



## Partnership Communication



\*\*\*This message is being delivered to all IAM-represented employees at Spirit's Chanute facility\*\*\*

At the beginning of each year, we send an update reflecting the contractual agreement between Spirit and the IAM, and how it affects your compensation and other benefits. This keeps you informed about how we performed in the previous year, and what to expect in the way of upcoming payouts.

Today Spirit announced its financial results for 2014 and we are happy to report we exceeded the company goals Spirit's board of directors set for performance, cost, and cash. As a result, the **company score** for the 2014 Company Short Term Incentive Plan (STIP) is **2, against a target of 1.**

In 2014, company performance made up 70% of the total STIP score for all Spirit employees. In addition to company performance, your total STIP (Performance Bonus) score is impacted by your program/function performance.

Your manager will meet with you this month to discuss your final score and the payout amount you will receive. Payout will occur Feb. 26. In the meantime, you can find more information about the STIP score at [this website](#).

The 2014 STIP (Performance Bonus) payment will be made based on the following score:

- ▶ **IAM Incentive Award Plan**
  - **Company Score:  $2.00 \times 70\% = 1.40$**
  - **Weighted Average Program Score:  $0.71 \times 30\% = .21$**
  - **Total Payout Score:  $1.61 \times 3\% = 4.83\%$  Company Performance (STIP) Bonus**

Regarding Gain Share, in 2014 this metric focused on reducing the amount of scrap, rework and repair, as well as reducing the cost that is driven by those activities. Our goal was a 3% reduction in SRRs. We are very pleased to share that the target metric was exceeded, and the stretch metric of a 6% reduction in SRRs was achieved. A final IAM Gain Share lump sum payout will be made based on the following score:

- ▶ **IAM Gain Share Score: 2.00** (payout will be calculated based upon contract terms and made by Feb. 26)
  - **Gain Share Score  $2.0 \times 2\% = 4\%$  Gain Share Bonus**

**Altogether, your IAM contract has delivered nearly 9% in lump sum payments for 2014 performance.**

The IAM contract with Spirit AeroSystems has many benefits negotiated on your behalf. These benefits exist to bring value to Spirit employees who are covered under the terms of the negotiated contract with Spirit. Your continued hard work and dedication to achieving our shared goals will secure a bright future together in Chanute, as the preferred aerostructures supplier for the world's aviation manufacturers. Here are just a few highlights of the benefits of your long-term contract:

- **Growing your pension & improving your take-home pay**
- **Having a say in what happens with your future through the Joint Partnership Committee**
- **Pride and ownership of Spirit's product and brand**
- **An opportunity to improve your earnings through incentive compensation beyond any other collective agreement in the area by delivering exceptional company performance**

We know Spirit AeroSystems has the best of the best when it comes to the aviation workforce. Both Spirit AeroSystems and the IAM recognize your commitment to excellence, dedication to the company's success, and desire for a bright future together. Thank you for your hard work, resiliency, talent, and teamwork. Keep up the good work!

**Kathy S. Petersen**  
IAM  
Grand Lodge Special Representative

**Jeff Clark**  
Spirit AeroSystems  
Director, Labor Relations