

U.S. DEPARTMENT OF ENERGY
REIMBURSEMENT AUTHORIZATION

NO.

PAGE 1 OF 1 PAGES

PROJECT

LOCATION

Kansas City, Missouri

CONTRACTOR

Honeywell Federal Manufacturing & Technologies, LLC

CONTRACT NO.

DATE OF CONTRACT

DE-AC04-01AL66850

February 28, 1949

The following revision or addition to the approved employment policies and wage and salary schedules of the contractor is approved as an allowable cost, effective July 1, 2003.

Part III - Labor Relations, Section C, hereby is added to Appendix A as follows:

C. Retirement Incentive Program

In calendar year 2003, the Contractor may offer employees of the International Association of Machinists and Aerospace Workers an incentive to retire from their employment. The Contractor shall offer the incentive only to employees who are retirement eligible and who are in those job classifications that the Contractor anticipates will have excess capacity to meet production schedules. The incentive shall not exceed \$15,000 per employee inclusive of taxes, and shall not be considered earnings under any earnings-based benefit plan, including, without limitation, savings plans and pension plans. Employees receiving the incentive must retire from their employment and must execute a General Release and Waiver. This program shall not be considered a reduction in force for any purposes under this Contract, employees shall not be entitled to any benefits provided under this Contract as part of a reduction in force, and the Contractor shall not direct a reduction in force immediately subsequent to this program as a result of the number of employees accepting this incentive.

AGREED TO FOR THE CONTRACTOR BY:


David S. Douglass, President

Date: June 5, 2003

Approved for the U.S. Department of Energy by:

NAME Jerry Kimberly

Contracting
TITLE OFFICER

DATE

6/15/03