



PHOTO NORTHROP GRUMMAN

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

FIDELITY TECHNOLOGIES CORPORATION

AND

THE SERVICE EMPLOYEES INTERNATIONAL UNION

LOCAL NO. 925

(AT NAS WHIDBEY ISLAND, WA)

EFFECTIVE
OCTOBER 1, 2006

Through

SEPTEMBER 30, 2011

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COLLECTIVE BARGAINING AGREEMENT

On this First day of October 2006, Fidelity Technologies Corporation (Fidelity) (hereinafter called the “ Employer”) and the Service Employees International Union (SEIU) Local No. 925, hereinafter called the “Union”, hereby agree as follows:

ARTICLE I **RECOGNITION**

Section 1. Exclusive Bargaining Representative: The Employer recognizes the SEIU, Local 925, as the exclusive bargaining representative with respect to rates of pay, wages, hours of employment and other conditions of employment for all the Flight Crew Simulator Instructors of Fidelity Technologies Corporation, in the bargaining unit on the Contract Simulator Instructor (CSI) Contract at NAS Whidbey Island, WA for the EA-6B Program. Except as otherwise clear from the context, the term “employees” as used in this Agreement means employees in the bargaining unit.

Section 2. Union Security: Each employee covered by this Agreement who fails voluntarily to acquire or maintain membership in the Union shall be required, as a condition of employment, on the 30th day following the beginning of employment to pay Union dues. Alternatively, an employee may pay a “Fair Share Fee” equivalent to the cost of administration and representation of this Agreement. The Employer will make payroll deductions for the Union dues upon receipt, by the Employer, of a voluntary written assignment, one per employee, covering such deduction on a standard Union membership application form. Such deductions will be transmitted by the Employer to the Union at least monthly.

Section 3. Service Contract Act: The Services Contract Act of 1964, so amended (41 U.S.C. 351 et Seq.) will govern in those instances where this Agreement is silent.

ARTICLE II **RIGHTS OF MANAGEMENT**

Section 1. Except as abridged by a specific provision of this Agreement, the Employer reserves and retains all of its normal or inherent rights with respect to the management of the business. This includes (without limiting the generality of the foregoing) its right to establish or continue policies, practices, and procedures for the conduct of the business. This also includes, without limiting the generality

of the foregoing, the Employer's right to select and direct the working force; establish, eliminate, change, or combine work schedules and work assignments subject only to the terms of this Agreement. This also includes, without limiting the generality of the foregoing, the Employer's right to transfer, promote, or demote employees, to lay off, terminate, or otherwise relieve employees from duty for lack of work or other legitimate reasons. The Employer also reserves and retains its right to make and enforce reasonable rules for maintenance of discipline; to suspend, discharge, or otherwise discipline employees; and otherwise to take such measures as management may determine necessary to maintain the orderly, efficient or economical operation of the business.

Section 2. It is understood and agreed that any of the powers and authority the Employer had prior to the signing of this Agreement are retained by the Employer except those specifically abridged, delegated or granted by this Agreement.

The Employer will act in Good Faith and not in a capricious or arbitrary manner.

ARTICLE III **REPRESENTATION**

Section 1. Stewards: The Union will appoint two (2) representatives from among the instructors in the bargaining unit to serve as designated Shop Stewards.

Section 2. Recognition of Stewards: The Employer will recognize the Shop Stewards for representing the application of this Collective Bargaining Agreement at the job site.

Section 3. Written Notice: No person shall have or exercise any of the authority or duties of a Shop Steward unless and until written notice of his appointment, and revocation of all prior appointments, if any, signed by a representative of the Union shall be filed with the designated Employer Representative. The Shop Stewards shall not investigate or process grievances during Employer paid working hours. All such representation related affairs would be conducted during non-working hours.

Section 4. Non Work Time: All representation related affairs will be conducted so as not to interfere with the delivery of services to the customer. When it is necessary for a Shop Steward to leave the immediate work area, he shall first request permission from his Site Manager. Such requests shall not be unreasonably denied, and any problems relating to the issue can be referred to the Employer Program Manager.

Section 5. Representative Access: The Union representative will have access to the work place for the purpose of monitoring contract compliance and grievance

or arbitration investigations. The Union representative will not interfere with the operations of the Site and will provide notice, to the Site Manager or designee prior to entering the work place.

ARTICLE IV **STRIKES, WORK STOPPAGES AND LOCKOUTS**

Section 1. Peaceful Relations: It is the intent of the parties, in the interests of attaining peaceful, orderly relations and efficient, uninterrupted operations, to set forth in this Agreement the obligations of the Employer to the Union and the employees it represents, and to provide the exclusive procedures through which the Union and the employees shall resort to secure redress for any grievances arising from this Agreement.

Section 1.1. The Union shall not cause its members, nor shall any member of the Union take part in any sit-down, stay-in, or slowdown in any Employer location or any curtailment of work or restriction of production or interference with the operations of the Employer.

Section 1.2. The Union shall not cause its members, nor shall any member of the Union take part in any strike of any of the Employer's operations, or picketing of any of the Employer's plants or premises.

Section 1.3. Any employee found guilty of violating this Article may be discharged.

Section 1.4. The Employer will not authorize or direct a lock out.

ARTICLE V **GRIEVANCE & ARBITRATION PROCEDURES**

Section 1. Establishment of Grievance and Arbitration Procedures: Grievances or complaints arising between the Employer and its employees subject to the Collective Bargaining Agreement, or the Employer and the Union with respect to the interpretation or application of any of the terms of this Collective Bargaining Agreement, will be settled according to the following procedure. All timelines contained in this Agreement may be amended by mutual consent only. If the employee or the Union misses a timeline, the grievance will be considered null and void. If the Employer misses a timeline, the grievance will automatically move to the next step of the grievance procedure.

Section 2. Step 1 – Informal Discussion: In order to resolve grievances in the most cooperative way, an employee and shop steward will first hold a meeting with the Site Manager in an attempt to remedy the grievance. The Site Manager will respond within five (5) working days from the date the meeting was held.

Step 2 – Grievance Reduced To Writing: If the grievance could not be resolved informally at step 1, it shall be reduced to writing and submitted to the Site Manager within ten (10) working days from the date of the response in step 1. The Site Manager will have ten (10) working days to meet again with the employee and shop steward and to reach a settlement.

Step 3 – Grievance Moved to Employer Program Manager: If no settlement is reached in Step 2, the employee or the Union may within ten (10) days submit the grievance to the Employer Program Manager. The Program Manager and the Union will have ten (10) working days to meet and/or discuss the matter with the employee and shop steward to reach a settlement.

Step 4 – Grievance Moved to Employer Director of Human Resources: If no settlement is reached in Step 3, the employee or the Union may within ten (10) days submit the grievance to the V.P. of Human Resources or a designated representative. After such submission, the V.P. of Human Resources and the Union may within the next ten (10) working days, unless mutually extended, settle the grievance.

Step 5 – Arbitration: If no settlement is reached in Step 4, then either party may, in writing within ten (10) working days thereafter, request that the matter be submitted to an arbitrator for a prompt hearing as hereinafter provided.

Section 3. Arbitration: The parties shall jointly request American Arbitration Association to submit a panel of seven (7) arbitrators. Such request shall state general nature of the case and ask that the nominees be qualified to handle the type of case by subject matter. When notification of the names of the panel of seven (7) arbitrators is received, the parties in turn shall have the right to strike a name from the panel until only one (1) name remains. The remaining person shall be the arbitrator.

Both the Union and the Employer hereby mutually agree to schedule the arbitration herein forthwith in the interest of prompt resolution of the dispute.

The arbitrator shall be authorized to rule and issue a decision in writing within 30 days on the issue(s) presented for arbitration. The arbitrator's decision shall be binding to both parties.

The arbitrator's fee and expenses shall be borne equally by the Employer and the Union. If the parties mutually agree, a stenographic transcript of the hearing shall be made and filed. The parties shall share equally the cost of such transcript and filing fees.

Section 4. No Alteration of the Collective Bargaining Agreement: In arriving at any settlement or decision under the provisions of this Article, neither the parties nor the arbitrator shall have the authority to alter the Collective Bargaining Agreement in whole or in part.

ARTICLE VI **DISCIPLINARY & DISCHARGE CASES**

Section 1. Just Cause: The Employer wants to assure the Union that it remains committed to respecting the provisions of the Collective Bargaining Agreement regarding just cause in the area of discipline and discharge, as well as the provisions covering the grievance procedures. No employee covered under this agreement will be disciplined or discharged except for just cause. When disciplinary action is contemplated against any employee, the Union will be notified prior to any action being taken.

Section 2. Investigative Meeting: Any employee who is called into a meeting, which they believe could lead to discipline, will have the right to have a shop steward present.

Section 3. Disciplinary Record: An employee's disciplinary record will remain in their personnel file for a period of twelve (12) months. If during this time there has been no similar violations, then the disciplinary record will be expunged from the employee's record.

Section 4. Student Critiques: Student critiques shall not be used as "evidence" leading to disciplinary action, and/or made part of an instructor's evaluation, unless the Employer fully investigates the complaint, including giving the instructor or the Union an opportunity to comment on the critique.

Section 5. Remedies: If after investigation and/or use of Articles V and VI, the charges against an employee who has been suspended or discharged is found to be without merit, the employee will be reinstated with full seniority and back pay.

Section 6. Loss of Certification: An employee, who loses certification and fails to regain certification within thirty (30) days, will be terminated from employment.

Section 6.1 Loss of Access: If employee's security clearances and/or certifications are allowed to lapse through the fault of the Employer and they cannot access the facilities those employees will be paid for all time they would have worked had they been allowed to work.

ARTICLE VII **SENIORITY**

Section 1. Probationary Employees: Probationary employees are defined as those who have not achieved full certification to conduct training events in at

least one of the training categories found below. The usual time of probation will be 120 days from date of hire. If an employee has not achieved certification to conduct training events after 120 days, the Employer and employee will meet to discuss an action plan to enable the employee to gain full certification .

1. NW/PW, NT/PT, TEAMS, or JMPS
2. And any subsequent follow on systems required by the customer

Section 2. Application of Seniority: Employees shall establish seniority in accordance with their prior contractor service date of hire, herein called seniority date. This seniority date, provided it does not cause any inefficiencies in scheduling and is approved in advance by the Site Manager, will be used in determining, vacation scheduling, event scheduling, layoff, recall from layoff, promotions, overtime, transfer and educational opportunities. If two or more employees hold the same seniority date, a lottery will be held to determine the order of seniority for the effected employees.

Section 3. Loss of Seniority Rights: Seniority rights shall be lost due to the following:

- a) Resignation
- b) Discharge for just cause.
- c) Non-Medical Leave of Absence for more than one (1) calendar year.

Section 4. Layoff and Recall Procedures: The seniority list shall be based on the order of seniority and established qualifications to work the remaining jobs. Those with the least seniority will be laid off first, and those with the most seniority will be recalled first. If a more senior employee is determined by the Employer to be unqualified for a remaining job, the Employer will state in writing the reasons for an unqualified rating.

ARTICLE VIII **MISCELLANEOUS**

Section 1. Equal Application of Agreement: The Employer and the Union agree that the provisions of this Agreement shall apply to all employees covered by it without discrimination. In carrying out respective obligations under this Agreement neither will discriminate against any employee on account of race, color, age, religion, sex or national origin or against any qualified employee on the account of a disability or prior U.S. Military service. Also, any reference to the male gender in this Agreement shall be interpreted as including the female gender.

Section 2. Partial Invalidity of Agreement: In the event that any of the provisions of this Agreement shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the provisions hereof.

Section 3. Successors: This Agreement shall be binding upon the Union, the Employer, its successors and/or assigns of the Employer. Successors also agree that all employees currently employed in this agreement shall be retained in their current capacity, with all terms and conditions as outlined in the Collective Bargaining Agreement. The previous Employer agrees to transmit in a timely manner all union membership information to the new Employer when requested.

Section 4. Timesheets: Timesheets shall accurately reflect the amount of hours worked each day. These timesheets shall be signed by each employee, then reviewed and signed by the Site Manager at the end of each pay period. The employee and Site Manager must initial any alteration of entries on the time sheets.

Section 5. Performance Evaluations: Evaluations, if required by the Employer, will be given site-wide on an annual basis. The employee's signature on an evaluation will not indicate agreement with the evaluation. An employee will have the opportunity to respond in writing to a performance evaluation and to have that response attached to the evaluation and kept in the employee's personnel file.

Section 6. Safety: The Employer agrees to meet safety standards as provided by of the Statement of Work as provided by the customer.

Section 7. Establishment of Work Schedules: If provided by the customer, work schedules will be posted no later than the Friday of the week prior. Twenty-four (24) hours notice will be given whenever possible to any employee whose schedule is changed after posting per the Statement of Work.

Section 8. Meet and Consult: In the event significant program changes occur during the life of this Agreement, the Employer agrees to meet and consult with the Union concerning the effect of such changes on bargaining unit employees.

ARTICLE IX **DRUG FREE WORK PLACE POLICY**

It is the goal of both parties to protect the health and safety of employees and to promote a productive workplace, as well as to protect the reputation of the Employer, the Union, and the employees. Consistent with these goals, the Employer prohibits the use, possession, distribution, or sale of drugs, drug paraphernalia, or alcohol at the worksite. The Employer also prohibits an employee from being under the influence of illegal drugs or alcohol while at work. Bargaining unit employees will continue to be subject to drug and alcohol testing under the Employer's substance abuse policy. The Employer agrees that any

such testing will be conducted in compliance with applicable federal or state regulations. All drug and alcohol testing will be at the expense of the Employer.

ARTICLE X
BENEFITS

Section 1. Health and Welfare: Fidelity will fulfill all required benefit entitlements by -paying, for each hour paid, employees SCA Health and Welfare payments of:

10/01/05	10/02/2006	10/01/2007	10/06/2008	10/05/2009	10/04/2010
2.87	4.87	5.37	5.87	6.37	6.87

Section 1.1 Employer Provided Benefits: Or in the alternative employees may elect to participate in any or all benefit(s), provided by the Employer, the cost of which will be deducted from the Health and Welfare benefit stated above.

Section 1.2 Sick Leave: Employees may opt into the Employers sick leave program the cost of which will be deducted from the Health and Welfare benefit stated above. Employees may generally use sick leave in advance of accrual.

Section 1.3 Disability Coverage: Additionally, the Employer provides short term and long term disability insurance paid by the Employer.

Section 2. Personal Leave: The rate of accrual for Personal Leave days will be based on years of service according to the following schedule:

Years of Service	Accrual Rate per Pay Period*	Hours Equivalent	Days Equivalent
1 through 4	0.0577	120.12	15
5 th through 9 th	0.077	160.16	20
10 th through 14 th	0.0866	180.18	22.50
15 th and beyond	0.0962	200.10	25

*The accrual for employees, outside the Core Group, who are regularly scheduled for less than 40 hours per week, shall be based on the average of hours paid during the preceding six (6) pay periods.

Within two (2) weeks of the employees' anniversary date, the employee may elect, in writing, to cash out all or part of their unused accrued Personal Leave. A

maximum of 40 hours of Personal Leave not used or cashed out shall be carried over into the following year.

Section 2.1 Leave In Advance of Accrual: In recognition of the fact that the anniversary dates of certain employees may cause them to not have as much Personal Leave available as they may wish to use, the Employer agrees that employees will generally be permitted to use Personal Leave which they will accrue during the next six months. Employees shall be allowed on a case-by-case basis to request additional advance leave.

Section 3. Holidays: Ten paid SCA Holidays using SCA rules of entitlement as applicable to NAS Whidbey Island WA. Prorated using the second to last previous two (2) pay periods worked, for part time employees.

Section 4. Bereavement Leave: The Company will provide employees with a maximum up to three (3) paid days of bereavement leave to mourn the loss of immediate family members. Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisor' approval use any available paid leave for additional time off as necessary.

Section 5. Union Leave: Employees who are officers, stewards or committee members will be granted up to three (3) days unpaid leave per year for attendance at Union sponsored training or functions. Requests for additional leave will be considered, subject to approval by the Site Manager.

Section 6. Civic Duty: Employees called for jury duty shall be paid the difference between the amount they receive for such service and the amount of straight-time earnings lost by reason of such service, limited to three (3) days.

Regular and part-time employees who are subpoenaed by the Employer to serve as a witness in a trial regarding their duties as an employee, will be compensated by the Employer for the difference between any witness pay received and their normally scheduled hours lost, at the straight-time hourly rate, less any mileage fees received.

Section 7. Unpaid Military Leave: Employees will be allowed unpaid military leave of absence. The employee must request approval from the Site Manager.

Section 8. Military Differential Pay: Ten (10) Days differential pay (difference between Employer earnings & total U.S. government compensation earnings), per calendar year, for employees meeting two-week active duty requirement in active reserves. Differential pay to be paid upon completion of active duty period. The following requirements apply: The employee must:

- Receive Site Manager approval for requested active duty absence
- Provide Site Manager 30 days notice prior to active duty requirement, or as soon as known if less than 30 days.
- Provide Site Manager with copy of active duty orders prior to departure
- Provide Site Manager with copy of Leave & Earnings Statement upon return from active duty
- Provide Fidelity with any additional active duty information that is required to process their active duty differential pay claim.

Benefit is prorated for part time personnel (works less than average of 30 hours per week) using employee hours paid in last twelve months compared to 2080 hours.

Section 9. Unpaid Medical Leave. In situations where paid disability leave is not available, the Employer may choose to provide an unpaid medical leave of absence.

Section 10. Medical Leave. When an employee medical leave of absence exceeds 365 days, the employee will be granted up to 120 days to become re-certified and if successfully completed, all seniority shall be retained. If an employee cannot successfully complete re-certification, they shall be subject to loss of seniority.

Section 11. Donated Leave Program: The Employer may authorize employees to donate their accrued vacation to another employee who is suffering from or who has an immediate family member suffering from an extraordinary or severe illness, injury, or physical or mental condition which has or is likely to cause the employee to take leave without pay or to terminate their employment.

Section 11.1 Documentation: If deemed appropriate, the Employer may require that the recipient employee provide appropriate medical

justification and documentation both of the necessity of the leave and the time which the employee can reasonably be expected to be absent.

Section 12. Family Medical Leave: An employee requiring a leave of absence for a seriously ill parent, spouse or child can request a leave of absence from the Site Manager, who will review the employees' request and provide a timely response. If approved, the employee will receive a leave of absence form provided by the Employer. This form will contain the conditions and instructions for the leave of absence. This unpaid leave cannot exceed twelve (12) weeks. All employees' rights and benefits will be provided under the applicable COBRA requirements.

Section 13. Holiday Pay: Work, as directed by the Employer Program Manager, performed on defined holidays will be paid at the rate of two (2) times the hourly rate.

ARTICLE XI **HOURS OF WORK AND OVERTIME**

Section 1. Overtime: Employees will be compensated at time and one half for all hours worked over forty (40) hours in any workweek.

Section 2. Hours of Work: The hours of work will be governed by the work and scheduling requirements as defined in the current Contract Statement of Work.

Section 3. Worksite Closure. If the customer closes the worksite, employees will be paid their regular rate of pay for hours they would have worked had the workplace not been closed.

ARTICLE XII
COMPENSATION

Section 1. Wages: Wages for Flight Simulator Instructors shall be as shown in the table below.

10/01/05	10/02/2006	10/01/2007	10/06/2008	10/05/2009	10/04/2010
35.02	\$39.86	\$41.84	\$43.95	\$46.14	\$48.45

Section 2. Wages for Probationary Instructors: The hourly rate for probationary instructors will be at 66% of the hourly rate paid to Flight Simulator Instructors until he/she has achieved certification to instruct in one phase of instruction.

Section 3. Signing Bonus: A one time signing bonus of \$1,000.00 per employee, pro rated for part time employees based on hours paid for the January through March quarter of 2006.

ARTICLE XIII
DURATION AND TERMINATION

Section 1. Expiration Date: This Agreement shall continue in full force from October 1, 2006 up to, and including September 30, 2011.

Section 2. Notice to Modify or Terminate Automatic Renewal: This Agreement shall continue in effect unless either the Union or the Employer gives notice in writing to the other party at least thirty (30) days prior to September 30, 2011. If such notice is given, this Agreement shall be open to modification, amendment, or termination, as such notice may indicate.

Section 3. Waiver of Bargaining During Contract Term: The Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waive 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 subjects or matters may not have been within the

knowledge or contemplation of either or both parties at the time that they negotiated or signed this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the day and year first written above.

Fidelity Technologies Corporation By:

The Service Employees
International Union By:

Joseph Russell, General Manager

Antonia K. Bohan V. P.

Glenn Douglas
Director of Human Resources

Donald M. Kohlenberger
CSI

Thomas J. Fedele
CSI

LETTER OF AGREEMENT
BY AND
BETWEEN
SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 925
AND
FIDELITY TECHNOLOGIES CORPORATION

October 1, 2006

The parties having met for the purpose of negotiation and to ensure a stable workforce, agree that for the life of this Agreement the Employer will maintain manning levels that provide the maximum amount of work for each instructor.

Additionally, the following nine (9) employees shall be the Core Group of employees. It is the intention of the parties that this group be offered the opportunity of no less than forty (40) hours of work per week. Where possible, Core Group Instructors will be given prioritized scheduling. Accordingly, members of this group shall be the last to be offered reduced hours, consistent with intelligent business practices

T. Aspery
T. Fedele
G. Jewell
D. Kohlenberger
R. Berggren

R. Bottorff
P. Wasik
R. Wood
TBD

As an employee leaves the Core Group, an employee will be added in order to maintain a roster of nine (9) names.

For the Employer

For the Union