worked by the employee on the seventh shift worked even though the shift starting time falls on Saturday.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

Doc. No. 8

**MEMORANDUM OF  
UNDERSTANDING — SPECIAL  
PROCEDURE FOR  
ATTENDANCE**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

Allison and the UAW agree that the problem of unwarranted absenteeism must be addressed in a cooperative and constructive manner. Both parties recognize that unwarranted absences adversely impact quality, cost and efficiency and in so doing constitute a threat to the job security of all employees.

The parties also recognize that sometimes absenteeism is the result of personal or unforeseen problems in an employee's life and that such problems must be addressed in a reasonable and responsible manner.

Based on the foregoing, the parties agree to adopt this Special Procedure for Attendance. This procedure is intended to encourage regular attendance through corrective discussion, use of approved contractual time off, and the availability of the Employee Assistance Program, while at the same time expecting employees to accept responsibility for their own attendance behavior.

**Special Procedure for Attendance**

1. This procedure will apply to all employees who have acquired seniority.
2. This Special Procedure for Attendance is a process in which the reason for an absence is no longer relevant nor required. Recognizing that there are contractually acceptable reasons for missing work, certain absences by their definition are not subject to the Improvement Steps of this procedure.
3. The action taken by Allison as a result of the Attendance Improvement Steps of this procedure is subject to the Disciplinary Layoffs and Discharges Section of the Agreement and therefore, the Grievance Procedure of the Agreement. During a disciplinary interview associated with the Attendance Improvement Steps, the employee will be advised of the special procedure for attendance and the availability of the Employee Assistance Program.
4. This procedure is separate and distinct from Allison's standard corrective disciplinary procedures. All instances of employee absence, except the excludable absences as defined in paragraph 5, below, will be addressed through this procedure.
5. Absences excluded from this procedure which will not place the employee into the Attendance Improvement Steps are as follows:
  - Employees with 1% and under controllable absence
  - Informal Leave of Absence
  - Formal Leave of Absence
  - Sick Leave of Absence — when receiving Sickness and Accident benefits
  - Compensable Leave
  - Leave of Absence for Union Activity
  - Leave of Absence for Public Office
  - Leave of Absence for Military Service
  - Educational Leave of Absence -

- Leave of Absence - Apprentice Training
  - Absence for Jury Duty
  - Absence for Short-Term Active Duty
  - Bereavement
  - Approved Vacation
  - Vacation Restricted (VR) - (Up to three (3) instances of absence as defined in Paragraph 8, below)
  - Approved FMLA
  - Disciplinary Layoff or Suspension
  - Absences required to be protected by law
- 6.** Instances of absence subject to this procedure are defined as follows:
- A. Single or consecutive days of absence.
  - B. Tardiness of four (4) hours or more, or five (5) hours or more in areas with Alternative Work Schedules.
- 7.** Employees are expected to request time off as far in advance of the absence as possible. When instances occur in which an absence or tardiness could not be planned in advance, employees should make every reasonable effort to report their absence or tardiness as early as possible prior to the scheduled starting time of the shift for which they will be absent or tardy. The absentee call-in number is 1-866-684-2409.
- 8.** Absences not excused in advance will result in Vacation Restricted (VR) hours being allocated to each hour of absence, up to eight (8) hours, on each day of such absence. During any eligibility year, employees will be limited to a maximum of three (3) instances where VR time will be allocated to an absence which was not excused in advance. Employees who are placed in Step 4 or 5 in the Attendance Improvement Steps must receive prior approval for use of VR hours.
- 9.** Use of VR hours will not be permitted, unless excused in advance, on the following days:
- A. Holiday qualifying days as specified in Paragraph (203)(3).
  - B. The last scheduled workday in the week preceding a Monday holiday specified in Paragraph (203).
  - C. The next scheduled workday in the week following a Friday holiday specified in Paragraph (203).
  - D. Absences on any of the above days, which may be the result of documented circumstances beyond the employee's control, will be taken into consideration by Allison as possible justification to excuse the absence.
- 10.** Instances of absence beyond those identified in Paragraph 5, above, or an unexcused absence occurring on a day identified in Paragraph 9, above, will be subject to the Attendance Improvement Steps. A disciplinary interview will be offered in accordance with Paragraph 3 above. The Chairperson of the Shop Committee and the Labor Relations Manager will deal with any unforeseen circumstances expeditiously.
- 11.** On December 1st of each calendar year a snapshot will be taken of the previous 12 months to determine which employees have greater than a 1% controllable absence rate. This snapshot will determine those employees that fall into the Special Procedure for Attendance for the following year. Those employees with greater than 1% absence rate will be subject to the Attendance Improvement Steps detailed in this Memorandum of Understanding. If an employee with greater than a 1% absence rate is successful in driving the percentage below 1% prior to the new snapshot being taken on December 1st, he/she will be subject to the regular discipline procedure for attendance. In the event the employee is able to reduce their absence rate to where they are no longer part of the Special Procedure for Attendance, any discipline accrued will not be used as part of the regular discipline procedure for attendance.

12. The controllable absence rate is calculated by dividing the “core absence hours” by the “available core hours”. “Core absence hours” is defined by any absences defined in #6 of this document during any available core hours. “Available Core hours” is defined as normally scheduled shift hours, not including overtime or holidays.
13. The Special Procedure for Attendance establishes fixed outcomes with respect to all matters contained in the Attendance Improvement Steps chart and supersedes any other understandings and agreements pertaining to attendance matters. Each action will remain on record until the defined “Time on Record” for that step has expired. In the event an employee is issued a subsequent action, all prior actions will remain on record until the most recent action attains its defined “Time on Record,” at which time the employee’s record will be cleared of this and all previous action steps.

#### ATTENDANCE IMPROVEMENT STEPS

Step	Absence/Instance	Action	Time on Record
1	First	First Written Warning	6 Months - Providing no further non-excludable absences; extended by periods of leaves.
2	Second	Second Written Warning	12 Months - Providing no further non-excludable absences; extended by periods of leaves.
3	Third	Referral to EAP Services and Balance of Shift Plus <u>1 Day</u> Unpaid Time Off	18 Months - Providing no further non-excludable absences; extended by periods of leaves.
4	Fourth	Balance of Shift Plus <u>3 Days</u> Unpaid Time Off	18 Months - Providing no further non-excludable absences; extended by periods of leaves.
5	Fifth	Balance of Shift Plus <u>1 Week</u> Unpaid Time Off	18 Months - Providing no further non-excludable absences; extended by periods of leaves.
6	Sixth	Termination of Employment	

- 14.** The parties are specifically empowered to periodically review and evaluate this procedure and make mutually satisfactory adjustments in the mechanics of its operation during the term of this Agreement.
- 15.** An employee who has had an absence, due to documented extraordinary circumstances beyond their control may request a review with their supervisor and District Committeeman. At the conclusion of the review, Management reserves the right to assess the next appropriate step of the Attendance Improvement Steps. A grievance may be filed as a result of placement into the Attendance Improvement Steps.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 9**

**REPRESENTATION DURING MANAGEMENT MEETINGS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

During the current negotiations, the UAW expressed concern that increased requirements on the Committeepersons' time for attendance at management meetings may prevent employees from receiving representation in a timely manner.

Allison and UAW agree that when such a situation exists, the Alternate District Committeeperson may handle current grievances until such time as the District Committeeperson becomes available.

In the case of District Committeepersons who are also members of the Shop Committee pursuant to Paragraph (11) of the Agreement, the Parties will allow Alternate District Committeepersons to handle current grievances during the period that such District Committeeperson is legitimately involved in meeting with Management at Step Three and Step Four of the Grievance Procedure or during other mutually agreed upon contract negotiations meetings.

Any problems in this area should be raised with the International UAW or with Allison's Labor Relations Staff.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 12**

**INDUSTRY EDUCATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The Parties confirm we will commit to work together to explore the development of a program in which information and knowledge that is relevant to the transmission and manufacturing business is disseminated to employees. This information may include topics such as but not limited to:

- Competitive challenges facing Allison and the UAW
- New Technologies
- Allison Product Awareness
- Current state and trends of the transmission industry
- Government and its impact on our business
- Global Marketplace

The Joint Training Committee will explore methods of updating and delivering this information. We recognize the need to monitor any program that is developed and to jointly agree on any modifications to that program. Funding for this newly developed program will be identified and supported by the Joint Training Committee through the Joint Training Fund process.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources



**Doc. No. 13**

**RESOURCE AND REFERRAL SERVICES  
WORK/FAMILY PROGRAM**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Work/Family Program Representatives will provide resource and referral information, program promotion and awareness for all Work/Family Programs. These programs include the Employee Assistance Program and Elder Care Resource and Referral, Childcare Consortiums, Workplace Violence Training, and Critical Incident Response. These Work/Family Programs provide quality information to help employees make more informed choices as consumers of Work/Family services.

The Key 4 – Joint Activities will be responsible for program development, determination of delivery methods, coordination and evaluation. Funding will be provided by the Joint Activities Budget.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**ORIENTATION PROGRAM**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties recognize the importance of providing orientation programs for new employees. Many of these programs resulted from the diligent efforts of plant employee groups and have addressed such topics as quality, teamwork, safety, and joint programs in addition to those items new employees must know to perform their jobs.

People enter the work force today with little or no knowledge of what is expected of them as employees and as union members in a unionized, industrial plant community. Many of them have not been adequately prepared to cope with industrial situations in which they suddenly find themselves.

New employees come to Allison with little or incomplete information about their employer and their union. They have little knowledge of the extensive economic benefits available to them as agreed upon in collective bargaining between the UAW and Allison.

Many new employees may be unaware of the commitment of Allison and the UAW to fair employment practices and to the application of this Agreement to all employees without regard to age, race, color, sex, religion, creed, veteran (including Viet Nam era and subsequent conflict) disability, sexual orientation, and gender identity or expression, national origin, disability. They are not familiar with basic contract provisions covering such subjects as transfers, promotions, shift preference and seniority. They may be unaware of the opportunities for advancement to highly paid skilled trades jobs. They tend to be unfamiliar with the obligations of the employee to his job, to the union and to his employer. Many are unaware of the importance of regular attendance, quality workmanship and the need for cooperation by all in getting the job done. Too often they are unacquainted with the various procedural matters related to their job and their relationship to their union and their employer.

New employees usually have little knowledge of the long history of the UAW and of the administrative structure of the UAW at the International and local union levels. They do not understand about their relationship to the union, about the initiation fees and dues requirements and their rights within the union contained in the UAW Constitution and guaranteed by right of appeal to the UAW's Public Review Board.

Frequently, they have never seen the inside of a manufacturing facility before and are unfamiliar with the operations, the nature of the product and how it is used.

In this regard, the parties agree to provide programs by providing a New Employee Orientation Program. The program will be developed by a joint study team of UAW and Allison representatives and technical consultants. The focus of the program will be on materials that explain the respective roles of Allison and the UAW, the state of the transmission industry, the changing composition and diversity of the work force, the negotiated joint programs, and how employees, Allison, and the UAW work together to foster employee well-being and business success which benefits both employees and communities.

Allison will obtain broad-based feedback from plants, Allison and UAW representatives, to ensure the program best meets the needs of its customers. Appropriate training will be provided as needed to Allison and UAW representatives. Development and promotion of the New Employee Orientation Program shall be funded through Joint Training Funds. Ongoing costs may be funded through Joint Training Funds. The New Employee Orientation Program shall not be subject to the Grievance

Procedure nor in any way limit communications by Allison with its employees or by the Union with its members.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**MEMORANDUM OF UNDERSTANDING  
EMPLOYEE ASSISTANCE PROGRAM**

The Parties express their determination to work jointly with personal problems including substance abuse and mental health among employees and their families.

Alcoholism and drug dependency are recognized by medical, public health authorities, and the Parties as diseases. These diseases can impair workers' ability to function in their lives and on their jobs. Alcoholism and drug dependency as well as other personal problems contribute to increased absenteeism and tardiness and deterioration of job performance. This in turn disrupts work schedules with consequent dissatisfaction among the majority of workers who are sincerely trying to do conscientious jobs. The combination of factors is recognized as having a potentially damaging effect on production efficiency and endangers the job security of the worker.

The causes of personal problems including alcoholism, drug dependency and mental health are not well understood and cures are difficult. Nonetheless, the Parties believe that constructive measures are possible to deal with these problems which can be a major cause of family breakdown and are related to personal breakdown and violence in the community.

**I. Objective**

The objectives of this joint effort are to help employees and their family members develop healthier life styles and enhance the effectiveness of the workforce. Further the purpose of this program is designed to help prevent the development of personal problems and provide access for treatment and after care for those already affected.

The Parties acknowledge that neither Allison nor the UAW working alone can always provide the level of motivation required by employees experiencing personal problems. As a result, joint efforts are imperative in encouraging the employee to seek EAP services, as needed, to respond successfully to treatment, and to maintain a resolve to avoid further personal problems.

**II. Guidelines for Administration**

Responsibility for directing and coordinating these efforts will be the principal function of the Work/Family Program Committee. The Committee will be comprised of an equal number of representatives from the respective organizations and will be co-chaired by the Allison's Director of Labor Relations and the Chairman of the UAW Local 933, or their designated representative(s). The Committee will meet regularly for the purpose of reviewing the administration and operation of the Employee Assistance Program, resolving issues not otherwise resolved.

The Parties agree that it is important to:

1. Generate a climate which will eliminate the effects of the social stigma associated with mental disorders, alcoholism and drug dependency, and other personal problems which act as a barrier to employees seeking help to resolve personal problems;
2. Insist that the Parties at all levels exercise their best efforts towards the objective of earlier identification and motivation of the employee to accept EAP services;
3. Assure confidentiality in working with the employee;
4. Assist in developing educational and informational materials.

**III. Employee Assistance Program Administration**

Allison and representatives of the UAW will work jointly on these problems. Among the responsibilities of the Work/Family team are:

1. Survey community resources to determine the availability of appropriate treatment facilities and the cost of treatment. Where facilities are inadequate or unavailable, undertake efforts to improve the situation.

2. Help employees understand that they may consult on a confidential basis with the Work/Family Committee, or an outside central diagnostic and referral (CDR) agency, concerning the employee's problem.

3. Arrange for the UAW Benefits Representative to be available to explain to the employee and others who may be involved the extent to which recommended treatment qualifies for payment under Allison's Health Care Program.

4. Help employees understand the therapeutic benefits of self-help groups and engage EAP participants in these group activities. Arrange and utilize outside resources for active aftercare and follow-up programs.

The Parties acknowledge that:

1. Nothing in this statement is to be interpreted as constituting any waiver of Allison's responsibility to maintain discipline or the right to invoke disciplinary measures in the case of misconduct which may result from or be associated with the use of alcohol or drugs or personal problems. The UAW may exercise its right to process grievances concerning such matters in accordance with this Agreement.

2. During or following treatment the employee should not expect any special privileges or exemptions from standard personnel practices; and

3. When a leave of absence is necessary so that an employee may undergo medical treatment for alcoholism or drug dependence or personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted to such treatment and provided the employee has unbroken seniority, sick leave of absence will be granted pursuant to this Agreement and the employee will be eligible for benefits in accordance with Allison's Health Care and Life and Disability Benefits Programs as negotiated with the UAW.

#### **IV. Additional Understandings**

During the course of Negotiations, the parties held extensive discussions over a wide range of EAP subjects. The following represents the highlights of those discussions and the commitments arrived at between the parties:

1. A key ingredient in combating personal problems lies in education, early identification and early intervention. Accordingly, the Work/Family Committee has developed a comprehensive education and training program directed at all levels of Allison, UAW, and the work force. Administrative costs of the program will be funded by the Key 4 – Joint Activities.

2. The Work/Family Program Committee through a series of meetings, with input from Work/Family Representatives, has developed Standards for Work/Family Programs. Those standards are incorporated by reference into the terms of this Memorandum, including revisions or modifications the parties may make in the future. Problems related to the implementation of these standards will be brought to the attention of the Work/Family Program Staff for resolution.

3. The Work/Family Program Committee will work towards facilitating the professional development of Work/Family Representatives.

Additionally, the Program Administrators have identified an external association that Work/Family Representatives may join for the purpose of providing professional development.

Costs associated with the above are an appropriate expenditure of the Joint Activities Budget.

4. The EAP Policy and Procedures Manual will be jointly updated following negotiations. All program activities will be governed by the requirements outlined in the EAP Policy and Procedures Manual. The parties are specifically empowered to review and evaluate this memorandum and the Policies and Procedures and make mutually satisfactory adjustments and modifications during the term of this Agreement.

5. In line with professional development, the parties commit to continue efforts to include training and certification curriculum such as but not limited to the following:

Internet Access and Confidentiality

Critical Incident Stress Debriefing

Workplace Violence Training

Professional Development Training

Early Intervention Training

When implemented, this curriculum will constitute the Work/Family Certification process. The joint Work/Family Committee will monitor and adjust the curriculum content as needed.

Costs associated with the above are an appropriate expenditure of the Joint Activities Budget.

#### **V. Work/Family Representation**

1. Work/Family Representatives will be scheduled to report for Work/Family representation purposes during overtime, part-time or temporary layoffs, or inventory when 50% or more of the people they represent on their respective shifts are scheduled to work.

2. During overtime hours, when less than fifty percent (50%) of the people they represent on their respective shifts are scheduled to work, they will not function pursuant to this Memorandum of Understanding, but will be scheduled to perform Work/Family Program activities if they would otherwise have work available in their equalization group.

#### **VI. Drug Testing**

Because of the recent emergence of a substantial body of legislation requiring drug testing of many of the Allison's employees, both represented and non-represented, the parties have had extensive discussions surrounding drug testing and have agreed to the following:

1. The process used for sample collection in all drug testing performed will be in accordance with the Department of Transportation's urine Specimen Collection Guidelines.

#### **VII. Conditions of Employment Guidelines - For those Employees in the Employee Assistance Program Whose Seniority has been Broken**

When Employee Assistance Program participants or other employees suspected of being in need of EAP services return to work, the following can be agreed upon between the bargaining unit representative, Labor Relations, the Work/Family team and the employee.

The specific items to be included will depend on the individual case and should be developed to meet the particular circumstances. Accordingly, items one through five may be recommended as a condition of continued employment by the joint Work/Family Committee.

1. Participation in outside self-help groups and mandatory completion of an aftercare plan which might include antabuse recommended by a treatment facility and monitored by the Work/Family Committee.

2. Mandatory cooperation in follow-up and monitoring for a period of time specified by Work/Family Committee members.

3. Periodic scheduled urine screening when it is felt this procedure could be of value in monitoring and encouraging abstinence. In cases of positive findings, the results must be confirmed by a second testing method.

4. A specific period of total non-use of alcohol or other drugs can be agreed to between the parties. The Work/Family Committee and the employee must concur with this probationary period which is defined as not less than six months nor more than two years and it must be understood by all parties that resumed use could result in termination of employment during this period.

The above items (one through 4) will be administered jointly by the Work/Family Committee for those employees returning under these conditions. Any conditions of continued employment agreed to by Allison, the UAW and the employee are considered contractually binding and non-compliance could result in disciplinary action up to and including discharge. The employee's previous disciplinary record and action which may be taken for further misconduct will be matters reserved to the actual settlement of any grievance(s) involved and/or will be resolved between the bargaining unit representative and Labor Relations.

The seniority status of the employee must be specified as either a new hire or reinstatement of former seniority. If seniority is reinstated, all rights and privileges which would normally accrue in line with the reinstated seniority under the terms of the Agreement must be granted.

**Doc. No. 17**

**ARBITRATION LETTER**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the course of the current negotiations, the parties reviewed the newly negotiated Grievance Procedure to identify potential problems. Because the UAW stated that in some instances wherein grievances protesting an employee's loss of seniority, discharge or a series of disciplinary layoffs leading to a discharge, have met with delay in the procedure following their consideration at the Third Step and their resolution at the Arbitration Step.

In view of the above, Allison agreed to provide the UAW with a bi-monthly summary of appeal cases open on the Arbitration docket protesting the loss of seniority, the discharge of employees and also those protesting progressive disciplinary actions which involve an employee whose discharge is also under protest in an open appeal case. This information will enable both the International UAW and Allison's Labor Relations Staff to monitor the number of such cases on appeal to Arbitration at any given time and to take remedial action on any particular cases which may be subject to undue delay.

In addition, the parties agreed to schedule regular meetings between the respective Staffs to establish future scheduling and to review other problems of mutual concern.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 18**

**MANAGEMENT REPRESENTATIVES IN  
DISCIPLINARY INTERVIEW**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the parties discussed the UAW's contention that an excessive number of Management representatives are present during some disciplinary interviews. The UAW recognized that there are times when more than the customary number of Management representatives may be required because of their knowledge of the matter under discussion. The UAW stated, however, that their concern was directed at other Management representatives who attended interviews solely as witnesses to the interview itself.

As a result of these discussions, Allison advised the UAW that, as a matter of policy, Management personnel beyond those referred to above would not attend such interviews solely for the purpose of serving as potential witnesses to the interview itself. Additionally, should Management representatives in excess of the customary number be present in the interview, the district committeeperson may request, during that period of time, the presence of the zone committeeperson for that zone, or in the event that the zone committeeperson is absent or no at-large committeeperson is assigned to that zone, another member of the shop committee present in the plant, provided the request would not result in undue delay of the disciplinary interview.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 20**

**REINSTATEMENT OF GRIEVANCES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

In those instances where the International UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the UAW, the International UAW may inform Allison's Labor Relations Staff in writing that such grievance is reinstated in the Grievance Procedure at the step at which the original disposition of the grievance occurred.

Allison will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the provisions of the Agreement at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the employee or employees involved that none of them will thereafter pursue such claims for damages against Allison in the Grievance Procedure, or in any court or before any Federal, State, or municipal agency.

Notwithstanding the foregoing, a decision of any arbitrator on any grievance shall continue to be final and binding on the UAW and its members, the employee or employees involved and Allison and such grievance shall not be subject to reinstatement.

This Document does not modify in any way either the rights or obligations of the parties under the terms of the Agreement, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by an Arbitrator or other grievance resolutions.

It is understood that the parties' obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 22**

**SUBCONTRACTING—IMPLEMENTATION  
PARAGRAPH (183)(d)**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the UAW complained that procedures set forth in Paragraph (183)(d) are not being satisfactorily implemented by Management in many instances.

This letter is intended to clarify the intent and purpose of this provision:

1. The "advance discussion" except where time and circumstances prevent it, will take place "prior to letting the contract for the performance of maintenance and construction work," before any decision has been made as to whether the work should be contracted out. The "advance discussion" will include information as to "why Management is contemplating contracting out the work." It is evident that except as noted above, since Management is only "contemplating contracting out the work" when the "advance discussion" takes place, Management should not have made any decisions concerning whether or not to contract out the work before such "advance discussion" is held.
2. Management should advise the Union of the "nature, scope and approximate dates of the work to be performed and the reason or reasons (equipment, manpower etc.), why Management is contemplating contracting out the work." This information is related to the letter dated December 14, 1967, to the International Union signed by Mr. Louis G. Seaton. That letter makes reference to "manpower, skills, equipment and facilities" and also as to whether the Corporation "can do the work competitively in quality, cost and performance and within the projected time limit." Since any or all of these conditions may be entailed in the determination as to whether a particular contract should be let out or not, it is necessary that Management advise the Union in the "advance discussion" concerning the item or items which are relevant to the decision-making.
3. If in the "advance discussion" it is clear that Management is only "contemplating contracting out the work" and if in addition all the pertinent information as noted above is supplied to the Union, then Union representatives will be given a better opportunity "to comment on Management's plans" and will also give an opportunity to Management "to give appropriate weight to those comments in the light of all attendant circumstances."
4. These advance discussions should include a Management representative of the Plant Engineering or Maintenance activities knowledgeable of the issues.

In addition the Union complained that in certain instances plant Management requested and contracted for maintenance service on leased equipment, and extended warranty arrangements or service contracts were being purchased which impacted the job security of seniority employees in skilled trades classifications. Management stated that, while Paragraph (183)(b) covers the "fulfillment of normal warranty obligations by the vendor", warranty arrangements that extend beyond those customarily provided or the obtaining of service contracts are not covered by these provisions. Rather, such arrangements or service contracts covering work normally and historically performed by represented

skilled trades employees are to be considered in the same manner as contracts for the performance of maintenance work and such decisions are covered by the provisions of Paragraph (183)(c) of the Agreement. Management will be advised accordingly.

5. The company agrees to provide to the union the same information provided to other bidders within twelve (12) hours of delivery to the first bidder.

6. If the union fails to utilize the time provided to bid on the work to be subcontracted, the company will determine the union is not interested in performing such work. Any disagreement between the parties regarding the bidding of work shall be first discussed by the Chairman of UAW Local 933 and the Executive Director Human Resources. The parties will work together to mutually agree upon a reasonable remedy.

7. The company agrees to conduct a meeting in the first quarter of each calendar year with the Chairman of UAW Local 933 to review projects for that year that are known at the time of the meeting. The sharing of information and any subsequent change in such information shall have no bearing on the company's rights as outlined throughout this agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 23**

**IMPACT OF QUALITY NETWORK PLANNED MAINTENANCE IN CLOSING THE COMPETITIVE GAP**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties discussed at length the Quality Network Planned Maintenance (QNPM) Action Strategy and acknowledged the major impact this strategy has had in closing the competitive gap in the areas of Safety, People, Quality, Responsiveness, and Cost. This Strategy is an integral part of the Total Quality Management System utilized at Allison.

The parties acknowledged some key success factors associated with implementing a common Quality Network Planned Maintenance Process are as follows:

- Top joint leadership commitment and involvement
- Broad based involvement from the entire organization
- Roles of the QNPM Action Strategy performed jointly by qualified, trained, and motivated employees.
- An appropriate number of local resources assigned to perform the roles and responsibilities as described in the QNPM Implementation Guidelines and commensurate with the size and needs of the organization, to support full implementation, ongoing maintenance of the process, equipment maintenance requirements, and administration of local training related to the QNPM Process.
- All Allison MAXIMO users will have access to data, as generated by the MAXIMO system in order to fully perform their QNPM roles.
- Issues related to implementation of the QNPM Action Strategy are resolved by the joint leadership in a timely manner.
- MAXIMO data used as a tool for planning and scheduling maintenance, analyzing machine performance, and adjusting maintenance tasking and frequency.

The parties agreed to review the need for all conferences and symposiums on an annual basis. The leadership team will determine which activities will be supported and request budget to support those activities.

The UAW-Allison QNPM team will support current and future MAXIMO versions (or a similar system), by participating in advisory councils, user groups and steering committees.

Further, the parties discussed the importance of MAXIMO for use in support of Quality Network Planned Maintenance. Accordingly it was agreed that it is the responsibility of the joint parties to ensure that MAXIMO data is used responsibly to make sound business decisions regarding allocation of manpower.

In order to effectively gain knowledge from the MAXIMO database, the Quality Network Planned Maintenance process requires accurate and complete data for input into the system. Therefore, it is expected that skilled trades and other assigned employees, will provide such accurate and complete data. In recognition of employee concerns, Allison has stated that such information from the MAXIMO database will not be used for disciplinary action, outsourcing, or subcontracting. It is understood that both parties will have full and complete access to MAXIMO data.

The parties also agreed that as Allison continues to develop and improve strategies and processes that will increase operational effectiveness, these improved strategies will be shared with the Quality network leadership team for consideration.

In that regard, the parties discussed that representatives of the UAW-Allison Leadership Quality Council will work together to continuously improve the QNPM process supporting day to day activities such as but not limited to:

1. MAXIMO
2. PM Training
3. Technology Training and Certification
4. Spare Parts Needs Analysis

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

Doc. No. 24

**APPRENTICE TESTING - SELECTION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada,

During these Negotiations, the parties discussed several issues concerning administration of the Apprenticeship Program, including the Selection Procedure. In this regard, while protecting the contractual and legal integrity of the Program, and insuring the selection of the best-qualified candidates, promoting diversity of the workgroup and providing the best possible training, the following operational guidelines were established:

- With regard to Apprenticeship Testing, consistent with existing policy, employee applicants who have taken the Allison-UAW Test Battery, but failed to attain a threshold score to be placed on the Final Applicants Ranking List, may apply after one (1) year to the Apprentice Committee for consideration to re- test. If the employee applicant, at a minimum, has duplicated the additional training efforts required to qualify for initial re-testing, the Apprentice Committee may recommend to the Allison- UAW Skilled Trades and Apprentice Committee that such employee applicant be allowed an additional test opportunity after one (1) year.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 25**

**APPRENTICE TESTING**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations, Allison agreed that the UAW members of the Apprentice Committee would be informed of Allison's Apprentice testing procedure. In this regard, the UAW members of the Apprentice Committee are to be advised of the location, date and time that Apprentice selection tests are to be administered. Where tests are given on a regularly scheduled basis, the Union members should be advised of this schedule.

In addition, and as soon as is practicable, a meeting should be arranged with the UAW members of the Apprentice Committee, in which the UAW members are to be informed of the procedures followed in administering the Apprentice tests. In this regard, the Management representative should explain each of the tests and the instructions given when the tests are administered. Further, a Union member of the Apprentice Committee may sit in on testing sessions.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 26**

**JOB SECURITY - APPRENTICE  
TRAINING AND JOURNEYPerson DEVELOPMENT**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations, the UAW and Allison acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the apprenticeable trades through training and retraining will permit the UAW and Allison to pursue the critical objective of continuous improvement in quality, flexibility, operational effectiveness and, in turn, enhance job security.

Consistent with these discussions and in response to current skilled trade's demographics, potential future retirements, and attrition, Allison has agreed to continue to place primary reliance on the Allison-UAW Apprentice Program as the training source for future UAW skilled tradesmen/women. Exceptions to this must be approved by the Allison-UAW Skilled Trades and Apprentice Committee. Integral to this job security-related commitment would be actions to enhance the flexibility of both future apprentice graduates and current Journeypersons.

Allison intends to continue to indenture apprentices in the trades identified in the Agreement. Additional apprentices will be added as needed during the term of this Agreement provided that qualified candidates can be found who meet all the selection criteria and affirmative action goals can be met. The number, selection and placement of apprentices will depend on a variety of business condition factors such as attrition, technological changes, business sector performance, future product plans and product allocation, the general economy, and sales and market trends. Requests for apprentices, the rate of placement, and forecasted requirements will continue to be reviewed by the Parties consistent with other understandings regarding skilled trades job security.

It is understood that in cases of an immediate need for Journeyperson skills, it may be necessary to hire Journeypersons in place of the apprentices. In that case, Allison will inform the UAW of the number of Journeypersons hired and the reasons. Also, in these discussions the parties reviewed the need to give priority consideration to the placement of laid off skilled tradesmen/women.

Furthermore, where changes in the type of operation, volume, product life cycle, or other reasons, have caused an excess number of Journeypersons in a particular Skilled Trade/classification and placement in their trade/classification is not possible, the parties will pursue, where feasible and practical, the retraining of Journeypersons to qualify them in another apprenticeable Skilled Trade consistent with established Employee Placement Procedures. Any necessary retraining programs must be approved by the Allison-UAW Skilled Trades and Apprentice Committee.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**MEMORANDUM OF UNDERSTANDING REGARDING DRUG TESTING**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

**Process**

Employees may be screened for substance abuse (alcohol and drugs) in the following instances:

1. As part of a return to work physical for employees returning from substance abuse related sick leaves of absence.
2. As required by law; such as, F.A.A., D.O.T. and D.O.D.
3. Powered Industrial Vehicle (PIV) incident (zero tolerance)
4. When reasonable suspicion is established (starting January 1, 2019)

All testing and reporting will be conducted in accordance with the guidelines established by the Department of Health and Human Services.

In order for reasonable suspicion to be established, the following will occur:

- Two supervisors, not from the same department will utilize the approved checklist to determine reasonable suspicion
- Union representation will be present to observe the reasonable suspicion determination

All negative results will be reviewed by the Chairman UAW Local

Employees at or above the level listed below will be considered under the influence:

<u>Substance</u>	<u>Level</u>
<u>THC</u>	<u>50 ng/ml</u>
<u>Cocaine</u>	<u>150 ng/ml</u>
<u>Opiate</u>	<u>2000 ng/ml</u>
<u>PCP</u>	<u>25 ng/ml</u>
<u>Alcohol</u>	<u>.04</u>

**Implications**

It is not the intent of the testing requirements to imply that an employee is impaired at the time a sample is provided for testing. An individual who tests positive will be handled in the following manner:

1. **FIRST POSITIVE:** The employee will be deferred from working for approximately two (2) weeks and scheduled for follow-up testing. EAP services are to be offered to the employee. The employee will automatically be subject to further unannounced screening for a period of three (3) months.
2. **SECOND POSITIVE:** The employee will again be deferred from working for approximately two (2) weeks and scheduled for follow-up testing. EAP services are to again be offered to the employee. The employee will automatically be subject to further unannounced screening for

a period of six (6) months.

3. THIRD POSITIVE: The employee will be deferred from working for approximately four (4) months and scheduled for follow up testing. EAP services are to be offered to the employee. The employee will automatically be subject to further unannounced screening for a period of twelve (12) months.
  
4. FOURTH POSITIVE: The employee will be discharged regardless of prior disciplinary record or length of service. Grievances protesting irregularities in the testing procedure may be taken through the grievance procedure; however, extent of penalties arguments are not subject to the Arbitrator's review.

All positive test results will be subject to a mutually agreed to third party evaluation upon request of either party. Problems selecting a third party may be referred to Manager of Labor Relations and the Chairman of the Bargaining Committee. Employees who refuse to be tested will be treated as though they had tested positive.

Once terminated, if the employee satisfactorily documents to Allison and UAW six (6) months continuous sobriety, within the sixty 60 months following discharge, the employee will qualify for re-employment under Article VII of Document 15 of the Agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 28**

**DOCUMENT 26 PLACEMENT**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

During the discussion of Document # 26 attached to the 2012 Agreement, the parties reviewed several administrative concepts:

- While considering the placement of skilled trades Journeypersons versus the placement of Apprentices, taking into account all other factors referenced in Document # 26, the parties recognized that an objective of balancing the mix between the two (2) entities is desirable. However, the Allison-UAW Skilled Trades and Apprentice Committee reserves the final decision in this regard in order to address unique local conditions, including plant demographics which might impact the ultimate mix mutually agreed upon.
- With regard to the retraining of displaced Allison, UAW represented Journeyperson to another skilled trade, the parties recognize that innovative approaches might be necessary to address the unique scenario for skilled trades classifications for which there is little or no likelihood of future placement.

For example, many facilities now operate with the "Millwright-Welder" job classification. If Journeymen/women in this trade are not available then Journeypersons in the Millwright classification, Journeypersons in the Welder classification, or Journeypersons in the Tinsmith classification should be considered on a voluntary basis in a merged-seniority" order for re-training purposes. However, the Allison-UAW Skilled Trades and Apprentice Committee reserves the final decision in this regard in order to address unique conditions.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

Doc. No. 29

## APPRENTICE WORK ASSIGNMENTS

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

Consistent with training methods and facilities in the plant, apprentices will not be assigned to perform work without a Journeyperson being present until after the sixth (6<sup>th</sup>) period. After the sixth (6<sup>th</sup>) period, the apprentice may be assigned a job provided the apprentice has been trained to do the job; has been instructed in the proper safety procedures; and is considered competent to perform the assignment. Experienced Journeypersons will be available to assist the apprentice in many of the normal floor assignments until that sixth (6<sup>th</sup>) level of competence has been completed. Ordinarily, "high risk" jobs would not be an appropriate assignment to be performed alone. However, the definition of "high risk" jobs is subject to the approval of the respective Safety Review Board.

Problems in this regard are a matter for review by the Allison-UAW Skilled Trades and Apprentice Committee.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 30**

**RELATED TRAINING BONUS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Within thirty (30) days after a laid off apprentice has been recalled to work, such employee will be paid an incentive bonus in recognition of satisfactory completion of any related training courses, in which the employee was enrolled at the time of layoff. In the event the employee is not recalled within thirty (30) days, such employee may apply for the related training bonus.

In addition, with prior Allison approval and arrangements with the school, apprentices whom Allison anticipates recalling to the apprentice classification prior to the expiration of the school term may be enrolled for one term and become eligible for an incentive bonus on the same basis.

This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the employee's straight-time hourly rate less the amount, if any, paid to the employee for such related training prior to layoff.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 31**

**LAYOFFS — APPRENTICES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the parties discussed at length issues encountered when apprentices are in training to become Journeyperson in the same skilled trades classification and there is either a need for a reduction or increase in the number of such employees in a skilled trades classification.

The parties recognize the desirability of providing opportunities and training for employees through the Standard Apprentice Program consistent with the needs of the business. To preserve the continuity of the Apprentice Program, which has generally been viewed as the long run source of skilled trades personnel in the apprenticeable classifications, the parties have negotiated appropriate provisions to avoid unnecessary interruptions of the program.

Apprentices or planned apprentices within the same trade may be reduced due to a reduction in force or displaced by Journeyperson in accordance with Paragraph (140a). In addition, Paragraph (140b) provides that in the event of a drastic reduction in the level of work resulting in a heavy reduction in the skilled trades work force, additional apprentices or planned apprentices within the same trade may be reduced pursuant to a mutually acceptable layoff and recall plan agreed upon by the parties.

Any complaints regarding the application of this procedure in any plant may be taken up with Local Management of that plant by the Local Shop Committee and if not resolved may be reviewed by the Skilled Trades and Apprentice Committee.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 32**

**ADMINISTRATION OF PARAGRAPH (178)**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the Union complained about improper administration of Paragraph (178).

These complaints centered around the hiring of skilled trades employees as journeypersons without sufficient checking by Management of the documents presented by the applicants to assure they qualify for such status in accordance with the provisions of Paragraph (178).

Allison stated it would monitor when proof of journeyperson status is not clearly established so that such documentation will be furnished to the Chairperson of the Shop Committee and the matter will be thoroughly investigated before an employee is hired. In this regard, it was observed that establishment of such proof of status is often expedited when the applicant is a laid off bona fide UAW journeyperson. Additionally, Allison assured the UAW that any explanation concerning the reasons a newly hired journeyperson employee must be terminated because of failure to meet the requirements of Paragraph (178) is to be based on those factual reasons and not on the fact that the Union may have questioned the matter.

The parties mutually agreed that the Parties must exercise fair but sound judgment when considering matters relative to Paragraph (178).

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 36**

**DOCUMENT 29 – JOURNEYPersons BEING RETRAINED**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

During the discussion of Document #29 and the issues raised by the UAW concerning Apprentices working alone on “high risk” job assignments, Management acknowledged that the same concept would apply to Journeypersons being retrained to an Apprenticeable trade in accordance with Documents #29 or #54.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 37**

**TRANSFER PROVISIONS - JOINT AND BENEFIT REPRESENTATIVES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations the parties agreed that all Joint Program, Local Appointed and Benefit Representatives are entitled to transfer pursuant to the terms of Paragraph (63) provided they are the applicant with the most seniority.

The parties agree that all Joint Program, Local Appointed and Benefit Representatives will not be entitled to transfer to Coordinator/Heat Treat Control, Coordinator/Jobsetter, or Assembly Group Leader without having met the identified requirements for these classifications in Paragraph (63e).

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 38**

**PERSONAL PRIVACY**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The Parties agree that they both place a high level of importance on the confidentiality of personal information. In this regard, Allison will continue to protect and respect the confidential nature of all personal information in accordance with Allison's Privacy Policies. Both Parties agree to implement and maintain technical, physical, and administrative safeguards to protect the security and confidentiality of such data from loss, misuse, or alteration, in accordance with the established standards.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 39**

**RATIFICATION LUMP SUM PAYMENT**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Allison agreed to provide a lump sum payment of \$7,000 to each eligible employee who is represented by the UAW. Such payment will be made in thirty days following receipt by Allison of written notification of ratification of this Agreement.

Eligible employees who are represented by the UAW are defined as those whose status with Allison on the effective date of this Agreement is one of the following:

- Active seniority employees;
- On temporary layoff status;
- On leave pursuant to Family and Medical Leave Act
- On one of the following leaves of absence which has not exceeded ninety (90) days as of the effective date of the Agreement:
  - Informal (Paragraph 103)
  - Formal (Paragraph 104)
  - Sickness and Accident (Paragraphs 106/108)
  - Military (Paragraphs 112 or 218a)
  - Educational (Paragraph 113)

In addition, should the International UAW raise any question of equity in application regarding specific employees who are represented by the UAW, Allison agrees to meet on such cases in order to review the facts.

Payment is conditioned solely on the membership's ratification of the Agreement and is paid to eligible employees in the above status whether or not they vote for ratification or perform any services for Allison.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**MEMORANDUM OF UNDERSTANDING  
QUALITY NETWORK**

During the course of negotiations, Allison and the International UAW, held extensive discussions about the quality of our products and services. There is ongoing recognition on the part of both parties to the Agreement that the cornerstone of job security for all Allison employees is the design, engineering, and manufacturing of the highest quality, customer-valued products and services. This is reflected in the extensive efforts both parties devote to the subject of quality, exemplified by the formation and institution of the UAW-Allison jointly developed Quality Network process. The Quality Network process is Allison's only Total Quality Management System utilized.

Accordingly, the Quality Network Quality Council structure shall support the involvement of the employees of Allison in the implementation of Operational Excellence and TPM in our UAW-represented facilities. This includes, but is not limited to discussions at the UAW-Allison Leadership Quality Council, and Plant Quality Councils.

Further, the parties recommitted themselves to the ongoing implementation of the Quality Network. This jointly developed quality improvement process emphasizes customer satisfaction and enthusiasm, continuous quality improvement, and elimination of waste in the design, engineering and manufacturing of products and services provided.

Allison, in cooperation with UAW leadership, together with the employees of Allison, works together within a spirit of teamwork to improve product and service quality. This spirit of cooperation results in substantial improvement in the quality of Allison's products and services.

The parties recognize that the design, engineering and manufacturing of the highest quality, customer-valued products and services is essential to secure Allison's position in the global market and assure job security. Allison stated that high-quality products and services have to be the result of a total quality improvement process if Allison will continue to be the world leader in the commercial transmission business.

Accordingly, Allison's process for total quality management is the Quality Network the one process for total customer satisfaction and enthusiasm utilized at UAW-represented locations. Although Management has the ultimate responsibility for the Quality Network, it is recognized that UAW leaders and members are valuable partners in the development of the process, the action strategies, and its implementation plans.

This relationship is reflected in the extensive efforts both parties devote to the subject of quality exemplified by the institution of quality councils at appropriate levels.

It is recognized that the point where product design, technology, process and materials come together and must work in harmony is at the worker/supervisor level in the organization. High-quality products and services result from a well-managed process that motivates employees to work together within a spirit of teamwork to continuously improve customer satisfaction and enthusiasm. In this process, it is recognized that seeking opportunities for continuously improving product and service quality must be the foundation for customer satisfaction. It is acknowledged that it is ultimately Allison's responsibility to establish and assure product and service quality requirements. Further, it is Allison's responsibility to provide the processes for continuous quality improvement that support all employees based on the Beliefs and Values.

Guided by the Beliefs and Values, implementation of the Quality Network will lead to the highest satisfaction of the ultimate customers those who buy Allison products and use our services. This value system represents significant expectations. It is crucial that behavior is aligned with these values and that decisions and actions are tested against them. We must constantly monitor our behavior to be certain our actions are consistent with the commitments that have been made to the employees of Allison.

It is recognized that performance of high-quality work is everyone's responsibility and, as a result, it is intended that the Quality Network Representatives and UAW leadership working together with Allison management will reinforce other ongoing quality improvement activities.

The parties also discussed the necessity for all Allison employees to take individual responsibility for product and service quality. Allison's business planning process will include the necessity of providing employees with the appropriate training, methods and systems, materials, and equipment in an appropriate environment based on the Quality Network Beliefs and Values to perform their work. It is then incumbent upon employees to exercise diligence and properly perform their work to produce the highest quality, customer-valued products and services.

It is only through personal commitment from every Allison employee to provide the highest quality, customer-valued products and services that we will satisfy our customers and maintain job security for all. Quality Council leadership at all levels within Allison and the UAW will review and apply the training and principles set forth in the Quality Network Environment Action Strategies to assure the necessary level of understanding to lead this effort.

The general guidelines for the parties to provide additional support to employees in this quality improvement process are as follows:

### **I. Quality Network Structure**

The strength of the Quality Network process is maintained by the Quality Council structure and exists on two levels: The UAW-Allison Leadership Quality Council and Plant/Staff Quality Councils. The following outlines the specific Quality Council process:

- A. The UAW-Allison Leadership Quality Council is co-chaired by the Vice President of Human Resources, Allison, and the UAW Director of Region 2-B or his designee . The UAW-Allison Leadership Quality Council membership includes representatives from Allison, Operations Vice-President, Co-Chairs of the QN-Allison Committee and designated UAW leadership. The UAW-Allison Leadership Quality Council will meet a minimum of four times per year. The responsibilities include, but are not limited to:
  1. Providing direction and support for Quality Network activities,
  2. Establishing annual objectives and goals,
  3. Utilizing appropriate common measurements to monitor progress toward accomplishing the annual Quality Network Objectives and Goals as agreed to by the Council.
  4. Reviewing status reports on gap closure initiatives for the annual Quality Network Objectives and Goals.
- B. In addition, the UAW-Allison Leadership Quality Council will review new management quality or productivity improvement programs potentially involving UAW-represented employees prior to assigning resources for development and implementation. These reviews will extend to the UAW the opportunity to provide upfront input into Allison's plans and to discuss the UAW's support and involvement. It is Allison's desire to implement all such quality improvement processes cooperatively with UAW leadership at all levels.
- C. Similar reviews and opportunities for upfront and ongoing involvement in new management quality or productivity improvement programs or utilization of consultants, potentially involving UAW-represented employees, will be provided at the appropriate Quality Council level. This review will assure the UAW opportunity to comment on Allison's plans and to discuss the UAW's support and involvement.
- D. Allison recognizes that UAW input to such improvement programs may create opportunities for collaboration and support. Accordingly, in an effort to avoid parallel programs, the parties have established a joint committee, comprised of management representatives from the Engineering

organization and the co-directors of the UAW-Allison Leadership Quality Council Support Staff (see letter entitled, "Allison-Global Manufacturing System Relationship to UAW-Allison Quality Network Process") to discuss such opportunities for collaboration and support and to discuss and resolve issues that may arise.

- E. In the event such new Allison-wide management quality or productivity improvement programs that the UAW has agreed to support require training and/or instructional materials, the co-directors of the UAW-Allison Leadership Quality Council Support Staff will assign appropriate resources to work with the designated management content experts for developmental purposes. Once approved by the development team, the training and/or instructional materials will be finalized by such co-directors for inclusion in the UAW-Allison Quality Network training materials.

## **II. Plant/Staff Quality Councils**

- A. Plant/Staff Quality Councils will meet a minimum of once per month and shall consist of the following:

- President of the UAW Local 933,
- Shop Committee Chairperson and members of the Shop Committee,
- UAW Regional Servicing Representative,
- Executive Director of Operations,
- Director, Labor Relations
- Other appropriate Management Representatives,
- Joint Activities Representatives, and
- UAW Document 46 Quality Network Representative(s) and their management counterpart(s).

- B. The responsibilities of the Plant/Staff Quality Councils include, but are not limited to:

1. Preparing specific business and action plans to accomplish the annual Quality Network Objectives and Goals and reviewing progress.
2. Providing direction and support for plant/staff Quality Network activities.
3. Reviewing gap closure initiatives for the annual Quality Network Objectives and Goals.
4. Supporting training for and the implementation of the Quality Network Action Strategies.
5. Submitting a monthly status report to the UAW-Allison Leadership Quality Council Co-chairs on gap closure initiatives.

## **III. Quality Network Representatives Roles and Responsibilities**

The Plant/Staff Quality Network Representatives will have responsibilities to assist their respective Quality Councils in the effective implementation of the Quality Network process. They will coordinate and assist in achievement of the annual Quality Network Objectives and Goals with their Quality Council.

- A. Management Representatives will be assigned and will be provided appropriate time and authority to perform the required management Quality Network responsibilities. It is recognized that the duties of all Quality Network Representatives are to assist in the implementation of the Quality Network process and related action strategies as directed by the Plant/Staff Quality Council. Issues regarding unfilled vacancies may be discussed by either party at the regularly scheduled Quality Council Meeting.
- B. Additionally, the Quality Network Representatives will support the principle that all employees have a responsibility for product and service quality by exercising due care and diligence in performing their duties as follows:
1. Understanding the Quality Network Action Strategies and Allison's elements.

2. Coordinating achievement of the annual Quality Network Objectives and Goals with the Plant/Staff Quality Council, including but not limited to supporting balanced implementation of the Quality Network Leadership Initiatives.
  3. Taking minutes of all meetings and distributing to members of the respective quality councils, Plant/Staff Quality Council and Quality Network Representatives.
  4. Assisting in the overall implementation of the Quality Network process consistent with the "Roles and Responsibilities and Personal Development Guidelines for Quality Network Representatives" (QN-1455).
- C. Quality Network Representative Workshops may be scheduled during the term of this Agreement as determined by the International UAW and the Allison's Vice President of Human Resources.
- D. The Quality Network Representatives will receive appropriate training necessary to effectively perform their duties.
- E. Quality Network Representatives will be required to attend appropriate personal skill enhancement training sessions associated with their responsibilities as determined by the Joint Training Committee. Guidelines for such training and method of delivery will be reviewed and changes communicated to the Quality Network Representatives.
- F. During overtime hours, such Quality Network Representatives will be scheduled to perform Quality Network-related activities if they would otherwise have work available in their equalization group.

#### **IV. Issues Resolution Process**

Any issues related to the foregoing may be referred to the co-directors of the UAW-Allison Leadership Quality Council Support Staff for resolution.



**ATTACHMENT "A" TO THE  
MEMORANDUM OF UNDERSTANDING  
QUALITY NETWORK  
IMPLEMENTATION REDEPLOYMENT AND MEANINGFUL WORK**

Implementation of Lean Manufacturing and other quality improvement activities, such as best practices, result in health and safety, ergonomic, and operational improvements affecting quality and the cost of Allison products and services. In any joint effort, job security and "people issues" have to be considered so that people can be redeployed to meaningful work. Discussions have resulted in specific commitments to integrate synchronous efforts into the joint Quality Network Process and explore ways to employ people more effectively with meaningful work and help improve the business.

Allison recognizes that employee support and involvement in quality and productivity improvement activities are essential.

The parties agree to jointly develop guidelines for redeployment processes. Such guidelines are intended to assist the parties with the development of plans that put first emphasis on redeployment of employees to meaningful assignments, which included regular productive assignments and "non-traditional" work, as well as efforts to competitively retain or insource new work.

The parties stated their intent is to not place employees in underutilized or unproductive assignments. Further, the parties agree to reissue the document "Guidelines for Redeployment and Meaningful Work" (QN-2251). The Allison Leadership Quality Council will work together to ensure a redeployment plan is in place and have communicated such redeployment plan to affected UAW-represented employees.

**ATTACHMENT "B" TO THE  
MEMORANDUM OF UNDERSTANDING  
QUALITY NETWORK  
PRODUCT QUALITY RESOLUTION PROCESS**

During negotiations, the parties discussed employees having the opportunity to raise product quality concerns in the course of performing their regular work assignments. In so doing, employees play a critical role in the continuous improvement of our products and, ultimately, in meeting the quality expectations of our customers and assuring the job security of UAW-represented employees. It is recognized that product quality concerns require an immediate and thorough response. The parties agreed the Product Quality Resolution Process set forth in this document provides for such immediate and thorough response; and they will, therefore, reinforce the value of the current process with all Quality Councils.

The Plant/Staff Quality Council is to implement a common process for employees to voice their product quality concern(s), independent of the grievance procedure, for timely resolution of such concerns based on the following:

Product Quality Resolution Process

1. Employee/supervisor discussion to attempt to resolve concern, consulting as required with facility quality resources.
2. If unresolved, the District Committeeperson, if requested, will assist in the resolution of the employee's concern.
3. If unresolved the supervisor and/or District Committeeperson will advise the joint Quality Network Representatives, who will assist in the resolution of the concern.
4. If unresolved, such concerns will be tracked and communicated to ensure all affected employees are aware of the quality concern and resolution effort.
5. All documented concerns will be forwarded immediately by the joint Quality Network Representatives to the Co-chairs of the Plant/Staff Quality Council, who will designate an appropriate level of management and UAW representation to work toward resolution of the concern prior to review at the next Plant/Staff Quality Council Meeting.
6. Thereafter, if unresolved, the concern will be discussed with the Plant/Staff Quality Council at the next meeting.
7. The status of all documented quality concerns raised through this process will be reviewed by the Quality Network Representatives with the Plant/Staff Quality Council at each meeting.
8. Feedback regarding the status of the employee concern will be provided to the originating supervisor and the employee on a regular basis by the Plant/Staff Quality Network Representatives until the concern is resolved.
9. If unresolved, either Plant/Staff Quality Council Co-chair may request the issue to be referred to the co-chairs of the next higher level Quality Council for assistance to resolve the matter.
10. Thereafter, such concerns, if unresolved, will be referred to the UAW-Allison Leadership Quality Council for resolution.

During the current negotiations, the parties acknowledged that when using the process effectively, certain common factors generate success. These include, but are not limited to, the following:

- Employees are aware of the Product Quality Resolution Process as defined in Document 40.
- The joint leadership acknowledges the quality resolution process as a positive tool in resolving quality problems.
- The process follows a standard practice from initial notification through resolution.
- The process is tracked and reported to the Allison joint leadership at the Plant Quality Council Meetings.

Accordingly, the parties agreed that they will periodically review current awareness materials for potential revision and distribution to all UAW-Allison Quality Council. The purpose of such materials will be to encourage full awareness of and participation in the process by employees, supervisors,

committeepersons, and Quality Network Representatives, and to jointly leverage agreed-to best practices in implementing this critical aspect of the continuous improvement of products and services.

Further, during these negotiations, the parties discussed how the Product Quality Resolution Process supports operators in their desire to build the highest quality products in our facilities. Accordingly, the parties agreed that all quality concerns, documented under the provisions of this process, will be displayed consistent with the facilities existing Allison quality system. Further, the parties agreed that each Plant Quality Council will determine the appropriateness of incorporating this process within its quality procedures.

**ATTACHMENT "C" TO THE  
MEMORANDUM OF UNDERSTANDING  
QUALITY NETWORK  
ACTIVITIES**

**I. PLANNED MAINTENANCE**

The UAW-Allison Leadership Quality Council has directed through the Quality Network Objectives and Goals, that the Quality Network Planned Maintenance Action Strategy is to be utilized at all UAW-Allison locations as the one process for planned maintenance. The purpose of the Quality Network Planned Maintenance Action Strategy is to involve people to improve safety, quality, throughput, and responsiveness, resulting in reduced manufacturing costs thereby enhancing overall job security. The parties further agreed manufacturing Plant/Staff Quality Councils will attain and maintain a Phase III or equivalent status in the Planned Maintenance process during the term of this Agreement. Progress in achieving and maintaining a Phase III or equivalent status will be measured jointly between UAW and Allison representatives and reviewed through the Quality Network reporting and assessment process.

In order to effectively gain knowledge from the MAXIMO (or equivalent process) database, the Quality Network Planned Maintenance process requires accurate and complete data for input into the system. Therefore, it is expected that skilled trades and other assigned employees, will provide such accurate and complete data. In recognition of employee concerns, Management has stated that such information from the MAXIMO (or equivalent process) database will not be used for disciplinary action, outsourcing, or subcontracting. It is understood that both parties will have full and complete access to MAXIMO (or equivalent process) data.

**II. ALLISON MARKETING CAMPAIGNS AND PRODUCT SALES PROMOTION ACTIVITIES**

The Co-Directors of the UAW-Allison Leadership Quality Council Support Staff and appropriate Management representatives from the Sales, Service, and Marketing Group will meet as needed as a joint committee having the responsibility to:

- Develop ongoing external media campaigns reinforcing UAW-Allison cooperation and its role in improving the quality of Allison products and services.
- Continue to provide the UAW in a timely fashion the opportunity for input into marketing campaigns when advertising campaigns involve or depict UAW-represented Allison employees.
- Discuss various ideas for promoting Allison products and facilitate the sharing of these ideas, providing for joint participation by UAW-Allison active hourly, salaried, and retired employees.

Funding for jointly developed and implemented projects will be derived from the Joint Activities budget based on the nature and projected costs of the initiative, consistent with historic practices. All requests for joint funds will be submitted in accordance with the process set forth in the Memorandum of Understanding-Joint Activities.

**III. LABELS AND/OR DECALS**

During negotiations, the UAW expressed a desire for UAW members who have contributed significantly to improved product quality to be permitted to display on completed assembled transmissions and packaging and shipping containers a joint label or decal certifying that the product is proudly built by Allison workers who are members of the UAW. Allison agreed to continue this approach to employee recognition and assured the UAW of its commitment to employee recognition through such practices.

**ATTACHMENT “D” OF THE MEMORANDUM OF UNDERSTANDING  
QUALITY NETWORK AND  
GLOBAL MANUFACTURING SYSTEM**

The parties have agreed that the support of the Global Manufacturing System (GMS) through the UAW-Allison Quality Network Quality Council structure is effective and beneficial to all Allison employees.

To that end, the following outlines the process that will be used to support Allison:

1. The UAW-Allison Leadership Quality Council will provide direction and support the implementation of GMS through its annual Quality Network Objectives and Goals.
2. The QN-GMS Steering Committee will continue to meet to support GMS implementation. The QN-GMS Committee Co-Chairs will report directly to the UAW- Allison Leadership Quality Council.
3. Each Allison Quality Council will assign the responsibilities for UAW support for GMS implementation to the Quality Network function under the provisions of Document No. 46. The councils will ensure that these representatives will receive the appropriate GMS training.

**Doc. No. 41**

**HOLIDAYS OCCURRING DURING AN  
APPROVED VACATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the parties discussed the situation where an employee has applied for and been granted a vacation for a calendar week which contains a holiday as defined by Paragraph (203) of the Agreement. The Union was concerned that if an employee was credited with a full week of vacation time off under this situation, the employee would not be able to receive the employee's full vacation time off as contemplated in the Vacation Entitlement Section.

Allison recognizes the desirability of providing vacation time off up to the employee's eligibility for vacation entitlement as of the end of the current eligibility year. Accordingly, the UAW was advised that in situations described above an employee would be eligible for an additional day of absence for vacation purposes to be scheduled in accordance with local practice. This would not apply to holidays falling within the Christmas Holiday Period as defined in Paragraph (203).

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**SUBCONTRACTING COMMUNICATIONS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the recent negotiations, there were discussions concerning subcontracting which resulted from inadequate communication about such matters. As a result of these talks, Allison committed to address labor relations problems when addressing handling subcontracting matters.

In many of these instances the root cause of the problem is lack of communication. Adequate communication requires timely meetings in advance of the decision to subcontract work normally and historically performed by Allison skilled trades employees.

In addition, meetings with union representatives relative to routine maintenance contracting are often held after the contract has been let and insufficient useful information is provided to the union for them to consider and make appropriate comments relative to Management's plans.

Allison intends to achieve worldwide competitive status utilizing not only the skills of our employees but also the suggestions and ideas of the people and the unions as to how work can best be accomplished at the lowest possible cost with the highest possible quality and on time.

This approach to managing the business should be utilized throughout Allison at all levels: production, skilled and technical. Obviously, such discussions should be held in a timely manner with appropriate management and union personnel.

An appropriate representative of management will be responsible for having adequate information about each subcontract for the performance of skilled trades work covered by the subcontracting provisions of the Agreement. After determining that required discussions have been held this representative would approve the contract prior to its being let to an outside firm. This will require complete understanding and cooperation of our contractual requirements by the engineering and purchasing personnel.

Executives or others involved with product teams have been made aware of our contractual requirements. A specific member of each team should be given the responsibility of informing the Manager of Labor Relations well in advance of the actual beginning of die construction. The objective is to enable the Manager of Labor Relations to inform the union in advance of any impact on the bargaining unit in accordance with the Agreement.

There are numerous examples where complete, advance communications with the union and the skilled trades employees has resulted in important projects being completed on a competitive basis in terms of quality, cost and timeliness. The result has been a feeling of pride of accomplishment shared by the union, employees and the managers.

Plant relationships can only be improved by open, frank communications in all areas, particularly in carrying out our subcontracting responsibilities.

Extraordinary attention must be given to our managerial responsibilities in this area. The Parties will work toward improved plant relationships when we have installed full, advance communications relative to business decisions involving subcontracting.

Furthermore, with regard to tool, die and represented engineering work, including prototype, pre-prototype and Die Engineering Services work, the Parties have implemented a process of advanced

notification, review, and competitive analysis which has enabled the parties to consider and serve the interest of skilled tradespersons in job security, as well as Allison's needs for competitive and timely performance of this kind of work. Therefore, they will seek to avoid conflicts over the subcontracting of such work.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 44**

**POLICY REGARDING ANTI-HARASSMENT**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Allison has had for many years a written and widely distributed policy on Equal Opportunity Employment including the prohibition of sexual and other forms of harassment. Harassment based on age, race, color, sex, religion, national origin, disability, sexual orientation, or gender identity/expression is a violation of this policy.

All employees are expected to deal fairly and honestly with one another to ensure a work environment free of intimidation and harassment. Abuse of the dignity of anyone, through ethnic, racist, religious or sexist slurs or through other derogatory or objectionable conduct, is offensive and unacceptable employee behavior. This policy also prohibits unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature.

All Allison employees are entitled to a work environment in which words and actions do not have even the appearance of disrespect. Demeaning, disrespectful, or insensitive jokes, cartoons, pictures, language, (particularly if they relate to race, sex, age, ethnicity, religion, national origin, disability, sexual orientation, or gender identity/expression) are inappropriate for the work environment. Likewise, lewd, vulgar, or profane gestures and unwanted touching may be offensive to people and may result in an uncomfortable or hostile work environment. These types of conduct will not be tolerated in the workplace. Allison facilities must be free of hostility resulting from sexually-oriented and other prohibited behaviors. It is the responsibility of management and each employee to maintain an environment free of disrespect and hostility.

As in the case of other unfair employment practices, if you believe you have been subjected to harassment that violates this policy, you may bring your concerns to the attention of your immediate supervisor, Director of Labor Relations, Equal Employment Opportunity (EEO) or Human Resources (HR) representative, or you may utilize appropriate and existing internal complaint procedures. If you are a union-represented employee and would rather address your concerns with a union representative, that action is appropriate and understandable. However, such action will not necessarily result in notification to Allison of your concern for appropriate corrective action.

The Parties agree that complaints of harassment should be dealt with promptly and fairly under existing internal procedures as provided under Paragraph (6a) of the Agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 45**

**WARRANTIES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the Union expressed concern about the administration of the "normal warranty" provisions of Paragraph 183(b) of the Agreement. The Union indicated that Allison management insists on warranties beyond normal periods of time and that our skilled employees are not assigned to the new equipment or machinery until long after it has been in the plant. This does not provide the opportunity for our own skilled trades to learn how to keep such equipment operating effectively.

Allison informed the Union that good business practice includes the use of warranty arrangements sufficient to assure that the equipment purchased by the Allison performs according to specifications required by the purchase contract.

The parties agreed that many locations through cooperative efforts such as assigning employees with vendors during installation and servicing, progressive training arrangements both onsite and offsite, etc. have resolved all their problems attendant to this issue. The Parties will continue such reasonable working agreements. Instances that are not resolved may be handled under the subcontracting provisions of this agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**JOINT PROGRAM REPRESENTATIVES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations the parties discussed at length the need to focus the current joint program representatives on specific programs designed to assist employees and management in implementation of an improved working environment.

The Parties agree to a number of different joint program representatives appointed by the International UAW's Vice President, and, in some cases, by Allison and UAW leadership at the direction of the Key 4 - Joint Activities to carry out and administer certain negotiated agreement programs in the following functions:

- Health and Safety
- Joint Activities
- Accommodating DisAbled People in Transition (ADAPT)
- Work/Family Program
- Human Resource Development
- Joint Training
- Quality Network

Depending on employee population, Allison may have employees assigned to the above functions. Each time new programs have been initiated, people will be assigned to perform the tasks associated with each program to the extent that there are several well-trained experts in those fields. The parties recognize that over the years priorities may shift and, as a result, there is a need to regularly analyze the programs that require increased emphasis, such as, work/family, health and safety, etc. As a result, the parties have concluded that these well-trained resources can be deployed or reassigned to programs requiring special attention.

It is recognized that Allison has its own unique culture and needs; therefore, the joint leadership group (Executive Director of Operations, Director of Labor Relations, Local 933 President and Chairperson of the Shop Committee) will determine where their current full time representatives will be allocated to best serve the employees of the organization. The total number of new and current full time joint program representatives shall not exceed the number provided for below:

<b>Plant Population</b>	<b>Number of Representatives</b>
Up to 200	1
201 to 400	2
401 to 600	3
601 to 1,000	4
1,001 to 5,000	Ratio of 1:250
5,001 and above	Ratio of 1:275

If the number of represented employees is between 1,001 to 5,000 and 5,001 and above, the number of representatives will be determined by the number of represented employees (active and temporary layoff) divided by the appropriate ratio number. Where the fraction of the result is .5 and above, the number will be rounded up to the next highest whole number and where the fraction is less than .5, rounded down to the whole number.

Nothing in this agreement limits or is intended to interfere with any mutually agreed upon projects or initiatives falling outside the scope of this document that may provide additional staff resources to meet the specific objectives of the parties.

Allison has submitted a plan for deployment of these resources in accordance with specific guidelines issued by the parties. All such representatives will be appointed by the Vice President and International UAW. Such plan will include the names and assignments for each of the representatives assigned to Joint Programs and will be forwarded to the parties for approval prior to implementation. Likewise, as needs and priorities change, the parties are afforded the flexibility to submit revised plans for approval.

When population changes occur which would increase or decrease the number of representatives, such population changes must be in effect for a period of six consecutive months before such adjustment is made in the number of representatives, in which case such adjustment will be made at the conclusion of the six month period. In the event such population change results from the discontinuance or addition of a shift, the opening of a plant, or the cessation of a plant's operations, the adjustment in the number of representatives will be made within the first twenty working days following the first day such population change occurs. Other situations involving a sudden significant change in the number of employees at a location may be discussed by Allison and the UAW.

When a reduction or increase in plant population calls for a change in the number of representatives, the parties will be required to submit a revised deployment of resources plan for approval. All representatives in either case will also be appointed by the International UAW.

It is understood that the Representatives re-deployed in these areas of special focus and attention may require additional training. It is agreed that such training will be provided through facilities subject to the approval of the Key 4- Joint Activities.

It is agreed that such representatives shall function in accordance with governing provisions of the Agreement germane to their area of focus.

During overtime hours, joint program representatives in the areas of Joint Activities, Accommodating DisAbled People in Transition (ADAPT), Human Resource Development, Work/Family, and Joint Training will be scheduled to perform joint program-related activities if they would otherwise have work available in their equalization group. In the event an above mentioned representative performs their appointed job function in an overtime period they would not have been otherwise scheduled to work, they will be charged overtime hours accordingly.

Joint Program Representatives are eligible for promotion to higher rated jobs on their shift in accordance with Paragraph (63) of this Agreement provided they are the most senior qualified applicant and they are capable of doing the job.

Longer range, the Key 4 – Joint Activities will establish a joint process aimed at effectively consolidating, simplifying, integrating, focusing and achieving better utilization of joint programs.

The spirit and intent of this document is to provide appropriate focus on joint employee programs and to utilize the experience and talents of the representatives assigned to joint programs. The parties are committed to working together in a spirit of cooperation to improve our relationship and the effectiveness of our joint programs.

Any problems relating to the implementation of this document may be raised by either party and it is understood that any necessary modifications may be made by mutual agreement between Allison and the UAW.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 47**

**Tuition Assistance Program – Potential Voucher System**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations, the Parties discussed the possibility of implementing a voucher system program that pays approved expenses for the Tuition Assistance Program (TAP) directly to the school.

Management will investigate the potential for using a voucher program and will consider any additional administration costs or savings that may be associated with such a change. Once Management has concluded the investigation, the results will be shared with the Joint Training Committee for review. The timing of this decision will be targeted for 6 months after the implementation of the 2012 Allison-UAW Collective Bargaining Agreement.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 48**

**COMMUNICATIONS SERVICE**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties recognize the benefit of an internal television communication system for all employees. A replacement for the current CCTV system will be investigated by Allison's Communications Department, in conjunction with Allison Facilities, using the appropriate technical consultants. Upon completion of the above investigation, the parties agree to systems development and implementation consistent with timing and funding established by the Allison Communications Department and Allison Facilities.

Content, timing, production, and frequency of programming and broadcasts of Joint Programs will be agreed upon jointly by the parties. Such programming and broadcasts would be sponsored by the Key 4—Joint Activities and include training and other material relating to the various features of Joint Programs to which the parties have agreed or may agree. Content, timing, production, programming, broadcasting and all other functions not involving Joint Programs will remain the responsibility of Internal Communications.

As approved in advance by the Key 4—Joint Activities, costs associated with the development, scheduling and production of such joint programs programming will be covered by the Joint Activities Budget. The costs associated with purchasing, servicing and maintaining of the CCTV system will be addressed by the appropriate resources. The Key 4 - Joint Activities will examine the need for appropriate staff support for this activity.

Nothing in this letter is intended to imply or create any limitations on the right of either party to communicate its own messages through its own media.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 49**

**HEALTH AND SAFETY REPRESENTATIVES  
ROLE AND RESPONSIBILITY**

Mrs. Cindy Estrada  
Vice President and Director  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations, the parties discussed at length the role and responsibility of the Joint Health and Safety Committee. The parties agreed that the role and responsibility of the Committee is primarily to serve as a technical resource and consulting team to Allison and the UAW in matters regarding employee health and safety. In the performance of its role, the Joint Health and Safety Committee should coordinate joint activities directly related to employee health and safety and prevention of occupational injuries and illnesses. Among these activities are job related health and safety training, hazard communication, industrial hygiene technician sampling and ergonomics. Hourly employees assigned to perform joint health and safety activities shall be appointed by the UAW.

In recognition of the desirability of maintaining the professional standards established for employees assigned to health and safety activities, the LJHSC will establish a system to encourage and recognize the professional development of local health and safety representatives and other employees assigned to such activities. Approved training from outside sources will be funded by the Health & Safety Fund.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**JOINT LEARNING CENTER - TRAINING IN PLANT**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations the parties discussed the continued need for educational opportunities and training for employees, their spouses, and retirees through existing in-plant or other dedicated, accessible, and adequate facilities approved by the Key 4- Joint Activities. The parties agreed that maintaining an environment that encourages continuous learning has a positive impact on Allison, the UAW, and the community at large. Sustaining a continuous learning environment that supports the needs of the business and the individual goals of the workforce requires a new and creative approach to educational and training opportunities. In this regard, it was agreed that the Joint Training Committee would continue to provide learning opportunities for ATI employees, their spouses and retirees.

The Joint Learning Center programs will offer a variety of classes using traditional methods along with the latest in self-paced learning technologies that focus on advancing skills directly applicable to the workplace, the acquisition of pre-requisite skills for workplace advancement, and skill preparation for a college program. It was agreed that the Joint Learning Center will offer educational opportunities in the following areas:

- **Technical Skills:** Provides basic technical skills commonly used in the workplace and includes topics such as reading comprehension, spatial relations, basic blueprint reading, technical mathematics, etc.
- **Communication Skills:** Provides educational opportunities to ensure effective communication skills in the area of active listening, workplace writing, technical writing, presentation development and delivery.
- **Computer Applications:** Provides basic computer skills commonly used in the workplace such as software applications, keyboarding, Internet navigation, etc.

Additionally, referral information for various community educational programs will be provided when in-house offerings do not meet personal educational needs of individuals. Adult Basic Education, High School Completion, English as a Second Language, and General Education Development will be covered under the provisions of the Tuition Assistance Program.

Funding for the Joint Learning Center will be identified and supported by the annual Joint Activities Budget established by the Joint Training Committee. Hardware, software, training materials, and contracted instructional services used at the Joint Learning Center are subject to approval by the Joint Training Committee.

The Joint Training Committee will be responsible for developing and disseminating guidelines used to administer Joint Learning Center activities. Curriculum will be jointly developed by the Joint Training Representatives and approved by the Joint Training Committee. The Joint Training Committee will determine and approve available project staff hours, hours of operations, and after-hours access to the Joint Learning Center. In addition, these facilities may be used for other appropriate training when approved by the Joint Training Committee.



The program will be jointly administered by the Joint Training Committee.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 51**

**TRAINING OF INDIVIDUALS WITH DISABILITIES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During current negotiations, the parties discussed the need to provide training to all employees, including individuals with disabilities. Allison agrees to provide appropriate resources, including specialized instructions that allow individuals with disabilities to receive necessary training opportunities afforded other employees.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 52**

**PRE AND POST RETIREMENT PROGRAM**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

This will confirm our understanding that the parties have agreed to support a Pre/Post-Retirement Program conducted during non-work time. In this regard, the parties have discussed at length the UAW's concerns relative to the availability and participation of both Allison and UAW personnel involved in the preparation and implementation of the Program. The parties are committed to continue to provide the necessary resources for marketing, training, preparation and implementing the Program. Following these negotiations, joint efforts will be required to explore and analyze the various options available in order to address these concerns. Any problems coordinating the scheduling/facilitating of pre-retirement sessions should be raised with the Joint Training Committee.

The programs will be supported by the Joint Activities Budget and will be jointly administered under the direction of the Joint Training Committee.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 54**

**WORK ASSIGNMENTS - SKILLED TRADES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations, the parties discussed at length the necessity for Allison to become competitive in all aspects of the business. Among the issues discussed were the existing skilled trades classification structure, work rules, and past practices.

The parties share a mutual desire to have the most competitive, highly trained, and flexible workforce in the industry. The UAW was advised that it is Allison's intent to continue to rely on apprenticeable skilled trades classifications as the basis for the skilled classification structure. Competitive advantages of a review of existing skilled trades classifications at Allison must be weighed and determined in view of all attendant circumstances. Appropriate training plans necessary to accomplish any consolidations must be submitted in a timely manner for approval by the Allison-UAW Skilled Trades and Apprentice Committee. Any exceptions to the above must be approved by the Allison-UAW Skilled Trades and Apprentice Committee.

With regard to work rules and past practice, Allison expressed concerns that it is hampered in its efforts to enhance competitiveness by historically restrictive practices which originated at a time when competition was less threatening. In recent years, Allison has experienced unprecedented competitive pressures that have required the parties to address uncompetitive work practices.

Therefore, the Parties concur that they will review existing work rules and practices, specifically in the area of Lines of Demarcation, to eliminate situations that cause unnecessary delays or inefficiencies. The Lines of Demarcation Committee shall actively pursue the formation of self-managed skilled trades' teams, which could consist of multiple trades with overlapping work responsibilities in an effort to maximize efficiency and reduce the need to subcontract. Without restrictions on how the teams would interact, adherence to all applicable safety requirements must be observed.

If either of the local parties feels that abuses of the spirit and intent of this document exist, it will request the issue be reviewed via plant entry by appropriate representatives of the International UAW, and the Labor Relations Director.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 55**

**IT WORK ASSIGNMENTS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The Union expressed concerns relative to the assignment of work by IT suppliers, which the Union felt should have been assigned to the respective UAW bargaining unit.

Under the terms of an agreement with Allison Transmission, IT suppliers have some responsibility for the management, operation, provision and maintenance of computer and information processing services, and communication services.

The Company recognizes the historical nature of job functions and agree that those job functions associated with manufacturing processes, which have been historically performed by hourly personnel, should continue to be performed by bargaining unit employees.

Our understanding concerning bargaining unit work does not limit the fulfillment of warranty obligations by vendors. Such warranty obligations and/or other work performed by employees of an outside contractor, including IT suppliers will be handled pursuant to the provisions of the collective bargaining agreements pertaining to outside contracting, where applicable.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 56**

**EAP - EARLY INTERVENTION**

Ms. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the parties discussed and noted that in many instances the early indicators of an employee suffering from medical and personal problems such as those associated with substance abuse, for example, are manifested in disciplinary situations involving violations of the Shop Rules. In those initial stages it is generally the first line supervisor and the district committee person who are first exposed to the potential of such underlying causes behind employee behavioral problems.

Although the parties acknowledge Allison's responsibility to maintain discipline and to invoke disciplinary measures where violations of the Shop Rules occur, it is also recognized that Allison management and union representatives at all levels are necessarily charged with the responsibility to exercise their best efforts toward the objective of early identification of employees whose behavioral problems may be linked to medical and personal causes and to strongly encourage them to seek assistance. In many cases this could be accomplished through referral to the Work/Family Program Committee.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 59**

**DISPLAY OF UAW FLAG AND LOGO**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Appropriate UAW flags will be provided to Allison by the Local 933 President or the bargaining unit Chairperson. Such flags will be flown consistent with Allison policy regarding the display of flags at its facilities.

In addition, the Parties agree that:

- Quality Network logo decals shall be affixed to existing Allison-owned tractor trailers used to transport product produced by Allison-UAW represented employees and a commitment to identify new tractor trailers in a like manner,
- The UAW registered logo shall be affixed to the doors of Allison-owned tractors used to transport product produced by Allison-UAW represented employees, and
- A process and guidelines shall be developed for the local union president and Allison managers to identify, through signage, the UAW Local 933 as the representation of workers.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 60**

**ADAPT PROGRAM**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties agree the process designated as "ADAPT" (Accommodating Disabled People in Transition) is designed to enable employees with disabilities to be retained at work or returned to work from a sick leave or worker's compensation leave and be placed on jobs within their physical restrictions, while complying with the law and applicable provisions of the Agreement. The parties agree that documentation and confidentiality are cornerstones for the successful implementation of Allison's ADAPT Program. It is understood that the ADAPT Representatives are responsible for maintaining all information regarding the ADAPT Program. Information contained in the ADAPT file will be limited to the ADAPT Team (UAW Document No. 46 and Management ADAPT Representatives), unless released by signed authorization of the employee, or information is relevant to the UAW's or Allison's defense against claims, charges, grievances, or litigation.

Furthermore, it is understood that although the ADAPT Program is a voluntary Program, each UAW represented employee with a restriction written by Allison's medical department shall be sent to the ADAPT Representatives for an ADAPT interview. At the conclusion of the ADAPT interview, the employee may waive the right to participate in the ADAPT Program. Each employee that participates in the Program will remain on the active payroll, until such time that the employee has been processed through the Program and deemed as "No Job Available Within Restriction" (NJAWR) signed jointly by the ADAPT Representatives.

The process will be administered in accordance with existing joint guidelines.

Proper implementation of the ADAPT Program will successfully provide the mechanism for Allison employees with restrictions or disabilities an opportunity to be either retained at work or return to work on meaningful jobs. It was agreed that emphasis must be placed on Step 3 (Conduct Job Search) of the 6 Step ADAPT process focusing on job modifications. Upon findings that reasonable accommodation cannot be made to the employee's normal job (pursuant with the Seniority Agreement) or modification to that job will cause an undue hardship to Allison, Allison will provide in writing a statement of unreasonable accommodation or a statement of undue hardship for the employee's ADAPT file. The Parties will develop a formal process to review these written statements. Members of the ADAPT Committee (consisting of Quality Council and ADAPT Team), both Allison and UAW, are responsible for the successful implementation of the Program. This is accomplished by taking an active role and by assigning and maintaining the necessary resources to administer the Program to meet the requirements of the Agreement. Therefore, it is the responsibility of the Quality Council to ensure that a Disability Team consisting of the following be maintained:

- UAW Document No. 46 ADAPT Representative
- Company ADAPT Representative (not to function as the Medical Representative)
- Medical Representative (not to function as the Company ADAPT Representative)

It was further agreed that Disability Team meetings will take place on a weekly basis. Written documentation of the Disability Team meeting will be submitted to the Quality Council on a monthly basis.

A joint review process (consisting of both union and management inclusive of, but not limited to, the UAW ADAPT Representative and Allison ADAPT Representative) will be implemented. The objective of this



review committee is to identify work that can be performed by its UAW represented workforce with restrictions and/or disabilities (for periods of 90 days or less). The roles and responsibilities of this committee will be established by the Parties.

In addition, other resources identified in the Allison ADAPT Training manuals and newly developed implementation guide will be allocated to the ADAPT Representatives.

In addition, the parties agreed a further emphasis must be placed on making employees, both hourly and salary, aware of the ADAPT Program and the opportunities it provides for accommodating people with disabilities. This will be accomplished through annual roll-outs by the local ADAPT Team to the Quality Council, the ADAPT Working Committee, and all employees with documentation. To further ensure an employee's awareness of the Program, the plant will also commit to providing awareness information through various in-plant communications. The Parties will continue to monitor the Program and provide guidance. The Parties will also provide, training such as but not limited to the following topics:

- ADA
- Information Confidentiality
- ADAPT Document Training
- HIPPA
- EEOC
- Ergonomics
- Conflict Resolution

Problems not resolved by the Quality Council will be communicated to the International Region 2-B Director, or designated representative in writing for resolution using the process outlined in the Allison ADAPT Training manual and implementation guide.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 61**

**HEALTH AND SAFETY FUND**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

It was agreed upon during these set of negotiations that the Health & Safety Fund will be accrued up to \$200,000, at which time accrual will be suspended. When the fund level falls below \$200,000, the accrual process will begin again until reaching \$200,000. A threshold of \$100,000 will be set in which only Health and Safety related training, equipment, materials, and continuing education of the LQHSC, JET-IHT, and H&S trainers will be considered in the approval process. When accrual levels are above \$100,000, parties acknowledge that funds may be approved for plant equipment and materials that directly affect and improve the Health and Safety of employees. The key four will continue to monitor and administer this process.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**JOINT ACTIVITIES BUDGET**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

We have managed to find common ground on many of the issues involved in these negotiations. Nowhere has that been more evident than in our mutual treatment of issues involving education and training and other programs of joint interest to better our employees and enhance their job security by strengthening the competitive position of Allison.

In this regard, cooperative labor relations with respect to the joint arena can be accomplished only when activities are jointly approved, developed, implemented, monitored, and evaluated. Furthermore, decisions must be arrived at in a setting which is characterized by the parties working together in an atmosphere of trust; making mutual decisions at all levels of administration which respect the concerns and interests of the parties involved; sharing responsibility for the problem solving process; and sharing the rewards of common goals.

In these negotiations, we have provided for a Joint Activities Budget which reflects this policy of cooperative labor relations. We should continue to ensure that the projects, programs and events which are supported in whole or in part with the Joint Activities Budget do in fact keep us communicating on all levels, consistent with this objective.

We agree this budget will continue to be used to help solve mutual problems which may not be collective bargaining problems. It will continue to be used to make Allison and its employees more competitive in a global economy. In this regard, we jointly sponsor conferences, workshops, seminars and meetings to promote cooperative efforts on related subjects, and where appropriate, invite academic, professional, government, labor and industry representatives to attend and participate. In addition, we understand that while these budgeted funds are intended for education, training and development of UAW bargaining unit employees, there are situations where it will be natural for some salaried employees to receive the same training or participate in the same program. Such expenses for non-bargaining unit employees may be budgeted provided the parties agree.

The budget will be constructed to cover all expenses incurred in the total administration of Joint Activities and include but not limited to the following:

- Tuition Assistance
- Scholarship for Dependent Children
- Work/Family Program Resource and Referral Services
- Quality Network Initiatives
- Joint Learning Center and associated training
- Efforts to assist laid off employees
- Other Joint Programs detailed in this Agreement
- Items for joint activities such as furniture, office supplies, etc.
- Maintenance of the training equipment within the training center

The Joint Activities Budget will also be available to provide training resources for active employees in job related skills, basic education enhancement, interpersonal skills, and human resources development training. Examples of those items to be covered include but are not limited to the following:

- Workplace violence
- Crisis intervention
- New equipment to upgrade or provide new technology specifically used for training
- Other training related expenses such as freight, transport, memberships, and awards, etc. not paid by other sources

Further, the jointly sponsored projects, programs and activities are designed to promote public awareness of Allison products (including the quality and reliability of such products), Allison workforce and its role in producing high quality products, and the relationship between Allison and the collective bargaining representatives for Allison employees.

We have pledged that this joint budget will continue to be used to enhance all our employees' involvement in, and appreciation for, decisions that affect their lives. We look to the UAW's continued cooperation in that regard in identifying and developing with us meaningful projects which will assist their members, and our employees, in reaching that objective.

The parties further agree that new programs and activities designed to enhance the welfare and job security of UAW-represented employees may be budgeted by the Joint Training Committee when authorized by the Key 4- Joint Activities under the provisions of the Memorandum of Understanding Joint Activities contained in this Agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 64**

**SOURCING EVALUATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties to this Agreement recognize the critical impact outsourcing proposals have on the parties' relationship. In this regard, when potential outsourcing is under consideration, the parties should have sufficient time to evaluate the proposal to insure that they have the opportunity to develop a plan to retain the work. During the discussions leading to the current Agreement, the sourcing process was modified to provide a more meaningful role for the Union in sourcing decisions through involvement in the request for quotation process. Under this process, which provides for earlier involvement, the Union will generally have as much time to evaluate methods to retain the work as is provided for in the Agreement. In those instances where it is anticipated that less time will be required to complete the sourcing process, the Chairperson of the Shop Committee will be so advised.

However, in such instances where the Union believes that insufficient time has been provided for input into a pending sourcing decision, the matter should be referred to the National Sourcing Committee for further discussion.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 65**

**RETIREE TUITION ASSISTANCE PLAN**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

A Retiree Tuition Assistance Plan (including personal enhancement courses, approved by recognized accreditation agencies and those approved by government education or training programs) for retired UAW-represented Allison employees shall continue to be funded under the Tuition Assistance Program. Retirees would be eligible to take classes approved on-site at the plant, local union hall or the UAW Region Office from which they retired courses offered to retirees must be those that are available to the active workforce.

The program provides up to \$ 1,750 per calendar year per retiree for the payment of tuition and compulsory fees for approved courses leading to credits or degrees only offered on-site by approved educational institutions, or courses included in a special range of approved competency based courses, including non-credit and non-degree courses or activities.

The Plan will be administered by the Joint Training Committee which has the authority and discretion to interpret the terms of the Plan including, but not limited to, school and course approval, location of courses and program guidelines.

In addition, the grievance procedure set forth in this Agreement has no application to or jurisdiction over any matter related to this joint program.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

Doc. No. 66

**SCHOLARSHIP PROGRAM FOR DEPENDENT CHILDREN AND CURRENT SPOUSES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations, the parties discussed the importance of continuing education for school-aged dependent children and spouses of UAW-represented employees. In this regard, the International Union and Allison have agreed to implement the Scholarship Program for Dependent Children and Spouses.

The joint committee established by the Key 4 – Joint Activities will continue to direct the delivery of the program based on the following parameters:

- Eligibility: Dependent children and current spouses of active, retired, or deceased UAW-represented employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency are eligible to apply for continuing education support. For purposes of this program, the definition of dependent children will be the same as defined in the ATI Healthcare Plan.
- Amount of Support: An annual amount of up to a maximum of \$1,500 will be reimbursed for each eligible dependent for tuition and/or compulsory fees.
- Funding: Funding for this program, including administrative costs, will be provided through the annual Joint Activities Budget established by the Joint Training Committee.
- Administrative procedures: The Program will be jointly administered by the Joint Training Committee.
- Payments under the Allison-UAW Scholarship Program for Dependent Children and Spouses will be subject to applicable federal, state, and local income tax provisions.

The Grievance procedure set forth in the Agreement has no application to, or jurisdiction over, any matter related to this program.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 67**

**SUPPLIER CORPORATE CITIZENSHIP**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations, the UAW stated its interest in having Allison continue to recognize the importance of using suppliers which are good corporate citizens and can be relied upon for quality products and reliable delivery. The UAW further pointed out that Allison's selection of and relationship with suppliers has a significant bearing on its relationship with the Union. In this regard, the UAW stressed repeatedly the importance of Allison's use of high quality, reliable suppliers which maintain good, fair and equitable relations with their employees, and which satisfy Allison's need for a continuous, reliable, and cost-effective supply of quality parts and materials.

Allison understands the UAW's concerns in these matters, because quality products, uninterrupted delivery and good corporate citizenship contribute significantly to Allison's success in the marketplace, and all of these factors have a direct bearing on the job and income security of UAW members. Allison assured the Union that it would not take retaliatory action, such as canceling or refusing to renew contracts with suppliers, based on a decision of that supplier's employees to join a labor union. Allison further stated that all such decisions will continue to be based on quality, service, technology and cost. Allison similarly recognizes the value of suppliers that have successful relations with their employees and employees' representatives.

Allison agrees that its relationship with the UAW is of paramount importance to Allison's long-term success. Allison has told its suppliers and the business community in the past of the positive aspects of its relationship with the UAW and will continue to do so in the future. Allison, therefore, has no interest in embarking on a purchasing strategy that would detract from that relationship.

Correspondingly, the Union has, from time to time, expressed to Allison its concern about certain aspects of Allison's relationship with particular suppliers in the area of quality, continuity of supply, and overall performance as a supplier including the maintenance of good relations by the supplier with its employees. The UAW recognizes that Allison has expressed its views and made suggestions to its suppliers as a result of the UAW's concerns, all within the bounds of applicable legal principles.

The parties recognize that instances in which these matters arise are inherently dependent upon the particular facts that are present in each situation and plan to continue to deal with these matters on a case-by-case basis.

Allison will continue to urge its suppliers to treat their employees in a good, fair and equitable manner, to provide them wages and benefits competitive within their industry, to provide a safe workplace and to avoid conduct which violates national or state labor and employment laws. In addition, Allison will, in a manner which is in compliance with applicable laws, notify suppliers of the importance Allison places on harmonious relationships between suppliers, their employees and any union that may represent them.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 68**

**SENIORITY / VACATION ENTITLEMENT ELIGIBILITY**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the parties discussed the situation that may occur when an employee, for reasons of discharge or contractual release, does not have seniority at the end of the vacation entitlement eligibility year.

In some circumstances, a discharged employee's seniority and/or vacation entitlement may be impacted by the settlement of an associated grievance.

The parties agreed that if an employee maintains seniority, or if their seniority and/or lost wages are reinstated by a grievance settlement, the employee will be eligible for all vacation entitlement earned during the affected period. Allison will notify the Compensation Activity of any relevant situations.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 69**

**UNESCORTED VISITORS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties discussed health and safety requirements for unescorted visitors who are at Allison for the purpose of developing production processes, installing product launch equipment, and for other projects.

The parties agreed that when these visitors are working in Allison plants, they will adhere to Allison health and safety requirements.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 70**

**INDIVIDUAL WORK SCHEDULES PLANT VACATION SHUTDOWN**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During negotiations, the parties discussed situations where employees were not advised of their individual work schedules for the Plant Vacation Shutdown week in a timely manner.

Allison expressed its desire to provide employees with as much advance notice as possible.

Therefore, after the announcement in March detailing which operations will be affected by the shutdown, all employees will be notified by Allison, as soon as is practicable, as to whether or not they are scheduled to be working during the shutdown week. Should the circumstances change after an employee is informed, the new schedule as well as the changed circumstances will be communicated to the employee as soon as possible.

In addition, when business conditions change and a plant is required to work after originally scheduled to be down, the plant will first try to meet their needs through the use of volunteers. Any problems in this area should be raised with the Director of Labor Relations for review.

This Document shall become void on 1/1/2019.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 71**

**NEAR MISS INCIDENTS**

Mrs. Cindy Estrada  
Vice President and Director  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the joint parties discussed the importance of reporting, investigating, evaluating, and determining corrective actions for "Near Miss" incidents which occur in the workplace. The joint parties recognize that the foundation of any successful safety process rests with a cultural atmosphere that allows employees to bring potentially hazardous situations to the attention of management in order to achieve timely correction. This line of communication can only be achieved if employees are free to discuss "Near Miss" incidents with supervision without fear of reprisal. To this end, the Allison will instruct Supervision at each facility:

- The definition of a Near Miss shall be the OSHA definition of a near miss.
- On the importance of reporting "Near Miss" incidents.
- To include near misses as part of the current incident investigation process including corrective action.
- To use counseling in lieu of discipline in those cases where an employee immediately self-reports a "Near Miss" incident involving a possible violation of safety rules.

In addition, the National Joint Committee will issue a communication in the form of Safety Talk and/or other materials to encourage employees to immediately report near misses to their supervisor.

Any issues arising from this document should be resolved in accordance at the appropriate level.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. 72**

**PRODUCT DEVELOPMENT AND TRANSFORMATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations the parties discussed various issues related to product development and product transformation. Allison and the UAW recognize that future jobs depend on, among other things, continuing investments in product development. Shifting markets, changing consumer tastes, new governmental regulations, international harmonization of such requirements, and a host of other factors have a direct impact on development and manufacturing. The products manufactured and services delivered must meet evolving customer preferences and demands at a competitive price.

Allison fully understands the UAW's concerns relative to investment in new products and services, and that such investments, while absolutely necessary, may not alone guarantee good future jobs. New products require additional skills, spur changes in labor demand, and entail new sourcing decisions. The parties acknowledge that involving the UAW at the earliest stages of the product development cycle is key to attaining job security while meeting the global challenges of improved quality, speed to market, product innovation, and lowering total costs. To that end, Allison has been, and continues to be, fully committed to working with the UAW to seek and identify appropriate jointly developed technical training programs that will match new skill requirements with evolving technologies, products and services, along with the implementation of new programs to cushion unavoidable dislocative effects of rapid product transformation and development. Allison recognizes that working together will help preserve and grow good paying jobs for all current and future UAW-represented employees.

The parties recognize the importance of the UAW's role and involvement in the product development cycle and product transformation through provisions, such as Appendix L-Sourcing which provide a mechanism for early UAW involvement in Allison's plans to proceed with a new or redesigned transmission. To that end, it is understood and reaffirmed that early during the product development cycle, matters such as sourcing patterns, possible changes in assembly, sub-assembly, and other component sourcing patterns, possible insourcing opportunities, and technology which may impact the represented workforce will be reviewed with the International UAW in accordance with the provisions of Appendix L-Sourcing. Such early and up-front involvement will allow the UAW to continue to be provided with current and anticipated major product developments/product transformations that are having, are expected to have, or could potentially have an effect on employment levels such as projected changes in the major components, in materials, in assembly and design.

Allison will indicate the extent to which changes in specifications will be handled through the revamping of existing operations, by means of technology or by outside sourcing arrangements.

Finally, it is recognized that Appendix L-Sourcing provides an avenue for discussions as early as practicable in the product development cycle relative to projected production volume of new materials, components, and products, and the potential impact, if any, on UAW-represented jobs.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 74**

**PEDESTRIAN/IN-PLANT VEHICLE TEAM**

Mrs. Cindy Estrada  
Vice President and Director  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

The parties agree that an active local joint pedestrian/in-plant vehicle team is an effective way to reduce risk and injuries. The parties agree that the team will meet regularly and conduct surveys to identify areas of concern such as:

- Keeping pedestrians and vehicles separate
- Maintaining aisles clear of obstructions
- Eliminating blind corners
- Elevating employee awareness
- Improving driver visibility

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 75**

**NEW WORK OPPORTUNITIES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

As a result of our continuing discussions regarding the UAW's ability to defend and retain work and to have expanded opportunities to perform additional work, this is clarification of our mutual understanding regarding new, current, new architecture, or redesigned products.

When Allison is introducing a new or redesigned transmission or other product that does not replace or update an existing product, as jointly reviewed by the parties, the Allison-UAW Agreement Future Product Sourcing process will be utilized and will provide the UAW with early involvement and timely access to all pertinent data, including financial information.

The elements of this letter are not intended to circumvent and/or change the definition of outsourcing in the Agreement and Appendix L provisions. The sole principle and intent of this letter is to provide the UAW with expanded opportunities to defend its work and create opportunities to grow its membership in line with the commitments and provisions contained in Appendix L of the Agreement.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 76**

**UNDERCOVER AGENTS**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Allison clarified its position that the use of undercover agents is limited to those instances when there is evidence of serious misconduct and the alleged offenders must be observed by persons not readily identified as Allison representatives. Further, the UAW was advised that, in the future, complaints regarding conduct of undercover agents and the quality of such service may be brought to the attention of the Vice President, Human Resources, by the Chairman of UAW Local 933.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 78**

**SKILLED TRADES LICENSE**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada,

The parties agreed to jointly pursue the understanding/resolution of issues involving any changes to federal, state, or local ordinances with regard to licensing or certification of skilled trades employees. Currently, with prior approval Allison will reimburse skilled trades employees for any fees associated with licenses required to perform tasks assigned to them at the plant.

It was understood between the parties that Training Guides developed for Health and Safety and Planned/Predictive Maintenance Technologies, for application to approved Allison-UAW Apprentice Training Schedules, is to be under the direction of, and approved by, the Allison-UAW Skilled Trades and Apprentice Committee.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 79**

**WARRANTIES – TYPE AND DURATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

With regard to the duration of “normal warranty” as referenced in Document # 45 attached to the Agreement, the parties acknowledged that in the past a normal warranty on many items may have been for only 90 days. However, other pieces of equipment have had longer warranty periods, and some manufacturers offer longer normal warranties than in the past.

In any event, Allison recognized its responsibility to advise the UAW of the type and duration of warranty work as referenced in Paragraph 183(d).

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**MEMORANDUM OF UNDERSTANDING  
UAW-ALLISON TRANSMISSION NEW HIRE BENEFIT AGREEMENT**

As part of the 2012~~7~~ UAW-Allison Transmission Agreement, the Parties agree as follows regarding benefit levels applicable to employees hired after February 1, 2008 but prior to January 1, 2019.

**Definition**

New Hire Employees are defined as regular full-time hourly rate employees hired after February 1, 2008.

**Benefit Plans Agreement**

The 2012~~7~~ Supplemental Agreements covering UAW represented employees are applicable with the following exceptions:

**Section 1: Health Care Program**

New Hire Employees will be subject to the adjustments to the Allison Transmission Health Care Program for Hourly Employees as discussed in subsections 1) through 7), below.

- 1) New Hire Employees will become eligible for health care coverage under Appendix A (Hospital, Surgical, Medical, Prescription Drug and Hearing Aid Coverage), Appendix B (Mental Health and Substance Abuse) on the first day of the month next following the month in which the employee is actively at work after acquiring seven months of seniority (per Article III, Section 2(a) of the program).
- 2) New Hire Employees will be eligible for coverage under Appendix C (Dental Plan) and for annual eye exams under Appendix D (Vision Plan), on the first day of the month next following the month in which the employee is actively at work (or on disability leave) after acquiring three (3) years of seniority. Eyeglass frames and lenses may be obtained at a discount through Vision network providers.
- 3) New Hire Employees will become eligible for full coverage under Appendix D (the Vision Plan) on the first day of the month next following the month in which the employee is actively at work (or on disability leave after acquiring five (5) years of seniority).
- 4) In the event the eligibility requirements require revision as outlined in the Patient Protection and Affordable Care Act (PPACA), New Hire Employees will become eligible for the benefits listed above under Appendix A, B, C, and D as required by law under the PPACA on the required date.
- 5) New Hire Employees will not be permitted to enroll Sponsored Dependents.
- 6) New Hire Employees will have their Medical Plan enrollment limited to the Allison New Hire PPO option, modified to include the cost-sharing requirements shown in table 1 below, and the new Consumer Driven Health Plan with Health Savings Account (required for all employees hired on or after January 1, 2019 who chose to utilize the Allison Transmission, Inc. benefit plan) shown in table 2 below as soon as available:

Table 1

Annual Deductible: In-Network Single Family	\$500 \$1,000
Coinsurance: In-Network Out-of-Network	20% 40%
Out-of-Pocket Maximum: In-Network Single Family	\$1,000 \$2,000

Copay:	
Primary Care Physician	\$20
Specialist	\$30
Prescription Drugs:	
Retail	
Generic	\$7.50
Brand Formulary	25% (min \$20 / max \$40)
Non-Formulary	40% (min \$40 / max \$80)
Mail Order	2.0 times retail

Employee Monthly Contribution

<u>Plan</u>	<u>1/1/2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>1/1/2023*</u>
<b>Single</b>	\$35	\$35	\$35	\$39	\$42	\$47
<b>Multi</b>	\$75	\$75	\$75	\$83	\$91	\$100
<b>With Wellness</b> ( 25% discount)						
<b>Single</b>	\$26	\$26	\$26	\$29	\$32	\$35
<b>Multi</b>	\$56	\$56	\$56	\$62	\$68	\$75

\*Employees hired prior to January 1, 2018 shall be required to contribute the indicated amounts beginning on this date.

Table 2

<u>Annual Deductible:</u>	
<u>In-Network</u>	
<u>Single</u>	\$2,000
<u>Family</u>	\$4,000
<u>Coinsurance:</u>	
<u>In-Network</u>	20%
<u>Out-of-Network</u>	40%
<u>Out-of-Pocket Maximum:</u>	
<u>In-Network</u>	
<u>Single</u>	\$5,950
<u>Family</u>	\$11,900
<u>Prescription Drugs:</u>	
<u>Retail</u>	
<u>Generic</u>	\$7.50
<u>Brand Formulary</u>	25% (min \$20 / max \$40)
<u>Non-Formulary</u>	40% (min \$40 / max \$80)
<u>Mail Order</u>	2.0 times retail
<u>Employee Monthly Contribution:</u>	
<u>Single</u>	\$0
<u>Family</u>	\$0
<u>Health Savings Account</u>	
<u>Employer Contribution</u>	
<u>Single</u>	\$750
<u>Family</u>	\$1,500

- 7) New Hire employee health care premium will not be required until employee base pay equals or exceeds \$17.00 per hour.
- 8) New Hire Employees will not be eligible for post-retirement health care coverage from Allison. Upon retirement or death, Program coverage will cease at the end of the month last in active service.

## **Section 2: Pensions**

- New Hire Employees will not be eligible to participate in the Allison Transmission Hourly Employee Pension Plan.

## **Section 3: 401k Plan (Hourly Employee Savings Plan)**

- Eligible to participate upon attainment of seniority.
- New Hire Employees will receive an Allison Transmission company match of 100% of the first 6% of the employee contribution into their 401k. The company matching funds will be vested after 3 years of seniority.
- New Hire Employees will receive an annual auto escalation of 1% deferral up to a maximum of 10%.

## **Section 4: Life and Disability Benefits Program**

1. Basic Life Insurance:
  - Coverage will be based on wages in accordance with the Schedule of Benefits found in the UAW-Allison Transmission Life and Disability Benefits Program.
2. Sickness & Accident:
  - Eligibility based on current Plan provisions as outlined in the Supplemental Agreement found in the UAW-Allison Transmission Life and Disability Benefits Program.
3. Extended Disability Benefits:
  - Eligibility based on current Plan provisions as outlined in the Supplemental Agreement found in the UAW-Allison Transmission Life and Disability Benefits Program.

## **Section 5: Supplemental Unemployment Benefit Plan (SUB)**

- Except as specifically modified herein, all benefits shall be governed by the provisions of the Plan.
  - 1 year seniority but less than 3 years seniority = 26 weeks
  - 3 or more years seniority = 52 weeks

## **Section 6: Allison Incentive Compensation Plan**

- New Hire Employees are eligible as outlined in the Allison Incentive Compensation Plan.

## **Section 7: Dependent Care Reimbursement Plan**

- Eligibility based on current Plan provisions as outlined in the Supplemental Agreement Exhibit J – Dependent Care Reimbursement Plan.

**WEATHER CONDITIONS & RIOT LETTER  
ALLISON TRANSMISSION**

In general, the following SUB Plan determinations apply with respect to a plant shutdown in an area in which severe weather conditions or an actual or threatened riot has occurred. A flow chart is attached as a tool to aid in the application of this policy. Nothing in the flow chart changes any terms of this document.

1. With respect to a day for which Allison gives notification by public announcement or otherwise of a shutdown, a SUBenefit shall be paid as provided under the Plan to otherwise eligible laid off employees.
2. With respect to a day during which Allison attempts to operate but is forced to shut down because of the absenteeism of employees, and forty percent (40%) or less of the employees scheduled to report for work on the shift have not reported to work prior to the shutdown, a SUBenefit shall be paid to otherwise eligible employees who reported for work but were sent home when the plant suspended operations; provided, however, that if the amount of such SUBenefit payable plus the pay for hours worked on such day equals less than the equivalent of 4 hours' pay, such employees shall be paid 4 hours' pay by Allison for such day (including pay for any hours worked) in lieu of such SUBenefit, as provided below. In calculating the SUBenefit, credit should be taken as Available Hours for any period between the starting time of the employees' regular shift and the time they reported for work.
  - (a) Employees who report for work during the first 4 hours of their regular shift on a day the plant has attempted to operate and subsequently shuts down, shall receive a SUBenefit for any hours not worked or made available during the period between the time they reported for work and the end of their regular shift; provided, however, that if the amount of such SUBenefit payable plus the pay for any hours worked on such day equals less than the equivalent of 4 hours' pay, the employee shall be paid 4 hours' pay by Allison for such day (including their pay for any hours worked) in lieu of such SUBenefit. With respect to an otherwise eligible employee who reports for work during the last 4 hours of their regular shift, a SUBenefit shall be payable for any hours not worked or made available during the period between the time they reported for work and the end of their regular shift and the minimum 4 hours' pay provisions shall not apply.
  - (b) In addition to the provisions of 2(a) above, if overtime hours occur during the week in which the only day(s) of layoff is a day on which the plant attempted to operate but subsequently shut down due to employee absenteeism, the SUBenefit for otherwise eligible employees shall be calculated with respect to the week. The SUBenefit amount, if any, plus the pay for any hours worked on such day(s) shall be measured against the minimum 4 hours' pay provision, if applicable, for such day(s).

However, if overtime hours occur during a week having 2 or more days of layoff, including at least one such day on which the plant facility attempted to operate but subsequently shutdown due to employee absenteeism, the overtime hours may only be applied to reduce hours of layoff on days other than such days on which the plant attempted to operate.

Consequently, a separate SUBenefit shall be calculated for each such day on which the plant attempted to operate, and the amount of such SUBenefit, if any, plus the pay for any hours worked on such day shall be measured against the minimum 4 hours' pay provision, if applicable. If a SUBenefit is payable for such day, it shall be included and paid with any SUBenefit otherwise payable for the remainder of the week; provided, however, that the sum of such SUBenefits cannot exceed the SUBenefit, if any, that would otherwise be payable under the Plan for the Week.

(c) A SUBenefit shall not be paid to employees for a day when the plant was attempting to operate if such employees failed to report for work at any time during such day. The total number of hours of the employees' regular shift for such day (8 hours in most cases) will be included as hours made available but not worked in the calculation of any SUBenefit otherwise payable for the week.

3. With respect to a day during which the plant attempts to operate but is forced to shutdown because of the absenteeism of employees and more than forty percent (40%) of the employees scheduled to report for work on the shift have not reported to work prior to the shutdown, the facts and circumstances of the local situation will be reviewed with the Vice President of Human Resources or designee and a determination shall be made by Vice President of HR or designee with respect to any additional SUBenefit eligibility beyond the eligibility provided under item "2." above. Where no additional SUBenefit eligibility is authorized, the provisions and procedures under item "2." above will be followed. If additional SUBenefit eligibility is authorized, the following will apply.

(a) Employees who report to work at any time during their shift shall have all hours worked or paid for such day disregarded in calculating Compensated or Available Hours for the Week and shall be deemed to be on qualified layoff for the shift.

(b) Employees who did not report for work at any time during their shift shall be deemed to have been on qualified layoff for all of the day in calculating any SUBenefit otherwise payable for the Week.

The minimum 4-hours' pay provisions shall apply to all employees who report to work during the first four hours of their shift.

The foregoing SUB Plan determinations with respect to a day when the plant attempts to operate during severe weather conditions or during an actual or threatened riot apply only in situations where the plant is subsequently forced to shutdown because of employee absenteeism. If the plant shuts down early or employees are sent home for any reason other than employee absenteeism, eligible employees should be paid SUBenefits with respect to any period of qualified layoff to which they may be entitled under the Plan and the minimum 4 hours' pay provisions shall not be applicable.

4. With respect to a day during which the plant operates in an area in which severe weather conditions or an actual or threatened riot have occurred and more than forty percent (40%) of employees scheduled to report for work on the shift do not report to work at any time during their shift, the facts and circumstances of the local situation will be reviewed with the Vice President of Human Resources or designee and a determination shall be made by the Vice President of Human Resources or designee with respect to any SUBenefit eligibility for any employee for such day. If the determination does not authorize any SUBenefits then no SUBenefit eligibility will be determined under the provisions of this letter. If a determination is made to authorize SUBenefit eligibility for the shift, such eligibility and SUBenefit calculation shall be made in accordance with item "3." above.

In determining whether a plant shall attempt to operate during such severe weather conditions or during a riot occurring in the plant area, consideration should be given to the severity of the condition, actions of other employers in the area, and instructions, advice or proclamations issued by local or other authorities.

During these negotiations, it was understood by the parties that the Union's agreement with the Company SUB Plan determination to be followed with respect to a plant shutdown in an area in which severe weather conditions or an actual or threatened riot have occurred, as set forth in this letter, will in no way jeopardize or limit employee's right of appeal under the Plan to any such Company determination.

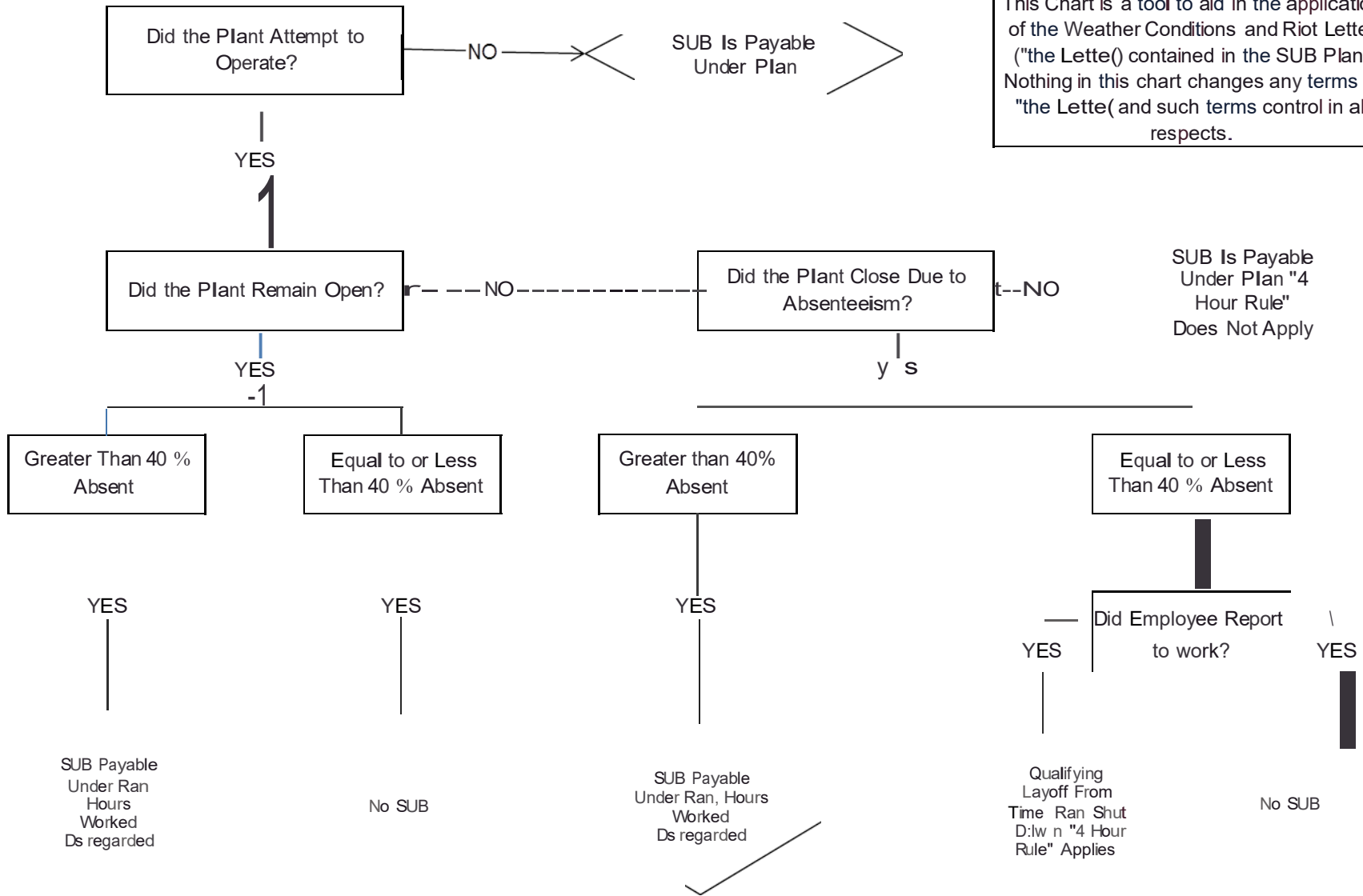
Attachment

# Weather Conditions and Riot Flowchart

Weather Cond. & Riot Ltr.

START HERE

This Chart is a tool to aid in the application of the Weather Conditions and Riot Letter ("the Lette") contained in the SUB Plan. Nothing in this chart changes any terms of "the Lette" and such terms control in all respects.





**Doc. No. 82**

**TEMPORARY EMPLOYEES**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the parties discussed the need for employees to be hired on a long term temporary basis. The types of situations discussed included short term spikes in volume, new product launches or Special Attrition Program transition periods.

Based on these discussions the parties agreed that such temporary employees would be employed in accordance with the following:

1. Allison will review with the UAW situations requiring the use of Long Term Temporary employees.
2. Upon mutual agreement Allison may hire Long Term Temporary employees for a period of up to one year.
3. Temporary employees shall;
  - a. Pay union dues as per Paragraph (4).
  - b. Be paid according to Schedule E.
  - c. Not be covered by any Benefit Plan or Pension Plan unless such benefit is defined in this Document.
  - d. Not be able to file for a departmental transfer pursuant to Paragraph (63)(b).
  - e. Be entitled to vacation time or vacation pay pursuant to Schedule B and Paragraph (190).
  - f. Be made a permanent employee if they remain employed beyond twelve (12) months.
4. A Long Term Temporary employee shall not accrue time towards gaining seniority. In the event that such employees become full time employees they will be credited for time worked towards acquiring seniority and establish a Plant seniority date as of their date of hire as a Long Term Temporary employee.
5. Long Term temporary employees will receive pay for all holidays that occur while they are employed provided:
  - i. The employee has worked at least 90 days prior to the holiday(s)
  - ii. The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and
  - iii. The employee must have worked the last scheduled work day prior to and the next scheduled work day after each specified holiday within the employee's scheduled work week. For each Christmas holiday period, the employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period.
6. Other uses of temporary employees may be mutually agreed upon between the parties.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**JOINT TRAINING FUND**

The parties have agreed that the Joint Training Committee will have oversight of the \$.05 Joint Training Fund. The account balance of the Joint Training Fund is derived from an accrual of \$.05 per hour per employee that will be ongoing through the life of this Agreement. The current balance in the Fund at the time of Ratification will remain available to cover appropriate expenses.

Throughout the year, at a normal quarterly review process, the Joint Training Committee will review the fund against actual performance and opportunities taken for any changes due to changing circumstances. If the fund is not adequate to cover contractual activities described below, the parties will meet to resolve the issue so that no employee is adversely impacted by such shortfall.

The Joint Training Fund will be constructed to cover expenses incurred in the administration of Joint Training Center Activities. The Joint Training Fund will also be available to provide training resources for active employees in job related skills, basic education enhancement, interpersonal skills, and human resources development training. The following are examples of acceptable expenses to include but are not limited to:

- National Conferences (e.g. EAP, Training, Benefits, Quality Network, etc...)
- Communication skills (active listening, workplace writing, technical writing, presentation development and delivery)
- Computer Applications (software applications, keyboarding, internet navigation, etc.)
- Problem Solving
- Plant specific training, upgrading the skills of the UAW represented Skilled Trades and Production employees.
- Needs/tasks analysis training
- QNPM courses and training
- Salaries, wages, and actual expenses of non-Allison temporary instructors including the cost of training the instructors.
- Consumable items used exclusively for training.
- Travel expenses that are incurred by Joint Training for purposes embodied in this document.
- Other training related expenses approved by the Joint Training Committee such as freight, transport, memberships, and awards, etc.

During these negotiations, the parties reviewed several initiatives impacting skilled trades that require (or continue to require) the support of Joint Training Funds:

- Expenses associated with a National Apprentice Conference for the purpose of education/updating Apprentice committees on negotiated changes to the Standard Apprentice Plan, including the selection process, program administration and standardized shop and related training schedules.
- Expenses associated with developing recruiting videos for use by the Apprentice Committee.
- Continuation of expenses associated with QNPM Technologies training for Apprentices as necessary.

In addition to the above, the funds can also be used for specific studies, pilots, and other activities agreed to by the Key 4 – Joint Activities.

**Approval Process**

Joint cooperation is essential to the successful execution of the Joint Activities objective.

The Joint Training Committee approves the initial requests and then the Key 4- Joint Activities must approve them to expend the agreed funds. Neither can access these funds unless both parties jointly

agree to such activities. All changes to the fund must be jointly agreed upon. The Parties may jointly agree to expense available funds for items that are not listed in the Joint Training Fund guidelines. Union involvement, along with management, is essential to the joint decision-making process regarding the development, implementation, and monitoring of training funds.

In situations where mutual agreement cannot be reached, the issue may be appealed to the Vice President of Human Resources and International UAW, Region 2-B Director or his designee. This appeal procedure exists to resolve any disagreement between the parties, related to the funding guidelines or expenses associated with Joint Activities.

**COMMITMENT TO CIVIL RIGHTS AND DIVERSITY**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

Allison's policy is to extend opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, creed, sex, religion, national origin, disability, sexual orientation or gender identity/expression. Should the United States or the State of Indiana enact or adapt additional legislation or categories, the provisions of this Agreement will apply to all employees covered by this Agreement.

Hiring and employment practices, decisions and procedures implementing this policy are to be, at all times, in conformity with the Allison Equal Opportunity Employment Policy.

The Parties have been leaders in adopting and effectuating policies against illegal discrimination in the workplace. The Parties agree to continue such efforts and will continue to communicate regularly about issues that may arise.

**Equal Application Committee Established**

Parties agree to establish an Equal Application Committee composed of three (3) representatives of the UAW one of whom will be member of the Civil Rights Committee, or a designee, and (3) representatives of Allison, one of who will be active in Allison's equal employment opportunity programs to meet on a quarterly basis and have the following rules:

- a. Review new or pending legislation that may impact the obligations of the Parties to this Agreement;
- b. Recommend to the Key 4 – Joint Activities any changes in the process, communications or obligations of the Parties;
- c. Review investigations conducted by the Union's Civil Rights Chair since the prior Committee meeting;
- d. Recommend to the Key 4 – Joint Activities any formal communications for employees on the subject of non-discrimination or workforce diversity.
- e. Provide, monitor and assess jointly approved civil rights and diversity training modules.
- f. Review and discuss ways and means of implementing policies regarding employment of individuals with disabilities.
- g. Establish or maintain liaisons with appropriate federal and state civil rights agencies for the following purposes:
  1. Increase understanding;
  2. Promote and encourage the use of the grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, not productive to relieving employees problems;
  3. Seek solutions to mutual problems;
  4. Relieve tensions in this area; and
  5. Exchange information, expertise and advice.
  6. Provide, monitor and assess relevant issues.

The UAW Equal Application Committee provides educational materials to the UAW-represented workforce regarding diversity and equal employment opportunities. It also identifies community agencies involved in civil rights and diversity activities and works with community leaders to discuss and work toward solutions to mutual problems regarding discrimination. Action plans include such activities as:

- Utilizing plant communication methods to celebrate cultural diversity and share the commitment to diversity;
- Seeking input from identifiable diverse employee groups and individuals;
- Identifying opportunities to celebrate diversity with educational awareness events and exhibits;
- Communicating how diverse employee groups can participate in plant and community projects; and
- Recognizing activities that are inclusive of diverse employee groups.

### **Use of Information**

The Parties will welcome the recommendations of the Committee, but the Committee may not commit either party to a specific course of action. The function of the Committee shall be advisory, consultative and cooperative.

### **Grievances**

Union agrees that the Grievance and Arbitration procedure of this Agreement is the sole and exclusive means of resolving claims or complaints which allege a violation against Allison.

### **Civil Rights Chairperson**

Where the Chairperson of the Civil Rights Committee of the Union is an employee of the plant, wages will be paid for time spent attending the quarterly meetings.

UAW's Civil Rights Chairperson shall be permitted up to four (4) hours per week during straight time hours to conduct in-plant investigations of written grievances alleging a violation of Allison's commitment. Should circumstances warrant, and subject to mutual agreement, the Chairperson may request additional investigative straight time hours to conduct such investigations.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 85**

**NEW SUPERVISOR TRAINING**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During these negotiations, the UAW expressed concern that at several locations the skilled trades workforce was supervised by contract personnel or Allison supervisors without prior skilled trades supervisory experience which, due to their unfamiliarity with trades work rules, often contributed to the impropriety of work assignments.

In response, Allison stated that in the event a plant intends to utilize contract personnel, or such supervisors newly assigned to direct the activities of the skilled trades workforce, a review of work assignments and other appropriate skilled trades work practices and agreement, will be conducted.

Allison will review the material and schedule with the Chairperson and/or their designee prior to delivery of the training.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**SKILLED TRADES HOURS OF WORK AND OVERTIME**

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

During the current negotiations the parties discussed the role that our skilled trade work force plays with respect to the overall success of the business. As with any manufacturing business much of our success is tied to the ability of this group to keep the equipment operational and producing our world class products. While the primary responsibility of the skilled trade workforce is to provide service to manufacturing, there are other manufacturing requirements that we spent a considerable amount of time discussing. Specifically, we reviewed our history of performing proto-type development and construction work.

The parties recognize that poor performance in any area of the business can have negative consequences to our financial results and ultimately in our collective opportunity to share in the success of the business through the Allison Incentive Compensation Plan. As part of this recognition, the parties have sought to find an appropriate balance between work normally and historically performed by Allison skilled trade employees and work that needs to be subcontracted for various reasons. Given the significant role that our skilled trades play with regard to our overall success, the parties have agreed to the following;

**Maintenance Trade Group**

1. The primary responsibility of the maintenance trade work force is to support the manufacturing capability of Allison.
2. The Company committed to keep the Facility Trades Group that would focus on construction work. The Paragraph 183 process will be utilized when the Company is contemplating the use an outside contractor to perform the required work.
3. Skilled trade overtime groups in the maintenance trades are defined and separated as follows;
  - Facility Trades Group (this includes the Plant 12/14 construction groups and central support for all Plants and service for Plant 15/17)
  - Plant 4/6
  - Plant 16
  - Plant 12
  - Plant 14
  - Plant 20
4. As a result of the Paragraph (183) process if it is determined that the criteria in Appendix F and F-1 has been met, the affected Facility Trade Group would be fully engaged on other work. The parties agreed that fully engaged is defined as an offer of four (4) hours of overtime each day Monday through Friday for the affected trade in the Facility Trade Group while such contractor is onsite. In the event that the contractor is required to work on any weekend, the affected trades in the Facility Trade Group would be offered to work a normal shift, on a one for one basis, with the number of contractor's onsite, that specific weekend day.
5. The fully engaged definition in #3 above will also apply to those affected trades in service departments in the event that subcontracting of this work is required. This does not apply to situations where factory representatives are onsite.

## Tool Room Work

1. With respect to Tool room work the parties agreed their main function is to support our manufacturing capability. The parties also recognize the Tool room is capable of handling certain aspects of proto-type development.
2. As a result of the Paragraph (183) process if it is determined that the criteria in Appendix F and F-1 has been met, the Tool room employees would be fully engaged on other work. The parties agreed that fully engaged for the Tool room is defined as an offer of two (2) hours of overtime each day Monday through Friday and eight (8) hours on Saturday. Furthermore, the parties agreed that the Tool room (Dept. 0330 and Dept. 0342) would be a separate overtime group.
3. The Company is committed to keeping certain proto-type work in-house within the envelope of time established by the fully engaged requirement described in #2 above, provided that program timing can be met and the type of proto-type work matches the descriptions below. The primary focus will center on core components of future products (e.g. gears, carriers, ground sleeves, drive hubs, clutch housing sleeves etc.). Such work will be reviewed between the parties as part of the normal review process (i.e. the company agrees to have a meeting with the union to review the make/buy list within five (5) days of initial receipt).
  - Released/Existing Products (i.e. product being sold for revenue).
  - Product Variants (i.e. new model/product utilizing existing platform being sold for revenue with parts added).

The parties agreed that any problems associated with the above stated understandings would first be reviewed by the Skilled Trades Zone Committeeperson and the Director of Manufacturing services.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources



**Doc. No. 88**

**SCHEDULING OF FLEX HOLIDAYS**

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

In regards to the flexible holiday program, eligible employees will be able to schedule days off for those previously established set holidays (Good Friday, Easter Monday & Veterans Day), provided they schedule their requests in advance during the vacation request period that concludes at the end of February each year. The only limitation on the number of people that will be approved off is the Company's ability to operate. Additional requests made after the February scheduling period will be approved based on a first come basis considering available manpower.

Following the February sign up period the parties will review issues regarding situations where the approval of the time off will not allow the Company to operate. In the event that the manpower issues cannot be resolved and the Company needs to limit the number of absences, such requests will be approved on a seniority basis.

In recognition of the contributions made by our country's veterans, any employee having served in the United States Armed forces will be approved for scheduled vacation on Veterans Day holiday provided they requested the time off as per the above.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 89**

**SKILLED TRADES MANPOWER**

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

During the current negotiations the parties reviewed apprentice needs. Specifically, the Company outlined the following plans;

**New Apprentices**

The Company plans to retain twenty five (25) apprentice positions over the life of the agreement.

Progress toward the above stated plan will be reviewed regularly between the parties.

Very Truly Yours,

Robert Price  
Vice President  
Human Resources

**Doc. No. 90**

**QUALITY NETWORK PUBLISHING/COMMUNICATION**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations, the parties discussed the need to keep the multi-media capabilities of the Joint Training Center up-to-date. Specifically, we discussed the ongoing support required for appropriate publications to be handled by this group. Recommendations will be jointly developed and presented to the Key 4 – Joint Activities for consideration.

Furthermore, the parties discussed Management's communication plans and how members of the Joint Training Center can assist with these efforts. It is recognized that this group can be a valuable resource in helping Allison achieve its communication goals.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 91**

**BUSINESS REVIEWS**

Kenneth Lortz  
Director  
UAW Region 2-B  
1691 Woodlands Drive  
Maumee, OH 43537

Dear Mr. Lortz:

Allison recognizes the importance of regular communication to help achieve an increased level of understanding and cooperation among all parties. To that end, Allison has agreed to arrange for quarterly meetings between representatives of the Allison Board of Directors, the Allison Executive Staff and Director, Labor Relations, the Chairperson and President of UAW Local 933 and the Region 2-B International UAW leadership to review the state of the business and to discuss opportunities for improvement. After the first year of this agreement, meetings between these parties will be held every six months.

Yours Truly,

Robert Price  
Vice President  
Human Resources

## MANUFACTURING SUPPORT CLASSIFICATION

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

During previous negotiations the parties agreed to exit traditional janitorial work throughout all of the Allison facilities. During those discussions you pointed out a number of examples where we could improve the efficiency of the production operators and assemblers by providing assistance in areas such as, but not limited to, sorting parts, boxing parts, chasing spare parts, topping up machine oil and coolant levels, providing relief and assisting with interdepartmental cleaning etc. that has been typically the purview of the operator. While these job responsibilities have been identified as potential assignments nothing precludes other manufacturing classifications from performing the same duties.

As a result of those discussions the parties agreed to introduce a new classification "Manufacturing Support" that will be responsible for the job duties described above. The parties further agreed to the following:

- The Manufacturing Support classification may be an entry level classification and is part of the transfer agreement.
- The Tool room will be serviced by Plant 4 Manufacturing Support personnel.
- The Powerhouse will be serviced by Plant 4 Manufacturing Support until the Powerhouse is relocated to the new location, at that time the new location will be serviced by the housekeeping 3<sup>rd</sup> party provider.
- Any concerns regarding the manpower level of the Manufacturing Support group will be reviewed by the Chairperson and the Executive Director of Operations.

During the current negotiations, the parties had extensive discussions regarding the job responsibilities and the upgrading of pay for the Manufacturing Support classification. As a result of those discussions, the parties agreed to the following:

- Job Responsibilities
  - The primary responsibility of the Manufacturing Support classification is to provide housekeeping/janitorial services for the assigned department(s). However, as the name implies they are, also, to support the manufacturing and assembly. These support functions are considered to be "incidental work".
    - Incidental work consists of tasks that are not a core element or function of a classification even though they may be specific actions within the larger context of the job and are specific in nature.
- Upgrade of Pay
  - When an employee works in a higher rated job classification for more than one hour the person will receive the higher rate of pay for all hours worked that shift.
    - If an employee is responsible for cycling a single machine ("hitting the buttons"), they will be eligible for upgrade to the appropriate higher rate.
      - For the purpose of this issue, the definition of a "machine" is specific to equipment which forms, cuts or shapes a manufactured component and does not include operations such as washers.
      - Loading or off-loading conveyors that feed auto-load machines does not constitute as cycling a machine.
    - If a person is responsible for the execution of the "Control Plan" of an operation and utilizing gauging to assess the quality from a manufacturing operation they will receive the appropriate pay upgrade if they exceed the one hour hurdle. Sorting of parts already produced does not qualify as executing a control plan.

The parties agreed that any unforeseen issues will be resolved by the Chairperson and the Director of Labor Relations.

Yours Truly,

Robert Price Vice  
President Human  
Resources

**Doc. No. 93**

**WAREHOUSE SERVICES CLASSIFICATION AT THE PDC**

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

During the current negotiations, the parties discussed the competitive landscape as it pertains to warehouse work. Specifically we reviewed that over the years the rates applicable to automotive wages have made this part of our business uncompetitive. In order to retain the work the parties agreed to maintain the "Warehouse Services" classification at Plant 17. During our discussions a number of issues were raised that both parties agreed to address as follows;

- The Warehouse Services classification will be considered as an entry level classification and will have transfer rights as outlined in the transfer agreement.
- Current MST classified traditional employees (392B) will be retained with their current wage rate at Plant 17 until they attrite. As MST classified traditional employees (392B) attrite, they will be replaced by employees classified as Warehouse Services (393B) if business conditions justify a need for replacement. Current MST classified traditional employees (392B) will be eligible to use shift preference rights within Plant 17 and may displace Warehouse Services employees (393B) in Department 2201 or 2236 as their seniority allows. Group Leaders in Plant 17 will be selected from all employees MST (392B) or Warehouse Services (393B) within departments 2201 & 2236 per Paragraph (59)(i)(2).
- Inspector, Process Audit (290B) openings will be filled via the Transfer Agreement.
- On dates the belt line is to be run, Management will ask for volunteers from department 2201. In the event there are not enough volunteers, Management will assign operators out of department 2201. Management will not assign the same operator for more than (3) three consecutive days. Complaints about the implementation of this agreement should be brought to the attention of the Director, Global Parts Distribution & Customization Center's.

Yours Truly,

Robert Price  
Vice President  
Human Resources

**Doc. No. 94**

**Income Protection**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

Allison Transmission has agreed to pay each eligible employee \$1,000.00 during the following weeks:

December 17, 2018  
December 16, 2019  
December 14, 2020  
December 13, 2021  
December 12, 2022

In order to be eligible for this payment, employees must be active on the date of payment.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources



Doc. No. 95

## INVESTMENT AND NEW PRODUCT

Daniel K. Gibson  
Chairperson  
UAW Local 933

Dear Mr. Gibson:

During the current negotiations the parties had considerable dialogue regarding the competitive pressures in the market place and our ability to be successful on a long term basis. We also had considerable dialogue regarding future investment. As you are aware we have invested over \$200 million into our Allison Indianapolis Operations over the course of the last agreement to develop new product, launch new product lines, and improve the infrastructure of the Operations by upgrading our facilities and equipment.

Upon successful implementation of the terms and conditions of this Agreement, it is the Company's intent to invest another \$200 million in the Allison operations in Indianapolis over the life of the agreement, under current business conditions.

It is also the plan of Management and the UAW to *investigate* the feasibility of manufacturing parts for the India and Hungary plants. If a current validated supplier determines that the business is no longer interested in manufacturing the part or if the supplier is not meeting cost, quality, or delivery targets, a study will be made to determine the cost competitiveness of the Allison Indianapolis Operations. Insourcing is predicated upon the agreement to ensure no work stoppage or flow of material (No Strike agreement for the specific insourced work) and that the plants must continue to be the low cost supplier.

It was also discussed and agreed when volume on the TC 10 approaches the 25,000 unit level per year with continued growth in the following years, business cases would be generated for selective out sourced TC 10 parts (e.g. machined castings, valve body, gears) to determine which of the families may have the highest incremental EBITDA value.

Up to \$20M in capital will be allotted for the above initiatives, or any other sourcing opportunities over the life of the contract, that satisfy our mutual goal(s) of future growth, business enhancement, return on capital investment, and job security for all of our employees.

This investment is predicated on a shared belief in the principles of Operation Excellence and TPM. The Company looks forward to working with UAW Local 933 to make Allison Transmission an organization that is focused on quality and growth.

Yours Truly,

Matt McLaughlin  
Executive Director  
Human Resources

**Doc. No. 97**

**SKILLED TRADES WORK THAT IS NOT NORMAL AND HISTORICAL**

Mrs. Cindy Estrada  
Vice President  
IPS/CS  
Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

During the current negotiations the parties discussed the skilled trade grievance activity. The Company pointed out numerous instances where grievances were filed due to outside contracting for work that is not normal and historical for our trades. As a result of these discussions the parties agreed that the following list of work would be reviewed with the UAW in advance. Furthermore, the parties agreed that there would be no "fully engaged" treatment for the construction group as a result of any of the following work being performed by outside contractors.

Outside the Building Envelope

- Pavement
- Parking lot striping
- Building maintenance at Plants 15 & 17
- Elevated tank painting, repair and structural refurbishment
- Fire loop replacement/installation and pump house renovations
- Helicopter picks
- Horizontal boring
- In-pipe camera systems (external to the building)
- Installation of major storm/sanitary sewer runs/fixed catch basins etc.
- Storage tank (above or underground) installation, tank integrity as well as internal maintenance and cleaning
- Installing/replacing wells and water distribution systems
- Demolition of buildings or outside structures and free standing structures
- Large surface grading, ground preparation and removal of large trees
- New building construction (e.g. buildings, tank farms, bridges, trestles etc.)
- Roof replacement and all repairs
- Electric and Gas utilities infrastructure (e.g. IP&L and Citizens gas) repair external to the building

Environmental and Decommissioning

- Environmental remediation/recovery systems
- Environmental work past the catheads at Eagle Creek
- Hazardous material decommissioning
- Asbestos removal and remediation requiring 10-day notice (for clarification related to asbestos removal and remediation: the work that belongs to the union is asbestos removal and remediation of regulated asbestos containing material which is 259 linear feet or less; 159 square feet or less and/or 34 cubic feet or less)

Building Infrastructure & Miscellaneous Office Work

- New test cells (i.e. building a test cell that has not previously existed and rebuilding a test cell that has existed but been torn down, removed and rebuilt)
- Non skilled work (e.g. furniture movement and assembly (including Herman Miller Panels), paper movement; personnel movement/relocation action; GFCI inspections; construction waste disposal; restroom plunging; exterior fencing)
- Elevators and escalators

- Fabrication of ductwork/ furniture/desks/cabinets/chairs/repair or refinishing
- Major building infrastructure maintenance (e.g. pile driving, structural steel replacement, utility distribution and welding)
- Proprietary fire and security systems
- Welding of pressure vessels
- Sign making other than signs directly related to Manufacturing needs
- Painting of exterior building, above ground storage tanks, water tower and ceilings in the plant.

In the event that the Company agrees to do any of the above work using Allison trades, the intent of this letter does not change as it pertains to future situations. For further explanation the parties agree that the Company will provide the Union the opportunity to bid on work that is "not normal and historical" at the unions request. If the union requests, the company will provide the same information provided to other bidders within twelve (12) hours of delivery to the first bidder. The Union agrees that the Company providing this bid packet information to the Union can never be used in any manner or forum to argue that the work is normal and historical.

Yours Truly,

Robert Price Vice  
President Human  
Resources

**Doc. No. 98**

**OPPORTUNITY TO PERFORM NOT NORMAL AND HISTORICAL WORK**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, MI 48214

Dear Mrs. Estrada:

During the current negotiations, the parties held extensive discussions over a wide range of issues surrounding work that had been performed by outside contractors. Specifically, the Union cited examples of some work that our trades could have performed in a cost competitive manner but were never given the opportunity since that work had been previously contracted out.

The company had not considered this work in the past as a result of the Union's position that once work is performed, it should be considered as work normally performed by our trades. The Company reviewed instances where this position would be untenable on a going forward basis since circumstances can, and do, change, therefore consideration had not been provided.

As a result of these discussions and the parties' desire to take full advantage of any potential cost savings while providing additional work opportunities for our skilled trades personnel, the following understandings have been agreed upon;

1. In the event the Company determines to keep work not considered normal and historical in-house, the Union agreed such actions would not constitute any ownership over such work in the future.
2. As part of the Paragraph 183 notification process, the parties will review opportunities where Allison skilled trades personnel can be competitive in performing work not normally performed in-house. Such determinations will consider scope, manpower availability and whether it makes sense to break a job down into smaller pieces. The parties need to be mindful of warranty guarantees in the event the job is segmented.

The parties are committed to finding ways to be more efficient and cost effective which in turn will lead to additional work opportunities for our employees.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources

**Doc. No. 99**

## **EXITING NON-STRATEGIC SKILLED TRADES WORK**

Mrs. Cindy Estrada  
Vice President  
IPS/CS Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mrs. Estrada:

As a result of extensive discussions and a review of Allison's competitive position, the parties are in agreement to develop proposals to exit the work listed. The parties will jointly explore opportunities to exit those work elements in a manner most conducive to the operation.

The following is a list of work assignments. It is understood that an agreement to exit the identified work elements will be accomplished through a jointly agreed upon transition process. With regard to the term, "major/minor rule will apply," all major work assignments are appropriate for the parties to discuss.

Any additional work assignments identified by the parties must be agreed to by the Parties.

### **Construction**

- Decommissioning of a building (non-environmental): After all plant requested assets have been removed and an auction has been conducted (if applicable) – and remaining asset are sold to a demolition contractor

### **Painting/Glazing**

- Structural/equipment/production aids painting, rack/container painting, piping, platforms

### **Carpentry**

- Platforms, benches, catwalks, racks, tables, drywall

### **Building Envelope Maintenance (major/minor rule will apply)**

- Major repairs/replacement: walls, floors, windows, doors (e.g. dock, roll-up doors, pedestrian)
- Fencing, railroads, parking lots, roads, outdoor lighting/electrical

### **Specialty Maintenance**

- Fixture re-lamping/replacement (major/minor rule will apply)

### **Hi Voltage Electrical Distribution**

- 13,200 Voltage and above

### **Building Mechanical (major/minor rule will apply)**

- Repair of plant wide utility distribution systems (natural gas, compressed air, steam, water, condensate, manufacturing fluids)

### **Building Electrical (major/minor rule will apply)**

- Repairs of building electrical systems

### **Crane repair/inspection**

- Repair/replacement of overhead cranes

The Trades Zone Man and Trades Committeemen along with the Management Trades representatives will present to the Chairman of the Bargaining Unit, Vice President of Human Relations and Vice President of Operations semiannually the results of their discussions, analyses, and work exiting proposals.

Very Truly Yours,

Robert Price Vice  
President Human  
Resources