

TENTATIVE AGREEMENT

Technical Unit

ARTICLE 8 WORKFORCE ADMINISTRATION

Section 8.1 Employees to Whom This Article is Applicable.

This Article 8, subject to 8.8(c), applies and refers separately to employees within each of the three (3) bargaining units described in Article 1, except that (1) the provisions of Article 8 shall be applied separately to Edwards AFB, California and Palmdale, California combined, and (2) an employee at Edwards AFB or Palmdale who has transferred to either California assignment from a SPEEA-represented position in Washington will be treated for purposes of eligibility for retention at Washington as though surplusd from the Major Organization with which the employee was identified immediately prior to transfer to Edwards AFB or Palmdale and in accord with the retention provisions of this Agreement.

Section 8.2 Objective. The general objective of the procedure stated in this ~~8.3 Article~~ is to provide for the accomplishment of ~~layoffs~~ workforce reductions for business reasons, to the end that, insofar as practicable the reductions will be made equitably, expeditiously and economically, and at the same time will result in retention on the payroll of those employees regarded by management as comprising the workforce that is best able to maintain or improve the efficiency of the Company, further its progress and success and contribute to the successful accomplishment of the Company's current and future business. The location, occurrence and existence of any condition necessitating a ~~layoff~~ workforce reduction, and the number of employees involved, will be determined exclusively by the Company. Following such determination, the Company will notify the Union of the location and the estimated size and job classifications and skills management code(s) involved in the anticipated workforce reduction. Wherever practicable, affected employees will be given two (2) weeks' notice prior to layoff and will receive consideration for open positions in accordance with ~~8.2(b)~~ 8.7.

It is recognized by both parties that it is necessary to work certain skill coded employees overtime while at the same time workforce reductions involving the same skill codes will be taking place. Management will review the use of overtime in any skill code in which layoffs are contemplated with the intent of minimizing the use of such overtime. Management, at its sole discretion, will determine the level of overtime to be worked.

Section 8.3 Definitions

8.3(a) "Job Classification." The term refers to a job that the Company defines with a six digit alphanumeric code as set forth in Article 22.

8.3(b) Skills Management Code. Skills Management Code is referred to throughout this Article as "SMC." SMCs identify unique knowledge, skills, abilities, and environments within the job family.

~~**8.3(c) "Job Activity Code"** is defined for the purposes of this Article as the occupation or sub-occupation, job family, and skills management code. The preface to Appendix A explains and identifies the various code letters and numbers.~~

8.3(cd) "Major Organization." The term means a major organizational element of the Company reporting to the Chief Executive Officer of The Boeing Company or identified as such a Major Organization by the Chief Executive Officer of The Boeing Company. The Company shall provide to the Union in writing a current list of major organizations and advise the Union as soon as practicable of changes made thereto.

8.3(de) "Surplus." The term refers to a condition in which the Company determines that the assigned number of individuals exceeds the needs of the activity, project, program or organization to which the individuals are assigned. A surplus may or may not result in layoffs. To the extent deemed practicable by the Company, surpluses will be resolved by placing individuals in other assignments.

Section 8.4 Retention ~~Ratings/Indexing/Ratings~~. Each employee will be assigned by the Company a retention comparative rating as follows, giving consideration to the each employee's competence, diligence, and demonstrated usable capabilities based upon the employee's as well as current performance and a review of the employee's previous performance.

The individual rating will be referred to as a "retention rating," and the process of applying these ratings and compiling them in order of rating, as retention indexing.

Retention ratings assigned to employees prior to the execution date of this Agreement will remain in effect until changed under provisions of this Article.

~~**8.3(b)(1)**~~**8.4(a) Frequency.** A retention index review will be held at least ~~three~~ (3) four (4) times during the term of this Agreement and not less frequently than once each twelve months following the execution date of this Agreement, with the precise intervals to be determined by the Company. The Company will attempt to complete retention index reviews as near as practicable to completion of the final review phase of the Performance ~~Evaluation-Management~~ process.

~~8.3(b)(2)~~8.4(b) Retention Index Group Make-up. Retention index groups shall be comprised of employees with identical job classifications and SMCs. Employees with identical job classifications and SMCs are to be grouped so as to keep to the lowest practicable minimum the number of separate groups in each Major Organization. All the employees in a retention index group shall be in the same Major Organization.

8.4(b)(1) Employees on part-time work schedules as defined in the Letter of Understanding entitled "Part-time Employment" will be retention indexed with employees on full-time work schedules. Length of Company service will be a positive factor to the extent that the experience so gained continues to be reflected in increased capability.

8.4(b)(2) Interns. All employees in an intern job classification will not be included in or subject to the periodic retention index review.

~~8.3(b)(3)~~8.4(c) Review Process. The Company will determine the retention rating of each employee, the members of management who will participate in retention index reviews, the retention index groups to be used, the timing, and the other mechanics and details of such reviews. The Company will instruct and periodically will reinstruct Members-members of management participating in the reviews-process ~~will be instructed by the Company to make-assign~~ retention ratings assignments ~~with the greatest possible care and objectivity~~, giving full consideration to the objectives stated in 8.3(a)8.2 and-8.3(b) 8.4. Such instructions will stress that retention rating-indexing is to be assigned accomplished without regard to potential adjustments for Company service as provided for in ~~8.3(b)(5) 8.4(f).~~ It is recognized that any practicable process of assigning a retention rating-indexing to each employee cannot be completely free of error as to method used or as to resulting retention ratings, taking into account: the large numbers of employees, job classifications and SMCs, organizations and requirements involved; the fact that numerous management representatives necessarily must participate in the process; and that many of the factors which must be dealt with are intangible in nature. Managers with employees on a cross training, rotational, or other temporary assignment should contact appropriate managers to solicit input, as applicable.~~The review process shall not be subject to the grievance and arbitration procedure; however, an employee may appeal the employee's assigned retention rating as provided in 8.3(b)(7)).~~

~~8.3(b)(4)~~8.4(d) Distribution. Retention indexing will result in each employee being rated in one of three (3) categories, hereinafter referred to as R1, R2 and R3. Each employee will be assigned a retention rating such that, as nearly as is mathematically practicable, ~~and except as provided in 8.4(h) and 8.3(b)(9),~~ the retention rating distribution for each job classification and SMC within each retention index group is R1 - 38 to 42%, R2 - 38 to 42%, and R3 - 18 to 22%. Employees classified as Technical Principals shall not be subject to those distribution requirements.

Since personnel transactions will occur subsequent to each periodic review, it shall not be necessary to maintain this distribution during intervals between periodic reviews.

8.4(e) Designating Employees as Ineligible for Priority Recall Consideration. ~~A mutually agreed upon process has been developed and implemented for the purpose of identifying employees who, while not subject to 8.4(b)(3), will be declared ineligible for first consideration recall rights. This process includes the following elements:~~

Designated employees will be identified as part of the retention indexing process and advised in writing via the retention rating notification per 8.4(g) that, in the event of layoff during the period of time between retention index reviewses, they will have no priority recall consideration.

Designated employees must have an assigned R3 retention rating.

Designated employees will be identified by skill teams.

Designated employees who have one full year of service and who elect to receive income continuation benefits under 21.3(b) will nevertheless be ineligible for priority recall consideration.

Employees who have been so designated will be provided with an Employee Improvement Action Plan which will identify the specific conditions leading to the designation and improvements necessary to avoid such designations in the future. Management and the employee will have on-going discussions about the employee's progress in achieving the objectives outlined in the action plan. The Company will promptly notify the Union of the identities of designated employees. The identification of designated employees shall not be subject to Article 3; however, designated employees may appeal the designation regardless of their previous retention rating in accordance with ~~8.3(b)(7)~~8.4(h).

Designations ~~pursuant to this Letter of Understanding~~ will remain in effect until the next scheduled retention index review exercise or the employee's designation is reevaluated per 8.6(b)(3) prior to layoff.

8.3(b)(5)8.4(f) Adjustments for Company Service. As a part of each periodic retention index review, and immediately following completion of the distribution procedure set forth in 8.4(d), ~~the adjusted~~ retention ratings ~~of certain employees~~ will be ~~adjusted~~ assigned in compliance with the following:

Employees with twenty (20) or more years of Company service whose assigned retention rating is R3 will be given an adjusted retention rating of R2.

Employees with thirty (30) or more years of Company service whose assigned retention rating is R2 will be given an adjusted retention rating of R1. Such adjustments will be reflected in the written notification to each employee

described in 8.4(fg). (Employees who reach the aforementioned Company service dates between periodic retention index reviews will receive an adjusted retention rating accordingly.)

Employees may elect to temporarily waive any service adjustment by sending a digitally signed email to their Skill Captain stating their desire to waive their adjusted rating. The waiver of the service adjustment will remain in place until the next periodic retention index review.

The adjusted retention rating shall apply as regards the layoff sequence described in 8.53(d). Employees designated pursuant to the process described in ~~the Letter of Understanding entitled "Designated Employees"~~8.4(e) for two (2) consecutive retention index reviews will not be eligible for service adjustments upon receipt of the second designation. Such employees may appeal their designation using the process described in ~~8.3(b)(7)8.4(h)~~.

~~8.3(b)(6)8.4(g)~~ Employee Notification. Following each periodic retention index review, the Company will provide each employee with a written notification of the employee's retention rating ~~prior to~~not later than the effective date, except where such a schedule is made impracticable due to the unavailability of the employee or the supervisor occasioned by vacations, travel assignments, etc. In such circumstance the notification will be given as soon as practicable. In addition, management will offer to discuss the new retention rating with employees. The written notification will contain the following elements:

~~8.4(f)(1)~~ The employee's job classification and SMC,

~~8.4(f)(2)~~ The employee's assigned retention rating ~~prior to~~ and adjusted rating, if any, following any adjustment under ~~8.3(b)(5)8.4(f)~~,

The effective date of the retention rating,

~~8.4(f)(3)~~ The number of employees in each of the three (3) retention index categories ~~[as adjusted under 8.3(b)(5)8.4(f)]~~, within the employee's retention index group ~~and the total number of employees in the job classification and SMC within the Major Organization, as appropriate under the provisions of~~ as defined in 8.3(b)(2)8.4(b),

The Assessment Criteria used for the employee's job classification and SMC,

~~8.4(f)(5)~~ The name of the member of management who chaired the review (~~Retention Skill~~ Captain).

The notice to an employee who is identified by their skill team as designated per 8.4(e) shall include the following statement: **Designated:**

In the event of layoff during the period of time between this retention rating effective date and the next you will have no first consideration recall rights.

~~8.3(b)(7)~~**8.4(h)** **Retention Rating Appeals.** The retention indexing process will not be subject to the grievance procedure; however, an employee who feels the ~~assigned~~ retention rating assigned during the periodic retention index review is inappropriate may at any time discuss the matter with his or her immediate supervisor. If within 30 calendar days following notification of the assigned retention rating, the employee elects to appeal the rating, and discussion with the immediate supervisor has not resolved the employee's concern, certain ratings may be appealed for further review as provided below:

~~8.3(b)(7)a~~**8.4(h)(1)** The assigned retention rating represents a one or more position drop from the previous assigned rating and it is substantiated that the drop is not due to the effect of a workforce reduction and/or consolidation of retention index groups.

~~8.4(h)(2)~~ ~~8.3(b)(7)b~~—The employee has remained in the same job classification and SMC and been assigned a retention rating of R3 during four (4) or more consecutive retention reviews.

~~8.3(b)(7)c~~—~~Employees who currently hold an assigned retention rating of R3 whose retention rating was previously adjusted to R1 for Company service may appeal an assigned R3 rating during the first retention review process of this Agreement.~~

~~8.4(h)(3)~~ ~~8.4(g)(3)~~ Employees designated pursuant to the 8.4.(e) may appeal their designation regardless of their previous retention rating.

~~8.4(h)(4)~~ ~~8.3(b)(7)d~~—The employee so affected will address his or her concerns in writing to the Union setting forth the basis for such appeal.

~~8.4(h)(5)~~ ~~8.3(b)(7)e~~—If the Union believes the employee's appeal warrants further review, the Union will notify the Enterprise Senior Workforce Manager within ten (10) workdays of receipt of the employee's appeal.

~~8.4(h)(6)~~ ~~8.3(b)(7)f~~—Within ten (10) workdays following such notice, a Skill Team/Functional Human Resources Representative, a Workforce or Employee Relations Representative and a Union Representative will meet to resolve the appeal. Pertinent information may be obtained from the employee, the immediate supervisor, and/or the ~~Retention-Skill~~ Captain for this meeting.

~~8.4(h)(7)~~ ~~8.3(b)(7)g~~—The parties identified in ~~8.3(b)(7)f~~~~8.4(h)(6)~~, above, will resolve the appeal by majority decision at the meeting or within five (5) workdays thereafter. In the event the Union considers the decision to be inappropriate to the facts of the case, the Union may advance its appeal to the Enterprise Senior Workforce Manager. Such resolution by majority

decision or by decision of the Enterprise Senior Workforce Manager will be final and binding and will conclude the appeal process.

~~8.4(h)(8) 8.3(b)(7)h~~—If the result of an appeal over a two-position drop in retention rating is in favor of the employee, one of the following options may be selected as determined by Company and Union representatives:

Restoration to the previous retention rating of R1, or
Modification of the assigned retention rating to R2.

~~8.3(c)~~8.4(i) **Out-of-Sequence Retention Ratings.**

~~8.3(c)(1)~~8.4(i)(1) The retention rating of an employee who is reclassified between periodic retention index reviews will not change except as follows:

~~8.3(c)(1)a~~8.4(i)(1)a With a reduction in level within a job family, the employee will automatically receive a retention rating of R1 until the next retention index review.

~~8.4(i)(1)b 8.3(c)(1)b~~—With an increase in level within a job family, the employee will automatically receive a retention rating of R3 until the next retention index review.

~~8.4(i)(2) 8.3(c)(2)~~—An employee who returns from leave of absence between periodic retention index reviews shall retain the same retention rating as before the leave of absence until management assigns the employee a different retention rating and so notifies the employee.

~~8.4(i)(3) 8.3(c)(4)~~—An individual who returns from layoff shall be assigned the retention rating of record at the time of layoff, providing there has not been a retention index review during the layoff period. The individual will automatically be assigned retention rating R3 if a retention index review has been conducted during the layoff period.

~~8.4(i)(4) 8.3(c)(3)~~—An individual who transfers into the bargaining unit between periodic retention index reviews shall automatically be assigned retention rating R3 until management assigns the employee a different retention rating and so notifies the employee.

~~8.4(i)(5) 8.3(c)(5)~~—The out-of-sequence retention rating assigned under the provisions of ~~8.4(i)(1) 8.3(c)(1)~~ through ~~8.4(i)(4) 8.3(c)(4)~~ will be reaffirmed or superseded by the retention rating assigned during the next periodic retention index review.

~~8.4(i)(6) 8.3(c)(6)~~—An employee whose job family and skills management code changes between periodic retention index reviews will be regarded as having the retention rating held immediately prior to the job family and skills

management code change, until management assigns a different retention rating and so notifies the employee.

Section ~~8.3(d)~~ 8.5 Redeployment Procedures.

~~8.5(a) 8.3(d)(1)~~ Application. When a workforce reduction is determined by management to be necessary within one or more job classification(s) and SMC(s) in a Major Organization, management will follow the applicable provisions of Article 9 and designate for layoff the required number of employees within such job classification(s) and SMC(s), beginning with the lowest retention rating. Exceptions to the designation for layoff may be made by the Company where it desires to retain by level a maximum of 20% or three employees, whichever number is greater, within an affected job family and SMC in the Major Organization as of the time of the most recent retention index review.

Rounding is permitted within the following parameters:

<u>No. of Employees</u>	<u>Parameter</u>
<u>1 to 17</u>	<u>up to three (3) employees may be subject to the 20% exception</u>
<u>18 to 22</u>	<u>four (4) employees may be subject to the 20% exception</u>
<u>23 to 27</u>	<u>five (5) employees may be subject to the 20% exception; etc.</u>

Employees designated for layoff who are in Level 2 or B and above shall receive a downgrade offer as an option to layoff, if, within the same Major Organization, there are lower level employees (regardless of retention rating) within the same job family and SMC.

~~8.5(b) 8.3(d)(2)~~ Nothing in this Article is intended to preclude management from using other actions, such as employee transfers, reclassifications, reassignments, or combinations thereof, ~~based on the employee's knowledge, skills, and abilities,~~ which are not inconsistent with the terms and conditions set forth in this Agreement, in order to avoid or reduce the necessity to initiate or carry out workforce reductions.

~~**8.3(d)(4)** Employees designated by the Company for special training in programs approved by the Major Organization Director of Human Resources will be assigned a unique SMC in accordance with the Letter of Understanding entitled "Retraining Skill Transition."~~

~~8.3(d)(5)~~8.5(c) Employees laid off after refusing less than equivalent job offers made as a result of redeployment activities will be considered involuntary layoffs and will be eligible for layoff benefits as defined in Article 21.

~~8.3(d)(6)~~8.5(d) During periods of surplus activity, the Company may make available programs intended to mitigate the impact of layoffs. The Company will advise the Union of these programs and their availability.

~~8.3(d)(3)~~8.5(e) Employees on travel status may not be laid off while on such status. Such employees shall not be counted among or reduce the number of exceptions permitted by the provisions of ~~8.38.5~~ nor shall their retention rating prevent the layoff or downgrade of employees with higher retention ratings who are otherwise subject to such action.

~~8.3(e)~~ 8.5(f) **Exceptions to Foregoing Procedures.**

~~8.3(e)(1)~~8.5(f)(1) The Company may lay off employees from the unit without regard to the provisions of ~~the this layoff~~ procedures ~~set forth in 8.5~~, provided the number of such layoffs per month does not exceed 0.25% (one quarter of one percent) of the total number of employees employed in the bargaining unit on the first day of that month.

~~8.5(f)(2)~~ ~~8.3(e)(2)~~ In instances where, in the opinion of ~~the Company management~~, the ~~layoff foregoing~~ procedures set forth in ~~8.38.5~~ do not achieve the objectives stated in ~~8.3(a)8.2~~, exceptions thereto, without any limitation as to the number, may be made when approved by the Chief Executive Officer of the Company or designated representative. It will be the responsibility of any supervisor who recommends such an exception to prepare and transmit through the line organization to the Major Organization Manager, and then to the Office of the Chief Executive Officer of the Company or designated representative, a detailed report of the proposed exception(s) and the reasons therefor. An explanation, prior to implementation, will be provided to the Union.

Section ~~8.6~~8.4 Layoff Status and Return to Active Employment.

~~8.6(a)~~ ~~8.4(a)~~ **Maintenance of Layoff Status.**

~~8.6(a)(1)~~ ~~8.4(a)(1)~~ Each employee laid off under the provisions of this Article will remain on layoff status for a total period of three

(3) years from the date the layoff was effective, subject to ~~8.6(a)(3)~~8.4(a)(2).

~~8.6(a)(2)~~ The Company will maintain a list of the names of all laid off employees, except those determined ineligible under ~~8.6(b)(3)~~8.4(b)(3), those who have received layoff benefits as a lump sum under 21.3(a), and those identified under ~~the Letter of Understanding entitled "Designated Employees."~~8.4(e).

~~8.6(a)(3)~~8.4(a)(2) An employee shall remain on layoff status for recall consideration and layoff benefits in accordance with ~~8.6(a)(1)~~8.4(a)(1), provided he or she does not:

~~8.6(a)(3)a~~ ~~8.4(a)(2)a~~ Reject consideration for employment, for example, fail to respond to a Company contact, letter of interest, request to update Conflict of Interest status, or formal offer from the Company of a job within

ten (10) workdays after such contact by the Company or by such later date as may be stipulated by the Company, or the Company was unable to contact the laid off employee due to non-existent or inaccurate contact information on record in TotalAccess and the Company's Employment Staffing System, or

8.6(a)(3)b 8.4(a)(2)b—Refuse a formal offer from the Company for a full-time job within the bargaining unit or in the same labor market area from which laid off, for which the salary and level offered is equal to or greater than the employee's salary at the time of layoff plus any contractual minimum wage increases that were applied during the time period between layoff and recall, or

8.6(a)(3)c 8.4(a)(2)c—Fail to report to work within ten (10) workdays following acceptance of a formal Company offer or on such later date as may be stipulated in the Company offer, or

8.6(a)(3)d 8.4(a)(2)d—Elect retirement under the Company Retirement Plan thereby removing themselves permanently from layoff status.

8.6(a)(4) 8.4(a)(3)—Employees removed from layoff status for any reason other than retirement or expiration of the three-year period following layoff will be notified in writing of such removal, and the reasons therefor, by the Company.

8.6(a)(5) 8.4(a)(4)—Laid off employees who are prevented from meeting the conditions described in 8.6(a)(3)a8.4(a)(2)a, 8.6(a)(3)b8.4(a)(2)b, 8.6(a)(3)c8.4(a)(2)c, or 8.6(b)(4) 8.4(b)(4)—solely due to medical disability, verified to the Company's satisfaction by their personal physician, shall upon request be granted a waiver for the missed requirement(s).

8.6(a)(6) 8.4(b)(5)—If any employee on layoff status disputes his or her recall status as reflected in Company records, Company records shall prevail unless the employee can produce proof of registration pursuant to 8.6(b)(4).

8.6(b) 8.4(b)—Return to Active Employment.

8.6(b)(1) 8.4(b)(1)—It is a mutual objective of the Company and the Union that laid off employees who have not been determined ineligible under 8.6(b)(3)8.4(b)(3), 21.3(a), or the Letter of Understanding entitled "Designated Employees"8.4(e) be recalled to active employment, and a mutual desire that such recall into the Major Organization from which the employee was laid off be offered in approximate reverse order of layoff, with the objective of matching laid off employee skills to job requirements as defined in 8.6(b)(1)c8.4(b)(1)c. Accordingly, laid off employees on file for recall pursuant to 8.6(b)(4) 8.4(b)(4)—will be offered return to active employment within the applicable job classification and SMC in approximate reverse order

of layoff, prior to workforce additions from sources external to the Company, subject to the following limitations:

~~8.6(b)(1)a 8.4(b)(1)a~~—Eligible laid off employees must set up and maintain a profile in the Company's Employment Staffing System.

~~8.6(b)(1)b 8.4(b)(1)b~~—Nothing in ~~8.48.6~~ will preclude the Company from concurrently hiring from sources outside the Company when projected requirements exceed the number of laid off employees in applicable job classification(s) and SMC(s) on file pursuant to ~~8.6(b)(4) 8.4(b)(4)~~ who are eligible for an offer of recall. In such instances, qualified laid off employees with priority recall consideration within the applicable job classification and SMC shall be extended a job offer.

~~8.6(b)(1)c 8.4(b)(1)c~~—In making recall ~~and~~ hiring decisions, the Company will review the specific qualifications of individuals on the basis of product familiarity, specialized experience or education, customer requirements, and the need to achieve the most efficient and accurate match of individual capabilities to job requirements. Consequently, not all Company decisions relating to recall ~~and~~ hiring can promote the mutual objective and desire stated above. Accordingly, only decisions relating to matching employee's skills to job requirements will be subject to Article 3 following completion of a review by the Enterprise Senior Workforce Manager. Such decisions will not be subject to Article 3.

~~8.6(b)(1)d~~ Within a job classification, when the priority recall roster has been cleared in a specific level yet an opening exists and one or more individuals in lower levels remain on the priority roster, managers should review existing statement of work to determine if statement of work can be reorganized to consider lower level recall candidates and/or review current internal employees to determine if an individual's statement of work and demonstrated skills warrant promotion and subsequently backfill the lower level statement of work with a recall candidate.

~~8.6(b)(2) 8.4(b)(2)~~—The Company periodically will review with the Union the operation of ~~8.6(b)(1) 8.4(b)(1)~~ in order to facilitate achievement of the mutual objective and desire stated above.

~~8.6(b)(3) 8.4(b)(3)~~—Prior to layoff the Company will review employees to determine eligibility for reemployment consideration under ~~8.6(b)(1)8.4(b)(1)~~. The review will be limited to those employees for whom there is supporting documentation of performance deficiencies and/or a pattern of unacceptable conduct. The review will be performed by the cognizant Skill Team Captain for the employee's job classification and SMC. Based on the review, the employee will be advised no later than the time the layoff notice is issued as to his or her eligibility for reemployment consideration under ~~8.6(b)(1)8.4(b)(1)~~. An employee determined ineligible may appeal such determination to the

cognizant Skill Team Captain. If the appeal does not resolve the matter, the employee may then file a grievance in accordance with Article 3. Such grievance shall be limited to the first three (3) steps of the grievance procedure and shall not be subject to arbitration.

8.6(b)(4) 8.4(b)(4) Priority Recall Registration Requirements:

8.6(b)(4)a To be considered for and maintain priority recall status, the following requirements must be completed:

1. Within forty-five (45) days of layoff, the laid off employee must file for priority consideration for return to active employment. The Company will maintain a list of the names of all laid off employees, except those determined ineligible under 8.4(b)(3), those who have received layoff benefits as a lump sum under 21.3(a), and those identified under the Letter of Understanding entitled "Designated Employees." In order to maintain such recall status, the employee must keep the Company informed of his or her interest in returning to active employment by registering for priority recall consideration using electronic filing via the online Recall Registration & Status Tool in TotalAccess. Initial filing for priority recall consideration for return to active employment must occur during the half calendar year in which they were laid off or within 60 days of their layoff date, whichever is greater.
2. A profile must be created and maintained in the Company's Employment Staffing System as required under 8.6(b)(1)a.
3. Priority recall consideration status must be maintained by submitting a letter so stating. The employee must register via TotalAccess by letter once each consecutive calendar half-year period (January through June; July through December) during the three-year period from the date of layoff. Electronic filing for the next half calendar year Registration letters must be completed via TotalAccess received within forty-five (45) days prior to the expiration of the current half-year period and contain the individual's name, BEMS ID, address, and telephone number.

8.6(b)(4)b Individuals who do not properly register in each calendar half-year period will be removed from the have priority recall consideration eligibility list. Failure to register properly will result in priority consideration being revoked for the remainder of the three-year period. Eligible laid off employees on file for return to active employment are subject to the provisions of 8.6(a)8.4(a).

~~8.4(b)(5) If any employee on layoff status disputes his or her recall status as reflected in Company records, Company records shall prevail unless the employee can produce either~~

~~(a) a Company receipt, or~~

~~(b) a properly addressed U.S. Postal Service return receipt evidencing filing of the registration letter during the calendar period in question.~~

8.6(c) 8.4(c) Salary and Level of Returning Laid Off Employees. Company offers to laid off employees for return to active employment will be extended at whatever salary and level is deemed by management to be appropriate and will be equal to or greater than the employee's salary at the time of layoff, plus any contractual minimum wage increases that were applied during the time period between layoff and recall. Rejection of a formal Company offer for a position outside the bargaining unit or a labor market area other than from which laid off, or at a salary lower than the employee's salary at time of layoff plus any contractual minimum wage increases that were applied during the time period between layoff and recall, or a level lower than the level from which laid off, will not be cause for removal from layoff status.

8.6(d) 8.4(d) Employees who remain on layoff status for the full period specified in 8.6(a)(1) 8.4(a)(1) will for a period up to six years from the date the layoff was effective remain eligible for certain additional retirement benefits as specified in the Retirement Plan.

8.6(e) 8.4(e) The Company will maintain a record of all laid off employees who are on layoff status under the above provisions.

Section 8.28.7 Procedure Relating to the Filling of Positions.

8.7(a)8.2(a) The parties agree that it is in their mutual interest to assure that favorable promotional and retention consideration is granted to those individuals who are best able to maintain or improve the efficiency of the Company, further its progress and contribute to the successful accomplishment of current and future business. As such, an individual's qualifications will be evaluated based on the job specifications, Salaried Job Classification, job competencies, work experience relevant to the job, education, and other job-related requirements as specified (for example, security clearances). Accordingly, in the filling of open positions, priority consideration will be given to the development, advancement and retention of the existing workforce. The existing workforce is defined as those employees on the active payroll or on an inactive leave of absence. Considerations for filling job openings are as follows:

8.2(a)(1)8.7(a)(1) Employees on the active payroll who have been declared surplus and/or who have been previously downgraded due to surplus shall have priority consideration for open positions.

~~8.2(a)(2)~~**8.7(a)(2)** The Company may either transfer a qualified employee from within the existing workforce or return a qualified laid off employee from priority recall status.

~~8.2(a)(3)~~**8.7(a)(3)** The Company may either return a qualified employee from active recall status or hire a qualified candidate from external sources.

Company actions set forth in this ~~8.28.7~~ may be appealed by the Union to the Enterprise Senior Workforce Manager, but will not be subject to the grievance and arbitration procedures.

8.2(b)8.7(b) Job Posting Process. The Company will maintain an environment in which employees can make known their interest in transferring to other positions for which they are qualified to perform and which may satisfy their personal needs. A job posting and transfer process will be maintained which will allow employees, without fear of reprisal, to make application for transfer and receive consideration as a candidate for open positions for which they are qualified. All employees, including those involved in surpluses, shall be subject to the terms and conditions of the Company's job posting process per (PRO-6477, approved October 24, 2005) dated May 28, 2008. Release earlier than 12 months will generally be authorized when the releasing management determines such release to be in the best interest of the company and the employee. If management is unable to release prior to 12 months, exceptions must be elevated to the applicable Functional Skill Team to validate business case and consider potential adverse impact to employee. In cases where resolution is not reached through discussion, appeal to the Enterprise Senior Workforce Manager may be submitted. Exceptions to the employee release requirements may be appealed to the Enterprise Senior Workforce Manager in cases where resolution is not reached through discussions with management.

Section ~~8.58.8~~ General Provisions.

~~8.5(a)~~**8.8(a) Compensable Injuries.** Any employee who has been wholly or partially incapacitated for that employee's regular work by compensable injury or compensable occupational disease while in the employ of the Company may, while so incapacitated, be employed in work which the employee can do without regard to the provisions of this Agreement. The Union shall be notified of persons to whom this waiver applies and the effective dates of such waiver.

~~8.8(b)~~ ~~8.5(b)~~ **Veterans.** The Company and the Union, recognizing that the reemployment rights of employees entering or inducted into the Armed Forces of the United States and the Company's obligation to these employees, are the subject matter of legislation, agree that nothing contained in this Agreement will preclude the Company from reemploying such employees in compliance with provisions of applicable laws.

~~8.8(c)~~ ~~8.5(d)~~—Transfer Return Rights. An employee who is transferred by the Company from one of the units described in Article 1 to another, and at the time of such transfer is accorded return rights by the Company in writing, will not be laid off while assigned at such other unit, but will be transferred back to the original unit in accordance with the return rights previously accorded by the Company. An exception will be made if the employee elects to be laid off in which case the employee will waive transfer return rights.

~~8.8(d)~~ ~~8.5(e)~~—Hiring of Employees on Part-Time Work Schedules. The Company will not hire new employees into the bargaining unit on part-time work schedules and will not normally approve part-time work schedules for employees with less than two (2) years of Company service; provided, however, that the Company may rehire retirees on part-time schedules. Approval of part-time work schedules may be revoked at any time at management's discretion.

~~8.1(b)~~ ~~8.8(e)~~ Job Classification and SMC of Record Shall Prevail. Employee reassignments or layoffs under this Article will be based on the employee's job classification and SMC at the time of such action, irrespective of any pending challenge concerning the employee's job classification and SMC. Individual employee or union contentions that a reassignment or layoff is inappropriate because the job classification and SMC prior to layoff or reassignment was inappropriate are specifically excluded from the grievance and arbitration procedure of Article 3. Additionally, the individual employee or union may not claim that the reassignment or layoff should be voided or set aside based on the allegation that the employee's job classification and SMC was inappropriate prior to layoff or reassignment. However, if subsequent to a layoff or reassignment from a job classification and SMC challenged by an employee in accordance with 22.5, the employee's challenge is upheld, then for the purposes of ~~8.48.6~~ the employee's job classification and SMC at the time of the layoff or reassignment shall be construed as that job classification and SMC that was upheld as a result of the employee's challenge. If an employee has requested a review of his or her job classification and SMC pursuant to Section 22.5(e)(1) approximately thirty (30) days prior to notification of layoff or reassignment, then the employee's layoff or reassignment will be held in abeyance, if necessary, pending conclusion of the review under Section 22.5.

Dated: December 2, ~~2005~~2008

**Society of Professional Engineering
Employees in Aerospace**

The Boeing Company

By _____

By _____

Dated _____

Dated _____