

**AEROJET-GENERAL CORPORATION
SACRAMENTO FACILITY
and the
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
DISTRICT LODGE NO. 725, AND LOCAL LODGE NO. 946**

2011 Negotiations

Article 42

MACHINISTS CUSTOM CHOICE WORKSITE BENEFITS PROGRAM

4201. It is understood and agreed between the parties that the Machinists Custom Choice Worksite Benefits Program of supplemental insurance benefits will be offered to employees in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Members of the bargaining unit will be given an opportunity to spend up to fifteen minutes with an EBS Counselor at the worksite during normal working hours, once per year. The Company reserves the right to coordinate the schedule with EBS to prevent conflict with mission requirements.

4202. The Company will honor payroll deduction requests and remit deductions to the underwriting insurance Company designated by EBS on a schedule, which is mutually agreed to by the Company and EBS. The Union will defend, save, and hold harmless and indemnify the Company from any and all claims, demands, suits or any other forms of liability that shall arise out of the execution of this letter by the Company.

4203. The Company agrees to implement the provisions of this letter as soon as possible after the administrative systems and financial requirements are worked out between the Company and EBS.

4204. The parties agree that the provision of this letter of Understanding will be effective for the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended earlier by mutual agreement between the parties.

The parties have tentatively agreed to the above modification to the 2011-2014 labor agreement.

For the Company

Date

For the Union

The Union reserves the right to add to, subtract from, and/or amend this proposal if it is not accepted in its entirety.