

ARTICLE 21 MISCELLANEOUS

Section 21.1 Inventions.

21.1(a) Employees shall be permitted to retain ownership of an invention conceived or developed by them if the invention (a) was developed entirely on the employee's own time and the invention is one for which no equipment, supplies, facilities, or trade secret information of the Company was used; and (b) does not (i) relate directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employees for the Company. All other inventions shall be the property of the Company, and employees shall assist the Company in the protection of such inventions as directed by the Company.

21.1(b) No employee shall be required, as a condition of employment or continued employment, to sign an invention agreement which contravenes the provisions of Section 21.1(a).

Section 21.2 Financial Awards.

The Company and the Union agree that bargaining unit employees will be eligible to participate in the Boeing Cash Award Program, effective January 2006, as defined in the Boeing Cash Award Program administrative guide. Awards are a one time payment to recognize individual or team accomplishments. The purpose of this program is to permit timely cash payments to recognize individual or team accomplishments that are the result of extraordinary performance or performance that exceeds job expectations. The Union will be notified of Boeing Cash Awards that are made to bargaining unit employees. The Company reserves the right to amend, modify, and/or discontinue the Boeing Cash Award Program at any time.

Section 21.3 Sabotage.

The Union agrees to report to the Company when it has knowledge of any acts of sabotage or damage to or the unauthorized or unlawful taking of Company, government, customer or any other person's or employee's property. The Union further agrees, if any such acts occur, to use its best efforts in assisting to identify and apprehend the guilty person or persons.

Section 21.4 Nondiscrimination.

All terms and conditions of employment included in this Agreement shall be administered and applied without regard to race, color, religion, national origin, status as a disabled or Vietnam era veteran, age, gender, or the presence of a disability, except in those instances where age, gender, or the absence of a disability may constitute a bona fide occupational qualification. If administration and application of the contract is not in contravention of federal or state law such administration or application shall not be considered discrimination under this Section 21.4. Notwithstanding any other provision of this Section 21.4 or of this Agreement, a grievance alleging a violation of this Section 21.4, shall be subject to the grievance procedure and arbitration of Article

19 only if it is filed on behalf of and pertains to a single employee. Class grievances based on alleged violation of this Section 21.4 shall not be subject to the grievance procedure and arbitration under Article 19 of this Agreement.

Section 21.5 Security Interviews.

Each employee has the right, during a Security interview which the employee reasonably believes may result in discipline, to request the presence of his/her shop steward, if the shop steward is available. If his/her shop steward is not available, such employee may request the presence of another immediately available shop steward. If a shop steward, pursuant to the employee's request, is present during such an interview, the shop steward, in addition to acting as an observer, may, after the Security representative has completed his/her questioning of the employee, ask additional questions of the employee in an effort to provide information which is as complete and accurate as possible. The shop steward shall not obstruct or interfere with the interview.

Section 21.6 Employee Assistance.

The parties will cooperate in expanding employee assistance programs in order to promote the health and well-being of the workforce. These programs include the following:

Section 21.6(a) Wellness Programs. The Company will emphasize programs to improve the health and wellness of the workforce. Examples would include health monitoring, exercise, hypertension classes, weight loss programs and stop-smoking classes.

Section 21.6(b) Comprehensive Child and Elder Care Program. The Company will establish a comprehensive child and elder care program. This program will consist of referrals of employees to licensed care facilities, consultation with employees to determine individual needs and providing educational materials and programs. To further the objectives contained in this section, the Company agrees to establish a flexible account to fund child and elder care.

Section 21.6(c) Joint Company-Union Alcohol and Drug Dependency Program. The parties recognize that drug and alcohol usage can adversely affect an employee's job performance and the maintenance of a safe and productive work environment and can undermine public trust and confidence in the Company's products. Accordingly, they agree to cooperate in substance abuse awareness and education. This will be in conjunction with the Joint Company-Union Alcohol and Drug Dependency Program. The details of the Program are described in the parties' Letter of Understanding No. 7, entitled Joint Company-Union Alcohol and Drug Dependency Program.

Section 21.7 Subcontracting.

The parties acknowledge that subcontracting work (moving work from a Company facility to an outside supplier) and offloading work (moving work from one Company facility to another Company facility not covered by this Agreement) affect the job security of employees. The word "work" for purposes of this Section refers to work of a

type currently performed within the bargaining unit. Accordingly, notwithstanding any other provision of this Agreement, the Company agrees that employees will not be laid off as a direct result of subcontracting or offloading work unless they are unwilling to change jobs (including a downgrade), shift, or locations within the bargaining unit. This layoff restriction does not apply to strategic work placements, see below, or offsets or offset arrangements (condition of sale placements); to a merger, sale, transfer, or other disposition of a plant or facility or operating unit thereof; or to temporary subcontracting or offloading necessary because of required equipment overhaul or repair, labor disruptions, or events beyond the control of the Company (acts of God, natural disasters, equipment failure, major accidents, etc.).

The parties agree to oversee, upon the Union's request, significant subcontracting and offload proposals (those affecting at least ten (10) employees) and to determine whether a financially and strategically justifiable basis exists either to keep work within the Company or return work to a Company facility covered by this Agreement. To assist in the oversight process, Union Site Representatives, (six (6) in Puget Sound, and one (1) in Portland) will actively participate in the Company's Work ~~Transfer~~ Movement Groups' studies, for the purpose of reviewing and recommending, early in the business case analysis, subcontracting or offloading alternatives that are financially and strategically sound.

To enable the Union Site Representatives to suggest alternatives that would allow the retention of work within the bargaining unit, the Company will, at least one hundred eighty (180) days prior to signing the subcontract or offloading the work, provide notice to the Union of plans to subcontract or offload work then being performed by bargaining unit employees. With respect to plans to consolidate work for efficiency or strategic reasons in a Company facility not covered by this Agreement, the Company will provide notice at least sixty (60) days prior to offloading the work then being performed by bargaining unit employees. The notice will include the reason for the planned subcontracting or offloading. The Company will provide the Union Site Representatives with the information used by the Company's Work ~~Transfer~~ Movement Groups to assess the relative costs of subcontracting, offloading, or performing the work in the bargaining unit. The Union will keep confidential, and not disclose, any information provided pursuant to this Section 21.7 which the Company designates as not subject to disclosure.

For subcontracting and offloading decisions affecting less than ten (10) employees (including but not limited to decisions to consolidate work for efficiency or strategic reasons in a Company facility not covered by this Agreement), the Company will provide notice to the Union Site Representatives of plans to subcontract or offload work then being performed by bargaining unit employees. The notice will include the reason for the planned subcontracting or offloading. The one hundred eighty (180) day or sixty (60) day notice restriction will not apply to subcontracting and offloading decisions affecting less than ten (10) employees. If time permits following the notice, Union Site Representatives may recommend subcontracting or offloading alternatives to such decisions (those affecting less than ten (10) employees) that are financially and strategically sound.

It is agreed that the Union Site Representatives' evaluation process is to be limited to those significant subcontracting or offloading decisions where cost is the determining factor. Consequently, the notice and review process does not cover the following work transfers:

- a. Decisions made primarily for strategic considerations ("strategic work placement") such as decisions to place work with foreign suppliers (1) for purposes of forming or continuing key strategic alliances, (2) for gaining potential access to a key market, (3) for entering risk sharing arrangements, or (4) because of condition of sale placements;
- b. Decisions arising from a merger, sale, transfer, or other disposition of a plant or facility or operating unit thereof;
- c. Decisions to subcontract or offload work due to lack of capability or capacity, or to prevent production schedule slippage;
- d. Decisions to temporarily onload work or to temporarily subcontract or offload work due to emergent short-term needs; or
- ~~e. Decisions to consolidate work for efficiency or strategic reasons in a Company facility not covered by this Agreement.~~

In the event of a decision described in (a) through (~~ed~~) above, the Company will notify the Union as soon as practical of the decision and the reasons for the decision. For tooling subcontracting or offloading decisions described in (a) through (d) above, the Company will provide Union Site Representatives with information concerning subcontracting or offloading activity on a monthly basis.

The Company's Work Movement Group will conduct a ~~quarterly~~ monthly review with the Union Site Representatives to ~~share status on the previous quarter's~~ discuss activities related to the Company/Union oversight process and to discuss opportunities to improve the process. Upon the Union's request, the Company will conduct a quarterly review to share the status of the previous quarter's activities.

Anything in this Section 21.7 to the contrary notwithstanding, it is agreed that under and included within the meaning of Article 2 of this Agreement that the Company has the right to subcontract and offload work, to make and carry out decisions in (a) through (~~ed~~) above, to enter offsets and offset arrangements, and to designate the work to be performed by the Company and the places where it is to be performed, which rights shall not be subject to arbitration.

The parties recognize that the Company must compete in a highly competitive global economy, and commit to achieving the highest level of quality and productivity possible. Both parties recognize that ultimate job security can only be realized in a work environment that creates operational effectiveness, continuous improvement and competitiveness.

Section 21.8 Pilot Projects.

Section 21.8(a) Objective. The Union and the Company agree that it is in their best interest to stimulate and support long-term, broad changes aimed at improving the quality of work life and productivity. This can be accomplished best by active involvement of the Union and the Company in planning, developing, implementing and evaluating innovative programs to further these aims. Accordingly, the parties shall:

1. Review and evaluate pilot projects involving innovative approaches in the workplace and provide for their implementation, operation and assessment;
2. Assure that pilot projects provide for employee and Union involvement through the establishment of joint pilot project committees to oversee project implementation, operation and assessment;
3. Review experiences of other employees and unions with similar activities and provide for dissemination of information;
4. Assess the impact on the pilot projects of existing work practices including, but not limited to, job security, compensation, job descriptions/classifications, training, and work schedules;
5. Following implementation and assessment of a pilot project, review the feasibility of broader application; and
6. Select consultants and other outside experts by mutual agreement.

Section 21.8(b) Implementation of Pilot Projects. The Union and the Company shall meet and confer concerning implementation of any pilot projects including any necessary modifications to the Collective Bargaining Agreement. The details of any pilot project which is agreed to by the parties shall be set forth in writing between the parties in a Pilot Project Agreement and must be approved by the Directing Business Representative of the unit where the project is proposed. It is the intent of the parties that implementation of a pilot project will not directly result in the layoff of employees or the reduction of the pay of employees assigned to a pilot project and that the Company will pay for costs such as training. Neither the Union nor the Company is under any obligation to agree to the implementation of a pilot project.

Section 21.8(c) Review of Pilot Projects. In addition to the on-going review by a pilot projects committee, the Union and the Company will review semi-annually the operation of all implemented pilot projects. While the parties anticipate that any implemented pilot project will continue throughout the duration of this Agreement, a pilot project may be terminated at any time by mutual agreement. In addition, it is agreed that following the first ninety (90) days of implementation of a project, either the Union or the Company may terminate a particular pilot project by giving written notice to the other, such notice to become effective on the sixtieth (60th) day thereafter.

Section 21.8(d) Disputes Concerning Pilot Projects. No dispute concerning a pilot project or this Section 21.8 shall be subject to the grievance and arbitration procedure of Article 19 of this Agreement except for a dispute alleging a violation of a Pilot Project Agreement or the approval or termination of a pilot project.

Section 21.9 Technology Briefings.

In order that employees can better prepare themselves for the skill requirements of the future, and in fulfillment of its obligation to provide information to the Union, the Company will not less than each six (6) months provide a briefing to the Union of the Company's plans for the introduction of technological change which may affect employees. These briefings may be combined with briefings to the Hazard Communication Team under Section 16.2(e). The Union and its representatives will protect the confidentiality of Company sensitive and proprietary information disclosed in the briefings.

During these briefings, the Company will inform the Union of anticipated schedules of introduction of new technology, and will identify areas of skill impacts. In addition, when the Company intends to implement a technological improvement in its tools, methods, processes, equipment or materials which could have an impact on the work performed by bargaining unit employees, the Company will advise the Union of the nature and location of such technological changes and the extent to which they may affect the work performed by those employees.

The Company and the Union agree that this Section 21.9 fully sets forth the Company's obligation to provide information concerning new technology or any other introduction or technological improvement of new machines, tools, methods, processes, equipment and/or materials. If the Union requests other information related to these matters, the request will be treated as a request to add additional subjects to the briefings.