

LAST, BEST, AND FINAL COMPANY OFFER
May 17, 2018

The following Company offer represents an integrated proposal, including Tentative Agreements of language changes previously made. Under the provisions of this Integrated Company Offer, all terms and conditions of the Collective Bargaining Agreement (Agreement) between UTC Aerospace Systems/Hamilton Sundstrand Corporation (Company) and The International Union United Automobile, Aerospace and Agriculture Implement Workers of America, Local 592 (Union), shall continue unchanged unless otherwise provided below. Any other Union Proposal not accepted herewith is hereby rejected.

This offer will remain open until midnight, May 20, 2018. If the Union does not accept the Company's Last, Best and Final Offer by that time, it will expire.

Contract Language: All existing contractual provisions (including Letters of Agreement) will continue unchanged unless the parties have expressly agreed to amend or delete such provisions and Letters of Agreement or as is otherwise provided in this offer. Those contractual provisions (including Letters of Agreement) that the parties have expressly agreed to amend, delete, or add to the contract are set forth in tentative agreements previously made during the present contract negotiations.

Agreement:

Agreement entered into effective May 21, 2018

Article 3 – Grievance Procedure:

Section 3.2: Updated language to reflect AS rather than ASE

Section 3.8: Update language to reflect a panel size of seven rather than five. Added language defining arbitration panel selection.

Article 5 – Seniority:

Section 5.1: Deleted reference to “physical fitness”.

Section 5.2: Deleted “or layoff” as referenced in relation to “Probationary Period”.

Section 5.6: Deleted “disease” and added “illness” reference.

Section 5.8: Deleted “disease” and added “illness” reference; Deleted reference to “physical” restriction.

Article 6 – Upgrading and Job Posting:

Section 6.2: Added existing Letter of Agreement regarding 80:20 ratio

Section 6.3: Deleted “physically”; updated reference to “Union Committee Members” rather than “Union Representatives”.

Section 6.6: Added language to provide clarity regarding posting eligibility.

Article 7 – Leaves of Absence:

Section 7.5: Added existing Letter of Agreement regarding Family Medical Leave Act (FMLA); added new language regarding applicable leaves running concurrent with FMLA.

Section 7.7: Added language providing two (2) paid days with the ability to take them in two (2) hour increments.

Section 7.8: Added language reflecting State Certified First Responder service.

Article 8 – Vacations:

Section 8.1: Updated effective date to reflect May 21, 2018.

Section 8.9: Deleted language permitting employees to take up to sixteen (16) hours vacation per year in two (2) hour increments.

Article 9 – Holidays:

Section 9.1: Updated holiday schedule to reflect a 5-year Agreement.

Article 10 – Hours and Overtime:

Section 10.1: Updated language to reflect proper legal reference.

Article 13 – Safety and Health:

Section 13.2: Updated language to reflect proper procedure reference.

Section 13.4: Added existing Letter of Agreement language regarding safety shoes to Collective Bargaining Agreement. Increased safety shoe allowance from \$125 to \$150 each year.

Article 14 – Wages:

Section 14.2: Updated language to reflect the following:

- 2.5% increase effective May 21, 2018
- 2.5% increase effective May 20, 2019
- 2.5% increase effective May 18, 2020
- 2.5% increase effective May 17, 2021
- 2.5% increase effective May 16, 2022

Section 14.7: Updated language to reflect employees will not be farmed-out during their probationary period.

Appendix A – Job Classification and Rates:

Updated “Job Classification and Rates” table

Appendix B – Insurance:

Updated to reflect 2018 plan design and contributions.

Appendix C – Pension:

Updated to reflect pension multiplier increase to \$64 effective May 21, 2018

Updated to reflect pension multiplier increase to \$69 effective May 21, 2021

Updated “Supplemental Benefit Schedule” effective May 21, 2018 and increased rate by \$1.00 in each age category.

Updated “Supplemental Benefit Schedule” effective May 21, 2021 and increased rate by \$1.00 in each age category.

Updated “Supplemental Benefit” for employees with 30 or more years of service effective date May 21, 2018 and increased the benefit by \$200.

Updated “Supplemental Benefit” for employees with 30 or more years of service effective date May 21, 2021 and increase the benefit by \$200.

Added new language eliminating pension eligibility for employees hired after January 1, 2020.

Added new language regarding Company Automatic Contribution for employees hired after January 1, 2020.

Article 20 – Termination:

Section 20.1: Updated dates to reflect duration of Agreement.

Bonus #1:

\$2,500 at ratification (2018) with 50% Savings Plan and/or HSA match

Bonus #2:

\$2,000 in 2022 with 50% Savings Plan and/or HSA match

Ratification Bonus Election Form