

**Proposed 2014 Collective Bargaining Agreement (CBA)**  
**Textron Aviation and International Association of Machinists and Aerospace Workers (IAM)**

Topic	Summary of Changes **All information subject to contract ratification			New for Beechcraft	New for Cessna	New for All
<b>Duration of Agreement</b>	6 years • Review of seniority in 2016					✓
<b>Wage Increases</b>	2015	3.0%	GWI			
	2016	1.5%	Lump Sum			
	2017	2.0%	GWI			✓
	2018	1.5%	Lump Sum			
	2019	1.5%	GWI			
<b>Performance Bonus Pay</b>	<ul style="list-style-type: none"> <li>2015-2017: 2% of base wages at target, maximum of 4%</li> <li>2018-2020: 3% of base wages at target, maximum of 6%</li> <li>Payment earned quarterly and paid in annual lump sum <i>Paid out near target the last two years at Cessna</i></li> </ul>					✓
<b>Cost of Living Adjustment (COLA)</b>	<ul style="list-style-type: none"> <li>Full COLA with caps: \$700</li> <li>Annual COLA adjustments paid in annual lump sum each September</li> </ul>			✓		
<b>Automatic Increases</b>	\$0.26 every 3 months			✓		
<b>Daily Overtime</b>	5x8 schedule	9-10 hours = 1.5x pay 10+ hours = voluntary & 1.5x pay		✓		
	6th day schedule	1.5x pay 10+ hours = voluntary & 1.5x pay				
	7th day schedule	Voluntary only. 2x pay if worked.				
	Alternate schedule	Unchanged				
Notice required: 8 hours for weekend, 4 hours for weekday						
<b>Longevity</b>	Cessna: Eliminated longevity pay. Current longevity pay added to base wages.				✓	
<b>Shift Premium</b>	2nd, 6th, 8th shifts	45 cents per hour				
	3rd shift	30 cents per hour 8 hours pay for 6.5 hours			✓	
<b>Earned Time Off (ETO)</b>  (Formerly known as Personal Sick Leave (PSL))	<b>Years of Service</b>		<b>Annual ETO Accrual</b>			
	0 - 3		24 hours			
	3 - 4		32 hours			
	4 - 5		40 hours			
	5 - 6		48 hours			
	6 - 7		56 hours			
	7 - 8		64 hours			
	8 - 9		72 hours			
	9 +		80 hours			✓
<ul style="list-style-type: none"> <li>Effective Jan. 4, 2015, ETO will accrue monthly based on the employee's benefit accrual date.</li> <li>Maximum carryover: 300 hours (excess paid on Jan. 2, 2015)</li> </ul>						

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Vacation	<table border="1"> <tr> <td>0-2 years</td> <td>1 week</td> </tr> <tr> <td>2-8 years</td> <td>2 weeks</td> </tr> <tr> <td>8-18 years</td> <td>3 weeks</td> </tr> <tr> <td>18+ years</td> <td>4 weeks</td> </tr> </table> <ul style="list-style-type: none"> <li>Vacation accrues monthly on your benefit date. Annual carryover is 2x accrual.</li> <li><u>Beechcraft</u>: In January 2015, will receive the time accrued from 2014 and begin accruing monthly for 2015.</li> </ul>	0-2 years	1 week	2-8 years	2 weeks	8-18 years	3 weeks	18+ years	4 weeks			✓								
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Holidays	Recognize 12 paid holidays per year. <u>Beechcraft</u> : Addition of Martin Luther King, Jr. Day as paid holiday & Veterans Day as optional day off without pay.	✓																		
Bereavement	Enhanced language to include additional family members.			✓																
Crew Chiefs	<ul style="list-style-type: none"> <li>Crew Chiefs receive \$1.00 per hour over their current rate of pay at the time of promotion and will continue automatic increases until they reach the grade maximum plus \$1.00.</li> <li>The maximum rate of pay for a Crew Chief shall be \$1.00 over the employee's current grade maximum.</li> <li><u>Beechcraft</u>: Current Crew Chiefs will remain in positions and pay will be grandfathered.</li> </ul>	✓																		
Health Insurance	<ul style="list-style-type: none"> <li>Bargained employees choosing an HSA plan will receive company-funded HSA deposits as follows:</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>2016-2017</th> <th>2018-2020</th> </tr> </thead> <tbody> <tr> <td>Employee</td> <td>\$1,000</td> <td>\$750</td> <td>\$500</td> </tr> <tr> <td>Employee + 1</td> <td>\$1,500</td> <td>\$1,125</td> <td>\$750</td> </tr> <tr> <td>Family</td> <td>\$2,000</td> <td>\$1,500</td> <td>\$1,000</td> </tr> </tbody> </table>		2015	2016-2017	2018-2020	Employee	\$1,000	\$750	\$500	Employee + 1	\$1,500	\$1,125	\$750	Family	\$2,000	\$1,500	\$1,000			✓
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Retirement Plan	<ul style="list-style-type: none"> <li><u>Beechcraft</u>: Active employees maintain current RISP plan.</li> <li><u>Cessna</u>: Active employees maintain current Textron pension plan. Effective Oct. 17, 2014, basic pension increase from \$57.00 to \$59.00 a month per credited year of service.</li> <li><u>New Hire</u>: New hires following ratification date will participate in a 4% defined contribution retirement plan.</li> </ul>		✓																	
401(K)	50% company match up to 6% contributed by employee	✓																		
Tobacco-Free Campus	Beginning March 31, 2015, Textron Aviation will eliminate all smoking and tobacco related products from its East campus. Cessation classes will be available later this year.	✓																		
Voluntary Retirement Program (VRP)	Program eligibility and benefits: <ul style="list-style-type: none"> <li>60 years of age as of Dec. 27, 2014</li> <li>Minimum of 10 years of service as of Dec. 27, 2014</li> <li>\$35,000 incentive</li> </ul>			✓																
Job Security	Major manufacturing operations are defined as Citation Final Assembly, King Air Final Assembly, Baron/Bonanza Final Assembly and T-6 Final Assembly.																			
Additional information	Visit <a href="http://www.txtav.com/negotiations">www.txtav.com/negotiations</a> for additional information on the proposed contract.																			

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<b>Seniority</b>	<ul style="list-style-type: none"> <li>• Division/subdivision Seniority by classification (job code)               <ul style="list-style-type: none"> <li>○ <b>Aircraft Division</b> <ul style="list-style-type: none"> <li>▪ <u>East subdivision</u> <ul style="list-style-type: none"> <li>• Active employees under Beechcraft CBA as of 3/14/2014</li> </ul> </li> <li>▪ <u>West subdivision</u> <ul style="list-style-type: none"> <li>• Active employees under Cessna CBA as of 3/14/2014</li> </ul> </li> <li>▪ <u>Integrated subdivision</u> <ul style="list-style-type: none"> <li>• All new hires after 3/14/2014 &amp; all recalls on or after 10/17/2014</li> <li>• No rights to East or West subdivisions</li> </ul> </li> </ul> </li> <li>○ <b>Wichita Citation Service Division</b> (per Cessna CBA)</li> <li>○ <b>Parts Division</b> (per Cessna CBA)</li> </ul> </li> <li>• In the event of relocation of work between facilities in Wichita, employees remain in their assigned subdivision regardless of work location</li> </ul>																																																																												
<b>Transfers (Shift Preference &amp; Lateral/Promotion)</b>	<ul style="list-style-type: none"> <li>• Provides ability to transfer shifts and/or lateral/promotion movement between departments</li> <li>• Shift preference will be honored first within the department</li> </ul>																																																																												
<b>Layoffs</b>	<ul style="list-style-type: none"> <li>• By division / subdivision seniority within a classification (job code)</li> <li>• Reduce Integrated subdivision first               <ul style="list-style-type: none"> <li>○ No rights to East or West subdivisions</li> </ul> </li> <li>• Reduce by equal percentages from East and West subdivisions once Integrated subdivision is exhausted</li> </ul>																																																																												
<b>Recall Rights</b>	<ul style="list-style-type: none"> <li>• Revised as of Oct. 17, 2014, as follows:               <table border="1" data-bbox="553 932 1161 1033" style="margin-left: 40px;"> <tr> <td>0-5 years</td> <td>24 months (2 years)</td> </tr> <tr> <td>5-9 years</td> <td>48 months (4 years)</td> </tr> <tr> <td>10+ years</td> <td>120 months (10 years)</td> </tr> </table> </li> <li>• Active employees as of Oct. 17, 2014, will be recalled into East/West subdivision               <ul style="list-style-type: none"> <li>○ Those with upgrade rights will remain in East/West subdivision</li> </ul> </li> <li>• Inactive with recall rights as of Oct. 17, 2014, will be recalled into Integrated subdivision</li> </ul>	0-5 years	24 months (2 years)	5-9 years	48 months (4 years)	10+ years	120 months (10 years)																																																																						
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<b>Wage Structure</b>	<ul style="list-style-type: none"> <li>• Implement Cessna grade structure consisting of three pay grades.</li> <li>• With the new wage structure, approximately 3,500 employees will be in progressions</li> </ul> <table border="1" data-bbox="461 1243 1430 1717" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2">Beechcraft Current</th> <th rowspan="2">New</th> <th colspan="2">Oct 2014 - Aug 2015</th> <th colspan="2">2015 - 2016</th> <th colspan="2">2016 - 2017</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>Min</th> <th>Max</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>A, B, 1, 2, 3</td> <td>A</td> <td>\$20.39</td> <td>\$32.50</td> <td>\$21.00</td> <td>\$33.48</td> <td>\$21.00</td> <td>\$33.48</td> </tr> <tr> <td>4, 5, 6</td> <td>B</td> <td>\$17.72</td> <td>\$28.01</td> <td>\$18.25</td> <td>\$28.85</td> <td>\$18.25</td> <td>\$28.85</td> </tr> <tr> <td>7, 8, 9, 10</td> <td>C</td> <td>\$15.95</td> <td>\$25.81</td> <td>\$16.43</td> <td>\$26.58</td> <td>\$16.43</td> <td>\$26.58</td> </tr> <tr> <th rowspan="2">Beechcraft Current</th> <th rowspan="2">New</th> <th colspan="2">2017 - 2018</th> <th colspan="2">2018 - 2019</th> <th colspan="2">2019 - 2020</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>Min</th> <th>Max</th> <th>Min</th> <th>Max</th> </tr> <tr> <td>A, B, 1, 2, 3</td> <td>A</td> <td>\$21.42</td> <td>\$34.14</td> <td>\$21.42</td> <td>\$34.14</td> <td>\$21.74</td> <td>\$34.66</td> </tr> <tr> <td>4, 5, 6</td> <td>B</td> <td>\$18.62</td> <td>\$29.43</td> <td>\$18.62</td> <td>\$29.43</td> <td>\$18.90</td> <td>\$29.87</td> </tr> <tr> <td>7, 8, 9, 10</td> <td>C</td> <td>\$16.76</td> <td>\$27.12</td> <td>\$16.76</td> <td>\$27.12</td> <td>\$17.01</td> <td>\$27.52</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Rate of pay below new rate range maximum: Receive automatic increases until their pay meets the new range maximum.</li> <li>• Rate of pay exceeds new rate range maximum: Current rate of pay frozen and not eligible for automatic or general wage increases until new rate range maximum exceeds rate of pay.</li> </ul>	Beechcraft Current	New	Oct 2014 - Aug 2015		2015 - 2016		2016 - 2017		Min	Max	Min	Max	Min	Max	A, B, 1, 2, 3	A	\$20.39	\$32.50	\$21.00	\$33.48	\$21.00	\$33.48	4, 5, 6	B	\$17.72	\$28.01	\$18.25	\$28.85	\$18.25	\$28.85	7, 8, 9, 10	C	\$15.95	\$25.81	\$16.43	\$26.58	\$16.43	\$26.58	Beechcraft Current	New	2017 - 2018		2018 - 2019		2019 - 2020		Min	Max	Min	Max	Min	Max	A, B, 1, 2, 3	A	\$21.42	\$34.14	\$21.42	\$34.14	\$21.74	\$34.66	4, 5, 6	B	\$18.62	\$29.43	\$18.62	\$29.43	\$18.90	\$29.87	7, 8, 9, 10	C	\$16.76	\$27.12	\$16.76	\$27.12	\$17.01	\$27.52
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