

AGREEMENT

Between

LOCKHEED MARTIN

Aeronautics Company – Fort Worth

and

International Association of Machinists and Aerospace Workers, AFL-CIO,

District Lodge 776,

Local Lodge 776-F

Effective

**07 October 2019**

## ARTICLE ONE

### PREAMBLE

This Agreement made and entered into this 7<sup>th</sup> day of **October 2019**, by and between Lockheed Martin Aeronautics Company - Fort Worth, the “Company,” and the **International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge 776, Local Lodge 776-F**, the “Union,” evidences the desire of the parties to promote and maintain harmonious relations, to encourage economy of operation and to help insure cooperation and understanding among employees.

## ARTICLE TWO

### RECOGNITION

**Section 1.** The Company recognizes the **International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge 776, Local Lodge 776-F** as the exclusive representative of all the employees in the unit, as it was defined by the National Labor Relations Board in Case No. 16-RC-3976 on August 6, 1965, for purposes of collective bargaining pursuant to Section 9 (a) of the Labor Management Relations Act, as amended.

**Section 2.** For the purpose of this Agreement, the term “employee” shall include all Tool/Test Tool Designers, Tool Manufacturing Planners, Manufacturing Planners and Electronic Calibration Planners of the Company at its Fort Worth, Texas Division not performing manual work, excluding all other employees, confidential clerks, foremen, assistant foremen and all other supervisory personnel having authority to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline or effectively to recommend such action.

## ARTICLE THREE

### MANAGEMENT

#### Management Rights

**Section 1.** The management of the plant and the direction of the working force, including the right to hire, classify, promote, suspend or discharge for proper cause, to transfer or relieve employees from duty because of lack of work, or for other legitimate reasons, is vested exclusively in the Company subject to all the provisions of this Agreement.

#### Employee Discipline

**Section 2.** The Company maintains the right to discipline employees and shall apply the following categories when doing so: work performance, employee conduct, or attendance. Attendance discipline will be administered as provided in the Attendance Control Program. It is solely within the Company’s discretion, without redress to the parties’ grievance/arbitration procedures, to determine which category of discipline shall be administered.

**Section 2-A.** While the Company will generally impose progressive discipline within an individual category, the Company, at its discretion, may impose discipline at any step depending on the nature and severity of an employee's action(s) or violation(s). An employee's record within the preceding twenty-four (24) active service-month period will be considered in instances of progressive discipline. An employee may be suspended without pay pending the outcome of an investigation for which the employee is the subject of investigation.

#### **ARTICLE FOUR**

##### **UNION SECURITY AND DUES CHECK OFF**

**Section 1.** Membership in the Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Union as they see fit. Neither party shall exert any pressure on or discriminate against an employee **regarding these matters**.

**Section 2.** Each employee in the bargaining unit shall, beginning on the 31<sup>st</sup> **calendar** day following the execution of this Agreement or the 31<sup>st</sup> **calendar** day following their employment, rehire, reinstatement, reemployment, recall, or regression into the bargaining unit, as a condition of continued employment in the bargaining unit, execute and deliver to the Company a payroll deduction authorization as provided for in this **Article**, or pay directly to the Union an amount of money equal to the Union's initiation fee and monthly dues.

**Section 3.** Any employee who is required to contribute to the Union as provided for in **Section Two** of this **Article** and who subsequently leaves the bargaining unit shall not be subject to any of the provisions of this **Article** during the period **the** employee remains outside the bargaining unit.

**Section 4.** No employee shall be required to pay **Union fees and** dues covering any period during which the employee was not in the bargaining unit or was not on the Company's active payroll, including layoff.

**Section 5.** An employee shall be considered in good standing for the purposes of this **Article** when **the** employee tenders the amount of money equal to the Union's initiation fee (due and payable only once per employee without regard to any interruption in service) and monthly dues to an authorized agent of the Union or through Payroll initiation fees/dues deduction. Upon written demand from the Union, the Company shall terminate any employee who fails to tender the sum due **to** the Union under **Section Two** of this **Article** within thirty (30) **calendar** days from the date **the** sum is due provided the Union informs the Company and the employee in writing and allows **the** employee an additional fifteen (15) **calendar** days after the 30<sup>th</sup> **calendar** day of delinquency. If the employee fails to resolve their dues delinquency with the Union during this fifteen (15) **calendar** day period and after notification to the Company by the Union, the Company will terminate the employee effective the end of that payroll period.

**Section 6.** Employees may handle payment of Union initiation fees **and** dues directly with the Union. **Where** deductions are made from those who have already paid Union initiation fees **and** dues, the Union will make refunds directly to **the** employees.

**Section 7.** Deductions shall be made for the monthly Union dues of each employee for whom the above authorization has been received, beginning with the pay for the first pay period in the month (but no later than the first full pay period in the month) following receipt of **the** authorization, provided that sufficient earnings remain to cover Union dues after all deductions required by law are made. **Dues** deductions shall continue in like manner monthly thereafter, except as qualified in this **Article**.

**Dues** not deducted in the regular month as provided above shall be deducted as follows:

- a. At the beginning of each quarter, the Union shall **give** the Company a list of names and employee numbers of employees who have authorized deduction of Union dues and who are **delinquent** for the preceding quarter, specifying the amount of each employee's **delinquency**.
- b. After receipt of **the** list, the Company shall make a special deduction of Union dues in the amount of the **delinquency** from the pay of each employee, provided that sufficient earnings remain to cover the **delinquency** after all deductions required by law are made.

**Section 8.** The Authorization for Deduction of Union Dues form as provided by the Union shall continue to be recognized and processed when properly executed. The form **must** have sufficient information for the Company to efficiently process dues deductions.

**Section 9.** Deductions shall be remitted to the designated Financial Officer of the Union no later than ten (10) **calendar** days after the deductions are made. **On a monthly basis, the** Company shall **provide electronically a record of those employees for whom deductions have been made** to the designated Financial Officer of the Union.

**Section 10.** Any dispute arising out of the interpretation or application of this **Article**, when reduced to writing as a grievance, shall be **introduced at Step Three of the grievance procedure**. The grievance may be processed in accordance with the provisions of **Article** Twelve.

**Section 11.** Anything herein to the contrary notwithstanding, an employee shall not be required to become a member of or continue membership in or to pay a sum equal to Union dues, or to continue to pay any sums equal to the monthly Union dues, as a condition of employment, if it is determined that **the practice** is unlawful by the NLRB or by any court or administrative body of competent jurisdiction. It is understood and agreed that the Union will defend, save, 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, placing in effect or carrying out of the terms of this **Article** by the Company.

**Section 12.** The Company shall **make** a copy of this Agreement **available electronically** for employees.

## ARTICLE FIVE

### JOB CLASSIFICATIONS, WAGES AND SHIFT DIFFERENTIALS

**Section 1.** An existing job designation, and job description may be amended by the Company to address emerging technology consistent with the jurisdiction of this Agreement. However, the associated labor grade for the amended classification shall remain in effect for the duration of the Agreement.

#### New Occupations

**Section 2.** It is recognized that changing conditions and circumstances may require the establishment of new occupations and/or job classifications. The Company shall prepare, place in effect and submit to the Union the descriptions, evaluations and appropriate labor grades for the new occupation and/or job classification no later than ten (10) calendar days following the notification to the Union of the new occupation and/or job classification. If the Company and the Union are unable to agree on the labor grade, the Union will have thirty (30) calendar days to notify the Company to begin negotiations regarding any alleged improperly evaluated occupation and or job classification or its associated labor grade. Any change in the labor grade and/or rate range as a result of the negotiations shall be retroactive to the date the new occupation and/or job classification was placed in effect, following the determination that the new occupation and/or job classification was within the unit. If the Union has made no request for negotiations within the time limits specified above, the labor grade and/or rate range established by the Company shall be considered to be fair and equitable and shall remain in effect. The Company will notify the District President before applying this Section.

#### Job Classifications

**Section 3-A.** Each occupation is divided into one or more job classifications. The job description for each job classification of an occupation specifies typical work operations, which illustrate levels of difficulty, and thereby provides a means for distinguishing between classifications of an occupation or between classifications of related occupations. Typical work operations, which illustrate levels of difficulty, are not intended to include all work operations, which comprise the classifications. Furthermore, it is not intended that the performance of a described operation will necessarily entitle an employee to classification thereunder since it is recognized that a particular work operation may be performed under varying levels of difficulty.

It is also recognized that there is an overlap of work operations between bargaining unit occupations and non-bargaining unit salaried occupations, principally occupations performing manufacturing engineering activities. The Company and Union agree that the job descriptions shall not be interpreted to grant an absolute right or entitlement to perform any particular work operation to an occupation or to the bargaining unit. In addition to the work operations contained within these job descriptions, bargaining unit employees may be assigned related work operations, which are outside of these job descriptions.

Nothing is intended, within this Section 3-A, to take away any particular work operation from the bargaining unit or to alter, modify, or change the agreement embodied within Appendix H Memorandum of Understanding No. 1 (Technological Advancements).

In determining the proper level of difficulty for the purpose of assigning a job classification, due regard shall be given to the amount of supervision received by the employee, the amount of assistance received from others, the degree to which the employee's work is checked, the knowledge and abilities required, and **any** other factors that are pertinent in determining the level of difficulty or complexity of the employee's work.

**Section 3-B.** Employees selected and identified by the Company to function as a Group Lead will receive a two dollar (\$2.00) per hour pay additive. The effective date of the rate change is the move date shown on the notice furnished by the Company. Employees selected as Group Lead will not be subject to the shift rotation, overtime, promotion and regression provisions of this Agreement as it is recognized that **these** employees are required to support a particular assignment as determined by the Company. When an employee's Group Lead assignment has been completed, the Company will remove the Group Lead designation and the pay additive.

A Group Lead does not designate a classification of an occupation, but describes an employee performing a specialized assignment or leading a group of employees.

Any problems which may arise under the application of this **Section** shall be referred to the **Labor and Employee Relations site lead** or their designee and this **Section 3-B** shall not be subject to the provisions of **Article** Twelve (Grievance Procedure).

**Section 4.** When work operations are not adequately described, such work operations shall be appraised and classified by the Company under the most appropriate job description by considering the level of difficulty or complexity of said work operations and knowledge and ability required, in comparison with comparable work operations described in the "Work Performed" section of the job description.

**Section 5.** An employee normally performs some of the work of higher-rated jobs in order to qualify for advancement and some of the work of lower-rated jobs when required. The normal duties of an employee may include some of the work of related jobs when required.

**Section 6.** An employee will be assigned to work by the Company, which is described in or appraised as being covered by a job description, falling in a lower labor grade, and will receive the classification and rate of pay thereof only:

- (a) For unsatisfactory performance **in** their **current** job or in the event continued performance on that job would injure their health.
- (b) In the event there are changes in production methods or production schedules causing changes in the content of their job.
- (c) In the event the employee is improperly classified in accordance with the provisions of this **Article**. However, the employee shall be given ten (10) calendar days' notice of **any** reclassification if they have been improperly classified for a period of thirty (30) calendar days or more.

- (d) In the event of an employee's request for reassignment to an available vacancy, if approved by the Company.

**Section 7.** Subject to all provisions of this Agreement, an employee who is regularly assigned to work in a job classification with a lower labor grade, they may receive no more than the maximum rate established for that job classification during the period of such assignment.

**Section 8.** An employee will not refuse to perform work assigned to them even if **the** work is not specifically described in their job description.

#### Notification of Change in Employee Status

**Section 9.** The Company shall notify employees in writing of any changes in their job classifications or in-grade positions.

#### Correction of Classification

**Section 10.** Any claim of improper classification shall be subject to the provisions of this **Article**. **If a claim to correct a classification** is not filed with the Company within ten (10) calendar days after **the** classification becomes effective and the employee is notified **of this**, the employee shall not receive retroactive pay for any period prior to the period of filing **the** claim. If **the** claim is filed with the Company within ten (10) calendar days after **the** classification becomes effective and the employee is notified **of this**, and if it is determined in accordance with the established grievance procedure that the employee should have been in a higher classification, the employee shall be paid a retroactive adjustment based upon the difference between the wages actually paid and the amount, determined as stated above, the employee should have been paid, from the date when the reclassification shall **be** made effective.

#### Wages

**Section 11-A.** **Provided that each member of the Union's negotiating committee fully endorses and recommends the Company's proposal to the Union membership, and the Company is notified of ratification by the membership no later than 3:00pm CST on 28 September 2019, a \$3,500 ratification bonus will be paid no later than 14 February 2020 to each employee on the active payroll as of 28 September 2019 or on an approved leave of absence for less than ninety (90) calendar days, or on military leave. However, any employee who is discharged between 28 September 2019 and 14 February 2020 shall not be eligible for the ratification bonus.**

**The entire 2020 ratification bonus may be deferred in five hundred (\$500) dollar increments to the Hourly Savings Plan Plus 401(k) without Company matching contributions and/or the Health Savings Account (HSA) upon completion of the appropriate election form which must be returned to the Payroll office no later than 15 December 2019. In the event that a deferral cannot be processed, this bonus will be paid in cash less applicable taxes.**

**Section 11-B. Effective 12 October 2019, the minimums and maximums of the labor grades and the base rate of each employee on the active payroll or on an approved leave of absence for less than ninety (90) calendar days shall be increased by three percent (3.0%) computed to the nearest one cent (\$0.01) increment, provided that in no case will the computed base rate of an employee exceed the base rate maximum of the labor grade.**

**Section 11-C. Effective 03 October 2020, the minimums and maximums of the labor grades and the base rate of each employee on the active payroll or on an approved leave of absence for less than ninety (90) calendar days shall be increased by two and one-half percent (2.5%) computed to the nearest one cent (\$0.01) increment, provided that in no case will the computed base rate of an employee exceed the base rate maximum of the labor grade.**

**Section 11-D. Effective 02 October 2021, the minimums and maximums of the labor grades and the base rate of each employee on the active payroll or on an approved leave of absence for less than ninety (90) calendar days shall be increased by two and one-half percent (2.5%) computed to the nearest one cent (\$0.01) increment, provided that in no case will the computed base rate of an employee exceed the base maximum of the labor grade.**

**Section 11-E. Effective 01 October 2022, the minimums and maximums of the labor grades and the base rate of each employee on the active payroll or on an approved leave of absence for less than ninety (90) calendar days shall be increased by three percent (3.0%) computed to the nearest one cent (\$0.01) increment, provided that in no case will the computed base rate of an employee exceed the base rate maximum of the labor grade.**

**Section 11-F. Effective 12 October 2019, the following labor grade structure shall be placed in effect for employees on the payroll.**

| <b>Current</b>     |                          |                          |
|--------------------|--------------------------|--------------------------|
| <b>Labor Grade</b> | <b>Base Rate Minimum</b> | <b>Base Rate Maximum</b> |
| 82                 | 31.37                    | 47.71                    |
| 80                 | 29.90                    | 45.46                    |
| 78                 | 25.02                    | 37.24                    |

| <b>Effective 12 October 2019</b> |                          |                          |
|----------------------------------|--------------------------|--------------------------|
| <b>Labor Grade</b>               | <b>Base Rate Minimum</b> | <b>Base Rate Maximum</b> |
| 82                               | 32.31                    | 49.14                    |
| 80                               | 30.80                    | 46.82                    |
| 78                               | 25.77                    | 38.36                    |

| <b>Effective 3 October 2020</b> |                          |                          |
|---------------------------------|--------------------------|--------------------------|
| <b>Labor Grade</b>              | <b>Base Rate Minimum</b> | <b>Base Rate Maximum</b> |
| 82                              | 33.12                    | 50.37                    |
| 80                              | 31.57                    | 47.99                    |



|    |       |       |
|----|-------|-------|
| 78 | 26.41 | 39.32 |
|----|-------|-------|

**Effective 2 October 2021**

| <b>Labor</b>        | <b>Base Rate</b>      | <b>Base Rate</b>      |
|---------------------|-----------------------|-----------------------|
| <b><u>Grade</u></b> | <b><u>Minimum</u></b> | <b><u>Maximum</u></b> |
| 82                  | 33.95                 | 51.63                 |
| 80                  | 32.36                 | 49.19                 |
| 78                  | 27.07                 | 40.30                 |

**Effective 1 October 2022**

| <b>Labor</b>        | <b>Base Rate</b>      | <b>Base Rate</b>      |
|---------------------|-----------------------|-----------------------|
| <b><u>Grade</u></b> | <b><u>Minimum</u></b> | <b><u>Maximum</u></b> |
| 82                  | 34.97                 | 53.18                 |
| 80                  | 33.33                 | 50.67                 |
| 78                  | 27.88                 | 41.51                 |

**Cost of Living Payment**

**Section 12-A.** By 15 November 2019, each employee hired prior to 10 June 2013 who is on the active payroll or on an approved leave of absence for less than ninety (90) calendar days as of 01 November 2019 shall receive a cost-of-living payment of eight hundred dollars (\$800). This payment may be deferred, without Company matching contribution, to the Hourly Savings Plan Plus 401(k) upon completion of the appropriate election form which must be returned to the Payroll office no later than 21 October 2019.

**Section 12-B.** By 20 November 2020, each employee hired prior to 10 June 2013 who is active or on an approved leave of absence for less than ninety (90) calendar days as of 07 November 2020 shall receive a cost-of-living payment of eight hundred dollars (\$800).

**Section 12-C.** By 19 November 2021, each employee hired prior to 10 June 2013 who is active or on an approved leave of absence for less than ninety (90) calendar days as of 06 November 2021 shall receive a cost-of-living payment of eight hundred dollars (\$800).

**Section 12-D.** By 18 November 2022, each employee hired prior to 10 June 2013 who is active or on an approved leave of absence for less than ninety (90) calendar days as of 05 November 2022 shall receive a cost-of-living payment of eight hundred dollars (\$800).

**Section 12-E.** The cost-of-living payment in 2020, 2021 and 2022 may be deferred in four hundred (\$400) dollar increments to the Hourly Savings Plan Plus 401(k) without Company matching contributions and/or the Health Savings Account (HSA) upon completion of the appropriate election form which must be returned to the Payroll office no later than sixty (60) calendar days prior to the specified payment dates. Any deferral elections made for the cost-of-living payment during 2020 or subsequent year will remain active for the duration of this Agreement unless cancelled by the employee.

## **Promotion Pay**

**Section 13.** An employee who is promoted to a job classification previously-held shall be paid at their current rate and receive the first Automatic Rate Progression (ARP) increase on the effective date of promotion or their former rate held in the job classification plus general increases, if any, whichever is higher.

**Section 13-A.** An employee who is promoted to a job classification not previously-held shall be paid at their current rate and receive the first Automatic Rate Progression (ARP) increase on the effective date of promotion or the minimum rate of the classification to which they are being promoted, whichever is higher.

## **Progression within Rate Ranges**

**Section 14.** Automatic Rate Progression (ARP) increases shall be effective the second Saturday in January, May and September for active employees who are below the maximum of their classification and who have been on the active payroll for the full ARP period. The base rate of pay shall be increased twenty-five cents (\$0.25) per hour on the above dates (or such lesser amount as is necessary to bring the rate to the maximum) until the applicable maximum for the classification is reached. If the last ARP takes an employee's rate to a point within four cents (\$0.04) of the maximum rate of their job classification, they shall be granted such additional increase.

**Section 14-A.** Employees performing work on second shift shall receive forty cents (\$0.40) per hour above the regular rate of pay. Employees performing work on third shift shall receive ten cents (\$0.10) per hour above the regular hourly rate of pay for eight (8) hours, but shall work only six (6) hours and thirty (30) minutes for eight (8) hours of pay.

**Section 14-B.** If an employee fails to work their full shift, there shall be deducted from their pay the actual minute time that they fail to work.

**Section 14-C.** Gross hourly earnings is defined as that portion of an eligible employee's hourly earnings for the period prescribed, computed at the employee's working rate plus overtime premium, as applicable, on regular and overtime hours worked, and other paid hours under the provisions of any Company collective bargaining agreement, excluding payments in lieu of personal business or vacation and any other payments made by the Company to the eligible employee.

## ARTICLE SIX

### HOURS OF WORK, OVERTIME AND HOLIDAY PAY

#### Hours of Work and Work Week Schedules

**Section 1.** Established shifts, work schedules, or shift start time and stop times may be changed **at the Company's discretion** with a **prior thirty (30) day** notification to the Union.

**Section 1-A.** Employees will be assigned to work week schedules as defined in **Sections, 2, 4, 6, and 8** of this **Article**, at the Company's discretion upon notification to the Union.

**Section 1-B.** Nothing in this Agreement shall be construed as a guarantee of hours of work per day or per week.

**Section 1-C.** For pay purposes, a work day shall be a period of twenty-four (24) consecutive hours beginning at the shift starting time that an employee is directed to report at the beginning of the regular workweek and ending at the same time on the following day.

**Section 1-D. There will be no pyramiding of overtime.** If the Company becomes obligated by any law, interpretation of law, decision of the Wage and Hour Administrator, or by any other manner, to **pyramid overtime**, upon the effective day of obligation to **pyramid overtime**, the **provisions that require the pyramiding of overtime** shall become inoperative and the Company shall not be obligated to **pyramid overtime**. **The Company and Union** shall immediately renegotiate the **provisions** of this Agreement to relieve the Company from any obligation to **pyramid overtime**.

#### 5/40 Work Schedule

**Section 2.** The 5/40 work schedule consists of forty (40) hours (32.5 hours for third shift) of five (5) consecutive days, Monday through Friday.

**Section 2-A.** Eight (8) hours of work within nine (9) consecutive hours will constitute a regular workday on first and second shifts. Six and one-half (6-1/2) hours of work within seven and one-half (7-1/2) hours shall constitute a regular workday for third shift.

**Section 2-B.** The accounting work week starts at midnight Friday and continues for one-hundred sixty-eight (168) hours until midnight the following Friday.

#### 5/40 Overtime Pay

**Section 3.** Work in excess of eight (8) hours on first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

**Section 3-A.** Work in excess of six and one-half (6-1/2) hours on third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

**Section 3-B.** Work performed in excess of eleven (11) hours in a workday by first and second shift employees shall be paid at double the hourly straight-time rate. Work performed in excess of nine and one-half hours (9-1/2) in a workday by third shift employees shall be paid at double the hourly straight-time rate.

**Section 3-C.** Work performed on Saturday for first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter.

**Section 3-D.** Work performed on Saturday for third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first six and one-half (6-1/2) hours and two (2) times the hourly straight-time rate thereafter.

**Section 3-E.** Work performed on Sunday shall be compensated at double their hourly straight-time rate.

#### 9/80 Work Schedule

**Section 4.** The 9/80 work schedule consists of eighty (80) hours in a two (2)-week schedule of nine (9)-hour shifts Monday through Thursday and an eight (8)-hour shift on an alternating Friday. The work schedule for the third shift consists of 64.9 hours in a two-week schedule of seven and three-tenths (7-3/10) hour shifts Monday through Thursday and six and one-half (6-1/2) hour shift on an alternating Friday.

**Section 4-A.** On first and second shifts, nine (9) hours of work within ten (10) consecutive hours will constitute a regular day's work. On third shift, seven and three-tenths (7-3/10) hours of work within eight (8) hours shall constitute a regular day's work. The 9/80 work Friday is a shift that consists of eight (8) hours of work performed within a period of nine (9) consecutive hours, except for third shift which will be six and one-half hours (6-1/2) of work performed within a period of seven (7) hours, shall constitute a regular day's work.

**Section 4-B.** Employees may be assigned to the primary 9/80 work schedule referred to as 9/80A or the alternate 9/80 work schedule referred to as 9/80B, which have opposing scheduled on/off Fridays.

**Section 4-C.** The accounting work week will be mid-workday Friday and end 168 hours later on the following Friday. Mid-workday Friday is defined as occurring immediately after the first four hours of scheduled working time on Friday based on an employee's master file shift start time, which is the official shift start time as recorded in the labor accounting system. This start time may only be changed with management approval.

#### 9/80 Overtime Pay

**Section 5.** Work in excess of nine (9) hours Monday through Thursday and work in excess of eight (8) hours on the scheduled On-Friday on first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate. Work in excess of seven and three-tenths (7-3/10) hours Monday through Thursday and work in excess of six and one-half (6-1/2) hours on the

On-Friday on third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

**Section 5-A.** Work performed in excess of eleven (11) hours in a workday by first and second shift employees shall be paid at double the hourly straight-time rate. Work performed in excess of nine and one-half (9-1/2) hours in a workday by third shift employees shall be paid at double the regular hourly rate.

**Section 5-B.** Work performed on Saturday or the scheduled off-Friday of week two for first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter. Third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first seven and three-tenths (7-3/10) hours and two (2) times the hourly straight-time rate thereafter.

**Section 5-C.** Work performed on Sunday shall be paid at the rate of two (2) times the employee's hourly straight-time rate.

### 3/12 Work Schedule

**Section 6.** The 3/12 work schedule consists of thirty-six (36) hours worked in twelve (12) hour shifts over three (3) consecutive days, Friday through Sunday, and compensated at the hourly straight-time rate for forty (40) hours in a workweek.

**Section 6-A.** On first and second shifts, twelve (12) hours of work within thirteen (13) consecutive hours will constitute a day's work. There will be no third shift.

**Section 6-B.** The accounting work week starts at midnight Friday and continues for one-hundred sixty-eight (168) hours until midnight the following Friday.

### 3/12 Overtime Pay

**Section 7.** Work performed in excess of twelve (12) hours in a workday shall be paid at two (2) times the hourly straight time rate.

**Section 7-A.** Work performed on Monday, Tuesday, or Wednesday shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first twelve (12) hours and two (2) times the hourly straight-time rate thereafter.

**Section 7-B.** Work performed on Thursday shall be paid at the rate of two (2) times the hourly straight time rate.

### 4/10 Work Schedule

**Section 8.** The 4/10 work schedule consists of forty (40) hours of four (4) consecutive ten (10) hour workdays with three consecutive scheduled days off. Ten (10) hours of work within eleven (11) consecutive hours will constitute a day's work. There will be no third shift.

**Section 8-A.** Employees may be assigned to the primary 4/10 work schedule referred to as 4/10A (Monday-Thursday) or the alternate 4/10 work schedule referred to as 4/10B (Tuesday-Friday).

**Section 8-B.** The accounting work week starts at midnight Friday and continues for one-hundred sixty-eight (168) hours until midnight the following Friday.

#### **4/10 Overtime Pay**

**Section 9.** Work performed in excess of ten (10) hours will be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

**Section 9-A.** Work performed in excess of eleven (11) hours will be paid at two (2) times the hourly straight-time rate.

**Section 9-B.** Work performed on Sunday of an employee's work week will be paid at the rate of two (2) times the employee's hourly straight-time rate.

#### **4/10A Schedule**

**Section 9-C.** Work performed on Friday or Saturday of an employee's work week will be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter.

#### **4/10B Schedule**

**Section 9-D.** Work performed on Saturday or Monday of an employee's work week will be paid at the rate of one and one-half (1-1/2) times the hourly straight time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter.

#### **Report Pay**

**Section 10.** In the event an employee reports for work at the start of their scheduled shift, they shall receive at least four (4) hours of work or pay in lieu thereof, unless they were previously notified not to report. The Company shall have satisfied the notification requirement by calling the phone number **on record with the Company** at least one (1) hour before the start of the **employee's** shift. The employee shall be responsible for maintaining a current telephone number with the Company. **If** an employee **is** absent for any reason, this shall not apply unless they first contact their supervisor and **receive notification** when to report for work. The Company shall not be required to offer work or pay an employee in lieu thereof in case of emergency shutdown arising out of conditions over which it has no control.

## Call-Back Pay

**Section 11.** If an employee is called back to work after they have completed their scheduled hours and after leaving the plant, they shall be guaranteed at least four (4) hours work at the designated overtime rate and shall be paid the designated overtime rate for all work after the first four (4) hours. **However, if an employee is called back to work within the last two (2) hours of their twenty-four (24) hour clock, the employee will only be entitled to two (2) hours of pay at the designated overtime rate.**

## Overtime Assignment

**Section 12.** The Union recognizes that overtime is a necessary part of each employee's job duties and that each employee is required to work their fair share of offered overtime. Employees who commit to off-shift overtime assignments shall report to work and complete the full overtime shift, or a partial overtime shift as agreed to by the employee and their supervisor.

**Section 12-A.** An overtime group **on first shift** consists of employees within the same supervisor group, classification or group leads, shift, and work schedule, (5/40, 9/80 **and 4/10** are combined; 3/12 is separate). Overtime groups for employees assigned to second and third shifts will be determined by agreement between the Company and the Union, as applicable for the business.

**Section 12-B.** The Company agrees to distribute available overtime on an equitable basis consistent with production and/or security needs and be flexible enough to accomplish the work to be performed. The Company maintains the right to assign employees based on their capability in performing the assignment and/or continuity with the assignment.

**Section 12-C.** The Company shall notify employees of the potential for them to work overtime no later than two (2) hours prior to the end of their current shift and prior to the end of the shift of an employee's work week schedule for off-shift work. It is recognized that conditions will exist wherein knowledge of overtime requirements come too late to permit advance notice and agree that notices given as soon as practicable after knowledge by the Company, but prior to the end of the current shift, will be treated as a bonafide offer and that this employee will be charged for hours not worked due to declination of offer, failure to report to work or for hours not worked due to their leaving before the end of the shift. In an emergency situation the declining of a request to work overtime can subject the employee to disciplinary action. Pre-shift or post shift overtime during regular workweek is excluded. Nothing in this **Section** is intended to prevent the Company from canceling any overtime after **giving** notice. **A cancellation of overtime** will be without penalty to **the employee or the Company**, subject to other provisions of this Agreement.

**Section 12-D.** Employees who are absent without paid coverage during their regularly scheduled workweek **or are currently in a step of the Attendance Control Program** may **at the discretion of the Company** not be assigned to overtime work during that workweek and/or their upcoming regularly scheduled days off.

**Section 12-E.** Probationary employees may be offered overtime providing all other employees in their overtime group have been offered overtime.

## Maintenance of Overtime Records

**Section 13.** Overtime records shall be kept by the Company for employees within a particular overtime group. Records shall be available to Area Stewards upon request and will reflect the straight time equivalent of hours worked or offered and not worked by each affected employee. A copy of the current overtime hours for overtime groups will be provided to a member of the Plant Grievance Committee by close of business each Friday or as soon as administratively practicable thereafter. No charge for overtime hours will be made for overtime refused immediately **preceding an employee's full day of vacation**, nor for overtime which would have been offered prior to the scheduled date of return from a vacation unless all other employees in the group were offered overtime on one or more of the days involved. An employee unavailable on the day that overtime would normally be assigned will not be eligible to work or be charged unless all other employees in the group are offered overtime.

**Section 13-A.** Employees who enter a new overtime group shall assume the average hours for the overtime group.

**Section 13-B.** If two (2) or more employees have the same amount of overtime hours, the senior employee will be offered the overtime opportunity, subject to the provisions of **Section 12-B**. On the effective date of this Agreement, the overtime hours for each employee will be reset to zero (0).

## Overtime While on Business Travel

**Section 14.** The provisions of **Section 12-A** through **Section 13-B** of this Article shall not be applicable for employees on Business Travel as provided in **Article 20**.

## Loaned Employees for Overtime Purposes

**Section 15.** Employees may be loaned for a minimum of thirty (30) minutes and a maximum of six (6) calendar weeks to any group other than their assigned overtime group. Affected Area Stewards shall receive written notification of an employee loan. An employee on loan will be included in the loaned overtime group, and the loaned employee will not assume the average of the overtime group.

## Holidays

**Section 16.** Without regard for an employee's work week schedule, the following dates are designated holidays for which the employee shall not report to work unless assigned due to insufficient volunteers for overtime:

| Year | Holiday                       | Date          | Day              | Hours    |
|------|-------------------------------|---------------|------------------|----------|
| 2019 | <b>Thanksgiving Day</b>       | <b>28 Nov</b> | <b>Thursday</b>  | <b>8</b> |
|      | <b>Day after Thanksgiving</b> | <b>29 Nov</b> | <b>Friday</b>    | <b>8</b> |
|      | <b>Christmas Holiday</b>      | <b>24 Dec</b> | <b>Tuesday</b>   | <b>8</b> |
|      | <b>Christmas Holiday</b>      | <b>25 Dec</b> | <b>Wednesday</b> | <b>8</b> |



|      |                            |        |           |     |
|------|----------------------------|--------|-----------|-----|
| 2020 | Christmas Holiday          | 26 Dec | Thursday  | 8   |
|      | Christmas Holiday          | 27 Dec | Friday    | 8   |
|      | Christmas Holiday          | 30 Dec | Monday    | 8   |
|      | Christmas Holiday          | 31 Dec | Tuesday   | 8   |
|      | New Year's Day             | 1 Jan  | Wednesday | 8   |
|      | Memorial Day               | 25 May | Monday    | 8   |
|      | Independence Day           | 3 Jul  | Friday    | 8   |
|      | Labor Day                  | 7 Sept | Monday    | 8   |
|      | Thanksgiving Day           | 26 Nov | Thursday  | 8   |
|      | Day after Thanksgiving Day | 27 Nov | Friday    | 8   |
| 2021 | Christmas Holiday          | 24 Dec | Thursday  | 8   |
|      | Christmas Holiday          | 25 Dec | Friday    | 8   |
|      | Christmas Holiday          | 28 Dec | Monday    | 8   |
|      | Christmas Holiday          | 29 Dec | Tuesday   | 8   |
|      | Christmas Holiday          | 30 Dec | Wednesday | 8   |
|      | Christmas Holiday          | 31 Dec | Thursday  | 8   |
|      | New Year's Day             | 1 Jan  | Friday    | 8   |
|      | Memorial Day               | 31 May | Monday    | 8   |
|      | Independence Day           | 5 Jul  | Monday    | 8   |
|      | Labor Day                  | 6 Sept | Monday    | 8   |
| 2022 | Thanksgiving Day           | 25 Nov | Thursday  | 8   |
|      | Day after Thanksgiving Day | 26 Nov | Friday    | 8   |
|      | Christmas Holiday          | 24 Dec | Friday    | 8   |
|      | Christmas Holiday          | 27 Dec | Monday    | 8   |
|      | Christmas Holiday          | 28 Dec | Tuesday   | 8   |
|      | Christmas Holiday          | 29 Dec | Wednesday | 8   |
|      | Christmas Holiday          | 30 Dec | Thursday  | 8   |
|      | Christmas Holiday          | 31 Dec | Friday    | 8   |
|      | Memorial Day               | 30 May | Monday    | 8   |
|      | Independence Day           | 4 Jul  | Monday    | 8   |
| 2023 | Labor Day                  | 5 Sept | Monday    | 8   |
|      | Thanksgiving               | 24 Nov | Thursday  | 8   |
|      | Day after Thanksgiving     | 25 Nov | Friday    | 8   |
|      | Christmas Holiday          | 23 Dec | Friday    | 8   |
|      | Christmas Holiday          | 26 Dec | Monday    | 8   |
|      | Christmas Holiday          | 27 Dec | Tuesday   | 8   |
|      | Christmas Holiday          | 28 Dec | Wednesday | 8   |
|      | Christmas Holiday          | 29 Dec | Thursday  | 8   |
|      | Christmas Holiday          | 30 Dec | Friday    | 8   |
|      | New Year's Day             | 2 Jan  | Monday    | 8   |
| 2023 | Memorial Day               | 29 May | Monday    | 8   |
|      | Independence Day           | 4 Jul  | Tuesday   | 8   |
|      | Labor Day                  | 4 Sep  | Monday    | 8   |
|      | Total                      |        |           | 376 |

## Holiday Pay

**Section 17-A.** To be eligible for holiday pay, an employee must have worked at least the equivalent of one (1) full regularly-scheduled shift during the week in which the holiday occurs.

**Section 17-B.** An employee shall receive eight (8) hours at their regular hourly rate of pay for each designated holiday regardless of the employee's work week schedule or the day of the week upon which the holiday occurs. In addition, an employee who works on a designated holiday shall receive two times their regular hourly rate of pay for hours worked.

**Section 17-C.** An employee shall not receive pay for a holiday that occurs during the employee's leave of absence, layoff, or any other unpaid absence.

**Section 17-D.** Employees working a 9/80, 3/12, or 4/10 work schedule, may use earned vacation that has been requested and approved by their manager to supplement a paid holiday so as to receive an equivalent number of paid hours to their regular scheduled work day.

## Holiday Scheduling

**Section 18.** If an employee is scheduled to work on a **designated** holiday, they shall be notified at least twenty-four (24) hours in advance of the holiday **to be worked**. Failure to report for work as scheduled on a holiday, shall **result in the employee being ineligible for holiday pay**. **In addition, the employee's absence will be treated like any other day in the application of the Attendance Control Program.**

**Section 18-A.** The Union agrees that it will cooperate in every way with the Company in preventing absenteeism on days prior to and following holidays.

## Holidays While on Business Travel

**Section 19.** The provisions of Section 16 through Section 18-A of this Article shall be applicable for employees on Business Travel as provided in Article 20.

**Section 19-A.** Employees shall not receive pay for a non-designated holiday that may be observed at their assigned work location while on Business Travel.

## ARTICLE SEVEN

### VACATION, PERSONAL BUSINESS AND BEREAVEMENT LEAVE

#### VACATION

Employees shall be granted vacation in accordance with the following provisions.

##### Vacation Eligibility

**Section 1.** The vacation eligibility date of an employee hired prior to 07 June 2004 shall be the eligibility date of record as of 07 October 2019. The vacation eligibility date of an employee hired on or after 07 June 2004 shall be the calendar month and day of their last hire or rehire date into the bargaining unit.

**Section 1-A.** Absence from work with pay for authorized vacation, personal business, bereavement leave, military leave, jury duty, or Grand Jury duty shall be considered as time worked for computing vacation eligibility.

##### Vacation Accrual

**Section 2.** Vacation begins to accrue for each employee on the first day of hire into the unit and will accrue at the rate shown below for any calendar month or partial calendar month. An employee's vacation balance will be available for use immediately upon being credited with the preceding months' vacation accrual but no later than the first work day of the month following the month of accrual. Probationary employees shall not receive any vacation credit until the successful completion of **ninety (90) calendar days of their one hundred fifty (150) calendar day** probationary period. Time lost, not to exceed ninety (90) **calendar** days, due to occupational illness or injury shall be counted for the purpose of vacation accrual if the employee returns to the active payroll. **An employee entering the Local Lodge 776-F unit from another bargaining unit at the Fort Worth, TX location, shall retain their original service date for the purpose of vacation accrual.**

**Section 2-A.** Vacation accruals are based on completed years of continuous service and become effective on the month following an employee's next vacation eligibility date.

##### Completed Years of Continuous Service

0 to 8 years

9 years to 18 years

19 years or more

##### Vacation Accrual

6.67 hours per month

10 hours per month

13.34 hours per month

**Section 2-B.** The maximum vacation accrual is 400 hours and any vacation accrued in excess of 400 hours will be paid out at the end of the calendar year thereby, reducing the accrued balance to 400 hours to begin the new calendar year. Payments for excess vacation hours will be made as early as practicable in the new calendar year, which is typically on or before the third full pay period of the new calendar year. Any vacation time taken between the last accrual process run for the year and the payout of excess hours will be deducted from the balance prior to the payout.

## Vacation Pay

**Section 3.** An employee shall be paid vacation at their regular base rate of pay in effect at the time the vacation is taken. **An employees' regular base rate of pay does not include overtime, shift bonus, or any other premium, except that pay for a vacation for second shift employees shall include the second shift premium in effect during the period of the employee's vacation.**

**Section 3-A.** Each employee, upon their vacation eligibility date, shall be paid sixteen (16) hours of pay at their regular hourly rate of pay in effect at the time of the payment, exclusive of any premiums and overtime.

**Section 3-B.** An employee may request payment of earned personal business and/or vacation benefits while on an approved leave of absence. Such payments may be made only from those vacation and/or personal business hours that were accrued in the same calendar year when the payment was requested. Any earned personal business and/or vacation for which an employee is entitled when they are placed on a leave of absence, will be compensated at the regular base rate of pay in effect at the beginning of the leave of absence period. **An employee's request for payment while on approved leave of absence for personal business and/or vacation benefits accrued in prior calendar years will be granted only for financial emergency as may be determined by the Company in its sole and exclusive discretion in accordance with Internal Revenue Code Section 409A. If the Internal Revenue Code Section 409A is rescinded, suspended or modified by the IRS or held to be unlawful by a court of competent jurisdiction, the Company and Union will meet to discuss the effects of such action on personal business and/or vacation administration under this Agreement.**

**Section 3-C.** An employee shall be paid any accrued, unused vacation upon termination from the active payroll at the employee's regular hourly base rate of pay in effect at the time of the payment and as applicable shall receive the sixteen (16) hour payment referenced in **Section 3-A of this Article**, prorated at the rate of 1.33 hours per month since their last vacation eligibility date.

## Vacation Scheduling and Leave

**Section 4.** Production needs shall be the determining factor in scheduling vacations. If production needs change, all or part of a scheduled vacation may be canceled.

**Section 4-A.** An employee should request a vacation of one (1) or more weekly increments at least two (2) weeks before they want their vacation to start. Preference will be given in line of seniority, if practical, in scheduling vacations. If it is deemed impractical, because of production need to grant an employee's vacation request, the employee may ask that their vacation be scheduled at another time. Employees will not be forced to take a vacation.

**Section 4-B.** An employee may take their vacation during the benefit year in weekly or one-(1) hour increments in accordance with the provisions of this **Article**.

## PERSONAL BUSINESS

**Section 5.** An employee shall be granted forty-eight (48) hours of personal business with pay on 01 January of each calendar year. New hire and recalled employees shall receive the below prorated grant during the calendar year of their hire or recall date:

| Month of Hire/Recall | Granted Hours |
|----------------------|---------------|
| January              | 48 hours      |
| February             | 44 hours      |
| March                | 40 hours      |
| April                | 36 hours      |
| May                  | 32 hours      |
| June                 | 28 hours      |
| July                 | 24 hours      |
| August               | 20 hours      |
| September            | 16 hours      |
| October              | 12 hours      |
| November             | 8 hours       |
| December             | 4 hours       |

Probationary employees shall not receive any personal business credit until the successful completion of **ninety (90) calendar days** of the **one hundred fifty (150) calendar day** probationary period. A **probationary** employee's personal business balance will be available for use immediately upon being credited but no later than the first day following the **month in which they successfully complete ninety (90) calendar days of their one hundred fifty (150) calendar day probationary period.**

**Section 5-A.** The maximum personal business accrual balance is sixty (60) hours and any personal business accrued in excess of 60 hours will be paid out at the end of calendar year, thereby reducing the accrued balance to sixty (60) hours to begin the new calendar year. Payments for excess personal business hours will be made as early as practicable in the new calendar year, which will normally be on or before the third full pay period of the new calendar year. Any personal business time taken between the last accrual process run for the year and the payout of excess hours will be deducted from the balance prior to the payout. **Pay for unused personal business leave shall be at the employee's regular base rate of pay plus shift bonus, if any, in effect at the end of the calendar year.**

### Personal Business Pay

**Section 6.** An employee who has been granted a leave of absence as provided in **Article Eight**, Section 3, or terminated from the payroll, shall be paid for each hour of unused personal business at the employee's regular base rate of pay in effect at the time of the payment.

**Section 6-A.** Personal business may be taken in one-(1) hour increments. Personal business time shall be paid at the regular base rate of pay in effect for each employee at the time the personal business is taken.

## BEREAVEMENT

### Pay and Leave

**Section 7.** Bereavement leave shall be administered in accordance with the corporate policy currently in effect and which may change from time to time. The Company shall notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

## ARTICLE EIGHT LEAVES OF ABSENCE

**Section 1.** Leaves of absence without pay may be granted by the **Labor and Employee Relations site lead**, or their designee, for periods up to thirty (30) **calendar** days during any one (1) **calendar** year. The granting or denying of such requests shall be solely at the Company's discretion. Each case shall be considered on its own merits.

**Section 2.** Leaves of absence shall not jeopardize the standing or rights of employees except that employees on leaves of absence shall not be eligible for any Automatic Rate Progression (ARP) that occurs during the leave period and except as otherwise provided in **Section 3** of this **Article**. Upon their return to service, the employee shall be placed on the last job held immediately prior to their leave of absence if they are qualified and the job is available, in accordance with their seniority rights. If such a job is not available, placement will be made **according to** the applicable layoff, recall, regression or transfer provisions of **Article Nine** (Seniority). Their seniority shall accrue through the leave.

### Union Leaves

**Section 3.** Employees of the Company who have been selected by the Union **as full time representatives of the Union for the purpose of serving District Lodge 776** shall be granted leaves of absence without pay for a period of one (1) **calendar** year to take care of Union business provided that such employees have had twelve (12) **calendar** months of prior continuous employment with the Company, and provided that reasonable notice of request for leave is given. The time spent on **Union** leaves shall be counted as days absent for purposes of determining vacation and personal business eligibility and **any** eligibility shall be in accordance with **Article Seven** (Vacation, Personal Business Leave and Bereavement Leave) of this Agreement. **A Union** leave of absence may be renewed and extended from year to year upon written request from the Union ten (10) **calendar** days prior to the expiration **of the existing leave**.

**Section 3A. Requests for leaves of absence to serve as full-time Union representatives for purposes other than serving District Lodge 776 will be considered on an individual basis and approved by the Labor and Employee Relations site lead.**

#### Military Leave

**Section 4.** The Company and the Union, recognizing the rights of employees under the Uniform Services Employment and Reemployment Rights Act of 1994, agree that nothing contained in this Agreement shall preclude the Company from re-employing such employees in compliance with its provisions or with related statutes.

**Section 4-A.** Military leave shall be administered **according to** the corporate policy in effect and as revised. The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

#### Peace Corps or AmeriCorps VISTA (Volunteers in Service to America) Leaves

**Section 5.** Employees who enter the Peace Corps or AmeriCorps VISTA, shall be granted a leave of absence without pay for up to two (2) **continuous calendar** years, as applicable, for the service. An employee who leaves their employment with the Company for this purpose shall be paid all earned, unused personal business leave as defined in **Article Seven** (Vacation, Personal Business and Bereavement Leave) of this Agreement, pro rata vacation and/or earned vacation and shall be entitled to reinstatement with seniority accumulated to the date of their reinstatement upon return from their service in the Peace Corps or AmeriCorps VISTA, provided that, the employee reports for reinstatement with the Company within ninety (90) **calendar** days after the expiration of their service with the Peace Corps or AmeriCorps VISTA. Seniority permitting, reinstatement after service in the Peace Corps or AmeriCorps VISTA, shall be on a current basis to the classification the employee would have held had they remained employed **by** the Company.

#### Medical Leave

**Section 6.** Leaves of absence for medical reasons shall be authorized for employees on the active payroll. The Company will notify the Union of any changes to the medical leave policy or processes in advance of their implementation. **Medical** leaves of absence shall be uniformly administered in a non-discriminatory manner.

**Section 6-A.** Once an employee on the active payroll becomes aware of a medical condition **that** is expected to require **their** absence from work for five (5) consecutive working days **of their workweek schedule**, they shall contact the Lockheed Martin Leave and Disability Center as soon as possible, **consistent with Company policy currently in effect and which may change from time to time. The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this Company policy on the same basis as that policy is revised with respect to non-bargaining unit employees.** It is the employee's responsibility to comply with all instructions issued by the

Lockheed Martin Leave and Disability Center and failure to do so may result in the leave being denied and/or loss of seniority and employment may cease.

**Section 6-B.** Any leave of absence shall be limited to the length of time required for the employee to recover from their condition. Extensions will be granted when required by the employee's condition, providing the employee complies with all notice and report provisions as requested by the Lockheed Martin Leave and Disability Center. The employee must return to work on the employee's first full work day that the employee is released by their treating physician to resume their job duties. Failure to do so shall be considered a voluntary termination of employment. An authorized leave of absence under this **Section** shall not extend beyond twenty-four (24) **calendar** months from the last day worked.

**Section 6-C.** Upon returning from **an** authorized **medical** leave, and being declared physically fit for duty, the employee shall be reinstated to a job **in** the employee's last job classification **that the employee held immediately preceding their leave**, if such a job is available, seniority permitting. If a job **in the employee's last classification** is not available, placement will be made **according to** the applicable layoff, recall, regression or transfer provisions of **Article** Nine (Seniority).

**Section 6-D.** In cases where a dispute exists between the Company and the Union because of a professional disagreement between the Company's medical evaluator and the employee's personal physician, a third physician (whose expenses shall be shared equally by the Company and the Union), shall be jointly selected by the Company's medical evaluator and the employee's personal physician. The decision by the third physician will be final on all matters related to the issue at dispute.

## **ARTICLE NINE**

### **SENIORITY**

**Section 1.** The Company and the Union will cooperate for the purpose of maintaining an adequate workforce to meet production needs and that the work efficiency of the group and of the employees **in the group** should be at the highest level possible. The Union pledges its support in assisting the Company in securing high quantity and quality of product within schedule and reasonable costs.

**Section 2.** **New hires, persons rehired after having lost seniority, and current employees entering the bargaining unit from other bargaining units shall be considered probationary for one hundred fifty (150) calendar days. Following successful completion of the probationary period, the employees will be placed on the seniority list in their current classification.** An employee's probationary period will be extended for the equivalent duration of any time that an employee is placed on inactive status due to **an** investigation or an authorized leave of absence during the probationary period. Upon the employee's return to active **status**, the accumulation of days toward the completion of the probationary period will resume. It is at the sole discretion of the Company to move or retain employees during their probationary period and there shall be no requirement for the Company to return probationary employees to the active payroll for any reason. Probationary employees shall not have recourse through the grievance procedure.



## General Layoff

**Section 3.** The layoff or regression of an employee due to reduction in force shall be by seniority from last date of hire applied within their job classification. However, the layoff or regression of any employee out of line of seniority shall be justified only if **an** employee has not satisfactorily performed the remaining available work. The effective date of an employee's rate change, if any, is the move date shown on the Notice furnished by the Company.

**Section 3-A.** Classifications shall mean "separate division of an occupation" and are identified as the titles of the job descriptions. **For example, the following job classifications are separate classifications: Tool/Test Tool Designer Specialist and Tool/Test Tool Designer Senior.**

**Section 3-B.** Provided the employee can satisfactorily perform the available work, they may be regressed within the occupational seniority group: (1) to a lower-rated job classification within the affected occupation, or (2) to the last lower-rated job classification in other occupations that the employee previously held.

**Section 3-C.** Probationary employees as defined in **Section 2** of this **Article** have no regression rights. **Probationary employees in the effected job classification shall be laid off first and shall not have acquired recall rights.**

**Section 3-D.** In case of a layoff due to lack of work, at least two (2) weeks of notice will be given to the affected employee. If notice is not provided, eight (8) hours will be paid for each workday **that** notice was not provided, not to exceed eighty (80) hours. In the event of an emergency or circumstance over which the Company has no control, only eight (8) hours of notice need be given. An affected employee who is not at work to receive the layoff notice will be sent an expedited or certified letter to be delivered to their address of record with the Company and will not be paid eight (8) hours of pay in lieu of notification.

**Section 3-E.** An employee who is in a group lead role will be laid off in line of seniority with employees in the job classification from which they were selected. When such employee is to be laid off and the Company decides to replace **the** employee, they may remain on the payroll past their layoff date for a maximum of sixty (60) **calendar** days for the purpose of transitioning the replacement.

## Voluntary Layoff

**Section 4.** In the application of the provisions of **Section 3** or **5** of this **Article**, an employee may, at **the** time of a reduction in force in their department and job classification, volunteer to be laid off out of line of seniority. The employee's request shall be approved by the **Labor and Employee Relations site lead** or their designee and the Union President or their designee. The layoff of such employee will not be subject to the **grievance** procedure.

## Mass Layoff

**Section 5.** When a mass reduction in force occurs, those employees affected will be immediately laid off. The Company will have fourteen (14) calendar days to realign the affected employees in accordance with **Sections 3 and 3-B.**

#### Regression of Salaried Employees

**Section 6.** If the Company elects to return a salaried employee to the bargaining unit **who has received a surplus or layoff notice**, the employee shall be placed in the highest-rated job classification that they previously held, seniority permitting. If the **regressed** employee's seniority does not permit regression to the highest-rated job classification previously-held, the employee will be regressed in accordance with the applicable provisions of this **Article**. If this highest-rated job classification no longer exists, the employee shall be placed in the most nearly equivalent job classification.

**Section 6-A.** In the event that a regressing salaried employee's seniority will not enable them to hold a job classification within the bargaining unit, the employee will be laid off and they will have recall rights as set forth in this Agreement. The ninety (90) **calendar** month recall period will start with the date of layoff.

**Section 6-B.** Employees promoted from hourly represented jobs to salaried positions on or after 11 February 1991 **and who are the subject of a surplus from a salaried position** will be considered by the Company for return to the bargaining unit for a period of five (5) years from the date of the most recent promotion to a salaried position. The five-year limitation does not apply to any employee promoted to a salaried position prior to 11 February 1991.

**Section 6-C.** An employee promoted out of the bargaining unit by the Company to a salaried position on or after 4 June 2001 will not accumulate bargaining unit seniority. If **an** employee is returned to the bargaining unit **under these circumstances**, seniority will be based on the actual amount of time spent in the bargaining unit. However, employees promoted to these positions for an international assignment will be excluded from this provision and continue to accumulate bargaining unit seniority.

#### Transfers

**Section 7.** Transferring employees is the sole responsibility of the Company, however, requests for transfer shall be given due consideration on the following basis: (a) capability for the job requested, (b) production needs, and (c) length of service with the Company. The effective date of an affected employee's rate change, if any, is the move date shown on the Notice furnished by the Company. Employees transferring within the same labor grade between job classifications within the bargaining unit shall serve a probationary period of one hundred fifty (150) calendar days. An employee's probationary period will be extended for the equivalent duration of any time that an employee is placed on inactive status due to **an** investigation or an authorized leave of absence during the probationary period. Upon the employee's return to active **status**, the accumulation of days toward the completion of the probationary period will resume. Employees who do not successfully complete this probationary period will be returned to their previous job classification, seniority permitting.

## Recall

**Section 8.** For recall purposes, except under **Section 5**, **employees** laid off will be recalled to job classifications previously held, as a matter of Company record, in line with seniority as vacancies occur, provided that **an employee** to be recalled has satisfactorily performed the job to be offered.

**Section 8-A.** An employee regressed under **Section 3-B** of this **Article** to a job classification in a lower labor grade shall be offered recall to their former job classification in line with seniority as job vacancies occur provided they can satisfactorily perform the job to be offered. The term “former job classification” as used in this **Article** shall mean the job classification in the higher labor grade **that** the employee has been regressed **from** and they held as a matter of Company record. The effective date of an affected employee’s rate change, if any, is the move date shown on the Notice furnished by the Company.

**Section 8-B.** Laid off persons shall retain their seniority for ninety (90) **calendar** months. However, only up to forty-two (42) **calendar** months of said ninety (90) **calendar** months shall be counted toward vesting under the Retirement Plan provided the **retirement eligible** employee retains recall rights during said period.

**Section 8-C.** Recalled employees failing to accept offered employment within ten (10) calendar days after the date of an expedited or certified letter addressed to the employee’s last address shown on the Company’s records shall lose their seniority unless proven illness is reported to the Company within ten (10) calendar days after the mailing of **the** expedited or certified letter.

**Section 8-D.** Employees **on layoff status** are required to notify the Company of any change in their address by contacting the Lockheed Martin Employee Service Center. In the event of any question as to whether an employee properly notified the Company of a change in their address, the employee will be obligated to provide proof of **the** notification.

## Promotion

**Section 9.** When an opportunity for promotion arises within a department and section number, the senior employee in the next lower job classification of the same occupation within **the** department and section number will be considered in order of seniority **provided the employee has** an active request for promotion on file with the Company. If the position cannot be filled within the same department and section, at the Company’s sole discretion, an employee outside of the department and section may be considered. An employee may submit a request for promotion at any time and remove their request for promotion at any time prior to an offer for training or promotion, consistent with Paragraphs A and B of this **Section**; however, **the** employee shall be ineligible to submit a request for promotion for six (6) **calendar** months after removing their request. All promotion requests on file become null and void each year on November 30. A person **with** clearly superior qualifications for the job in question, as it is performed at this plant, may be selected. **To be valid**, grievances arising out of the application of this provision shall be confined to complaints of prejudice or omission on the following basis: (a) that the classification concerned in the **grievant’s** department and section number is directly related to required skills to the **grievant’s**

classification, and (b) that the **grievant** compared with the person selected is equally qualified to meet the requirements of **the** job as performed at this plant because of study, training, experience and ability. Grievances under this provision must be accompanied by written evidence at the time of filing. The effective date of an affected employee's rate change, if any, is the move date shown on the Notice furnished by the Company.

A. Qualification Training Required Before Promotion

1. An employee's request will become null and void once they have been considered and/or promoted, or they decline an offer for training prior to promotion into the requested classification. An employee who declines an offer for training becomes eligible to submit a new promotion request after six **(6) calendar** months.
2. An employee who accepts an offer for promotion for which training is required shall commit to the training and the position by signing a conditional irrevocable Change In Employee Status (CIES) form. An employee that is unable to successfully complete the training shall be ineligible to submit a new request for twelve **(12) calendar** months. An employee shall be ineligible to qualify for future consideration for any classification for which they successfully complete training and do not accept the promotion.

B. Qualification Training Not Required Before Promotion

1. An employee's request will become null and void once they have been considered and/or promoted or they decline an offer for promotion into the requested classification. An employee who declines a promotion offer becomes eligible to submit a new promotion request after six **(6) calendar** months.

Loss of Seniority

**Section 10.** An employee shall lose seniority and employment will cease for any of the following reasons:

- (a) Employee resigns.
- (b) Employee is discharged.
- (c) A laid off employee fails to report for work in accordance with the recall provisions of this Agreement.
- (d) An employee does not return from layoff after ninety **(90) calendar** months.
- (e) An employee fails to return to work at the end of an authorized leave of absence.
- (f) An employee is absent due to disability for a period of more than twenty-four **(24) calendar** months.

- (g) An employee is absent for more than five (5) consecutive working days without properly notifying the Company.

#### Seniority for Employees in Union Positions

**Section 11.** Area Stewards, the President of **Local Lodge 776-F**, Chief Steward and Alternate Chief Steward of the Union Grievance Committee who have been employed by the Company for one year shall have and retain top seniority in their **respective departments as long as they remain officially in that capacity for the Union** providing that work is available that they can satisfactorily perform.

#### Information Furnished to the Union

**Section 12.** A current seniority list by job classification shall be kept by the Company and shall be posted to the Labor **and Employee** Relations' website. **The** list shall include employee name, LMPeople ID number, job classification, and hire date. This information shall be arranged by seniority order by job classification.

**Section 13.** The Company will furnish the Union with a list of the names of employee(s) laid off as soon as practicable in accordance with **Section 3-D** of this **Article**.

**Section 14.** The Company shall furnish the Union with a list of employees who have been regressed in accordance with **Section 6-A** of this **Article**.

#### Business Travel

**Section 15.** The provisions of this **Article** shall not be applicable for employees on **Business Travel** as provided in **Article Twenty**.

### ARTICLE TEN STRIKES AND LOCKOUTS

**Section 1.** During the life of this Agreement, no work stoppages, strikes (including sympathy strikes) or slow-downs shall be caused or sanctioned by the Union, and no lockouts shall be made by the Company.

**Section 2.** Any employee, or employees, individually or collectively, who shall cause, or take part in, any strike (including sympathy strikes), work stoppage, interruption, or any impeding of work, during the life of this Agreement, may be disciplined or discharged by the Company subject to the grievance procedure in **Article Twelve**. Any such grievance shall be instituted in **Step Three** of the **grievance procedure**.

**Section 3.** In the event that any employee or employees refuse to handle or perform any work, or handle materials or machinery or equipment because of the sources of supply or the Union affiliation or nonaffiliation of the labor engaged in such work, the Union agrees that they will,

through their good offices, promptly notify such employee or employees that this is a violation of this Agreement. Any employee or employees who engage in such actions may be disciplined or discharged by the Company subject to the grievance procedure in **Article** Twelve. Any such grievance shall be instituted in **Step** Three of the above described Section.

**Section 4.** If the Company alleges that any violation of **Section 1** of this **Article** has occurred or is occurring, it shall be entitled to obtain immediate arbitration of the violation. In this event, notice shall be made by **certified letter** to the Union and to the Federal Mediation and Conciliation Service (FMCS). The arbitrator selected shall hold a prompt hearing within forty-eight (48) hours after receipt of the notice from the Federal Mediation and Conciliation Service and shall render an award within twenty-four (24) hours after the hearing. In such case, the arbitrator shall make findings of fact concerning the alleged violation; and if a violation shall be found to have occurred or is occurring, **they** shall order the party or parties or employee or group of employees to desist from any action in violation of this **Article**. In the event the arbitrator enters an order to desist from a violation of this **Article**, it is agreed that the arbitrator shall make as part of the order a provision in the award to the effect that if the arbitrator finds there is, thereafter, a continuing violation of this **Article** during the term of this Agreement, it shall automatically be deemed to be subject to the desist order entered by the arbitrator in such proceeding. When the arbitrator presents to the parties a finding that a violation of this **Article** was or is occurring, the employer may proceed forthwith to secure a court order to confirm and/or enforce said desist order.

**Section 4B.** Whenever a violation of this Section shall be alleged by the Company, notification by **certified letter** shall be made by the Company to the Federal Mediation and Conciliation Service and the Union. The Federal Mediation and Conciliation Service shall maintain a permanent panel of five (5) arbitrators whose selection has been approved in advance by the parties. Cost of arbitration shall be shared equally by the Company and the Union.

**Section 5.** The remedy contained in **Section 4A** and **4B** for violation of the no-strike clause shall be in addition to any other remedy the Company may have in either law or equity in any federal or state jurisdiction and shall not be construed as the Company's exclusive remedy.

## **ARTICLE ELEVEN**

### **UNION REPRESENTATIVES**

**Section 1-A.** For purposes of collective bargaining, the employees may be represented by a Union Grievance Committee which shall be composed of three (3) employees, including two (2) Plant Stewards, one (1) of whom shall be the designated Chief Steward, and the Local President or their designated representative. The members of the Union Grievance Committee shall be recognized by the Company when certified by the Union in writing. None of the Union Grievance Committee members shall be an Area Steward during their tenure in office on the Union Grievance Committee except in a temporary capacity when an Area Steward is on leave of absence.

**Section 1-B.** The number of Area Stewards will not exceed one (1) to each one hundred and seventy-five (175) employees or major fraction thereof. However, for adequate representation, the following Steward allocation shall apply. This allocation may be changed by agreement between the Company and the Union.

| Area | Shift | Area of Representation                                       |
|------|-------|--|
| 1    | 1     | Integrated Fighter Group (IFG) / Fabrication / Core Planning |
| 2    | 1     | Tool Design/Test Tool Design                                 |
| 3    | 1     | Tool Manufacturing Planning                                  |
| 4    | 1     | Electrical Calibration Planning                              |
| 5    | 1     | F-35 Liaison Planning  |
| 6    | 1     | F-35 Office Planning   |
| 7    | 2     | All Occupations  |
| 8    | 3     | All Occupations  |

**Section 2.** Union Grievance Committee duties shall be to investigate grievances certified to **Step Three** of the grievance procedure and general-in-character grievances and to meet with the **Labor and Employee Relations site lead** or their designee as provided for herein.

**Section 3.** An Area Steward's duties shall be the handling of grievances arising under this Agreement in their respective areas when requested by an employee. Area Stewards shall be recognized by the Company when certified in writing by the Union.

**Section 4.** Members of the Plant Grievance Committee and Area Stewards shall be compensated by the Company at their regular hourly rate of pay for time spent performing their duties as set forth **by this Article**, provided that the time so spent is devoted to the prompt handling of requests, complaints, or grievances and that the amount of time shall not exceed six (6) hours per week. Before leaving their work area or department on Union business, an Area Steward shall advise their immediate supervisor of where they are going, whom they will contact and the nature of the request, complaint or grievance. The Steward shall advise their immediate supervisor upon return. The time limits specified **in this Article** shall not apply to meetings with the department manager.

**Section 5.** Officers or representatives of the Union shall be given up to five (5) consecutive working days, without pay, to handle Union business, provided that prior to each event twenty-four (24) hour notice is given to their immediate supervisor and **the Labor and Employee Relations site lead** or their designee and provided that the absence of such employees shall not seriously affect production in their respective departments.

**Section 6.** Area Steward(s) shall not be transferred from their area to another unless **the** transfer is mutually agreed upon by the Union and the Company.

**Section 7.** Area Stewards will be notified by the Company as soon as practicable when any employee is added to their Steward area.

**Section 8.** Upon notification to the **Labor and Employee Relations site lead** or their designee, the President, Vice President, and members of the Union Grievance Committee, who are also employees of the Company, will have access to the plant during normal business hours for the purpose of investigating a problem, for matters related to contract administration, or to serve in the temporary capacity of an absent Area Steward. **This** time for Union business shall not be compensated by the Company.

## **ARTICLE TWELVE**

### **GRIEVANCE PROCEDURE**

**Section 1.** The parties agree that unfairness to employees shall not exist and no employee shall be discriminated against for using the **grievance procedure**.

**Section 2.** Subject to the requirements of this **Article**, an employee may present a request or complaint directly to their immediate supervisor.

#### **Grievance Definitions**

**Section 3.** The term “grievance” as used in this Agreement shall mean any alleged violation of the terms or provisions of this Agreement or differences of opinion as to its interpretation and/or application when reduced to writing on a fully executed form approved by the Company and the Union. Grievances shall state a description of the alleged violation and shall identify the provision violated. The grievance must be signed by the aggrieved employee and their Area Steward.

**Section 3-A.** The term “General in Character Grievance,” as used in this Agreement shall mean any alleged violation which is general in nature and cannot be settled by an immediate supervisor or department manager. The grievance shall be valid when signed by a **Business Representative** or their designee and submitted **at Step Three** to the Labor **and Employee Relations site lead** or their designee.

**Section 3-B.** Holidays do not apply to time limits set forth in this **Article**.

#### **Grievance Adjudication and Adjustment**

**Section 4.** Grievances may be settled or withdrawn at any **step** of the grievance procedure without the agreement of any individual employee who may be affected directly or indirectly by such settlement or withdrawal.

**Section 4-A.** Grievance settlements (including arbitration awards) will be limited to an award of no more than three hundred sixty-five (365) calendar days of pay or pay adjustments.

**Section 4-B.** Unless explicitly stated otherwise, all grievance settlements are non-precedent setting, shall be without prejudice to the position of either party and shall not be referable or considered for any purpose other than to enforce the provisions of the specific settlement. In an attempt to settle grievances early in the grievance process, the Company and the Union shall respond to grievance information requests as soon as administratively practicable, providing relevant information regarding the grievance(s) being discussed.

#### **Step One**

**Section 5.** An aggrieved employee and/or their Steward may present and attempt to settle a grievance with the employee’s immediate supervisor during working hours. To be valid, a



grievance must be submitted within ten (10) calendar days after the aggrieved knew or by reasonable diligence could have known of the occurrence of the act or omission upon which it is based except as otherwise provided by this Agreement. Failure to file such a grievance within the ten (10) calendar days of the alleged violation shall render the grievance void and closed.

**Section 5-A.** In an attempt to reach a settlement of the grievance, the immediate supervisor of the grievant shall arrange and have a meeting with the Steward within seven (7) calendar days after presentation of the grievance in **Step One**. The meeting will take place during working hours without loss of compensation. The supervisor shall provide an answer to the Steward within seven (7) calendar days of the **Step One** meeting.

### **Step Two**

**Section 6.** If a settlement is not reached or an answer given within seven (7) calendar days following the **Step One** meeting, the aggrieved employee and/or their Steward may present the grievance within five (5) calendar days into **Step Two** for discussion with the employee's department manager or their designee. Failure to timely present the grievance will result in the grievance being considered withdrawn and closed.

**Section 6-A.** In an attempt to reach a settlement, the department manager shall arrange and have a meeting with the Steward within seven (7) calendar days after receiving the grievance in **Step Two**. The meeting will take place during working hours without loss of compensation. The department manager shall provide an answer to the Steward within seven (7) calendar days of the **Step Two** meeting.

**Section 6-B.** A Labor **and Employee Relations Analyst** may be present during the grievance discussions.

### **Step Three**

**Section 7.** If a settlement is not reached seven (7) calendar days following the **Step Two** meeting, the Union may present the grievance **at Step Three** at the next **Step Three** meeting thereafter or within seven (7) calendar days, whichever is sooner, for discussion with the Labor **and Employee Relations site lead** or their designee. Failure to timely present the grievance will result in the grievance being considered withdrawn and closed.

**Section 7-A.** In an attempt to reach a settlement, the grievance will be scheduled for discussion at the next regular weekly meeting with the Grievance Committee. The **Step Three** meetings will be held weekly provided there are grievances to be discussed at this **Step**. With twenty-four (24) hours' notice to the Company, the Company and the Union may meet at other times. Such additional meetings shall occur prior to the next regularly-scheduled meeting and will not be subject to the six (6) hour limitation on compensation established in **Article Eleven, Section 4** (Union Representatives).

**Section 7-B.** In cases of discharge or layoff, an employee's grievance is properly certified when it is filed at **Step Three** with the Labor **and Employee Relations site lead** or their designee within

seven (7) calendar days from the date of the Company's notification to the employee. Failure to timely file the grievance will result in the grievance being waived and closed.

**Section 7-C.** No employee shall be required to leave the plant upon discharge, disciplinary layoff or suspension without being permitted to discuss their case in the presence of their Steward, unless there is imminent danger to persons or property in which case the employee will be afforded Union representation as soon as practicable.

**Section 7-D.** A General in Character Grievance as defined in **Section 3-A**, is properly certified when it is filed at **Step Three** with the Labor and Employee Relations **site lead** or their designee within fifteen (15) calendar days from the date of the alleged violation. Failure to timely file the grievance will result in the grievance being waived and closed.

#### **Step Four – Arbitration**

**Section 8.** If the parties fail to reach a satisfactory settlement in **Step Three** within thirty (30) calendar days, then within nine (9) calendar days thereafter, the grievance may be certified to **Step Four**. Failure to timely certify the grievance will result in the grievance being considered withdrawn and closed.

**Section 8-A.** Cases involving discharge, disciplinary suspensions, Area Steward discipline, layoff, recall from layoff, medical related lost time, and NLRB-deferred cases shall have priority in arbitration over all other types of disputes.

**Section 8-B.** The parties may select an arbitrator by agreement. If the Company and the Union fail to agree to an arbitrator within twenty (20) calendar days of the grievance being certified to **Step Four**, a request shall be made for the Federal Mediation and Conciliation Service to furnish a list of fifteen (15) names from which an arbitrator shall be selected within thirty (30) calendar days from receipt of the list, by agreement, or, failing to agree, by alternately striking names from the list.

**Section 8-C.** The arbitration hearing shall be held within forty-five (45) calendar days after the Arbitrator has been selected unless the Company and the Union mutually agree otherwise; provided, however, if the Arbitrator is unable to schedule a hearing within such forty-five (45) day period, the parties shall schedule a hearing as soon as practicable thereafter.

**Section 8-D.** The Arbitrator shall not have jurisdiction to arbitrate new provisions or new clauses into this Agreement, nor to add to, nor to modify, nor to arbitrate away in whole or in part any provisions of this Agreement. The Arbitrator shall have the authority to decide and rule on alleged violations of the National Labor Relations Act raised through the grievance process as a result of a deferral of an unfair labor practice charge by the National Labor Relations Board to the grievance process.

**Section 8-E.** The Arbitrator's decision shall be submitted in writing and shall be final and binding on both parties. The Arbitrator's decision shall be rendered within thirty (30) calendar days of the hearing date. Notice of any claims by either party that an Arbitrator's Award is rendered invalid

in whole or in part, shall be served in writing upon the other party within ten (10) calendar days after receipt of the written award, and thereafter the party giving such notice shall proceed as in accordance with prevailing law, seeking to modify or set aside the award. The parties agree that if such notice is not given, such failure shall constitute a waiver of any legal objections to said award.

**Section 8-F.** The costs of the hearing room and the fees and expenses of the Arbitrator shall be shared equally by the Union and Company.

## ARTICLE THIRTEEN

### UNION ACTIVITY

#### Bulletin Boards

**Section 1.** At the Union's request, the Company agrees to furnish bulletin boards in conspicuous locations for the Union to post approved notices. The Union will sign and present its notices to the **Labor and Employee Relations site lead** or their designee for approval and shall receive a signed copy of the approved notice from the Company. The Company shall maintain a list of the bulletin boards and provide a copy to the Union upon their request. Notices other than the following will not be permitted to be posted.

- (a) Union Recreational and Social Affairs
- (b) Union Elections
- (c) Union Appointments and Results of Union Elections
- (d) Union Meetings
- (e) Union Safety Notices

#### Solicitation

**Section 2.** Except for the time provided by the Company during new hire orientation, members of the Union shall not solicit membership in the Union, collect dues or conduct organizing activities on the Company time of any employee.

## ARTICLE FOURTEEN

### INVENTIONS

**This Agreement does not waive the Company's sole ownership of inventions to include both technical and non-technical proprietary information related to technology, process updates or tools.** However, the Company shall not exact or require as a condition of employment, or as part of its contract of employment, that any invention or improvement made by an employee shall belong to the Company and/or the government except as provided in the "Invention Agreements," which Agreements are made part of this Agreement, or required by federal statutes, executive

orders or governmental regulations. Copies of the Agreements shall be distributed to employees upon request.

## **ARTICLE FIFTEEN**

### **SAFETY AND FIRST AID**

**Section 1.** It is the intent of the Company to arrange for adequate first aid treatment for emergency sickness and injury, and where sufficient employees are working on a given shift to justify it, to provide a registered or qualified nurse or medical doctor.

**Section 2.** The Company will reimburse \$50.00 per calendar year to each employee the Company requires to wear protective eye equipment that is purchased by the employee through the Company's safety glasses store. The Company shall reimburse the employee within thirty (30) calendar days of the Company's receipt of proof of the purchase amount.

## **ARTICLE SIXTEEN**

### **JURY DUTY**

**Section 1.** When an employee is absent to serve as a juror, or to serve on a Grand Jury, or to report to the court in person in response to a jury duty summons, or when an employee has been legally subpoenaed as a witness in a case in a court of law to which the employee is not a party directly or indirectly or as a member of a class, or to report for jury examination, they shall be granted pay for those hours for which they are absent from work during their regularly assigned work schedule for such reason, with respect to jury duty service or subpoenaed witness duty.

If an employee is subpoenaed to testify against the Company or the Union, the employee will not be eligible for the pay. Upon mutual agreement between the Company and the Union, exceptions to the exclusions for subpoenaed witness pay may be made in cases of employees subpoenaed by the District Attorney to testify for the prosecution in criminal cases. Pay for work time lost shall not exceed two hundred forty (240) hours in any one calendar year, with respect to jury duty. Pay for work time lost shall be computed at the employee's regular base rate of pay at the time of absence excluding any overtime, shift differential, or any other premium. In no case will payment be made for jury duty performed **for an off day** of an employee's regularly assigned workweek or for hours in excess of the employee's regular workday. Employees will not be compensated for subpoenas issued as a result of other employment.

**Section 2.** If an employee is required to be absent from work to serve as a juror for more than two hundred forty (240) hours in a calendar year, the employee's situation will be reviewed by the Company for payment consideration.

**Section 3.** If an employee assigned to second shift or third shift is absent from their work on such shift on the calendar day they serve as a juror, the absence shall be deemed to be an absence from work in order to serve as a juror.

**Section 4.** Employees will be entitled to jury duty pay as provided above on those days that they are scheduled to work.

**Section 5.** To receive pay for work time lost, an employee must promptly notify their supervisor of any notice they receive to report for jury examination or to report for jury duty and must provide the Company with a statement filed by an official of the court certifying the employee's service as a juror or appearance in court for that purpose, and the date or dates of attendance.

## **ARTICLE SEVENTEEN**

### **SABOTAGE AND SECURITY REGULATIONS**

**Section 1.** The Union agrees to report to the Company any acts of sabotage, or damage to the property of the Company, Government, Customer, other person or employees, and the Union further agrees, if any such acts occur, to use its best efforts to assist in apprehending the guilty person.

**Section 2.** In the interest of security against espionage, sabotage, or subversive activity, nothing in this Agreement shall require the Company to employ or to continue in its employment, or to give access to any plant, factory, or site, any person, or persons whom either the Secretary of Defense, or the Secretary of the Army, or the Navy, or the Air Force, or any of their duly authorized representatives may designate in writing.

## **ARTICLE EIGHTEEN**

### **ASSIGNABILITY**

The Agreement shall be binding upon the successors and assigns of the Company.

## **ARTICLE NINETEEN**

### **SHIFT TRANSFERS**

**Section 1.** Employees on the second or third shift will be rotated with employees in the same classification and program on the first shift in the manner provided below subject to the provisions of **Section 3**.

**Section 2.** Each year during the period of **1** October through **31** October, an employee's request for assignment to a different shift shall be filed with Labor **and Employee** Relations. Seniority shall be considered by the Company when making shift changes. Subject to the provisions of **Section 3** below, shift transfer requests will be approved provided the employee is qualified to successfully perform the assignment and assigned to the program requiring support on the requested shift. If the volunteers do not provide coverage for the production needs, least senior employees on the program will be assigned by seniority.

**Section 3.** The Company reserves the right to transfer an employee at any time, to or from any shift, or to retain an employee on any shift when, in the opinion of the Company, it is necessary due to the training or skill, or lack of training or skill of the employee, or is necessary for the maintenance or creation of a proper distribution of versatility and skill, or of personnel on the respective shifts.

**Section 4.** Shift transfers shall take place between 1 January and the third business Monday of January.

**Section 5.** Employees who are in their probationary period will not be eligible to request a shift transfer.

**Section 6.** The Local Union President, **the Local** Union Vice President, Union Grievance Committee Chief Steward, and Union Grievance Committee Alternate Chief Steward will be exempt from shift transfer during their term of office but may submit a shift transfer request for shift transfer consideration under the provisions of this **Article**.

**Section 7.** Area Steward(s) will be assigned to their respective shift and area of representation during their term of office, subject to the provisions of **Article Eleven** (Union Representatives).

**Section 8.** Exceptions to the above provisions may be made in cases of hardship by mutual agreement between the Company and the Union. Such cases will be reviewed on a case-by-case basis.

**Section 9.** The provisions of this Article shall not be applicable for employees on Business Travel as provided in Article Twenty.

## **ARTICLE TWENTY BUSINESS TRAVEL**

**Section 1.** Business travel will be conducted on the same basis as the Company travel policy for non-represented employees currently in effect and as revised from time to time by the Company at its discretion, except as otherwise provided in this Agreement.

**Section 1-A.** An employee directed to travel during their regular work week will be paid their straight time rate for those hours traveled during their regular shift. Any employee directed by management and authorized by Labor and Employee Relations to travel on their regularly scheduled off day will be paid at the applicable overtime rate in accordance with Article Five of this Agreement.

**Section 2.** The Company may select employees for business travel for those classifications which the Company deems necessary, on a voluntary basis. However, nothing contained in any agreement shall restrict the Company's right, at its discretion, to hire employees at or for a location outside of the Fort Worth, Texas division, or the right to assign employees to or between such locations outside of the Fort Worth, Texas division. Nothing contained in any agreement shall be construed as an obligation to assign employees to business travel.

- 1.** The selection of employees for business travel, the duration of their stay, the sequence in which they return, and the time of their return shall be determined exclusively by the Company.

2. **Each employee on business travel shall accrue seniority for the duration of their individual assignment. During such period of time they shall not be affected by the application of seniority provisions at their permanently assigned location, nor will they exercise seniority rights while on travel.**
3. **When it is determined by the Company that the travel status of the employee is completed and the employee is returned by the Company to their permanently assigned location, they shall be placed in their last department and to the classification that they held immediately prior to their assignment to business travel, seniority permitting.**
4. **If the employee was assigned from and returned to the Company's Fort Worth, Texas division and their seniority will not hold in their department and in the classification that they held immediately prior to their business travel assignment, they will be regressed or laid off on a current basis from such classification under the applicable provisions of the Agreement.**

#### **ARTICLE TWENTY-ONE SALARIED EMPLOYEES**

The Union recognizes the Company's right to assign non-bargaining unit salaried personnel to:

1. Develop routines or formats for electronic data processing equipment from which employees can perform their assigned tasks.
2. Prepare written work clarifications for production employees which give more basic and detail work procedures than those contained in the operation sheets prepared by bargaining unit employees.
3. Prepare Process Instructions.
4. Provide technical direction to Manufacturing Planners and Designers.
5. Use computer-aided design and manufacturing systems to perform their assigned tasks.
6. Perform bargaining unit work in emergency situations or in the course of instructing and assisting employees.

The preceding examples are illustrative, but not all inclusive, of the intent of this Section.

The Union and the Company recognize that modern engineering and manufacturing require the sharing of information and informational processes between all employees. To this end, non-bargaining unit salaried personnel and bargaining unit employees may assist each other in the performance of their work.

The Union further agrees that the Company has the right to assign work to non-bargaining unit salaried personnel that overlaps with work normally performed by bargaining unit employees.

Overlapping work operations shall not become exclusively performed by non-bargaining unit salaried personnel.

**ARTICLE TWENTY-TWO**  
**GROUP INSURANCE AND HEALTH CARE BENEFITS**

**Section 1. MEDICAL PLANS**

- A. LM HealthWorks Plan.** The LM HealthWorks medical plan currently offered to all employees will be discontinued and no longer available after 31 December 2019. The weekly contribution formula and maximums in effect prior to the effective date of the Agreement will remain in effect through 31 December 2019. Balances remaining in the LM Health Fund will be converted to a limited purpose Health Reimbursement Account.
- B. High Deductible Health Plans.** Effective 1 January 2020, the Corporate-wide High Deductible Health Plans (HDHP) will be offered to employees on the “same basis as” offered to non-bargaining unit employees.

1. Effective 1 January 2020, the Company will pay 90% of the premium cost of the medical plan selected. The employee will contribute 10% of the premium cost not to exceed the maximum weekly employee contributions as described below.

The maximum weekly employee contributions will be:

|       | Employee Only | Employee + 1 | Employee + 2 or More |
|-------|---------------|--------------|----------------------|
| 2020  | \$25          | \$50         | \$75                 |
| 2021  | \$30          | \$60         | \$90                 |
| 2022+ | \$40          | \$80         | \$120                |

2. Employees enrolled in a High Deductible Health Plan as of 1 January 2020 will receive a one-time Company contribution to a Health Savings Account (HSA) upon initial enrollment. The contribution for employee-only coverage is \$1,250. The contribution for employee plus one or more coverage is \$2,500. Employees must open an HSA to receive the Company contribution. Such contribution will be deposited as soon as administratively practicable. Employees may make a pre-tax contribution from their paycheck to their HSA. Employees may defer all or part of their lump sum payments to their HSA. Contributions to HSA are subject to annual IRS limits, including contributions received from Lockheed Martin.
3. “Same basis as” is understood to mean that any improvements, modifications, reductions, discontinuations, eliminations or changes to the plan(s) for non-bargaining unit employees shall be automatically applicable to bargaining unit employees covered by this Agreement. Same basis applies to any and all



aspects of the plan(s) including but not limited to eligibility, plan offerings, effective dates and plan designs.

## **Section 2. DENTAL PLANS**

- A. The Comprehensive Dental Plan, Comprehensive Plus Dental Plan and Managed Dental Plan currently offered as options for all employees will be discontinued and no longer available as options after 31 December 2019. The current weekly contribution formula in effect immediately prior to the effective date of the Agreement shall remain in effect through 31 December 2019.**
- B. Effective 1 January 2020, the Dental Plan Core, Dental Plan Enhanced and Dental Plan HMO (where available) will be offered to employees on the “same basis as” offered to non-bargaining unit employees.**
  - 1. Effective 1 January 2020, the Company will pay 100% of the premium cost of the Dental Plan Core or the Dental Plan HMO, if selected. If the employee selects Dental Plan Enhanced, the employee is responsible for any additional premium costs between the selected plan and the Dental Plan Core.**
  - 2. “Same basis as” is understood to mean that any improvements, modifications, reductions, discontinuations, eliminations or changes to the plan(s) for non-bargaining unit employees shall be automatically applicable to bargaining unit employees covered by this Agreement. Same basis applies to any and all aspects of the plan(s) including but not limited to eligibility, plan offerings, effective dates and plan designs.**

## **Section 3. VISION PLANS**

- A. The Vision 24 Plan and the Vision 12 Plan currently offered as options for all employees will be discontinued and no longer available as options after 31 December 2019. The current weekly contribution formula in effect immediately prior to the effective date of the Agreement shall remain in effect through 31 December 2019.**
- B. Effective 1 January 2020, the Vision Plan Core and the Vision Plan Enhanced will be offered to employees on the “same basis as” offered to non-bargaining unit employees.**
  - 1. Effective 1 January 2020, the Company will pay 100% of the premium cost of the Vision Plan Core. If the employee selects Vision Plan Enhanced, the employee is responsible for any additional premium costs between the selected plan and the Vision Plan Core.**
  - 2. “Same basis as” is understood to mean that any improvements, modifications, reductions, discontinuations, eliminations or changes to the plan(s) for non-bargaining unit employees shall be automatically applicable to bargaining unit employees covered by this Agreement. Same basis applies to any and all**

aspects of the plan(s) including but not limited to eligibility, plan offerings, effective dates and plan designs.

#### **Section 4. HEALTH INSURANCE CONTINUATION**

- A. Continuation of health benefits (medical-dental-vision plans, as appropriate) will be offered as described in the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (the “Act”) to those employees and dependents who lose coverage as a result of a ‘qualifying event’ as defined by the Act. The full cost of such coverage continuation plus applicable administration fees will be paid by the employee or dependent(s).**
- B. If laid-off, active medical coverage for employees and eligible dependents will continue for thirty-one (31) calendar days at no cost to the employee. The length of time medical coverage is extended will be included as part of the total length of time coverage may be continued under the Act or Insurance Continuation (as applicable).**

#### **Section 5. OTHER PLANS**

- A. Life and Accidental Death Insurance. The Company provides basic life and accidental death insurance. The provisions of such shall be within the Company’s discretion except as follows:**
  - 1. All employees receive Basic Life Insurance coverage of \$37,000. Effective 1 January 2020, the amount will increase to \$43,000 for employees who are actively at work on or after 1 January 2020.**
    - a) The amount of basic life insurance is subject to disability payment in the event of total and permanent disability prior to age 60.**
  - 2. All employees receive Accidental Death Insurance coverage of \$37,000. Effective 1 January 2020, the amount will increase to \$43,000 for employees who are actively at work on or after 1 January 2020.**
- B. Business Travel Accident Plan. The Company provides Lockheed Martin Business Travel Accident Plan to employees covered by this Agreement on a “same basis as” plan design as offered to non-bargaining unit employees.**
- C. Short-Term Disability Insurance. The Company provides short-term disability coverage of fifty-five percent (55%) of weekly earnings to a maximum of \$380 per week. For leaves commencing on or after 1 January 2020, the maximum will increase to \$410 per week. All other provisions of short-term disability coverage shall be within the Company’s discretion.**
- D. Group Universal Life (GUL) Insurance. The Company offers Group Universal Life (GUL) Insurance. The employee pays 100% of the cost. Employees may elect coverage options of one times (1x) up to eight times (8x) Annual Base Pay. For**

coverage effective 1 January 2020, employees will be granted a one-time Group Universal Life Insurance special enrollment during the 2020 Annual Enrollment period. During this period, employees may enroll or increase one level up to the plan maximum in the Group Universal Life Insurance plan for the year beginning 1 January 2020 without providing Proof of Insurability (POI). Employees must be actively at work on or after 1 January 2020 for any coverage increase to be effective.

**E. Dependent Optional Term Life (DOTL) Insurance.** The Company offers Dependent Optional Term Life (DOTL) Insurance. The employee pays 100% of the cost.

1. **Spouse.** An employee may elect coverage for a spouse at coverage levels equal to one times (1x), two times (2x), or three times (3x) employee's Annual Base Pay. The spouse is required to provide Proof of Insurability (POI) if electing three times (3x) the employee's Annual Base Pay or if the employee enrolls the spouse after thirty (30) calendar days of the employee's or the spouse's first day of eligibility.
2. **Dependent Children.** An employee may elect coverage for any eligible dependent child(ren) at coverage levels of \$5,000, \$10,000 or \$25,000.

**F. Special Accident Insurance.** The Company offers Special Accident Insurance. The employee pays 100% of the cost.

1. **Self.** An employee may elect coverage with options of \$25,000, \$50,000, \$100,000, \$200,000, \$300,000, \$400,000 or \$500,000. Amounts in excess of \$300,000 cannot exceed ten times (10x) Annual Base Pay.
2. **Spouse.** An employee may elect coverage for a spouse with options of \$10,000, \$25,000, \$50,000, \$100,000, \$150,000, \$200,000 or \$250,000.
3. **Dependent Child(ren).** An employee may elect coverage for eligible dependent child(ren) in the amounts of \$10,000, \$25,000 or \$50,000.

**G. Voluntary Supplemental Insurances.** The Company offers Voluntary Supplemental insurance to employees on the "same basis as" offered to non-bargaining unit employees. The employee pays 100% of the cost.

1. Offerings include Voluntary Accident, Voluntary Hospital Indemnity, Voluntary Critical Illness, Identity Theft Protection and Legal Services.
2. "Same basis as" is understood to mean that any improvements, modifications, reductions, discontinuations, eliminations or changes to the plan(s) for non-bargaining unit employees shall be automatically applicable to bargaining unit employees covered by this Agreement. Same basis applies to any and all aspects of the plan(s) including but not limited to eligibility, plan offerings, effective dates and plan designs.

**H. Flexible Spending Accounts.** The Company offers access to the following Flexible Spending Accounts which may be used to pay for eligible expenses using pre-tax dollars. Flexible Spending Accounts are governed by IRS regulations and are subject to change.

- 1. Health Care Spending Account (HCSA).** The minimum calendar year contribution is \$100. The Health Care Spending Account is only available to employees not enrolled in a high deductible health plan.
- 2. Dependent Care Spending Account (DCSA).** The minimum calendar year contribution is \$100.

## **Section 6. GENERAL PROVISIONS**

- A. New Hires** are eligible for benefits on date of hire. The benefit offerings and current weekly contribution formula and maximums in effect immediately prior to the effective date of this Agreement shall remain in effect through 31 December 2019.
- B. NEW TO THE BARGAINING UNIT.** The chart below outlines the default coverage which will become effective retroactively to the date the employee entered the bargaining unit if no active election has been made for medical, dental, or vision during benefits enrollment.

| <b>Plan</b>    | <b>Employees entering the bargaining unit in 2019 – 2019 Default Coverage</b> | <b>Employees entering the bargaining unit in 2020+ - 2020+ Default Coverage</b> |
|----------------|---|---|
| <b>Medical</b> | <i>LM HealthWorks</i><br>- Employee Only Coverage                             | <i>Broad Network 1</i><br>- Employee Only Coverage                              |
| <b>Dental</b>  | <i>Comprehensive Dental Plan</i><br>- Employee Only Coverage                  | <i>Dental Plan Core</i><br>- Employee Only Coverage                             |
| <b>Vision</b>  | <i>Vision 24 Plan</i><br>- Employee Only Coverage                             | <i>Vision Plan Core</i><br>- Employee Only Coverage                             |

- C. ANNUAL ENROLLMENT 2020 – ALL EMPLOYEES.** If no election is made for Medical, Dental and/or Vision coverage during the 2020 Annual Enrollment Election Period, such coverage will default to “no coverage” effective 1 January 2020.
- D. ANNUAL ENROLLMENT 2021 AND SUBSEQUENT YEARS – ALL EMPLOYEES.** During the 2021 Annual Enrollment Election Period and all subsequent years under the terms of this Agreement, the chart below outlines the default coverage for Medical, Dental and/or Vision coverage if no active election is made:

| <b>Current Plan</b>   | <b>Annual Enrollment Default</b>  |
|---|---|
| <b>Medical:</b><br><br><b>No Coverage</b><br><br><b>High Deductible Health Plan</b>   | <b>Medical:</b><br><br><b>No Coverage</b><br><br><b>Same High Deductible Health Plan</b><br><b>Same coverage level</b>  |
| <b>Dental:</b><br><br><b>No Coverage</b><br><br><b>Dental Plan Core</b><br><br><b>Dental Plan Enhanced</b><br><br><b>Dental HMO</b><br><b>(where available)</b> | <b>Dental:</b><br><br><b>No Coverage</b><br><br><b>Dental Plan Core</b><br><b>Same coverage level</b><br><br><b>Dental Plan Enhanced</b><br><b>Same coverage level</b><br><br><b>Dental HMO</b><br><b>Same coverage level</b> |
| <b>Vision:</b><br><br><b>No Coverage</b><br><br><b>Vision Plan Core</b><br><br><b>Vision Plan Enhanced</b>  | <b>Vision:</b><br><br><b>No Coverage</b><br><br><b>Vision Plan Core</b><br><b>Same coverage level</b><br><br><b>Vision Plan Enhanced</b><br><b>Same coverage level</b>  |

- E. For all benefit coverage offerings listed in this Section, the terms of the Plans will be summarized in separate Summary Plan Descriptions (SPD) where applicable. Copies of the SPDs will be furnished to the Union and to each employee eligible for the Plans.**

## **Section 7. RETIREE MEDICAL**

- A. Employees hired before 10 June 2007 are eligible for retiree medical coverage as detailed below.**
- B. Under-Age 65 Retirees**
- 1. Commence retirement on or before 1 December 2019 - Under-Age 65 Retiree Medical Coverage. For eligible employees, the following plans are available:**
    - a) LM HealthWorks Retiree Plan**

**b) LM Essentials Retiree Plan**

- 2. Commence retirement on or after 1 January 2020 – Under-Age 65 Retiree Medical Coverage.** For eligible employees, the High Deductible Retiree Health Plans will be available on the “same basis as” offered to non-bargaining unit under-age 65 retirees on an identical design basis.
- 3. Retiree Medical Coverage.** Should the Company expand, introduce or change health care options for non-bargaining unit under-age 65 retirees during the term of this Agreement and after its expiration, such benefits may, within the Company’s discretion, be extended to retirees covered by this Agreement on a same design basis with the same retiree contributions as non-bargaining unit employees, in addition to the Retiree Medical Coverage for which the employee is eligible for under the terms of this Agreement.
- 4. Contribution Formula.** The retiree and the Company share in the cost of the under-age 65 retiree medical plan up to the maximum monthly Company subsidy. The eligible retiree’s share of the cost is calculated using the service-based schedule below. The retiree is also responsible for 100% of the cost of coverage that exceeds the maximum monthly Company subsidy. Effective 1 January 2020 for eligible employees retiring on or after the first day of this Agreement, the service-based contribution formula applies for Retiree Medical Coverage with an annual contribution cap of \$7,000 (\$583.33 monthly) for Retiree Only or \$14,000 (\$1,166.67 monthly) for Retiree + Family coverage. The service-based contribution schedule is as follows:

| Difference in Cost of Plan and Subsidy |                   |
|--|-------------------|
| Yrs. Of Retirement Credited Service    | Your Cost Sharing |
| 0 – 9                                  | Not Eligible      |
| 10                                     | 85%               |
| 11                                     | 80%               |
| 12                                     | 75%               |
| 13                                     | 70%               |
| 14                                     | 65%               |
| 15                                     | 60%               |
| 16                                     | 56%               |
| 17                                     | 52%               |
| 18                                     | 48%               |
| 19                                     | 44%               |
| 20                                     | 40%               |
| 21                                     | 37%               |
| 22                                     | 34%               |

| <b>Difference in Cost of Plan and Subsidy</b> |                          |
|---|--------------------------|
| <b>Yrs. Of Retirement Credited Service</b>    | <b>Your Cost Sharing</b> |
| <b>23</b>                                     | <b>31%</b>               |
| <b>24</b>                                     | <b>28%</b>               |
| <b>25</b>                                     | <b>25%</b>               |
| <b>26</b>                                     | <b>22%</b>               |
| <b>27</b>                                     | <b>19%</b>               |
| <b>28</b>                                     | <b>16%</b>               |
| <b>29</b>                                     | <b>13%</b>               |
| <b>30 or More</b>                             | <b>10%</b>               |

5. The terms of the Plans will be summarized in separate Summary Plan Descriptions (SPD). Copies of the SPDs will be furnished to the Union and each employee eligible for the Plans.
6. Employees who retire but elected “no coverage” or failed to enroll in a Retiree Medical plan within the required time frames at the time of retirement may enroll during an Annual Enrollment period or in the following circumstances subject to all applicable time frames:
  - a) If a qualified status change occurs
  - b) If a special enrollment rule applies

#### **C. Over-Age 65 Retirees.**

1. **Private Medicare Exchange Retiree Medical Coverage.** Over-age 65 employees eligible for retiree medical insurance are eligible to participate in the over-age 65 healthcare option(s) on the “same basis as” offered to non-bargaining unit over-age 65 retirees on an identical design basis.
  - a) **Company Subsidy.** The Company subsidy for Retiree Medical Coverage is in the form of a credit to a Health Reimbursement Arrangement (HRA) in the amount of \$2,100 annually (\$175 per month) per enrolled retiree and \$2,100 annually (\$175 per month) per enrolled spouse.
  - b) **Eligibility.** To be eligible for the Company subsidy (HRA), the retiree or their spouse must be age 65 or over and must enroll (and maintain enrollment) through the Company designated private Medicare Exchange (i.e. Via Benefits). For the spouse to be eligible, the retiree must be enrolled in a Lockheed Martin sponsored retiree medical plan.
  - c) **Unavailability of the Private Medicare Exchange.** Should the Company designated private Medicare Exchange dissolve or otherwise become unavailable, the Company and Union agree to meet in an effort to designate

a replacement private Medicare Exchange if such Exchanges are permissible based on regulations in effect at the time of discussions. If the parties are unable to come to an agreement during these discussions, the Company will designate a comparable replacement which results in no additional cost to the Company. In the event no such replacement can be designated, the Company shall be under no further obligation to designate a replacement.

“Same basis as” is understood to mean that any improvements, modifications, reductions, discontinuations, eliminations or changes to the plan(s) for non-bargaining unit retirees shall be automatically applicable to bargaining unit employees covered by this Agreement. Same basis applies to any and all aspects of the plan(s) including but not limited to eligibility, plan offerings, effective dates and plan designs.

### **ARTICLE TWENTY-THREE**

#### **RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES OF LOCKHEED MARTIN AERONAUTICS**

A. Lockheed Martin Retirement Plan for Certain Hourly Employees (Retirement Plan). The Retirement Plan Provisions as stated in the applicable Plan Documents will govern except where modified herein.

1. **Eligibility.** Employees hired or rehired before 10 June 2013, will be eligible to participate in the Retirement Plan. Employees hired or rehired on or after 10 June 2013, are not eligible to participate in the Retirement Plan. Employees who are currently eligible to participate in the Retirement Plan that leave the bargaining unit on or after the date of this Agreement will not be eligible to re-enter the Retirement Plan at any future date. In addition, employees who enter or re-enter the bargaining unit on or after the date of this Agreement will not be eligible to participate in the Retirement Plan, regardless of whether they are active participants in a defined benefit pension plan maintained by the Company immediately prior to the date of such entry or re-entry.
2. **Retirement Plan Monthly Rates:**
  - a) Employees who retire or terminate with a vested benefit on or after the first day of this Agreement will receive one hundred dollars (\$100) per month for each year of credited service.
  - b) Employees who retire or terminate with a vested benefit on or after 1 January 2022 will receive one hundred two dollars (\$102) per month for each year of credited service.

### **ARTICLE TWENTY-FOUR**

#### **LOCKHEED MARTIN CORPORATION HOURLY EMPLOYEE SAVINGS PLAN PLUS AND LOCKHEED MARTIN CORPORATION HOURLY EMPLOYEE BASIC**



**BENEFIT PLAN AND LOCKHEED MARTIN CAPITAL ACCUMULATION PLAN  
FOR HOURLY EMPLOYEES**

**A. Lockheed Martin Hourly Employee Savings Plan Plus (HSP).** The HSP provisions as stated in the applicable Plan Documents will govern except where modified herein.

- 1. Employee Elective Deferral.** Employees may defer an elective amount (in \$1-dollar increments) into the HSP on a before-tax, Roth or after-tax contribution basis with the before-tax and Roth contributions being subject to the IRS annual limits imposed under Code Section 402(g). If an employee elects before-tax and Roth contributions in an amount that exceeds the IRS limit, any excess elected before-tax and Roth contributions will automatically be reclassified as after-tax contributions.
- 2. Company Matching Contributions.** Before-tax, Roth and/or after-tax employee elective deferrals of up to seventy-two dollars (\$72) per week are subject to Company matching contributions at the rate of 60%, to begin as soon as administratively practicable after ratification.
- 3. Unmatched Elective Deferral.** Employees may contribute an unmatched elective deferral amount not to exceed the IRS limits as referenced above in Paragraph A (1), to begin as soon as administratively practicable after ratification.
- 4. IRS Limits.** Both employee and employer before-tax, Roth, and after-tax contributions from the HSP and all retirement plans are subject to Code Section 415 annual limits.

**B. Lockheed Martin Basic Benefit Plan for Hourly Employees (BBP).** Company contributions to the BBP will be discontinued 6 October 2019. The BBP will not be available to new hires effective 7 October 2019.

**C. Lockheed Martin Capital Accumulation Plan for Hourly Employees (HCAP).** The HCAP provisions as stated in the applicable Plan Documents will govern except where modified herein.

- 1. Eligibility.** Employees hired on or after 10 June 2013 will receive a Company contribution each quarter of active employment into the employee's HCAP account.
- 2. Company contributions:**
  - a)** Eligible employees will receive a Company contribution in the amount of five hundred dollars (\$500) per quarter to begin as soon as administratively practicable after ratification.

**D. Applicability of Plan Documents.** For all of the benefit coverage offerings listed in this Article, the terms of the Plans will be summarized in separate Summary Plan

**Descriptions (SPD) where applicable. Copies of the SPDs will be furnished to the Union and to each employee eligible for the Plans.**

## **ARTICLE TWENTY-FIVE EQUAL OPPORTUNITY**

**Section 1.** The Company agrees to its non-discriminatory policy offering equal opportunities for available jobs to qualified employees without regard to sex, race, ethnicity, religion, color, pregnancy, national origin, age, veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, mental or physical disability, **medical condition, or any other category for which statutory protection is provided** so long as the essential functions of the job can be performed with or without reasonable accommodation.

**Section 1-A.** Neither the Company nor the Union, in carrying out their obligations under this Agreement, shall discriminate in any manner whatsoever against any employee because of sex, race, ethnicity, religion, color, pregnancy, national origin, age, veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, **medical condition**, mental or physical disability.

**Section 2.** References in this Agreement to the masculine gender shall include the feminine gender.

## **ARTICLE TWENTY-SIX DURATION**

**Section 1.** This Agreement shall become effective on **07 October 2019**, and shall remain in force until 11:59 p.m. on **07 October 2023**, and at the end of each year period thereafter, this Agreement shall be renewed automatically for periods of one (1) year unless either party gives written notice of interest to terminate or amend same at least sixty (60) calendar days prior to the renewal date.

**Section 2.** In the event notice to amend is properly given by either party, the parties shall simultaneously exchange their written notice to amend within ten (10) calendar days following their first meeting.

**Section 3.** Negotiations concerning amendments to this Agreement shall commence not later than forty-five (45) calendar days or sooner than ninety (90) calendar days before the end of the contract period in effect when the notice to amend is given. During said negotiations this Agreement shall remain in full force and effect, except that it may be terminated by either party upon thirty (30) calendar days' notice in writing, as hereinafter provided. During said thirty (30) calendar day period, negotiations shall continue at the request of either party.

**Section 4.** In the event that one party serves a notice to terminate in accordance with this **Article** and the other party serves a notice to amend in accordance with this **Article**, negotiations shall commence as provided in **Section 3** of this **Article**. During negotiations this Agreement shall continue in full force and effect unless, after the commencement of negotiations, a written thirty (30) calendar day notice of termination is given by either party, provided that the termination date established by such notice does not occur sooner than the next renewal date. The parties may by

mutual agreement extend such termination date, it being recognized that a notice of dispute under Section 8, sub-Section (d) (3) of the Labor Management Relations Act of 1947, shall be due thirty (30) calendar days prior to an agreed to or established expiration date, that is, simultaneously with the thirty (30) calendar day notice of termination required during negotiations to cause a termination of the Agreement.

**Section 5.** This Agreement supersedes and renders void all previous agreements, including the Agreement effective **03 October 2016** until **06 October 2019** whether written or oral, between the parties.

**Section 6. “Contract Re-affirmance” – Effective 07 October 2022 the parties shall expressly reaffirm this Agreement for its remaining stated term through 07 October 2023.**

| APPENDIX A”                              |   |                 |
|--|---|-----------------|
| JOB CLASSIFICATIONS AND JOB DESCRIPTIONS |   |                 |
| Labor Grade                              | Job Classification Title                    | Occupation Code |
| 80                                       | Electronic – Calibration Planner Specialist | RF9850          |
| 78                                       | Electronic – Calibration Planner Senior     | RF9851          |
| 82                                       | Manufacturing Planner Specialist Senior     | RF9842          |
| 80                                       | Manufacturing Planner Specialist            | RF9840          |
| 78                                       | Manufacturing Planner Senior                | RF9841          |
| 80                                       | Tool Manufacturing Planner Specialist       | RF9830          |
| 78                                       | Tool Manufacturing Planner Senior           | RF9831          |
| 82                                       | Tool/Test Tool Designer Specialist Senior   | RF9822          |
| 80                                       | Tool/Test Tool Designer Specialist          | RF9820          |
| 78                                       | Tool/Test Tool Designer Senior              | RF9821          |

The Group Lead description in this Appendix is to describe the tasks therein and is not a separate or distinct job classification.

Code: 9850  
Labor Grade: 80  
Installed: 1997

## ELECTRONIC CALIBRATION PLANNER SPECIALIST

### CLASSIFICATION SUMMARY

Facilitate the calibration, repair and modification of test and measuring equipment by analyzing calibration procedures, manufacturing handbooks, schematics, engineering drawings,

engineering specifications and other sources of data. May provide technical guidance as necessary for lower labor grade Electronic Calibration Planners.

### WORK PERFORMED

Plan calibration, repair, modification, and other tasks by analyzing the tasks, obtaining and assigning correct work orders, and estimate when necessary the time required to perform the tasks.

Prepare and process test and measuring/dimensional measuring equipment (TME/DME) as required for calibration, repair, modification and other related tasks.

Facilitate scheduling, shop loading and cost control in keeping with the level of work describe herein.

Prepare or make necessary changes to work request tags, design standard request cards, routing data, and other types of required forms to accomplish the work described herein.

Initiate or change information on forms used by metrology operations and to perform required liaison duties and follow up operations as required.

Initiate and/or change information on quality documents used in conjunction with TME.

Work delinquent QAR reports as required.

Check quality documents for accuracy and completeness after the technicians have completed the assigned tasks and process the completed quality documents according to existing procedures.

Provide information that will assist the technicians and others in performance of the tasks and review technician requests for parts for adequacy.

May document and report to appropriate management out of tolerance TME/DME identified during vendor calibration.

Perform liaison function when required with associated tasks.

Provide recommendations as necessary on the availability of parts, hardware, and software for TME/DME calibration.

Provide assistance to or interface with other personnel as required to obtain correct information for ordering repair and replacement parts by analyzing documents such as vendor manuals, Air Force technical orders, schematics, and engineering procedures or drawings.

Investigate and research spare parts information using various information sources including computer terminals.

Order repair and replacement parts using requisitions and/or material requirement planning (MRP) system. Follow up on requested material as required.

Review, develop, and maintain calibration records, maintenance records and other types of TME/DME historical data, keeping files purged and current as required.

Recommend as requested calibration intervals for new TME.

Assign, determine, and/or verify the correct work order by analyzing the TME/DME task and provided charge data.

May be required to operate electronic data entry, storage, processing, and/or retrieval equipment as a routine part of accomplishing normal job assignments.

Code: 9851  
Labor Grade: 78  
Installed: 1997

## ELECTRONIC CALIBRATION PLANNER SENIOR

### CLASSIFICATION SUMMARY

Facilitate the calibration, repair and modification of test and measuring equipment by analyzing calibration procedures, manufacturing handbooks, schematics, engineering drawings, engineering specifications and other sources of data.

### WORK PERFORMED

Plan calibration, repair, modification, and other tasks by analyzing the tasks, obtaining and assigning correct work orders, and estimate when necessary the time required to perform the tasks.

Prepare and process test and measuring/dimensional measuring equipment (TME/DME) as required for calibration, repair, modification and other related tasks.

Facilitate scheduling, shop loading and cost control in keeping with the level of work describe herein.

Prepare or make necessary changes to work request tags, design standard request cards, routing data, and other types of required forms to accomplish the work described herein.

Initiate or change information on forms used by metrology operations and to perform required liaison duties and follow up operations as required.

Initiate and/or change information on quality documents used in conjunction with TME.

Work delinquent QAR reports as required.

Check quality documents for accuracy and completeness after the technicians have completed the assigned tasks and process the completed quality documents according to existing procedures.

Provide information that will assist the technicians and others in performance of the tasks and review technician requests for parts for adequacy.

Perform liaison function when required with associated tasks.

Provide assistance to or interface with other personnel as required to obtain correct information for ordering repair and replacement parts by analyzing documents such as vendor manuals, Air Force technical orders, schematics, and engineering procedures or drawings.

Investigate and research spare parts information using various information sources including computer terminals.

Order repair and replacement parts using requisitions and/or material requirement planning (MRP) system. Follow up on requested material as required.

Review, develop, and maintain calibration records, maintenance records and other types of TME/DME historical data, keeping files purged and current as required.

Recommend as requested calibration intervals for new TME.

Assign, determine, and/or verify the correct work order by analyzing the TME/DME task and provided charge data.

May be required to operate electronic data entry, storage, processing, and/or retrieval equipment as a routine part of accomplishing normal job assignments.

Code: RF9842  
Labor Grade: 82  
Installed: 2016

## MANUFACTURING PLANNER SPECIALIST SENIOR

### OCCUPATIONAL SUMMARY

Creates and maintains complex manufacturing work instructions, including but not limited to establishing new methods and standards; incorporating critical high impact changes; and, integrating the work of multiple manufacturing planners. Investigates and solves Manufacturing Planning issues of significant depth and breadth. Develops planning for new processes and new

planning standards. Supports the ordering of accountable tools. Provides rework and repair instructions. Performs liaison activities to support all stages of production. Provides expert technical solutions to support improved team performance.

### WORK PERFORMED

Creates and maintains complex manufacturing work instructions for the fabrication, assembly, and finishing of detail parts, kits, and subassemblies, and operations pertaining to aircraft and their components, including the processing, sequencing, and stationing of assembly and installation.

Accomplishes planning in accordance with standard methods, quality requirements, original and revised engineering releases, Manufacturing Engineering inputs, process specifications, cost requirements, technical orders, and production facility plans. Initiates requests for engineering changes in order to assure correctness and/or practicality of manufacture.

Utilizes available data to produce complex manufacturing visual aids to illustrate the operational stages in the manufacture of detail parts, assemblies, and installations, including but not limited to establishing new operational methods and planning standards.

Provides sufficient information and data to ensure the production and installation of parts and assemblies in reconciliation with established requirements in order that manufacturing visual aids may be used in lieu of, or concurrently with, tools, planning, and/or engineering designs.

Represents the organization as a primary contact on tools, processes, and standards used to perform Manufacturing Planning tasks. Maintains frequent liaison with other departmental organizations to properly plan for manufacturing. Analyzes engineering and planning data to determine effect on and disposition of finished parts and parts in subsequent stages of manufacture to airplane completion. Investigates and resolves input concerning the accuracy or completeness of the manufacturing work instructions. Performs complex planning for the repair and rework of aircraft or components, which may include, but is not limited to establishing new operational methods and planning standards.

Applies advanced knowledge of complex shop practices, tooling, manufacturing methods and techniques, equipment, processes, and computer applications and reports routinely used in the performance of normal job assignments. Provides planning solutions to complex problems without the need for consultation.

Assists in analysis of technical data where the assistance rendered involves the level of difficulty described herein.

Assists Manufacturing Planners of same or lower labor grade. Imparts current or new occupational knowledge to Manufacturing Planners of same or lower grade.

Checks the work of other Manufacturing Planners to verify correctness.

May routinely operate digital data processing and storage equipment to accomplish job assignments.

Performs the work of Manufacturing Planner Specialist and Manufacturing Planner Senior as required.

|              |      |
|--------------|------|
| Code:        | 9840 |
| Labor Grade: | 80   |
| Installed:   | 1997 |
| Revised:     | 2016 |

## MANUFACTURING PLANNER SPECIALIST

### OCCUPATIONAL SUMMARY

Creates and maintains manufacturing work instructions of complexity that may include, but is not limited, to special processes such as tube fabrication, low observable finishes, software load; and, aircraft installations with multiple configurations utilizing a variety of tools and processes in a required sequence. Supports the ordering of accountable tools. Provides rework and repair instructions. Performs liaison activities to support all stages of production.

### WORK PERFORMED

Creates and maintains manufacturing work instructions for the fabrication, assembly, and finishing of detail parts, kits, and subassemblies, and operations pertaining to aircraft and their components, including the processing, sequencing, and stationing of assembly and installation.

Accomplish planning in accordance with standard methods, quality requirements, original and revised engineering releases, Manufacturing Engineering inputs, process specifications, cost requirements, technical orders, and production facility plans. Initiates requests for engineering changes in order to assure correctness and/or practicality of manufacture.

Utilizes available data to produce manufacturing visual aids to illustrate the operational stages in the manufacture of detail parts, assemblies, and installations. Provides sufficient information and data to ensure the production and installation of parts and assemblies in reconciliation with established requirements in order that manufacturing visual aids may be used in lieu of, or concurrently with, tools, planning, and/or engineering designs.

Maintains frequent liaison with other departmental organizations to properly plan for manufacturing. Analyzes engineering and planning data to determine effect on and disposition of finished parts, and parts in subsequent stages of manufacture to airplane completion. Investigates and resolves feedback concerning the accuracy or completeness of the manufacturing work instructions. Performs repair and rework planning for aircraft and components.

Applies comprehensive understanding of complex shop practices, tooling, manufacturing methods and techniques, equipment, processes, and computer applications and reports used in the



performance of normal job assignments. Provides planning solutions to complex problems with minimal consultation.

Assists in analysis of technical data where the assistance rendered involves the level of difficulty described herein.

Assists Manufacturing Planners of same or lower labor grade.

Checks the work of other Manufacturing Planners to verify correctness.

May operate digital data processing and storage equipment to accomplish job assignments.

Performs the work of Manufacturing Planner Senior as required.

|              |      |
|--------------|------|
| Code:        | 9841 |
| Labor Grade: | 78   |
| Installed:   | 1997 |
| Revised:     | 2016 |

## MANUFACTURING PLANNER SENIOR

### OCCUPATIONAL SUMMARY

Creates and maintains manufacturing work instructions of limited scope and complexity that may include but is not limited to common processes such as machining and composite fabrication; and, less complex aircraft installations such as bracket installations with limited configurations for less complex requirements such as incorporation of minor engineering changes. Planning tasks may include but are not limited to routine shop order maintenance and creation of supplemental planning. Supports the ordering of accountable tools. Provides basic rework and repair instructions. Performs routine liaison activities to support all stages of production.

### WORK PERFORMED

Creates and maintains manufacturing work instructions for the fabrication, assembly, and finishing of less complicated detail parts, kits, and subassemblies, and operations pertaining to aircraft and their components, including basic processing, sequencing, and stationing of assembly and installation.

Accomplishes planning in accordance with standard methods, quality requirements, original and revised engineering releases, Manufacturing Engineering inputs, process specifications, cost requirements, technical orders, and production facility plans. Prepares planning in accordance with standard templates or similar to existing plans. Initiates requests for engineering changes in order to assure correctness and/or practicality of manufacture.

Utilizes available data to produce manufacturing visual aids to illustrate the operational stages in the manufacture of detail parts, assemblies, and installations where the scope and level of difficulty

of operations are of the level described herein. Provides sufficient information and data to ensure the production and installation of parts and assemblies in reconciliation with established requirements in order that manufacturing visual aids may be used in lieu of, or concurrently with, tools, planning, and/or engineering designs.

Maintains liaison with other departmental organizations to properly plan for manufacturing. Analyzes less complex engineering changes and planning data to determine effect on and disposition of finished parts, and parts in subsequent stages of manufacture to airplane completion. Investigates and resolves input concerning the accuracy or completeness of the manufacturing work instructions. Performs planning for basic repair and rework of aircraft or components.

Frequently utilizes reference material and guidance from higher labor grade Manufacturing Planners to accomplish assignments. Applies understanding of common shop practices, tooling, manufacturing methods and techniques, equipment, processes, and computer applications and reports routinely used in the performance of normal job assignments.

Assists in analysis of technical data where the assistance rendered involves the level of difficulty described herein.

Provides support to other Manufacturing Planners as required.

May operate digital data processing and storage equipment to accomplish job assignments.

|              |      |
|--------------|------|
| Code:        | 9830 |
| Labor Grade: | 80   |
| Installed:   | 1997 |
| Revised:     | 2016 |

## TOOL MANUFACTURING PLANNER SPECIALIST

### OCCUPATIONAL SUMMARY

Facilitates the production of tools by analyzing tooling, engineering and other manufacturing source data to initiate and process tooling forms using Computer-Aided Process Planning Software (CAPPS) or similar computer-aided tools. Uses conventional and automated systems to perform required liaison duties and follow-up operations as required.

### WORK PERFORMED

Processes complex tools by analyzing computer-aided or conventional tool designs, tooling, engineering and other tool manufacturing source data for completeness, practicability and feasibility of manufacturing quality tools to reduce discrepancies or difficulties. Assures manufacture of tools, dies, jigs, fixtures, patterns, templates, models, form blocks, plastic tooling, Aircraft Ground Equipment (AGE), Manufacturing Test Equipment (MTE) and other tooling jobs are on schedule.

Plans and initiates tooling process forms for the manufacturing sequence and the progressive movement of tools and materials through the tool manufacturing departments required for the manufacture and assembly or revision to complex tools and fixtures and AGE/MTE adhering to tool design, operation sheets, engineering designs, reference and/or coordinated tools and other tooling specifications or policies.

Collaborates with and assist Manufacturing Engineering personnel on manufacturing aspects of complex tooling assignments to clarify and accomplish tool manufacturing information changes, modifications, improvements or discrepancy corrections by application of shop knowledge and experience.

Prepares breakdowns using standard hour charts to reflect estimated hours required in the processing, machining, welding, and assembly, of tooling applying a full knowledge of the tool manufacturing sequences, machine capacities and design feasibility.

Participates in Programs for tooling manufacturing departments which involve the development and/or revision of tooling manufacturing standards. Coordinates complex tooling problems between the manufacturing departments.

Assists in the compilation of estimates covering labor hours in tooling for new or contemplated projects.

Initiates requests for Manufacturing Engineering, planning and/or tool design changes in order to assure correctness of design feasibility, type of tool ordered, and practicability of manufacture.

Ascertain the availability of required types and quantity of tooling material and indicate requirements for such tooling material.

Performs follow-up operations to assure adherence to planned sequence of tool fabrication.

Checks the work of Tool Manufacturing Planners of the same or lower labor grade.

May routinely operate digital data processing and storage equipment to accomplish job assignments.

Performs work of the Tool Manufacturing Planner Senior as required.

Code: 9831

Labor Grade: 78  
Installed: 2016

## TOOL MANUFACTURING PLANNER SENIOR

### OCCUPATIONAL SUMMARY

Facilitates the production of less complicated tools by analyzing tooling, engineering and other manufacturing source data to initiate and process tooling forms using Computer-Aided Process Planning Software (CAPPS) or similar computer-aided tools. Uses conventional and automated systems to perform required liaison duties and follow-up operations as required.

### WORK PERFORMED

Process tools by analyzing computer-aided or conventional tool designs, tooling, engineering and other tool manufacturing source data for completeness, practicability and feasibility of manufacturing quality tools to reduce discrepancies or difficulties. Assures manufacture of tools, dies, jigs, fixtures, patterns, templates, models, form blocks, plastic tooling, Aircraft Ground Equipment (AGE), Manufacturing Test Equipment (MTE) and other tooling jobs are on schedule.

Plan and initiate tooling process forms using CAPPS for the manufacturing sequence and the progressive movement of tools and materials through the tool manufacturing departments required for the manufacture and assembly or revision to complex tools and fixtures and AGE/MTE adhering to tool design, operation sheets, engineering designs, reference and/or coordinated tools and other tooling specifications or policies.

Collaborate with and assist Manufacturing Engineering personnel on manufacturing aspects of tooling assignments to clarify and accomplish tool manufacturing information changes, modifications, improvements or discrepancy corrections by application of shop knowledge and experience.

Prepare breakdowns using standard hour charts to reflect estimated hours required in the processing, machining, welding, assembly, etc., of tooling, applying a full knowledge of the tool manufacturing sequences, machine capacities and design feasibility.

Initiate requests for Manufacturing Engineering, planning and/or tool design changes in order to assure correctness of design feasibility, type of tool ordered, and practicability of manufacture. Ascertain the availability of required types and quantity of tooling material and indicate requirements for such tooling material.

Perform follow-up operations to assure adherence to planned sequence of tool fabrication.

Utilizes reference material and guidance from higher labor grade Tool Manufacturing Planners to accomplish assignments.

May routinely operate digital data processing and storage equipment to accomplish job assignments.

|              |      |
|--------------|------|
| Code:        | 9822 |
| Labor Grade: | 82   |
| Installed:   | 2016 |

## TOOL/TEST TOOL DESIGNER SPECIALIST SENIOR

### OCCUPATIONAL SUMMARY

Works with Manufacturing Engineering in the execution of new tooling concepts where complexity of tool design tasks include establishing new methods and standards; incorporating critical high impact changes; and, integrating the work of multiple tool designers. Designs and/or redesigns complex tools for the fabrication, assembly inspection and testing of parts, assemblies and hydraulic, pneumatic, mechanical, electronic, electromechanical, components and/or systems.

### WORK PERFORMED

Works with manufacturing engineering and engineering data to create tool concept layouts. Investigates and solves tooling/test tooling issues of significant depth and breadth. Develops tooling for new processes and develops new tool design standards. Analyzes engineering 3D models, specifications, test instructions, operation sheets, tool orders, and other data to determine the necessary requirements and produces 3D model data sets of tooling used in fabrication, assembly and testing.

Interfaces with tooling groups, liaison groups, and shop personnel to clarify the intent of information, specifications, tool orders, or planning data. Provides expert technical solutions to support improved team performance.

Makes complex mechanical, hydraulic, pneumatic, electric, and electronic computations. Applies advanced Computer-Aided Design (CAD) dataset and diagramming techniques as required to supply adequate information from which to fabricate tools for manufacture, testing calibrating or inspecting components or systems having to do with controlling, actuating, communicating, recording, or monitoring.

Prepares instructions, diagrams, and charts as required to ensure the proper use of complex tools/test tools.

Makes selections and initiates action to obtain materials required.

Assist less experienced Tool/Test Tool Designers in the completion of designs. Imparts current or new occupational knowledge to Tool/Test Tool Designers of same or lower grade.

Checks and releases designs of other Tool/Test Tool Designers for clarity, presentation, completeness, and content to the degree of difficulty described herein.

Represents the organization as a primary contact on tools, processes, and standards used to perform tool design. Represents the tool design organization to manufacturing departments during the fabrication of tools to clarify designs and make alterations to facilitate fabrication.

May operate digital data processing and storage equipment to accomplish job assignments.

Performs the work of Tool/Test Designer Specialist and Tool/Test Designer as required.

|              |      |
|--------------|------|
| Code:        | 9820 |
| Labor Grade: | 80   |
| Installed:   | 2016 |

## TOOL/TEST TOOL DESIGNER SPECIALIST

### OCCUPATIONAL SUMMARY

Designs and/or redesigns complex tools/test tools for the fabrication, assembly, inspection, and testing of parts, assemblies, and hydraulic, pneumatic, mechanical, electronic, electromechanical components and/or systems.

### WORK PERFORMED

Works with manufacturing engineering and engineering data to create tool concepts. Analyzes engineering 3D models, specifications, tool/test tool instructions, operation sheets, tool orders, and other data to determine the necessary requirements and produces 3D model data sets of tooling used in fabrication, assembly and testing.

Interfaces with tooling groups, liaison groups, and shop personnel to clarify the intent of information, specifications, tool orders, or planning data.

Makes complex mechanical, hydraulic, pneumatic, electric, and electronic computations. Applies advanced Computer-Aided Design (CAD) dataset and diagramming techniques as required to supply adequate information from which to fabricate tools for manufacture, testing; calibrating and inspecting components or systems having to do with controlling, actuating, communicating, recording, or monitoring.

Prepares instructions, diagrams, and charts as required to ensure the proper use of complex tools/test tools.

Makes selections and initiates action to obtain materials required.

May assist less experienced Tool/Test Tool Designers in the completion of designs.

Checks and releases designs of other Tool/Test Tool Designers for clarity, presentation, completeness, and content to the degree of difficulty described herein.

Works directly with manufacturing departments during the fabrication of tools to clarify designs and makes alterations to facilitate fabrication.

May operate digital data processing and storage equipment to accomplish job assignments.

Performs the work of Tool/Test Designer as required.

|              |      |
|--------------|------|
| Code:        | 9821 |
| Labor Grade: | 78   |
| Installed:   | 2016 |

## TOOL/TEST TOOL DESIGNER SENIOR

### OCCUPATIONAL SUMMARY

Designs and/or redesigns less complicated tools, jigs and fixtures utilizing conventional drafting or computer drafting methods. Designs and/or redesigns tools for testing and/or calibrating hydraulic, pneumatic, mechanical, electronic, electromechanical components and/or systems after the circuits have been developed, including the use of computer-aided methods, procedures, processes and equipment. Completes layouts and creates detail tool drawings, prepares bills of material and performs related duties as required; completes detail electrical, hydraulic, pneumatic, electronic and electromechanical drawings for tools/test tools using computer-aided methods, procedures, processes and equipment.

### WORK PERFORMED

Analyzes less complicated engineering designs, operation sheets, tool/test tool instructions, tool orders, lofting, and other engineering or shop data in order to determine the proper design of less complicated tools, jigs, fixtures, and test tools.

Proficiently uses computer-aided tool design methods to support detail definition for numerical control programming.

Works from developed circuit diagrams or sketches to produce less complex tools/test tools for hydraulic, pneumatic, mechanical, electronic or electromechanical components and/or systems, including the use of computer-aided methods, procedures, processes and equipment.

Prepares instructions, diagrams, and charts, as required, to ensure proper use of less complicated tools/test tools.

Initiates action to obtain materials required for fabrication of tools/test tools.

Revises or corrects designs of existing tools/test tools to conform to the latest engineering and production changes.

Makes necessary investigations/contacts in the tool shop, tool planning, or other departments to aid in the design/manufacture of tools/test tools.

Develops preliminary sketches to aid less experienced Tool/Test Tool Designers.

Completes layouts that are furnished and makes up tool assembly drawings with a moderate amount of guidance.

Draws details of designs from layouts or sketches.

Draws schematics for electrical, hydraulic, pneumatic and electromechanical test tools from layouts and sketches. Prepares bills of materials, as required.

Develops and designs simple parts such as clamps, brackets, pins, panels or cable assemblies.

Performs algebraic and trigonometric calculations necessary to tool/test tool design.

Makes computations necessary for the design of tools/test tools.

Correct layouts or drawings to the latest engineering or production changes.

May routinely operate digital data processing and storage equipment to accomplish job assignments.

|            |      |
|------------|------|
| Installed: | 1997 |
| Revised:   | 2004 |
| Revised:   | 2016 |

#### GROUP LEAD

Provides technical assistance and leadership to the work group in the delivery of their output. Relays management priorities and directions to assigned group.

Exercises a thorough familiarity and a high degree of knowledge and ability to execute the work of the group being lead and effectively transmits information and clarification to others.

Determines information necessary to enable preparation of the group's work products.

Imparts current or new occupational knowledge to work group.

Guides and assists members of the group. Performs work similar to that assigned to the group for a major portion of time.

May be the primary interface of the group while engaging with customers and suppliers.



**APPENDIX B**  
**EMPLOYEES PERMANENTLY TRANSFERRED**  
**TO OFF-SITE BASES**

In the event the Company permanently transfers employees to off-site bases, the provisions of this Company-Union Agreement shall not apply.

The Company and the Union will mutually agree to provisions to be applicable to such employees.

**APPENDIX C**  
**EMPLOYER-EMPLOYEE COMMUNICATIONS PROGRAM**

The parties to this Agreement mutually agree to adopt and use the Federal Mediation and Conciliation Service "Preventive Mediation Program" for the duration of this Agreement.

This communications program is for the purpose of achieving improved employer-employee relations, and to instill better day-to-day communications practices between the parties.

This program is specifically designed to help develop and maintain relationships that will effectively avoid controversy in the future.

This will be accomplished by leadership and training in periodic, mandatory meetings attended by representatives of the Federal Mediation and Conciliation Service, the Union and the Company.

The parties agree to meet annually during the third quarter of each year, unless agreed otherwise by the parties. An agenda will be set no later than three (3) weeks prior to any meeting.

**APPENDIX D**  
**MEMORANDUMS OF UNDERSTANDING**

No. 1

**TECHNOLOGICAL ADVANCEMENTS**

The application of technological advancements is recognized by the Union and the Company as being essential to both the Company's growth and ability to compete, and to the continued improvement of the standard of living of employees covered by the parties' collective bargaining agreement. The use of computer technology, in particular, plays a key role as it facilitates the development, design, modification and production of Company goods and services.

The Company will inform the Union of new technology that will have an impact on bargaining unit members. The notification will inform the Union President and/or Union Vice-President of anticipated schedules of new technology introduction, estimated numbers of employees directly affected, and if related training or retraining and/or reassignment of displaced employees is feasible, necessary and appropriate.

The Union President and/or Union Vice-President shall review the new technology being considered and make recommendations to minimize the impact on bargaining unit employees prior to the final implementation of such technology. After implementation, any disputes resulting from the introduction of this new technology will be grievable under Section Five (Job Classifications, Wages and Shift Differentials).

The Union recognizes the right of the Company to implement technological changes. Computer aided methods, procedures, processes and equipment are considered as tools to be used by anyone requiring its use. No group of employees, either represented or non-represented, shall be considered to have the exclusive right to perform work with particular resources by virtue of past use or future use.

For example, the company reserves the right to assign anyone, either represented or non-represented, to the creation, modification and use of computer aided design databases. Such equipment is to be considered as a tool to anyone to perform their work assignments.

In making assignments of employees to use these resources, the Company will, in addition to taking into consideration the need to maximize efficiency and utilization of such tools, give consideration to the level of difficulty and degree of complexity involved in using these tools to complete the work assignments.

No. 2

### **INCENTIVE PROGRAM**

**The Company and the Union** acknowledge the value of giving special recognition awards for exceptional and/or significantly improved performance to teams as well as individual employees. Where the Company, in its sole discretion, identifies an individual employee or group of employees who have made significant contribution(s) to the Company, a special recognition or spot award may be utilized for recognizing the employee(s) in the form of a monetary or non-monetary award. **Any form of recognition is discretionary on the part of the Company and** may be demonstrated in a single one-time event or over a period of sustained high performance and may include an interval-based award tied to the achievement of performance metrics as defined by management.

The Union agrees that the Company retains the exclusive right in its sole discretion to establish, discontinue and/or revise monetary or non-monetary award programs, to determine the specific design and structure of any program, to fund and/or de-fund any program, to determine which employees, if any, will receive an award, to terminate an existing program, or to take whatever action it deems necessary and appropriate in the furtherance of program objectives.

**The Company retains the exclusive right to make changes to these programs as necessary and will notify the Union of such changes as they may occur from time to time throughout the duration of the Agreement.** The issuance of Special Recognition or Spot Awards will be in accord with **Aero Code and/or** Company policy.

No. 3

MACHINIST CUSTOM CHOICES WORKSITE BENEFITS PROGRAM

The Union may offer the Machinist Custom Choices Worksite Benefits program to employees through their designated agent, Employee Benefit Systems, Inc. (EBS).

All policyholder service will be provided by the underwriter and EBS without cost to the Company. The Company is not the plan sponsor and is not responsible for plan administration, enrollment, or communication.

As a condition of offering this payroll deduction service, EBS will comply with Company Payroll administration and procedures that will include the following requirements:

- Each participating employee will complete a Deduction Authorization card that contains the employee's name, social security number, deduction name(s) or type(s), employee signature and date.
- Information affecting account activity, including, but limited to enrollment, policy cancellations, deduction changes, premium rate changes, and other changes affecting the employee deduction amount will be made weekly.
- Any deduction amount not collected due to lack of earnings will be the responsibility of EBS. The Company will not collect amounts in arrears or provide an account reconciliation service.
- Deductions will be made from the employee's paycheck each week.

**The enrollment period will occur during the Third Quarter (1 July through 30 September) of the calendar year. The specific dates and times of the enrollment period will be determined by mutual agreement of the Company and Employee Benefits Systems, Inc.**

No. 4

ALCOHOL AND DRUG PROGRAM

The Union and the Company are concerned about the effects of alcohol and drug abuse in the workplace and recognize that dependency is an illness for which recovery is possible. Treatment can be successful for employees who have substance abuse problems and, therefore, employees are encouraged to avail themselves of the Company's confidential Employee Assistance Program (EAP) for help with alcoholism and/or drug dependency.

1) 'For Cause' Alcohol and Drug Testing

Testing for reasonable suspicion or post-accident/incident/near-miss shall be administered by the Company when there is cause to believe that an individual is under the influence of alcohol, illegal drugs, improperly administered medications and/or unauthorized substances.

A. Reasonable Suspicion

The criteria, which may constitute Reasonable Suspicion by the Company include, but are not limited to:

- i. Slurred speech smell of alcohol or marijuana.
- ii. Physical loss of control, such as stumbling or violent behavior.
- iii. Psychological loss of control, such as paranoia, rambling or incoherent speech, diminishing consciousness, or loss of touch with reality.
- iv. Signs of emotional stress, such as argumentative or unusually aggressive behavior.
- v. Detection of paraphernalia related to alcohol and/or illegal drugs.
- vi. Detection of alcohol/illegal drugs/prescription drugs not prescribed for the individual on Company premises or the individual.
- vii. Unusual or repeated injury on the job or damage to property not readily explained by work conditions.
- viii. Criminal behavior relative to illegal drug activity.

#### B. Post-Accident/Incident

Testing shall be administered after involvement in an accident/incident or potentially dangerous near-miss accidents, while performing job-related duties on or off Company property of the following individuals:

- i. Employees injured on the job if (a) the injury is serious enough to require medical treatment beyond first aid and (b) the injured employee's actions or omissions reasonably could have been a contributing factor to the accident/injury or
- ii. Employees whose actions or omissions reasonably could have been a contributing factor in the case of an accident involving only property damage, or
- iii. Employees whose actions or omissions reasonably could have been a contributing factor to a "near miss" in terms of injury or property damage, or
- iv. Employees covered by the agreement whose actions or omissions reasonably could have been a contributing factor to another individual's personal injury.

#### 2) Random Alcohol and Drug Testing

- A. Systematic random testing, without notice, is applicable to those employees who are granted access to classified information and those employees who are in positions involving national security, health or safety, or functions that in the Company's determination require a high degree of trust and confidence.
- B. The Company shall define and maintain a non-biased system of individual selection for the purposes of random drug testing, in accordance with direction provided by the Health and Wellness Center.

- C. Any other drug and/or alcohol testing required by the Department of Defense (DoD), Department of Transportation (DOT), and/or other federal agency regulations shall be in accordance with the applicable regulations.
- D. The drug testing program is complementary to, and in no way supersedes Company disciplinary procedures for individuals who are on Company premises in an impaired state caused by a violation of this agreement.

### 3) Alcohol and Drug Testing

- A. Consent – No alcohol and drug test may be administered without the written consent of the person being tested (See Attachment A). Employees have the right to speak with a Union representative prior to testing, if requested by the employee. Refusing to consent and/or submit to an alcohol and/or drug test is considered insubordination and may result in discipline up to and including termination of employment.
- B. Pre-collection Interviews - Prior to administering an alcohol and drug test, an employee may be interviewed by a Company medical representative or their designee and information from this interview may be provided to the testing laboratory.
- C. Chain of Custody – Collection and shipment of all urine samples will follow strict chain of custody procedures.
- D. Notification – Employees who tests positive shall be so notified by the Company and be given an opportunity to provide the Company with an explanation for the positive alcohol or drug test. If the employee provides evidence that the positive alcohol or drug test result is due to factors other than the presence of alcohol or illegal drugs, for example improperly administered medications and/or unauthorized substances in the test specimen, the positive test result may in the determination of the Company Medical Review Officer be disregarded and all records of the test result will be destroyed.
- E. Confidentiality – The identities of employees who have tested positive on For Cause Testing shall be limited to the extent legally permissible to those persons having a need to know.

### 4) Positive Test for Alcohol or Drugs

- A. Employees whose blood alcohol levels are equal to or exceed 0.04 shall be deemed positive and the employee will be sent home without pay for the remainder of their shift. Test results for employees shall be positive for illegal/illicit drugs, improperly administered medications and/or unauthorized substances consistent with the Substance Abuse and Mental Health Services Administration (SAMHSA) certified laboratories in effect and as amended from time to time. An employee whose alcohol or drug test is positive will be considered in violation of this agreement and will be placed on a leave as described in paragraph 5.
- B. A second positive test will result in termination.

## 5) Leaves of Absence Following Positive Test

- A. Treatment Required: Employees who have tested positive for drugs or alcohol in accordance with this agreement shall be placed on a leave for up to thirty (30) calendar days, consistent with the employee's treatment plan. The leave may be extended up to an additional thirty (30) calendar days if the employee presents satisfactory evidence of continuing to participate in treatment. The leave must be taken after a positive alcohol or drug test, and shall be without pay. However, the employee may use accrued personal business pay and/or vacation pay. Their benefit coverage will continue. The employee must present a release from an accredited alcohol or drug rehabilitation program to the Company's EAP representative in order to return to work. Upon return to work, they shall be tested for alcohol and drugs within the first five (5) calendar days and will be subject to random alcohol and drug testing for up to twenty-four (24) service months. Failure to comply with any of these requirements will result in the employee's termination. Upon successful completion of the twenty-four (24) service month period, the employee's positive test result will be disregarded and the associated records will be destroyed.
- B. Treatment Not Required: If at the time of an employee's positive test result, an assessment by an accredited drug and alcohol rehabilitation program or the Company's EAP representative indicates that the employee does not meet the criteria for treatment, they will be returned to work upon completion of a five (5) day disciplinary layoff. The positive test results will be disregarded and all records of the test results destroyed after twenty-four (24) service months if there is no further occurrence. A second positive test will result in termination.
- C. False Positive: In instances where an initial positive test is determined to be negative, the employee will be returned to work and shall be compensated for time lost. Any associated records will be destroyed.

## 6) Education

- A. Annually the Company shall distribute educational information on its Alcohol and Drug policies and provide training on alcohol and drug awareness and assistance options.

## 7) Conclusion

The parties recognize that as a contractor to the United States Government, Lockheed Martin Aeronautics Company may be directed by law, regulation or rule to implement additional programs aimed at the problem of alcohol and/or drug use. If such law regulation or rule is issued, the parties agree to meet within a reasonable time to negotiate any changes to this Agreement which may be requested by the Company in response to the newly enacted law, regulation or rule. However, nothing in this Agreement will prevent the Company from complying with any law, regulation or rule of the United States Government. Further, employees will be responsible to notify the Company of any criminal alcohol or drug statute conviction for a violation occurring in the workplace not later than five (5) days after such conviction. The Company agrees to notify the

contracting agency within ten (10) days after receiving notification from such employee or otherwise receiving actual notice of such conviction.

Nothing in this Mutual Agreement shall be construed as a guarantee of employment for any period of time, including but not limited to the time an employee is participating in the Company's EAP or drug testing programs.

## No. 5

### ATTENDANCE CONTROL PROGRAM

Regular and punctual attendance are essential to successful business operations, therefore employees are expected to fulfill their obligation of being on time and present for work. The attendance control program should be flexible enough to afford leadership discretion in the application of this program for employees who have maintained a satisfactory attendance record. Therefore, to the fullest extent possible, unpaid, unexcused full or partial-day absences should be avoided and **these** absences should not be viewed as an entitlement or employee award. The following shall apply:

1. To the extent possible, the Company and the Union aspire to the consistent application of this attendance control program, treating similar situations within a team number in the same manner.
2. Employees are expected to maintain satisfactory attendance. Employee's attendance will be routinely monitored, and appropriate action will be administered to those who exceed the program guidelines.
3. "Proper Notice" in reporting an absence shall mean a phone call to the Absence Reporting System (1-866-371-1323) **or another system or phone number as may be designated by the Company**, at least one (1) hour prior to the beginning of the employee's scheduled start time. The recording service will be available twenty-four (24) hours a day. The time and date of a recorded phone call shall be used to determine time limits. An employee shall access the Absence Reporting System with their LM People number.
4. The following absences are excused and will not be counted as discrepancies: paid vacation, paid personal business, an approved medical leave of absence, an approved family medical leave of absence, paid bereavement leave, jury duty, unpaid military leave, Company-initiated unpaid leave, and unpaid authorized Union business.
5. Attendance discrepancies, which may trigger corrective actions are as follows:

Step 1: Employees incurring six (6) hours and one (1) minute or more or three (3) part-day absences or more attendance discrepancies in a review period are subject to being placed in Step 1 of the program. They shall be counseled by their first line leader and issued a written warning.

Step 2: Employees incurring six (6) hours and one (1) minute or more or three (3) part day absences or more attendance discrepancies in a review period while in Step 1 of the program shall be placed in Step 2. They shall be counseled by their second line leader and issued a written warning.

Step 3: Employees incurring six (6) hours and one (1) minute or more or three (3) part day absences or more attendance discrepancies in a review period while in Step 2 of the program shall be placed in Step 3. They shall be counseled by Labor **and Employee** Relations and issued a last and final written warning.

Step 4: Employees incurring six (6) hours and one (1) minute or more or three (3) part day absences or more attendance discrepancies in a review period while in Step 3 of the program shall be placed in Step 4. The employee is discharged.

Review periods are standardized based on accounting months as identified in the manufacturing day calendar. In those cases where an employee is placed in a step and subsequently incurs any attendance discrepancy within the same standardized review period, the employee will be placed in the next appropriate step.

6. Back-Up Steps: Employees that make a good effort toward correcting their attendance are provided a method to back out of the steps of the Attendance Control Program.
  - a. An employee in Step 1 of the program and that has not incurred any discrepancies for one review periods will back up one step.
  - b. An employee in Steps 2 or 3 of the program and that has not incurred any discrepancies for two consecutive review periods will back up one step.
  - c. Perfect attendance occurs when an employee has completed an entire standardized review period without incurring any attendance discrepancies.
7. When an employee's overall attendance record is unsatisfactory, the employee essentially becomes a part time employee and the reasons for their absences may no longer be excused. Each case will be evaluated on an individual basis.
8. Holidays when scheduled, and accepted, or scheduled overtime when not worked, will be treated like any other day in the application of this program.
9. Employees who are in any step of this Attendance Control Program must utilize available paid personal business in one-hour increments prior to incurring any unpaid unexcused time during an employee's scheduled shift, resulting in an employee's personal business balance being applied until exhausted. Employees may not use vacation or combine vacation with personal business to circumvent the application of this provision.



**No. 8**

**PRE- 65 RETIREE MEDICAL INCENTIVES**

**This will confirm our discussions and the mutual understandings reached during the 2019 labor contract negotiations concerning the subject:**

- 1. The Company, at its sole discretion, may elect to offer Pre-65 Retiree Medical Incentives (the “Special Incentives”) to a predetermined number of employees who, at the sole discretion of the Company, are deemed eligible as of the effective date determined.**
- 2. In the event the Company elects to offer Special Incentives, the Company may at its sole discretion engage in the following:**
  - (a) establishing, offering, administering, and interpreting all aspects of any offer;**
  - (b) defining terms and conditions, establishing eligibility requirements, and determining Special Incentives;**
  - (c) amending or terminating at any time with or without prior notice and with or without regard to whether any Special Incentives are paid; and**
  - (d) deciding all issues or disputes arising under or relating to Special Incentive Offers. No matter respecting any differences arising thereunder shall be subject to any grievance and/or arbitration procedure established by any other agreement between the parties.**
  - (e) The Company will prepare and adopt a plan document outlining all of the above points, if it decides to offer Special Incentives.**
- 3. If the Company elects to offer Special Incentives during the life of this Agreement such offers would be non-precedent setting as between the Union and the Company.**

**No. 9**

**TRANSITIONING INTO THE PRODUCTION AND MAINTENANCE UNIT OF  
DISTRICT LODGE 776**

**This Memorandum of Understanding becomes effective 1 January 2020 and applies to employees who are on the active payroll or on an approved leave of absence in a job classification covered by this Agreement as of 7 October 2019.**

**Production and Maintenance (“P&M”) unit refers to the International Association of Machinists and Aerospace Workers (“IAM”), District Lodge 776, Local Lodges A, B, and C. This unit, IAM District Lodge 776, Local Lodge 776F is referred to as “LL776F”. In no**

circumstance will the terms and conditions of this MOU redefine, modify, or merge LL776F with the P&M unit.

#### **Preferential Job Placement Consideration**

In the event of a layoff condition within the LL776F bargaining unit, employees who have made a valid written request by way of a canvassing procedure as established by the Company and who are deemed qualified by the Company for P&M-represented positions, will receive preferential job placement consideration on a one-time basis for open positions provided they have met the basic qualifications for the position and have successfully completed any Company training and/or testing requirements. Such training or testing requirements are at the sole discretion and determination of the Company, including but not limited to, duration and type of training. Such canvassing will be accomplished no later than 31 December 2019.

Employees may request up to three (3) job classifications plus any verifiable previously-held job classifications for consideration in the P&M unit. Employee's requests will remain on file until such time as the employee is 1) placed in any one of the requested job classifications or 2) is placed on layoff status or 3) loses seniority rights under the LL776F Agreement or 4) this MOU has expired.

Upon placement, should it occur, the following shall apply in accordance with the provisions of the P&M Agreement:

- The employee will receive the maximum of the rate range of the P&M-represented classification for which they are placed.
- Upon entering the P&M unit, the employee will be subject to the probationary period.
- The employee will acquire job classification rights to the classification for which they are placed.
- Any subsequent job placement will be in accordance with the P&M Agreement.

Employees of LL776F who are placed in a job classification under the terms of this MOU in the P&M unit, will no longer maintain recall rights to the LL776F unit.

No employees will be placed into job classifications of the P&M unit where a recall list exists or the contractual rights of P&M-represented employees would be violated.

#### **Preferential Hiring Consideration**

Employees who separate and are laid off from LL776F and subsequently apply and are deemed qualified for open positions within the P&M unit will receive preferential rehire consideration for a period of thirty-six (36) months provided the employee meets the basic qualifications for the position and successfully completes any training and/or testing requirements. Such training or testing requirements are at the sole discretion and determination of the Company, including but not limited to, duration and type of training. Employees who have maintained seniority rights with LL776F that are placed under this section shall be rehired with seniority for the determination of benefits eligibility, to include vacation and personal business accrual. The terms and conditions of the probationary period will apply.

For rehire consideration, employees must apply for an open position by way of the Company's application process (currently LM Careers) and notify the IAM in order to receive preferential rehire consideration within the Company. The IAM will notify Labor and Employee Relations once an employee has applied to an open position in the P&M unit.

**Employees in the Retirement (Pension) Plan for Certain Hourly Employees**

Subject to the relevant Plan documents, a pension eligible individual (currently participating in the Retirement Plan for Certain Hourly Employees) is eligible for the Plan if the pension eligible employee 1) transitions directly from LL776F [LMPeople Union Code 008] to the P&M unit [LMPeople Union Code 010] or 2) is on layoff status from LL776F and is given and accepts an offer within the specified recall period in the P&M Agreement.

**Other Benefits**

Subject to all terms and conditions of the P&M Agreement, an employee who transitions directly from LL776F to P&M Unit from active status or is on layoff status from LL776F and is given and accepts a recall offer within the specified recall period in the P&M Agreement, shall be entitled to the following, contingent on eligibility requirements:

- Group Insurance and Health Care Benefits
- Lockheed Martin Corporation Hourly Employee Savings Plan Plus
- IAM National 401(k) Plan
- Life, Accidental Death and Dismemberment, Medical, and Disability Insurances
- Special Accident Plan
- Spending Accounts
- Business Travel Accident

**Vacation Accrual**

LL776F employees who transition to the P&M unit who have satisfied their probationary period in LL776F will accrue vacation based on their seniority date with LL776F.

**Personal Business**

LL776F employees who transition to the P&M unit who have satisfied their probationary period in LL776F will receive personal business grants based on their seniority date with LL776F.

**MOU Expiration**

This MOU will expire on 7 October 2023 making all terms and conditions null and void. However, any job placement activities in progress as a result of an offer of acceptance for a qualifying job classification as of the expiration of this MOU will continue to be processed until the employee is placed provided a valid opening continues to exist.

**FLEX TIME**

The Union and Company recognize the importance and mutual benefit of flexibility. The considerations of this Memorandum of Understanding detail the principles of providing employees with the flexibility to adjust their work day schedule on a situational basis subject to advanced request and approval from their supervisor as follows:

1. Employees who request to report to work after their scheduled shift start time, or who must leave and return to work during the work day may, if feasible, be given the opportunity to flex the missed time within the same work day.
2. An employee's immediate supervisor shall grant or deny the request for flex time. Requests for flex time must be made and approved in advance of an employee's utilization of flex time. In addition, calling into "HR Voice" shall not be considered valid means of requesting flex time and does not constitute a request.
3. Hours worked as a result of approved flex time shall not entitle the employee to any overtime pay. Offered overtime hours shall not be utilized as make-up hours for covering approved flex time.
4. Missed time that is approved for and covered by flex time will not be subject to the Attendance Control Program. However, an employee who fails to make-up approved missed time within the same work day will be subject to discipline as outlined in the Attendance Control Program.
5. Covering or flexing regular shift time will be on an exception basis, and employees who, as determined by the Company, overuse or otherwise abuse the policy will become ineligible for future participation.
6. Employees who work 9/80 will not be eligible to cover or flex regular shift time for Friday shifts.
7. This policy does not permit employees to come to work early in order to leave work early or to flex their time in order to permanently modify their current shift. In addition, this policy shall not apply to employees on Business Travel as provided in Article Twenty.
8. The approval or denial of flex time shall not be subject to the grievance procedure.

Flex time will become available as soon as administratively practicable in 2020. The Company may at its discretion elect to discontinue the offering of flex time where the usage of this program is determined by the Company not to be in the spirit of this memorandum.

**HEALTHCARE LEGISLATION AND TAXATION**

**It is the intent of both the Company and Union that none of the benefits provided in connection with the health insurance benefits (e.g. medical, health care spending accounts and any applicable benefit subject to the excise tax) will cause the application of an excise or High Cost Coverage Excise Tax (Cadillac Plan Tax) as a result of providing such benefits with respect to the Patient Protection and Affordable Care Act (the “PPACA”) or any other healthcare taxation legislation that may evolve over the life of this Agreement.**

**In keeping with the intent of the parties, in the event legislation is enacted modifying the Cadillac Plan Tax or replacing the Cadillac Plan Tax with another revenue generating vehicle that has a financial impact to the Company (Cadillac Plan Tax Replacement or Replacement), the provisions of this Agreement shall be equally applicable to the Replacement.**

**Accordingly, in order to avoid such a tax or Replacement and in keeping with the intent of the parties, the Company and Union agree to meet after the tax and subsequent annual rates for the medical plans have been finalized. If the actual rates for any plan(s) are shown to be above the thresholds for triggering the tax or Replacement, then the parties will meet in an effort to modify such plan(s) to avoid the excise tax or Replacement.**

**If such discussions fail to modify such plan(s), in an effort to avoid the excise tax thresholds, then the Company has the right to modify the plan(s) up to the point where the premium falls below the threshold but no further than administratively practicable.**


**If the modifications to any such plan design necessary to avoid the excise tax cause the medical plan value to be less than the value under the High Deductible Health Plan (HDHP) Plan 3 for active employees or HDHP Plan 3 for under-age 65 retirees, the Company has the right to discontinue such plan(s). In addition, in the event the health insurance carrier(s) on their own accord discontinue the plan(s) for any reason, the Company shall have no further obligation to offer such plan(s).**


IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

LOCKHEED MARTIN  
AERONAUTICS COMPANY --  
FORT WORTH

\_\_\_\_\_  
Dale Kelly  
Director, Labor & Employee  
Relations

\_\_\_\_\_  
Lisa A. Deitz  
Senior Manager, Labor & Employee  
Relations

\_\_\_\_\_  
  
Xavier Jefferson  
Supervisor, Labor & Employee  
Relations


\_\_\_\_\_  
  
Solomon Williams  
Labor & Employee Relations

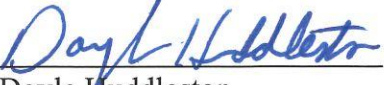
\_\_\_\_\_  
  
Kineret Brokman  
Labor & Employee Relations

\_\_\_\_\_  
Sammy Yohannes  
Senior Manager, Operations Engineering


\_\_\_\_\_  
Michael Barbieri  
Senior Manager, Manufacturing Engineering

AERONAUTICAL INDUSTRIAL  
DISTRICT LODGE 776

\_\_\_\_\_  
  
Paul Black  
District President and Directing Business  
Representative

\_\_\_\_\_  
  
Doyle Huddleston  
Assistant Directing Business Representative

\_\_\_\_\_  
IAM PLANNER NEGOTIATING  
COMMITTEE, Local Lodge 776-F

\_\_\_\_\_  
  
Hazel McCloskey

\_\_\_\_\_  
  
Kevin Creed

\_\_\_\_\_  
  
Judy Routly

## Tsamoutales, Julie

---

**From:** iamsurveyadmin@iamaw.org <noreply@checkbox.com>  
**Sent:** Tuesday, October 01, 2019 12:54 PM  
**To:** DataInfoGroup  
**Subject:** Lockheed Martin DL 776 FIRST Planners

### AGREEMENT ANALYSIS FORM - SRF-5

-----  
Username: AnonymousRespondent  
Numeric Response ID: 108066  
Response GUID: 74c1f21a-695f-4074-8731-78b6bda2d57f  
Survey Start Date: Wednesday, September 18, 2019 12:21:45 PM Survey Completed Date: Tuesday, October 1, 2019 11:53:56 AM

Your Name and Title:  
DOYLE HUDDLESTON, BUSINESS REPRESENTATIVE    pc

Name of Employer:  
(Company Name)  
LOCKHEED MARTIN 776-F

Site Address of Employer:  
(Address where work is performed)  
1 LOCKHEED MARTIN BLVD  
FORT WORTH TX 76108

Corporate Parent:  
(if applicable)  
Not Answered

Former Name:  
(if applicable)  
Not Answered

Effective Date:  
MM/DD/YYYY  
10/7/2019

Expiration Date:  
MM/DD/YYYY  
10/7/2023

Number of Employees in the IAM Bargaining Unit:  
Do not include other unions that you jointly negotiate with in this number.  
177

Number of IAM Members in the Bargaining Unit:  
173

Local Lodge(s):  
776-F

District Lodge(s):  
776

Products Manufactured and/or Services Provided by Bargaining Unit:  
Please state Primary Products/Services and/or Other Products/Services provided.  
PLANNERS

Other Union Agreements at this location:  
OPEIU, IBEW & GUARDS

Type of Union Security:  
Agency Shop

Does this Agreement / or is this Agreement ...  
First Agreement  
-- Yes

Dues Check-Off  
-- Yes

MNPL Check-Off  
-- No

Covered by a Federal Wage Determination (i.e.: Service Contract Act)  
-- No

Apprenticeship Program  
-- No



General Wage Increases and/or Lump Sum Payments Please indicate if \$ or %. If no increase was negotiated, please enter "Zero".

First

Wage Increase -- 3%

Lump-Sum --

Date -- 10/12/2019

Second

Wage Increase -- 2.5%

Lump-Sum --

Date -- 10/3/2020

Third

Wage Increase -- 2.5%

Lump-Sum --

Date -- 10/2/2021

Fourth

Wage Increase -- 3%

Lump-Sum --

Date -- 10/1/2022

Fifth

Wage Increase --

Lump-Sum --

Date --

Sixth

Wage Increase --

Lump-Sum --

Date --

Reopener Date:

MM/DD/YYYY

8/8/2023

Average Unit Wage Rate

\$43.50

Bonuses not included above:

Signing

Please enter amount(s) (\$ or %) -- \$3,500.00

Year End/Holiday

Please enter amount(s) (\$ or %) -- 12

Other

Please enter amount(s) (\$ or %) --

Defined Benefit Pension:

Yes

Has any portion of the defined benefit pension been frozen?

Yes, pension frozen for new hires only

If pension is frozen, please explain if there is anything replacing the pension for the impacted workers (such as amount of additional employer contribution to a savings plan).

SAVINGS MATCH 60% UP TO \$72.00

Type of Plan

Single Employer

Amount Per Month Per Year of Service:

Not Answered

Other Formula:

(i.e.: Contribution rate)

60% UP TO \$72 MAX UNMATCHED IRS ALLOWED

Additional information regarding DB pension and/or frozen DB pension:

Not Answered

Defined Contribution/Savings Plan for all employees?

No

Additional Defined Contribution/Savings Plan for new hires? (i.e., in the event of frozen pension) No

Does the Agreement provide for the following types of insurance?

Health

-- Yes

Prescription Drug

-- Yes

Dental

-- Yes

Vision

-- Yes

Type of Plan:

Single Employer

Please enter the share of health insurance costs paid by employees in dollars per week or per month for the plan covering MOST employees in the Bargaining Unit:

Enter amount

Employee -- \$40

Employee + One -- \$43

Family -- \$

<root /> -- Per week

Additional Information:

HIGH DEDUCTIBLE

Please attach an electronic version of the Contract here.

Not Answered