

AGREEMENT

Between

LOCKHEED MARTIN AERONAUTICS
COMPANY - CLARKSBURG

and

THE AERONAUTICAL MACHINISTS
LOCAL LODGES 1027

and

THE INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS,
A.F. OF L.-C.I.O.

EFFECTIVE DATE: MARCH 12, 2023

ANNIVERSARY DATE: MARCH 10, 2029

PART A AND PART C
of the
AGREEMENT
between
LOCKHEED MARTIN AERONAUTICS
COMPANY - MARIETTA
and
THE AERONAUTICAL MACHINISTS
LOCAL LODGES 709, 1027, AND 2386
and
THE INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS,
A.F. OF L.- C.I.O.

EFFECTIVE DATE: MARCH 12, 2023
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TABLE OF CONTENTS

PREAMBLE.....	vii
PART A - PROVISIONS APPLICABLE TO THE ENTIRE MULTI-PLANT BARGAINING	
UNIT	1
Section 1 - Recognition and Jurisdiction	1
Section 2 - Interpretation and Application.....	1
PART C - PROVISIONS APPLICABLE TO CLARKSBURG PLANT REPRESENTED	
EMPLOYEES ONLY.....	2
ARTICLE 1 - PERIOD OF AGREEMENT.....	2
Section 1 - Period of Agreement	2
Section 2 - Performance Required	2
Section 3 - Successors and Assigns.....	3
Section 4 - Separability.....	3
ARTICLE 2 - UNION RECOGNITION AND SECURITY.....	4
Section 1 - Jurisdiction and Definitions.....	4
Section 2 - Authority of Union	4
Section 3 - Negotiating Committees	5
Section 4 - Strikes and Lockouts.....	5
Section 5 - Union Responsibility	5
Section 6 - Performance Required	6
Section 7 - Union Security.....	7
Section 8 - Non-Discrimination.....	7
ARTICLE 3 - MANAGEMENT RIGHTS	8
Section 1 - Right to Manage Plant.....	8
Section 2 - Make or Buy Responsibilities.....	8
ARTICLE 4 - UNION-COMPANY RELATIONS.....	10
Section 1 - Union Stewards	10
Section 2 - Union Officials and Business Representatives	12
Section 3 - Cooperation	12

Section 4 - Bulletin Boards and Posting Notices.....	12
Section 5 - Solicitation of Membership	13
Section 6 - Employment Not Jeopardized.....	13
Section 7 - Reports Information Furnished to the Union	13
ARTICLE 5 - GRIEVANCE PROCEDURE AND ARBITRATION	16
Section 1 - General Conditions.....	16
Section 2 - Union Grievances.....	18
Section 3 - Arbitration	18
ARTICLE 6 - SENIORITY.....	20
Section 1 - Establishment of Seniority.....	20
Section 2 - Basis of Seniority.....	20
Section 3 - Layoffs.....	21
Section 4 - Recall	23
Section 5 - Loss of Seniority.....	25
Section 6 - Lead Selection	26
Section 7 - Promotion.....	26
Section 8 - Priority in Filling Available Openings.....	26
Section 9 - Transfers.....	27
Section 10 - Shift Transfers.....	27
Section 11 - Notification of Employee Address	27
ARTICLE 7 - SAFETY.....	28
Section 1 - Sanitary, Safety and Health Conditions.....	28
ARTICLE 8 - VACATION AND PERSONAL BUSINESS.....	29
Section 1 - Vacations.....	29
Section 2 - Personal Business.....	30
ARTICLE 9 - LEAVES OF ABSENCE.....	32
Section 1 - Medical Leave.....	32
Section 2 - Military Leave	32
Section 3 - Bereavement Leave.....	32
Section 4 - Jury Duty	32

Section 5 - Leaves Without Pay.....	33
ARTICLE 10 - HOLIDAYS.....	34
ARTICLE 11 - HOURS OF WORK AND PAY PROVISIONS.....	37
Section 1 - Hours and Days of Work	37
Section 2 - Rest Periods.....	37
Section 3 - Premium for Hours and Days of Work.....	37
Section 4 - Overtime Pay	38
Section 5 - Overtime Distribution	38
Section 6 - Pay Period.....	40
Section 7 - Wage Rates.....	41
Section 8 - Rate Retention of Employees Accepting Downgrading Under the Layoff Procedure	42
Section 9 - Temporary Assignment	42
Section 10 - Report Time.....	42
Section 11 - Lost Time.....	43
Section 12 - Pay for Lead.....	43
Section 13 - Tuition Reimbursement	43
Section 14 - Payroll Deductions - Company Reimbursement	43
ARTICLE 12 - PAY RATES	44
Section 1 - Job Descriptions and Basic Rates of Pay.....	44
Section 2 - Guaranteed Personal Rate	44
Section 3 - General Wage Increase	45
Section 4 - Rate Ranges for Labor Grades.....	46
Section 5 - Supplemental Cost-Of-Living Payments	48
Section 6 - Ratification.....	48
ARTICLE 13 - BENEFITS.....	##
SUPPLEMENT "A"	49
JOINT STATEMENT OF POLICY FOR APPLICATION OF JOB DESCRIPTION.....	49
SUPPLEMENT "B"	51
LETTERS OF PROCEDURE AND UNDERSTANDING	51

1. Clarification Concerning the Use of Time Standards Information	Error! Bookmark not defined.
10. Payment of The Difference Between the Amount of Weekly Disability Benefit Paid Under State Workman’s Compensation Law and The Amount of Weekly Disability Benefit	64
11. Employees in Trainee Classification.....	Error! Bookmark not defined.
15. Rate Establishment Upon Promotion or Rehire to Formerly Held Job, and Savings Plan and Group Insurance Participation for rehires	Error! Bookmark not defined.
17. Quality Letter	Error! Bookmark not defined.
17A. Quality Letter	Error! Bookmark not defined.
19. Return of Employees Who Take Disability (Total and Permanent) Retirement Upon Sufficient Recovery	69
21. Clarify Same Day Seniority For Layoff and Recall.....	70
24. Monetary and Non-Monetary AWARDS	71
25. New Business.....	72
26. Alcohol and Drug Programs	73
27. Employee Discipline.....	77
28. New Technology	##
SUPPLEMENT “C”	70
ATTENDANCE STANDARDS - HOURLY EMPLOYEES	70
SIGNATURE PAGE.....	73
INDEX.....	74

PART C – ARTICLE 2

PREAMBLE

This agreement, between the company and the union, evidences the desire of the parties hereto to promote and maintain harmonious relations between the company and its employees, and the union as their representative.

PART A - PROVISIONS APPLICABLE TO THE ENTIRE MULTI-PLANT BARGAINING UNIT

Section 1 - Recognition and Jurisdiction

For the period of this Agreement, Lockheed Martin Aeronautics Company – Clarksburg, sometimes hereinafter referred to as "LM Aero – Clarksburg", recognizes the International Association of Machinists and Aerospace Workers, AFL-CIO, sometimes hereinafter referred to as the "IAM&AW", and its Local Lodges 709, 1027, and 2386 as the exclusive representative of hourly-paid employees in the multi-plant collective bargaining unit consisting of the following groups of employees for purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment:

- 1) Marietta Plant Represented Employees, as defined in Part B of this Agreement;
- 2) Clarksburg Plant Represented Employees, as defined in Part C of this Agreement;
- 3) Meridian Plant Represented Employees, as defined in Part I of this Agreement.

All the employees in the three groups of employees referred to above constitute a single multi-plant collective bargaining unit. The three employee groups which constitute this multi-plant collective bargaining unit, and which are each defined in the Parts of the Agreement referred to above are sometimes hereinafter referred to as the "Contract Administration Groups", or individually as a "Contract Administration Group".

Section 2 - Interpretation and Application

This Agreement consists of Four (4) Parts. These Parts are designated as Parts A, B, C, and I. This entire Agreement resulted from joint negotiations between LM AERO - CLARKSBURG and the IAM&AW and each of the Local Lodges listed in Section 1 of Part A of the Agreement. The entire Agreement was approved by the cumulative votes of the individual members of each of those Local Lodges. It is understood that the printing of certain Parts of this Agreement separately from other Parts of this Agreement is for convenience only and is not intended to create separate collective bargaining units.

The interpretation, application, administration, and enforcement, of the provisions of this Agreement, shall be interpreted and applied separately but uniformly to each of the three separate Contract Administration Groups. The provisions of Part A are applicable to each of the Contract Administration Groups. The following rules determine which Part of the Agreement, other than Part A, applies to each separate Contract Administration Group:

- 1) Part B is applicable only to Marietta Plant Represented Employees;
- 2) Part C is applicable only to Clarksburg Plant Represented Employees;
- 3) Part I is applicable only to **Meridian** Plant Represented Employees.

ARTICLE 1 - PERIOD OF AGREEMENT

Section 1 – Period of Agreement

This Agreement shall remain in full force and effect from **March 12, 2023**, until and through **March 10, 2029**, and thereafter from year to year unless either the IAM&AW or LM AERO - CLARKSBURG gives notice in writing to the other party of its intent to modify or terminate the Agreement. The notice period shall be from 12:01 a.m., November 1, **2028**, through midnight December 31, **2028**, or during a like period in any subsequent year. The notice of intent shall specify the modifications or amendments desired. The parties to this Agreement agree to commence negotiations within fifteen (15) days after the giving of such notice. The fifteen (15) day time period for commencing negotiations may be extended by mutual agreement.

If the parties fail to reach a new Agreement by **March 10, 2029** or by the first Sunday in March of any subsequent yearly period for which this Agreement remains in full force and effect, either the IAM&AW or LM AERO - MARIETTA, at any time thereafter, may terminate this Agreement.

In the event the Federal Government provides direction to alter the work schedule during the period of this agreement, the Company may, upon fifteen (15) days' written notice, reopen negotiations with the IAM&AW and the affected Local Lodge or Lodges for the purpose of amending such sections of this Agreement as pertain to hours of work and/or over-time payment for the sole purpose of considering objectives desired by the Government. The affected Local Lodge or Local Lodges and the IAM&AW shall have authority to administer and enforce the provisions of this section.

Any notice given under this Section of the Agreement shall be effective only if mailed, postage prepaid, by registered or certified mail, return receipt requested, and if addressed:

- 1) When given to LM AERO - CLARKSBURG, to the Site General Manager of LM AERO – MARIETTA, 86 South Cobb Drive, Marietta, Georgia 30063, or
- 2) When given to the IAM&AW, to the General Vice President of the International Association of Machinists and Aerospace Workers who has jurisdiction over Local Lodge 1027 at the address which has been furnished to LM AERO - CLARKSBURG by the IAM&AW.

The date of receipt shown on the registered or certified mail return receipt shall be deemed to be the date on which the related notice is given and received for all purposes under this Agreement.

Section 2 - Performance Required

The Company and the Union shall administer this Agreement in accordance with its terms and provisions and will give each other fullest cooperation maintain to the end that harmonious relations may be maintained in the interest of both the Company and the Union. The Company, the Union, and both parties' representatives shall comply with and abide by all the provisions of this Agreement.

Either party hereto shall be entitled to require specific performance of the provisions of this Agreement. Time is the essence of this Agreement.

The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any further waiver of such breach or condition.

Section 3 - Successors and Assigns

This Agreement shall be binding upon any successor or assignee of all or substantially all of the Company's business or assets unless prohibited by law or regulation; however, this Agreement is not otherwise assignable without the mutual consent of the parties.

Section 4 - Separability

Should any part of this Agreement be declared invalid because of existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction, such invalidation shall not invalidate the remaining portions of this Agreement and they shall remain in full force and effect. In the event of any such invalidation, the Company and the Union shall meet promptly to resolve such invalidation.

Section 5 – Contract Re-affirmance

Effective March 12, 2026, the parties shall expressly reaffirm this Agreement for its remaining stated term through March 10, 2029.

ARTICLE 2 - UNION RECOGNITION

Section 1 – Jurisdiction and Definitions

- A. The phrase "Clarksburg Plant Represented Employees", as used throughout this Agreement, shall mean the group of hourly-paid employees of the Company who work at the Clarksburg, West Virginia, Plant of LM AERO - CLARKSBURG and who are employed in a job classification listed in Part C, Article 12, Section 2, of this Agreement or in a new job classification established pursuant to the provisions of Part C, Article 12, Section 1, (2), of this Agreement; provided, however, the meaning of the phrase "Clarksburg Plant Represented Employees" shall not include office and plant clerical employees, watchmen, professional, laboratory, and technical employees, and department heads, supervisors, and all supervisory employees of any type or title within the meaning of the National Labor Relations Act, as amended.
- B. The words "employee" and "employees", as used in this Part C of the Agreement, shall include only those persons who are members of the group referred to as the Clarksburg Plant Represented Employees, unless another meaning is specifically and expressly stated in the provision in which the word "employee" or "employees" is used.
- C. The word "Union", as used in this Part C of the Agreement, shall mean Local Lodge 1027 and the IAM&AW only, unless another meaning is specifically and expressly stated in the provision in which the word "Union" is used.
- D. The word "Company" and the word "plant", as used in this Part C of the Agreement, shall mean or refer only to the Clarksburg, West Virginia, Plant of LM AERO - CLARKSBURG, unless another meaning is specifically and expressly stated in the provision in which the word "Company" or "plant" is used.
- E. Non-represented Employees Performing Bargaining Unit Work:

A non-represented employee of the Company shall only perform work covered by this Agreement in the following types of situations:

 - 1) Instruction or training of employees.
 - 2) Emergency conditions where immediate action is required to prevent injury to employees, or damage to Company or customer property, or equipment.
 - 3) In circumstances where technical or scientific personnel perform duties which relate to or are a part of the procedures they must follow to accomplish their assignments.
 - 4) When such work is incidental to and essential to the performance of the non-represented employee by that non-represented employee.

The Company will use its best efforts to ensure that the terms of this Agreement are understood and applied throughout the Company with the intent herein.

Section 2 - Authority of Union

The Union shall have full authority to administer and enforce the provisions of this Part B of the Agreement and to exercise the full authority of the collective bargaining representative regarding the Clarksburg Plant Represented Employees during the period of this Agreement, except that this authority shall not be exclusive with regard to the negotiation and acceptance of an agreement to amend or replace this Agreement pursuant to Article 1, Section 1 and Article 2, Section 3, of this Agreement.

Section 3 – Negotiating Committees

The Negotiating Committee representing the Union, in the negotiations contemplated under Article 1, Section 1 of this Agreement, shall consist of four (4) LM AERO - MARIETTA employees who are members of Local Lodge 709, the President of Local Lodge 709, one (1) representative each from Local Lodges 1027 and Local Lodge 2386 party to this Agreement, and up to two (2) District, Grand Lodge, and/or International Union Representatives. Observers or specialists may participate in the above referenced negotiations, if mutually agreed upon by the parties. This Negotiating Committee may be referred to as the Union Negotiating Committee. For voting purposes each of the five (5) representatives of Local Lodge 709 on the Union Negotiating Committee shall be deemed to represent one-fifth (1/5) of the Marietta Plant Represented Employees and each of the representatives from each of the other Local Lodges shall be deemed to represent the employees in the Contract Administration Group which the Local Lodge represents for the purpose of administering this Agreement.

The Negotiating Committee representing LM AERO - CLARKSBURG in these negotiations, sometimes hereinafter referred to as the Company Negotiating Committee, shall consist of no more members than the number of members on the Union Negotiating Committee.

By mutual agreement the Union and Company Committees may establish such special sub-committees as they deem appropriate to recommend and advise them concerning specific and specialized subjects, and the persons comprising such sub-committees shall be permitted to participate in discussions concerning the subject of their specialty but shall have no vote.

After the Union Negotiating Committee and the Company Negotiating Committee have reached agreement on all amendments and modifications to this Agreement or have entered into a new Agreement to replace this Agreement, all such amendments and modifications or the new Agreement in its entirety shall be accepted or rejected as a whole. The ratification and final acceptance or the rejection, by the IAM&AW and the Local Lodges listed in Part A, Section 1, of such amendments or modifications or of a new Agreement, as the case may be, shall be by a majority of the total pooled votes from throughout the multi-plant bargaining unit of all employees who are eligible to and who actually vote in each of the three (3) Contract Administration Groups enumerated in Part A, Section 1, of this Agreement.

Section 4 - Strikes and Lockouts

For the duration of this Agreement the Union agrees that it shall not cause or engage in nor condone its' members to cause or engage in, nor shall any employee covered by this agreement take part in any strike, slowdown or stoppage of work against the Company, and the Company agrees that it shall not cause or engage in any lockout.

Section 5 - Union Responsibility

The Union agrees with the objective of achieving the highest level of employee performance and efficiency consistent with safety, good health, and sustained effort. The Union will not take, authorize, or condone any action which interferes with the attainment of those objectives. In the event of a breach by the Union of the provisions of Section 5 of this Article, the Company may abrogate this entire Agreement. Any action by a Union Steward or Committeeman which is not authorized, concurred in, or supported by the Union, will not constitute a breach of this Agreement on the part of the Union for purposes of this paragraph.

Section 6 – Performance Required

Either party hereto shall be entitled to require specific performance of the provisions of this Agreement. Time is of the essence of this Agreement. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any further waiver of such breach or condition.

Section 7 - Deductions from Earnings for Union Dues

- A. The Company will deduct from their wages and turn over to the Union, the Union Membership Dues of each employee who individually and voluntarily authorizes the Company in writing to make such deductions. The term "Union Membership Dues", shall include Union initiation fees or reinstatement fees of employees rehired by the Company, with or without seniority, when such employees are reinstated or rejoin the Union. The Union indemnifies and holds harmless the Company for this provision of the Collective Bargaining Agreement. Such deductions shall be made in accordance with the following provisions:
- 1) Such deductions shall be made only in accordance with instructions upon authorization cards which shall be in a form mutually agreed to between the Company and the Union. To be effective, such authorization cards shall be delivered by the Union to the Payroll Accounting Department of the Company.
 - 2) Deductions from that portion of the Union Membership Dues consisting of Union initiation fees or reinstatement fees, as provided above, shall be made from the employee's pay-check weekly in the amount and from the number of such checks as specified by the employee on the authorization card.
 - 3) Deductions for other Union Membership Dues shall be made from the employee's paycheck weekly, for fifty (50) weeks of the calendar year. Such deductions shall be in the amount certified to the Company by the Union. Any change in the amount of deductions for such Union Membership Dues shall be made effective for the weekly pay period following two (2) full weeks' written notice of such change by the Union to the Company. In the event a deduction for such dues is not made from one or more consecutive weekly paychecks due to insufficient earnings by the employee, then on the next paycheck that the employee has sufficient earnings, a retroactive deduction shall be made. To be effective as of a weekly payroll period, dues deduction authorizations must be received by the Payroll Accounting Department of the Company by 4:45 p.m. on the second Tuesday preceding the Friday ending such payroll period.
 - 4) The Company's obligation to make such deductions shall terminate upon receipt by the Company from the Union of such authorization or in the event the employee shall cease to be an employee as defined in Article I, Section 1 of this Agreement, except that deductions shall be continued for employees temporarily transferred from the bargaining unit for a period of twenty-four (24) weeks or less unless such dues deductions are revoked by the employee.
 - 5) Revocations shall be made effective on employees' paychecks for the first weekly pay period following receipt of notice as herein set forth. To be effective on such period, revocations must be received in the Payroll Accounting Department of the Company by 4:45 p.m. on the second Tuesday preceding the Friday ending such payroll period.
 - 6) Deductions for Union Membership Dues (with a maximum pickup of four (4) weeks plus the current week) shall be resumed by the Payroll Accounting Department in the following situations unless written revocation notice from the Union has been received by the Company in accordance with Sub-paragraph (5) of this Section:

- (a) Upon recall from layoff.
 - (b) Upon return from prolonged leave of absence.
 - (c) Upon returning to the bargaining unit with seniority after transfer to a non-bargaining unit job.
 - (d) Upon return to the bargaining unit with seniority after transfer to a non-bargaining unit job.
 - (e) Upon return to the bargaining unit with seniority by any other employee who leaves the bargaining unit on or after the effective date of the Agreement.
- B. The Company will mail a check to the Union for the deductions referred to in this Section within ten (10) days following the pay day in which such deductions are reflected in the paychecks.
- C. The Company shall provide the Union with a monthly record of dues deductions, with such record to be on the basis of the Company's accounting months.
- D. The Company on the first day of employment shall introduce each new employee to his Steward.
- E. The Company on the first day of employment shall give each new employee a copy of this Agreement.

Section 8 - Security Regulations

The Union recognizes that the Company has certain obligations in its contracts with the Government pertaining to security and agrees that nothing contained in this Agreement is intended to place the Company in violation of its security agreements with the Government.

Should the U. S. Air Force, U. S. Navy, or other Government agency advise the Company that any employee in the Union bargaining unit is restricted from work on or access to classified information and material, the Union will not contest the Company's action pursuant to such advice to comply with its security obligations to the Government.

Subsequent to taking action, should the Government Agency advise the Company that the employee is no longer restricted for work on or access to classified information and material, the Company shall notify the Union and the employee so that the employee may apply for reinstatement to the same job classification and rate of pay the employee held at the time of the action. The application for reinstatement must be submitted to the Company within ten (10) calendar days from the date of receipt of the employee's notification that the employee is no longer restricted for work on or access to classified information and material. After the Company receives the employee's application, the Company shall reinstate the employee, subject to Article 6 (Seniority), to the same job classification, rate of pay, and seniority they held at the time action was taken.

Section 9 - Non-Discrimination

The Company and the Union agree to comply with all applicable laws, statutes, and regulations concerning nondiscrimination in employment based upon such factors as age, race, color, religion, sex, national origin, ethnicity, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, mental or physical disability, medical condition, pregnancy, veteran status, or 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.

ARTICLE 3 - MANAGEMENT RIGHTS

Section 1 – Right to Manage Plant

- A. The Company has and will retain the right and power to manage the plant and direct the working forces, including the right to hire, to discipline, to suspend or discharge for just cause, to promote, demote and transfer its employees (department and/ shift), subject to the provisions of this Agreement. Any claim that the Company has exercised such right and power contrary to the provisions of this Agreement may be taken up as a grievance.
- B. In the event the Company decides to cease operations, shut down, close the plant, reduce production, or consolidate its operations, it will meet with the Union to determine the effects of such shut down.

Section 2 – Make or Buy Responsibilities

The Company is primarily engaged in the design, development, production and support of major air systems and products. Programs for such products require widespread subcontracting in the sole determination of the Company including but not limited to decisions to make or buy parts, components, or assemblies, which are crucial to the Company's manufacturing philosophy and customer expectations.

While Make or Buy decisions typically number in the thousands, such decisions usually consist of considerations, none of which is weighted more heavily than others not in and of itself determinative, with respect to:

- best design
- best quality
- best delivery
- lowest cost
- lowest risk
- capacity
- supply base capability

Since the Government is legitimately interested in obtaining our products at the lowest possible cost, they frequently check our costs against other sources. Whenever, in their judgement, our costs may be higher than outside sources, they encourage or direct us to subcontract to obtain a lower price for a given part or component. Additionally, the Company will execute Make or Buy decisions that support the effective and efficient operation of the business.

Make or Buy decisions must be viewed with consideration of the total line of business and Aeronautics Business Area in its entirety. The Company's obligations with respect to sales, schedules, quality, and cost must all be taken into consideration. Frequent changes in both planning and execution are necessary as design and manufacturing problems are encountered and as customer redirection is received. Flexibility and fast reaction are essential.

Make or Buy decisions must comply with public law, government requirements, supply base considerations, or direction from the customer and must be responsive to the government's concern with respect to small business, labor surplus areas, the Company's assessment of an effective and efficient approach to managing its operations, as well as the utilization of government facilities. In consideration of these Make or Buy decisions, upon request, the Company will meet with the Union to entertain questions regarding Make or Buy decisions made by the Company that effectively and efficiently address the operational dynamics at the Clarksburg facility as set forth above.

ARTICLE 4 - UNION-COMPANY RELATIONS

Section 1 - Union Stewards

A. Number of Stewards:

- 1) As designated by the Union, in writing to the Plant Manager, there shall be on each active shift of the Plant an Area Steward for every thirty-five (35) employees, or major fraction thereof, and a Senior Steward for each active shift; provided, however, that a shift consisting of less than thirty-five (35) employees may be represented only by a Senior Steward. Each Steward shall be an employee other than a Lead, regularly assigned to work on the same shift as the employees he represents. Area Stewards shall have jurisdiction over the respective areas established by mutual agreement between the Plant Manager and the President of the Local.
- 2) Once each year at a time mutually agreed upon, the Company shall permit all employees who are Union members to vote on Company property and during working hours for Stewards. Additionally, when the merger or addition of organizational units or shifts makes necessary the election of a Steward, such election may be held on Company property and during working hours. The voting shall be conducted under rules and regulations agreed to between the Company and the Union.

B. Time Off from Work:

While the Company and Union recognize the need for Union time, we also recognize the need to assure Company work is accomplished in accordance with operational requirements.

- 1) A Steward will be permitted to take the necessary time off from work without loss of pay for discussion with the designated Company Representative of grievances of employees.
- 2) A Steward will be permitted to take the necessary time off from work without loss of pay for the following Company-Union business within **the** assigned area as Steward:
 - (a) **A Steward may use up to one-half hour of the shift** at a time mutually agreed upon by the Steward and the designated Company Representative as is required for the Steward to contact an employee who has a complaint or grievance. The Company may grant additional time to a specific written request to encourage resolution of the grievances. It is understood that the Steward will not abuse the use of Union time.
- 3) It is agreed that each Steward has assigned work to perform in the plant and that the contacts on Company time, which are provided for in this Section, will be no more frequent and no longer than the matter for discussion reasonably requires. A Steward or Committeemen who finds it necessary to leave his immediate work area shall first request permission from his immediate full-time supervisor. Such requests shall not unreasonably be denied.
- 4) It is agreed that the Union President will, on occasion, have Company-Union business to conduct on Company time with the Plant Manager or designee. It is understood that such meetings will be mutually agreed-upon and will be no more frequent nor longer than the matter for discussion reasonably requires.
- 5) When the Company administers disciplinary action to an employee, the employee may request to have their Steward or alternate Steward. The Steward may participate as a witness and will return to their regular work assignment following the disciplinary meeting. In the event, an employee is given a disciplinary suspension, the employee may request to see their Steward, for a period of up to ten (10) minutes prior to their exit from the plant. Supervision may elect to be present at such time to clarify to the Steward the reason for the employee's suspension.

C. Union Officials and Steward Status on Transfers:

The President, Secretary-Treasurer, and the Senior Steward of whose status as such President, Secretary-Treasurer, or Senior Steward the Company has had five (5) calendar days' written notice and is to be transferred to a different department or classification, the Company will give the Union five (5) calendar days' written notice of such transfer.

Union Area Stewards and Senior Stewards of whose status as such Area Steward and Senior Steward the Company has had five (5) calendar days' written notice shall not be transferred from his respective area of jurisdiction and shift as established in this Agreement, provided he is competent to perform the work remaining within such area of jurisdiction and shift. If an Area Steward is to be transferred to a different area of jurisdiction or shift, the Company will give the Union five (5) calendar days' written notice of such transfer. At the annual election of Union Stewards as provided for in this Agreement, written notice to the Company will suffice and the five (5) calendar days' notice shall be waived.

The President, Vice-President, Secretary-Treasurer, Recording Secretary, and members of the Grievance Committee as defined in Article in this agreement shall be placed on day shift after written notice to the Company of an election.

D. Union Representation on Overtime:

When overtime work is scheduled to be performed in a cost center, or in a department if the department has no cost centers, on a weekend and the Steward is not scheduled to work, the Steward will be notified in advance of such overtime, together with the names of those employees scheduled to work, when supervision has such information sufficiently in advance to notify the Steward. Such Steward may designate one of the scheduled employees to act as Steward during the overtime period by so notifying the designated Company Representative. Supervision will endeavor to notify the affected Steward in advance of in-week and weekend over time to be worked. If supervision is unable to give advance notice, the Union will be promptly notified for the reason advance notification could not be given.

Section 2 - Union Officials and Business Representatives

Employees who become full-time paid official officers of unions that have representation at LM Aero – Clarksburg (including the International) will be placed on an indefinite leave of absence. Such leaves of absence are for the purpose of recognizing fully accumulated seniority in the event such official returns to his former LM Aero – Clarksburg position as an employee within 60 days following their severance as a union employee.

While on leave of absence, elected full-time local union officials may participate in the group medical (including optional plans) and life insurance plans in effect for IAM represented employees. Officers selecting a plan which does not provide life insurance coverage will be entitled to select life insurance coverage from the appropriate group plan providing it. Full premiums at group rates for the coverage selected by the union official are to be paid directly to the selected carrier. LM Aero – Clarksburg will make whatever arrangements are necessary with the carrier to ensure that the coverage when requested is provided. Claims under the selected coverage will be administered by respective divisions. Retirement Plan eligibility of such officials will be governed by the terms of the applicable retirement plan.

The Grand Lodge Representative of the Union shall have access to the Plant Manager's Office for the purpose of contacting the Plant Manager. Such Grand Lodge Representative shall also, upon arrangement through the Plant Manager's Office, be permitted to contact the Union President or his representative concerning employee complaints or grievances or matters arising out of the application of this Agreement. Such visits shall be subject to such regulations as may be made from time to time by the Company. The Company shall not impose regulations which will render ineffective the purpose of this Section.

The Grand Lodge Representative shall not confer with employees (other than the Union President or his representative) or with the supervision of any department while on Company property except through mutual agreement with the Plant Manager.

Section 3 - Cooperation

The Union and its members agree to report to the Company any known threats of or actual acts of sabotage, subversive activities, conduct for which the intended result is threatened or actual harm to people or property, theft, damage to or taking of any employee's, Company's, and/or Government's property or work in process or materials. The Union further agrees to use its best efforts and cooperate in assisting the Company and the Government to investigate the matter. In addition, the Union agrees to cooperate with the Company in the administration of its safety program.

The Union agrees to discourage its members from the sale, use and/or possession of illegal or controlled substances while on Company property.

Section 4 - Bulletin Boards and Posting Notices

Space shall be provided on Company property at a prominent location for a Union bulletin board to be used for the posting of the following types of notices:

- 1) Union recreational, social, welfare and educational activities.
- 2) Union elections;
- 3) Union appointments and results of Union elections;
- 4) Union meetings;
- 5) Other notices as may be mutually agreed upon by the Company and the Union.

The Union shall not distribute or post, nor authorize its members to distribute or post, any material anywhere on the Company's property except as herein provided. The Company may remove such bulletin board in the event of repeated violation of this Section or for reasons such as alterations in plant facilities, etc., and will inform the Union. The Union may distribute each edition of its newspaper, *The Organizer* at the main employee entrance to the Plant in appropriate containers. Within twenty-four (24) hours thereafter, the Union will pick up and dispose of all remaining copies.

Section 5 - Solicitation of Membership

Employees and Union representatives shall not solicit Union memberships or collect dues on Company property on the Company time of any employee, although such activities may be conducted by employees on Company property during authorized breaks and lunch periods of the employees.

The Local Lodge President will be permitted to participate in the one-time orientation of represented newly hired employees for a period not to exceed ten (10) minutes for the purpose of discussing the Union organization, and the distribution of application for Union membership cards and dues deduction cards.

Section 6 - Employment Not Jeopardized

Union membership or legitimate Union activity will not jeopardize an employee's standing with the Company or opportunity for advancement.

Section 7 – Reports Information Furnished to the Union

The Union may request the following reports which are to be furnished as soon as possible; such requests shall be made only by the President or the Financial Secretary of the Union. The Union assumes full responsibility

for maintaining confidentiality of information provided upon request and agrees not to disseminate to unauthorized person(s) or agencies.

- 1) Upon the request of the Union, the Company shall furnish the Union with lists of employees in their respective departments, showing rates, classifications, and dates of hiring and shifts. Such lists of employees shall be coded in a manner which will indicate employees who have, since the last previous such list:
 - (a) Received a promotion from within **the** same department,
 - (b) Received a promotion other than under (a) above.
- 2) The Company will provide the Union with a copy of any recall list published.
- 3) Upon hiring an employee the Company shall promptly furnish a copy of the hiring notice to the Union.
- 4) On a General Layoff the Company will furnish a seniority roster by occupation of all laid-off employees as of a date immediately after the application of the General Layoff.
- 5) The Company will notify the Union in writing of the name, seniority date, classification, and department of each salaried employee returned to the bargaining unit.
- 6) The Company will furnish the Union a list of all bargaining unit employees on the active payroll showing the last known address given to the Company. Such list to be furnished as often as published and no less frequently than quarterly.
- 7) The Company will make available to the Union a report which includes all open requisitions to be filled.

ARTICLE 5 - GRIEVANCE PROCEDURE AND ARBITRATION

Section 1 - General Conditions

The purpose of this article is to provide an orderly method for the resolution of a dispute between the parties over the interpretation, application, or claimed violation of any of the provisions of this agreement. Such dispute shall be defined as a grievance, under this Agreement and must be presented promptly and processed in accordance with the following steps, time limits, and conditions herein set forth. Any employee having a problem concerning his rate of pay, wages, hours of employment, or other conditions of employment, may make such problem the subject matter of a grievance. Only grievances involving the interpretation or application of a specific clause of this Agreement as provided in Section 3 of this Article may be referred to arbitration.

The Company shall not discuss a written grievance filed by an employee unless the employee's Steward has been notified and given an opportunity to be present.

Failure of the Union to proceed within any time limit set forth in the procedure shall constitute a waiver and the grievance shall be closed.

If a retroactive adjustment is involved in an employee's grievance based upon a change in job classification, such retroactivity shall not exceed thirty (30) calendar days prior to the date the employee's written grievance was presented to the department head, unless extended by mutual agreement of the Company and the Union.

The company shall not confer with an employee with respect to a written grievance filed unless the employee's Area steward has been notified and given an opportunity to be present.

Unless explicitly stated otherwise, all grievance settlements (excluding arbitration awards) are non-precedent setting, shall be settled 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.

The Company will endeavor to pay all grievance settlements as soon as possible and will provide the Union with electronic notification once settlement payments have been submitted.

Any pay remedy in the settlement of a grievance, including arbitration, will be less any mandatory taxes, wages, or benefits.

Unless the written grievance signed by the Employee has been delivered to the Company Representative within ten (10) calendar days after the occurrence upon which the grievance is founded, the grievance shall be deemed to be waived.

Failure of the Company to act within the time limit set forth in any Step shall entitle the Union to proceed to the next Step. Any time limit specified in this Article may be extended by mutual agreement in writing between the Company and the Union, on a case-by-case basis.

- A. Recognizing the desire of the Union and the Company to operate in complete agreement and further recognizing the desire of the Union and the Company to resolve all problems in the spirit of mutual trust at the earliest possible moment by the efforts of the aggrieved employee and **the** designated Company Representative; the procedure on employee grievances, except on grievances arising out of discharge, layoff, and recall from layoff, shall be as follows:

- Step 1. An employee shall first take up with his designated Company Representative any problem which **they** may have and it shall be the designated Company Representative's and the aggrieved employee's responsibility to exert every reasonable effort to resolve the matter

by whatever method and by whatever means, not inconsistent with the spirit and letter of this Agreement, as may be necessary to reach mutual agreement.

At the time the employee makes contact with **the** designated Company Representative for purposes of proceeding in accordance with Step 1, both the employee and the designated Company Representative shall sign an acknowledgement form, which shall state the date on which the employee made contact with **the** designated Company Representative, the date of the occurrence upon which the grievance is founded, and a brief statement identifying the subject grievance. The original of this acknowledgement shall be kept on file in the Production Manager's Office and a copy shall be given to the employee. The fact that the acknowledgement form is signed by the designated Company Representative and the employee alone does not establish the eligibility of an employee's grievance for further processing in the grievance procedure. The employee and the designated Company Representative shall meet privately to define and thoroughly discuss the problem, and if a solution is evident take whatever steps consistent with the terms of this Agreement that are necessary to effect a mutually agreed-upon resolution. If the grievance is not resolved after the designated Company Representative and the affected employee have extended their best efforts to do so, the designated Company Representative shall give a verbal answer no later than the third (3rd) working day after the receipt of the verbal grievance. In the event that the grievance is not resolved, the employee may proceed in accordance with Step 2 below.

Because it is the desire of the parties to resolve as many of its problems as possible at the first step, the Step 1 meeting should be informal. For this reason, rejected offers to resolve disputes made at Step 1 shall not prejudice the respective positions of either the Union or the Company in further processing of unresolved verbal grievances.

- Step 2. In the event that agreement is not reached at Step 1 and the employee wishes to proceed further, the Steward who is under the same full-time designated Company Representative as the aggrieved employee may present to the designated Company Representative a written grievance on behalf of the employee on a form to be mutually agreed upon by the Union and the Company. The written grievance shall be dated and signed by the employee and shall set forth a complete statement of the grievance, the facts on which it is based, the time of the occurrence upon which the grievance is based, the remedy or correction desired, and the efforts of the individuals to effect a resolution at Step 1.

The designated Company Representative and the Steward shall initially discuss the written grievance. In the event additional discussions are required, the designated Company Representative and the Steward may call in and consult with any persons whom they mutually agree may positively contribute to the resolution of the grievance. If the grievance is not resolved after the designated Company Representative and the Steward have extended their best efforts to do so, the designated Company Representative shall give his written answer no later than the third (3rd) working day after the receipt of the written grievance. In the event that the designated Company Representative's written answer does not resolve the grievance, the designated Company Representative and the Steward shall immediately prepare a statement setting forth the specific pertinent points and facts upon which the Company and the Union are in agreement, the points upon which the Company and the Union are in disagreement, the clause or clauses of the Agreement involved for interpretation or application, and the issue or issues remaining in dispute. Such statement shall be signed by the designated Company Representative and the Steward and attached to the several copies of the grievance for use in further processing. If the grievance involves a classification matter wherein the employee alleges that by reason of the performance of certain duties **they are** entitled to a classification different from the one **they holds**, the statement prepared by the designated Company Representative and the Steward shall include a complete agreed-upon job duty resume setting forth the grievor's job duties. Such

statement shall be signed by the designated Company Representative and the Steward and attached to the several copies of the grievance for further processing. If a settlement has not been reached and the Union desires to proceed further with the grievance, the Union, within three (3) working days after the receipt of the designated Company Representative's answer shall proceed in accordance with Step 3.

- Step 3. The Union shall deliver to the Affected Manager's Office a copy of the written grievance accompanied by the statement signed by the designated Company Representative and Steward referred to in Step 2 above. Consideration of the case by the Company and the Union at Step 3 shall be restricted to the points and issues set forth in such statement. In the consideration of the case at Step 3, the Affected Manager or designee and the President of the Union shall meet and use their best efforts to reach a settlement. They may call in and consult with any persons that they mutually agree should be heard.

If the grievance is non-specific or does not contain sufficient facts to be addressed, it may be mutually resolved between the Company and the Union or remanded to the first step of the grievance procedure for more complete information.

No later than the fifth (5th) working day after receipt of the written grievance at Step 3, the Affected Manager or designee shall deliver to the Union the Company's answer in writing. If a settlement has not been reached and the Union desires to proceed further with the grievance, the Union, within three (3) working days after receipt of the Affected Manager's answer, shall proceed in accordance with Step 4.

- Step 4. The Union shall deliver to the Plant Manager's Office written notification that it desires to proceed with the grievance. Such grievance will be heard within fifteen (15) calendar days from the date of receipt of the written notice. The Production Manager or designee and the President of the Union may be present at such meeting.

A written decision on such grievance shall be rendered by the Company within three (3) working days after the completion of discussion of the grievance. Such decision shall be mailed certified mail, return receipt requested, to the Grand Lodge Representative, at the address last furnished the Company by the Union. If a settlement has not been reached and the Union desires to proceed further with the grievance, the Union shall proceed in accordance with Section 3.

- B. The procedure on grievances arising out of discharge, layoff or recall from layoff, shall be as follows:
- The employee shall deliver the signed grievance to the Union who may deliver such written grievance to the Labor Relations office and proceed as set forth in Step 2 of this Section. Unless the written grievance signed by the employee has been delivered to the Labor Relations office within ten (10) calendar days after the discharge or layoff complained of, the grievance shall be deemed to be waived and closed.
- C. Nothing contained herein shall prevent an employee from exercising his rights under the provisions of Section 9 (a) of the Labor Management Act of 1947.

Section 2 - Union Grievances

The Union may file a grievance with the Company with respect to the application or interpretation of any of the following terms or provisions:

- Article 1 – Period of Agreement
 - Except Section 1 – Period of Agreement

- Article 2 – Union Recognition
 - Except Section 3 – Negotiating Committees
 - Except Section 9 – Non-Discrimination
- Article 4 – Union-Company Relations
- Section 2 Rest Periods of Article 11– Hours of Work and Pay Provision
- Sub-Section (2) of Section 1 Job Descriptions and Basic Rates of Pay of Article 12 – Pay Rates and Benefits

Such Union grievances shall be delivered to the Affected Manager's Office within five (5) working days after the occurrence upon which such grievance is founded and shall first be discussed by the President of the Union and the Affected Manager. Within five (5) working days after receipt of such grievance the Affected Manager shall deliver to the Union his answer in writing. If a settlement has not been reached and the Union desires to proceed further with the grievance, the Union within three (3) working days after receipt of such answer shall deliver to the Affected Manager a written notice that it desires for the grievance to be scheduled to be heard in a meeting between the Plant Manager and the Grand Lodge Representative. Such grievances will be heard within fifteen (15) calendar days from the receipt of such written notice. The Affected Manager or designee and the President of the Union may be present at such meeting.

A written decision on such grievance will be rendered by the Company within three (3) working days after the completion of discussion of the grievance. If the Company and the Union fail to settle the grievance, the Union may proceed in accordance with Section 3 of this Article.

Failure of the Union to proceed within the time limits set forth shall constitute a waiver of the grievance.

Section 3 - Arbitration

Any grievance, which has not been settled pursuant to Sections 1 and 2 of this Article, and involves the interpretation, application, or claimed violation of any provision of this Agreement, may be referred to arbitration.

The party seeking arbitration must deliver to the other party written notice of such intent to proceed to arbitration within ten (10) working days after the date of the receipt of the decision of the Plant Manager, which shall be rendered following the meeting as provided in Sections 1 and 2 of this Article. Within five (5) working days from the date of delivery of the notice, an arbitrator shall be selected by mutual agreement, or the parties shall request the Federal Mediation and Conciliation Service to submit a list of five (5) persons from which the arbitrator shall be chosen. Within three (3) working days following the receipt of such panel from the Federal Mediation and Conciliation Service the parties shall select an arbitrator in the following manner: The Union and the Company shall alternately strike one (1) name from such panel (the right to strike the first name having been determined by coin flip) until only one (1) name remains and that person shall be the arbitrator.

Upon receipt of acknowledgement by the arbitrator of his willingness to act, the parties shall schedule the arbitration to be heard within the next thirty (30) calendar days. If the arbitrator cannot hear the case within such thirty (30) days, it shall be scheduled at the earliest date agreeable to the arbitrator, or, by mutual agreement, the parties may agree to select a new arbitrator or request a new panel in accordance with the procedure and within the time limits specified above. Failure by the party seeking arbitration to proceed within any of the time limits herein set forth shall result in a waiver and the grievance shall be closed.

Grievances certified to arbitration which are not arbitrated within one (1) year from the date of certification shall be considered waived and closed, unless extended by written notice by either party, for a period no longer than ninety (90) calendar days. An additional ninety (90) days extension may be granted, by mutual agreement, for

unforeseen circumstances. Grievances certified to arbitration, except for termination grievances, shall be scheduled and presented in the order of their date of filing.

The parties shall execute a submission agreement. If the parties fail to agree upon a joint submission each party shall submit a separate submission and the arbitrator shall determine the issue or issues to be heard, provided that said issue or issues are arbitrable in accordance with this Article. The joint or the separate submission shall state the issue or issues and the specific clause or clauses of this Agreement which the arbitrator is to interpret or apply.

The arbitrator shall have the authority to interpret and apply the provisions of this Agreement including the authority to determine under Article 12, Section 1, (2), a basic rate of pay for a modified or newly established job. In consideration of cases involving employees off the payroll and in cases involving pay rates, the arbitrator's authority will be limited to award no more than three hundred and sixty-five (365) calendar days of straight time pay or pay adjustment in remedy of any grievance. The arbitrator shall not have the authority to amend or modify this Agreement or to establish new terms and conditions of this Agreement.

The decision of the arbitrator shall be final and binding upon the Company, the Union, and the employee, and shall be complied with expeditiously.

In the event an arbitrator is selected, and a hearing date scheduled and agreed upon by both parties and either party subsequently cancels such hearing, the party so canceling shall pay any cost assessed by the arbitrator. Except as provided above, the compensation and expenses of the arbitrator and arbitration shall be divided equally, provided however, that each party shall bear the expenses in respect to its own witnesses and that the cost of any report or transcript shall be divided equally. Each party shall pay one-half of the aggrieved employee's time lost from work for appearance at the arbitration proceedings.

ARTICLE 6 – SENIORITY

Section 1 - Establishment of Seniority

Employees are considered probationary for a period of one-hundred and twenty (120) calendar days after an employee starts to work. An employee's probationary period will be extended for the equivalent duration of any time that an employee is placed on authorized leave of absence or placed on inactive status during the probationary period. **The employee's probation period may be extended upon mutual agreement between the Company and the Union.** The employee shall acquire seniority rights retroactive to their starting date after the employee successfully completes their probationary period. It is at the sole discretion of the Company to terminate, transfer 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.

If an employee is laid off during his probationary period and subsequently rehired any seniority accumulated during the twelve (12) months immediately preceding his rehire date shall be counted toward his probationary period. If such service is not continuous, the employee's seniority date shall be established as of a date one hundred twenty (120) calendar days respectively prior to the completion of the probationary period.

Section 2 - Basis of Seniority

Seniority shall be the relative status of employees in respect to length of service with the Company at the Clarksburg Plant, subject to the following qualifications:

1. An employee hired at the Clarksburg Plant or transferred to such plant to work within it, shall have seniority dating from their original hire or rehire with, or transfer to the Clarksburg Plant;
2. An employee transferred from a classification covered by this Agreement to a salaried non-represented unit occupation classification within the Company prior to January 1, 2006, shall continue to accumulate seniority and in case of transfer to a classification covered by this Agreement such seniority shall apply.
3. An employee transferred from an occupation covered by this Agreement to a salaried occupation within the Company on or after January 1, 2006, shall not continue to accumulate seniority, but will retain the seniority previously accumulated while holding an occupation covered by this Agreement. In case of transfer to an occupation covered by this Agreement such seniority shall apply and will continue to accumulate.
4. An employee transferred from an occupation covered by this Agreement to a salaried occupation within the Company for a period not to exceed twelve (12) months shall not lose seniority for the period of time in that salaried position. Employees who are transferred to a salaried occupation as a result of an assignment outside of the United States can be considered under this provision for a longer period of time if justified. Upon completion of the salaried assignment, the employee will return to the classification held immediately prior to assignment to the salaried position, seniority permitting. If the employee has insufficient seniority to be returned to the classification held immediately prior to the salaried assignment, employee shall be considered as surplus in the classification held immediately prior to **their** transfer to a salaried occupation and will be afforded placement rights under Section 3, Paragraph (A) (5) of this Article 6. Should the Company elect to return a non-bargaining unit employee to the bargaining unit, the employee shall be placed in the highest-rated classification previously held, if and where an open requisition exists.

Section 3 – Layoffs

- A. General Layoff Procedure:

- 1) An employee who has acquired seniority rights pursuant to the provisions of Section 2 of this Article shall not be laid off under the general layoff provisions of this Sub-Section (A) unless all employees in their occupation who have not acquired seniority rights pursuant to the provisions of Section 2 of this Article have been laid off. In a department where a surplus in an occupation develops and employees in such department and occupation who have acquired seniority rights and possess the same seniority date become vulnerable to layoff, employee(s) possessing prior service will be given preference (where prior service information is available) in the following order; Marietta Hires, Lockheed Martin Aeronautics Hires, Lockheed Martin Corporation Hires and Others. Employees will be considered in these groups and the employee with the earliest original hire date will be considered more senior. The next preference will be given to employees with the lowest last five (5) digits in their employee number. Employee numbers (or prior service considerations) cannot be used to displace into another department or classification.
- 2) Employees who have acquired seniority rights shall be laid off, where ability, skill and efficiency are substantially equal, in order of seniority applied by classification within the department where the surplus exists.
- 3) Employees with one (1) year or more seniority shall be laid off in order of seniority applied by classification within the Company, where ability, skill and efficiency are substantially equal. This provision shall be applied as follows: Where ability, skill and efficiency are substantially equal, employees within the surplus group shall displace the least senior employees in the classification in the Company.
- 4) An employee who has acquired seniority rights scheduled for layoff shall be placed in any lower-rated classification previously held or in any lateral classification previously held, if **they are** qualified to perform the work of the least-senior of any less-senior employees in such classification. The Company shall insofar as is practicable place the employee in the highest of any such classification previously held. The word "qualified" as used in this Sub-paragraph (4) means that an employee must be able without a training or learning period to perform:
 - (a) The major duties set forth in the job description for such classification which distinguish it from other classifications;
 - (b) The work of the least-senior of any less-senior employees in such classification.
- 5) An employee having a seniority date before January 1, 1978 with six (6) years' or more seniority scheduled for layoff shall be placed in any lateral or lower-rated classification if **they are** qualified to perform the major duties set forth in the job description for such lateral or lower-rated classification which distinguishes such classification from other classifications.

In effecting placement under Sub-paragraph (5) above, the Company shall insofar as it is practicable, place the employee in the highest of any such classification. The word "qualified" as used in Sub-paragraph (5) above, means that an employee must be able, without a training or learning period, to perform the major duties as set forth in the job description for such classification which distinguishes such classification from other classifications; however, such employee, placed in a classification not previously held, will be given orientation normally provided employees displacing in the classification not previously held.

In order to be considered for placement consideration under Sub-paragraph (5) above, the employee must have on file with the Company full and factual information substantiating their qualifications for such lateral or lower-rated classification.

- 6) An employee scheduled for layoff may be placed in a lower-rated classification for which **they are** qualified if there is an available opening in such classification. Consideration shall be given to such placement before open hire.
- 7) The Company shall have seven (7) calendar days from the effective date in which to correct, without liability, any improper layoff resulting from a surplus employee accepting a job involving

displacement of another employee and then declining such job within twenty-four (24) hours prior to the effective date **they were** scheduled to displace such other employee.

- 8) In the event that a lead becomes surplus the downgrade shall be made within the cost center where the surplus occurs. Where ability, skill, and efficiency are substantially equal the least-senior lead leading the same classifications within such cost center as the surplus lead shall be downgraded. Where a department does not have cost centers the downgrade shall be made within the smallest unit under full-time supervision where the surplus occurs.
- 9) An employee scheduled for downgrade in lieu of layoff may at the time such downgrade is offered elect to take layoff in its place.

Provided, however, an employee in a classification within a department having a surplus may request and receive a layoff provided such employee is more senior than a lower senior employee within the department scheduled for surplus from the classification and provided a written request for such layoff is received by the department manager at least five (5) full work days prior to the effective date of the surplus or the date the affected employee is notified of the surplus declaration whichever is later. Such employees' recall rights will be limited to the classification involved in the current layoff and any recall rights to classifications higher than the classification from which voluntary layoff was taken to which the employee was entitled prior to the current layoff. Provided, however, that the recall rights of an employee who takes voluntary layoff shall be suspended for the classification from which laid off for a maximum of ninety (90) months or until the employee notifies Labor Relations in writing that they wish to be returned to the recall list. This notification, at minimum, will not become effective for a period of twelve (12) consecutive months immediately subsequent to the employee's layoff date without extending the employee's recall rights. Such employee shall remain on recall to higher classifications to which the employee had established recall rights prior to the current layoff. Upon notification and following the twelve (12) month period of suspension, the employee's recall rights shall automatically be reactivated and the employee will at that time be eligible for recall to the classification for which recall rights were suspended. Such employee, by electing voluntary layoff, shall forfeit recall rights to any lateral or lower classifications.

- 10) Normally, where ability, skill and efficiency are substantially equal, employees with the same seniority date will be laid off as stated in A (1) of this section.

B. Temporary Layoff:

Temporary layoff may be made for periods not exceeding thirty (30) calendar days regardless of the reason for such layoff. Extensions of this time period may be made by mutual agreement between the Company and the Union. Such layoffs shall be made in order of Company-wide seniority applied by classification within the affected cost center, where ability, skill and efficiency are substantially equal. If a department does not have cost centers, such temporary layoffs shall be by classification within the affected department.

C. Top Seniority for Purposes of Layoff:

For purposes of applying the Temporary and General Layoff procedures, the President who acts as Chairman of the Negotiating Committee, the Senior Steward as defined in Article 4, of whose status as such the Company has had seven (7) calendar days' written notice shall be deemed to have top seniority.

Section 4 – Recall

Employees shall be recalled from the recall list into the classification in which the opening exists in order of seniority, where ability, skill and efficiency are substantially equal. Upon recall to a classification of employees who become eligible for recall and who possess the same seniority date, such employee(s) possessing prior service will be given preference (where prior service information is available) in the following order: Clarksburg Hires, Lockheed Martin Aeronautics Hires, Lockheed Martin Corporation Hires and Others.

When an employee is laid off with attendance discipline on their record, and is subsequently recalled, the employee's attendance discipline record will be treated as follows:

LAYOFF PERIOD	
0 to 12 months	Attendance discipline on record at time of layoff remains on record
12 to 18 months	Attendance discipline on record at time of layoff reverts back one step in the progressive discipline process for attendance
After 18 months	Employee's attendance record considered satisfactory

The next preference will be given to employees with the lowest last five (5) digits in their employee number. Employees will be considered in these groups and the employee with the earliest original hire date will be considered more senior. The recall list shall include:

- 1) Those employees laid off from the classification in which the opening exists; and
- 2) Employees who in lieu of layoff accepted placement in a lateral classification or downgrade from the classification in which the opening exists or who, at the time of downgrade in lieu of layoff, had displacement rights in accordance with Section 3 of this Article into such lateral or lower classification previously held and in which the opening exists and were not placed in such classification because of insufficient seniority; and
- 3) Those employees who, in lieu of layoff, accepted downgrade from the classification in which the opening exists and who were subsequently laid off; and
- 4) Those employees on layoff who at the time of their layoff had displacement rights in accordance with Section 3 of Article 6, into such lateral or lower classification previously held and in which the opening exists, but, because of insufficient seniority, were not placed into such classification.

Any employee recalled to the active payroll from layoff other than temporary recall shall be retained for not less than two (2) weeks or paid in lieu thereof. This paragraph is not to be construed as giving any such employee placement, displacement or retention rights different from or in addition to those provided elsewhere in this Agreement.

Employees on the active payroll of the Company who are notified that they are to be recalled shall not be permitted to refuse recall unless they sign **or** submit to the Company a "Refusal of Recall" form **or email** within three (3) working days of date of notification.

Upon receipt of the **above referenced** dated "Refusal of Recall" form **or email**, the employee's name will be removed from the recall list. An employee on prolonged absence at the time of recall shall have three (3) working days, upon return to the active payroll of the company, to accept or refuse such recall, seniority permitting. An employee accepting recall will be placed into the opening on the Monday following the next scheduled hourly surplus date provided the employee has sufficient seniority to be placed.

An employee on layoff status may refuse recall to a job of temporary duration without losing their place on the recall list or their right to be considered for the next opening for which they are eligible to be recalled. Employees refusing recall of temporary duration may be excluded from consideration for subsequent temporary recall for the following three (3) month period. A job of temporary duration, for the purpose of this paragraph, is defined as a job which, in the opinion of the Company at the time the offer is made, is of an anticipated duration of sixty (60) days or less. It is understood that the Company will use its best judgment in making such determination but will in no event be liable for errors in judgment in so determining.

If a laid-off employee fails to report for work in accordance with Article 6, Section 5(3) and provides a reasonable excuse, the employee shall not be entitled to the job but shall be entitled to hold their place on the seniority list and to be considered for the next vacancy for which they are eligible.

Section 5 - Loss of Seniority

An employee shall lose their seniority upon the happening of any one of the following events:

- 1) Resignation (a four-day unreported absence on scheduled workdays without a reasonable explanation for failure to notify the Company shall be considered a resignation);
- 2) Discharge for just cause;
- 3) If, after a layoff, the employee is notified to report for work, by **email and/or** certified mail, addressed to them at their address on record at time of layoff (or to the last subsequent address provided to the Employee Service Center), and fails within one (1) week after notification or such additional time as the Company may grant to report for work;
- 4) Failure, after an interview, to report for work at the time designated by the Company or to furnish to the Company a reasonable excuse for failure to report;
- 5) Layoff for a period of ninety (90) consecutive months;
- 6) Failure to return to work from an approved leave of absence in accordance with Article 9, within four (4) working days of expiration of the leave, unless a reasonable accommodation under the ADA has been provided;
- 7) Any termination from the active payroll on a voluntary basis and accepting pension under the terms of any Lockheed Martin plan.

Section 6 - Lead Selection

On promotion to Lead, consideration shall be given to qualified employees under the first full-time supervision where the opening exists and when employee qualifications are equal, the most senior will be promoted to Lead. Leads will be selected or removed within a department based on need and job-related criteria, as determined by the Company. Non-job-related considerations will not be used in lead selection or removal.

Section 7 – Promotion

- A. On Promotion to Lead, consideration shall be given to qualified employees under the first full-time supervisor where the opening exists. Leads will be selected or removed within a department based on need and job-related criteria. Non job-related considerations will not be used in lead selection or removal.
- B. On promotion to higher-rated jobs within the bargaining unit and on upgrading from lower grades to higher grades in the same occupation (except Lead) consideration shall first be given to those employees within the department where the opening exists; and then plant-wide.
- C. In selecting an employee for such promotion to an available opening as provided in Paragraphs (A) and (B) above, the following standards shall apply:
 - 1) Availability for Release. Operational requirements will be considered insofar as they pertain to the release of an employee from their present job. The Company will not unreasonably deny an employee a release for upgrading.
 - 2) Where ability, skill and efficiency are substantially equal, preference shall be given to the most senior qualified employee within the applicable unit.
 - 3) An Employee shall not be considered for promotion if they have been promoted during the

preceding six (6) months (except at company convenience).

- D. Preference shall be given to the promotion of qualified employees eligible under this Section before open hire.

Section 8 - Priority in Filling Available Openings

In filling available openings in a job classification, employees in the following groups shall be combined and preference shall be given to the most senior qualified employee where ability, skill and efficiency are substantially equal:

- 1) Employees who are being demoted from a higher-rated classification in lieu of layoff, and who are scheduled for placement in the job classification in which the opening exists.
- 2) Employees on the recall list of the classification in which the opening exists as defined in Section 4 of this Article.
- 3) Job classifications that have current or future openings will be published as new job openings are identified. Employees desiring to apply for the opening may submit their resumes electronically. Employees on voluntary layoff will not be considered for upgrade. It is recognized that, despite our efforts, a small number of people may be placed on jobs they cannot perform. In these cases, where an employee has the background, the recommended training with proper job instructions, have received an opportunity to do the work, and still cannot perform, the employee will be returned to the last classification held, or to the highest classification that the employee would have been recalled to had he/she not been promoted, seniority permitting.

A lateral transfer (transfer from one classification to another classification in the same labor grade) or a transfer within a classification may be made without reference to the priority above stated. A full time work assignment in a lateral or lower classification without change in classification may be made for a period not to exceed twenty (20) working days. Such period may be extended an additional twenty (20) working days provided such employees being so reassigned possess greater seniority than any employee on the recall list for such lateral or lower classification to which assigned. The affected steward shall be notified at the time any lateral or lower work assignment is made under this paragraph.

Section 9 - Transfers

On transfers to openings, preference will be given within the applicable unit as stated below on the basis of seniority to employees who are competent to fill the openings. All transfers will be subject to and made on the basis of operational requirements of the Company. Consideration will be given first to such employees within the department; then within the Company. The word "transfer" as used herein does not apply to promotion to higher-rated jobs; to upgrading from lower grades to higher grades in an occupation or to downgrading to lower-rated jobs.

Section 10 – Shift Transfers

Employees transferred to another shift for a temporary period shall be returned to their former shift upon completion of their assignment. The Company will discuss with the employees involved and their Steward the reasons for such temporary assignment. All shift transfers are subject to and made on the basis of operational requirements of the Company.

In the event openings exist after application of paragraph one above, employees shall be selected for transfer in the following manner:

- 1) The Company shall first offer the available opening to those qualified employees within the affected classification and cost center where the opening exists, in order of seniority.

- 2) In the event openings still exist, the least senior employees within the affected classification and cost center may be required to accept transfer to such openings.

Section 11 - Notification of Employee Address

All notices to employees will be sent to the last address filed with the Company. It is the employee's responsibility to notify the Company of any change of address electronically through LM systems.

ARTICLE 7 – SAFETY

Section 1 - Sanitary, Safety and Health Conditions

The Company agrees to maintain sanitary, safe and healthful conditions in all its facilities and buildings in accordance with applicable laws. Required safety equipment will be provided to employees when necessary to complete their assigned job duties.

No employee shall be discharged or otherwise disciplined for refusing to work on a job that is unsafe or unsanitary.

Employees, who are injured on the job and as a result are unable to complete their shift, shall receive pay at their regular hourly rate for the balance of this shift on which the injury occurred.

The Union may select two (2) representatives to serve on the Plant Safety Committee.

Prescription-ground safety glasses broken during the performance of an employee's job duties shall be replaced by the Company.

Upon request, members of the Plant Safety Committee will be given (1) **copy** of the final accident report and recommended corrective action and (2) copies of data obtained from air, noise, hazard or toxicity studies as affects the working environment.

ARTICLE 8 - VACATION AND PERSONAL BUSINESS

Section 1 - Vacations

A. Vacation Accrual of an Employee on the Active Payroll of the Company:

- 1) An employee's vacation begins to accrue on the first day of hire. Vacations will be accrued at the monthly rate shown below for any calendar month or partial calendar month worked by the employee. The employee must have been actively at work for at least one (1) hour during the month to qualify for accrual. Employees utilizing paid vacation (or any combination of vacation and holiday pay), for the entire month will be considered to have met this requirement. Employees' vacation balances will be available for use immediately upon being credited with the preceding months' vacation accrual on the first workday of the month following the month of accrual.

<u>Vacation Accrual Schedule for Full Time Employees</u>	
<u>Completed Years of Seniority or Continuous Service</u>	<u>Vacation Accrual</u>
0 – 8 years	6.67 hours per month
9 – 18 years	10.00 hours per month
19 or more years	13.34 hours per month

- 2) Vacation shall be paid at an employees' regular base rate of pay at the time 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 night shift employees shall include the night shift bonus in effect during the period of such employee's vacation.
- 3) Vacation for an employee who is working on a part-time basis will accrue monthly at a ratio based on their hours worked compared to a forty (40) hour schedule. For example, an employee with less than ten (10) years of service, working a twenty (20) hour per week schedule during the month, would accrue 3.34 hours of vacation for that month.
- 4) An employee who is laid off, retires, terminates or enters the Armed Forces pursuant to this agreement, will be paid their accrued vacation hours at the time of termination. Within the first sixty (60) days after returning to the active payroll, an employee who is laid off or who terminates for the purpose of entering the Armed Forces may have up to twenty (20) hours of vacation (not to exceed the number of hours paid out) reinstated by reimbursing the number of hours desired at the employee's current rate of pay plus any taxes required. The accrued vacation balance of a deceased employee will be paid to the employee's estate.
- 5) An employee hired by LM Aero - Clarksburg within thirty (30) calendar days following their termination at another plant of the Lockheed Martin Corporation or subsidiary thereof, or during the period such employee is on layoff and possesses recall rights to such other plant, shall have their vacation accrual rate based upon the total active seniority accumulated by such employee with the Lockheed Martin Corporation or subsidiary thereof.
- 6) Time lost, not to exceed six (6) months, due to occupational injury or occupational illness shall be counted towards vacation accrual if the employee returns to the active payroll of the Company.
- 7) Employees who are placed on a leave of absence to fulfill active military duty requirements will continue to accrue their appropriate allotment of vacation on a monthly basis during the leave period provided the employee submits to the Company the associated Military paperwork prior to leave commencement.

Vacation accrued under this provision is not subject to payout during the leave period but will

be available for employee use upon return to the active payroll. Employees who terminate their employment while on leave of absence or who fail to return from leave within seven calendar days of leave expiration in **accordance** with Article 6, Section 6 will be paid their accrued vacation balance at the time of leave commencement. If the military leave is greater than thirty (30) calendar days, Military Discharge paperwork is required before the employee is allowed to return to work.

B. Vacation Scheduling:

- 1) Each employee may accumulate vacation up to a maximum of 400 hours. Vacation accrued **over** the maximum will be paid out at year-end at the employee's current base rate.
- 2) An employee may request up to eight (8) vacation days each year which may be taken in half-day increments (excluding lunch). The request must be made for either the first or the last half of the shift. Vacation may also be taken in one (1) hour increments. Employee request for a full single day, half day or one (1) hour increment vacation must be made no later than the end of the requesting employee's assigned shift on the workday preceding the vacation requested. However, after the end of shift on Thursday, an employee may request and take a full, single day or half-day vacation provided the request is made no later than fourteen (14) hours prior to the start of the employee's next schedule workday. This provision does not apply to scheduled overtime days. Advance employee requests for vacations will not be unreasonably denied.
- 3) Vacations shall be taken when they interfere least with production. Vacations requested at least one (1) week in advance will be given preference in scheduling. So far as is practicable, vacation time preference will be given to employees with the greatest seniority.

Section 2 – Personal Business

A. Personal Business for an Employee on the Active Payroll:

- 1) An employee shall accrue fifty (50) hours of personal business on January 1 each calendar year. New hire and recalled employees shall receive the below prorated accrual during the calendar year of their hire or recall date:

Month of Hire/Recall	Accrual Hours
January	50 hours
February	45.83 hours
March	41.66 hours
April	37.49 hours
May	33.32 hours
June	29.15 hours
July	24.98 hours
August	20.81 hours
September	16.64 hours
October	12.47 hours
November	8.3 hours
December	4.17 hours

- 2) Personal business may be taken in one (1) hour increments.
- 3) Personal business shall be paid at the employee's regular base rate of pay plus shift bonus and odd work week bonus, if any, at the time personal business is used.
- 4) At the end of each calendar year, each employee shall be paid for any hours of unused personal business. Pay for unused personal business leave shall be at the employee's base rate plus shift

bonus and odd work week bonus, if any, in effect at the end of the calendar year.

Effective with service years ending on or after March 10, 1999, such unused personal business leave may, upon appropriate notice to the Company, be deferred for a maximum accumulation of six hundred seventy two (672) hours. Any personal business leave may be used in the subsequent years as personal business leave, payable at the current rate, as defined in Paragraph (A) (3) above, or the employee may receive pay for such deferred personal business leave during the subsequent year(s) at one of the following times:

- 1) At the time vacation is taken;
- 2) At any time with administrative approval (normally, after two (2) weeks' notice);
- 3) At the end of such service year(s) if still accumulated and unused;
- 4) At the time of termination.

Pay for deferred personal business leave which is not utilized during the following service years as personal business leave will be paid at the current rate as defined in Paragraph (A) (3) above.

- B. Unused hours of personal business granted during the year shall be paid to an employee who voluntarily terminates, is terminated or dies during the same year.

ARTICLE 9 - LEAVES OF ABSENCE

Section 1 – Medical Leave

When an employee is expected to require absences from work for five (5) consecutive working days, they shall contact the **Third Party Administrator (TPA)** as soon as possible, but no later than eight (8) calendar days from the date their medical condition is known. It is the employee's responsibility to comply with all instructions issued by the **Third Party Administrator (TPA)** and failure to do so may result in the leave being denied and/or loss of seniority and employment. The Company will notify the Union of any changes to the medical leave policy or process in advance of their implementation.

An employee shall not be terminated by the Company because of a prolonged continuous illness or injury, provided the period of medical leave of absence is not longer than **thirty-six (36)** months and the employee is unable to perform the duties of their job with or without a reasonable accommodation.

Employees on medical leave of absence must contact the Company and update their status at least once every ninety (90) calendar days unless they have a current medical leave certification which specifies a date of return to duty.

An employee on medical leave of absence because of occupational illness or injury shall not be terminated from the Company because of such absence, regardless of its duration and such employee shall continue to accumulate seniority until their reinstatement.

Section 2 - Military Leave

Military leave shall be administered in accordance with the corporate policy currently 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.

Section 3 – Bereavement Leave

An employee shall be eligible for forty (40) hours of paid bereavement leave upon a death in their immediate family. The period of absence does not have to be taken consecutively to receive bereavement pay. The leave must be taken no later than thirty (30) calendar days after the date of the memorial services. The Company may reasonably request appropriate documentation. Bereavement pay will not be granted for an employee's scheduled off-day, holiday, or any day on which the employee would have otherwise not been compensated.

For purposes of this Section, immediate family shall mean the following:

- Parents – biological, step, adoptive, foster father or mother or any other individual who stood in place of your parents.
- Current Spouse.
- Children and their current Spouses.
- Siblings, Step Siblings, Half Siblings, and their current Spouses.
- Grandparents, Step Grandparents, Grandchildren, and Step Grandchildren.
- Current Spouse's Parents, Grandparents, Step Grandparents, Children, Stepchildren, Grandchildren and Step Grandchildren.
- Current Spouse's Siblings, Step Siblings, Half Siblings, and their current Spouses.

An employee shall request bereavement leave as soon as possible – generally no later than within two (2) hours of the start of your regularly scheduled work hours.

Section 4 - Jury Duty

When an employee is absent from work to serve as a juror or to report to the court in person in response to a jury duty summons, the employee shall be granted pay for those hours absent from work during a regular ten (10) hour day or regular four (4) day work week.

Pay for such work time lost shall in no event exceed, for any one employee, a total of sixteen (16) regular ten (10) **hour** workdays in any one calendar year. In court required circumstances, subject to verification, such period of time may be extended. Pay for such work time lost shall be computed at the employee's regular base rate of pay at the time of such absence excluding any overtime, or shift bonus. In no case will payment be made for jury duty performed on the sixth or seventh day of an employee's regular assigned work week or for hours in excess of the employee's regular ten (10) hour workday.

If an employee assigned to the night shift or graveyard shift is absent from work on the calendar day they serve as a juror, such absence shall be deemed to be an absence from work in order to serve as a juror.

An employee must promptly present the notice the employee receives to report for jury duty and a statement signed by an official of the court certifying as to the employee's service as a juror or appearance in court for that purpose and, the date or dates of attendance to their Manager to receive pay under this section.

When an employee is absent from work in order to serve as a witness in a case in a court of law to which **the employee** is not a party either directly or as a member of a class and where such absence is in response to a legally valid subpoena, **they** shall be granted pay for those hours for which **they are** for such reason absent from work during **the** regular **ten**-hour day or regular **four**-day work week. Such employee may be required to submit evidence of such service as a witness to the Company in order to qualify for such payment. Pay for absence due to service as a witness shall be computed in the same manner as pay for absence due to jury duty as provided above.

Section 5 - Leaves Without Pay

Leaves of absence without pay may be granted to employees, **regardless of benefit time balance** for a period not to exceed ten (10) working days during the year. Such request **is at the discretion of management to approve or not approve**, however, if the request is not granted, the Department Manager shall give the employee written notice why the request is denied. In the event an employee protests the Department **Manager's** refusal to grant such a leave of absence, the matter will be referred to **the Plant Manager** for final determination. For good and sufficient reason, the Company may extend the period of the leave. The leave of absence shall not in any way jeopardize the employee's standing with the Company.

Section 6 - Parental Leave

As soon as administratively practicable, Parental Leave will be implemented on a same basis as non-represented employees as outlined in CRX-534. Birth, adoption, or foster care placement and leave must occur on or after March 12, 2023.

ARTICLE 10 – HOLIDAYS

A. The Company recognizes the following holiday schedule during the period of this Agreement:

Year	Holiday	Date	Day	Hours
2023	Memorial Day	29-May	Monday	10
	Independence Day	4-Jul	Tuesday	10
	Labor Day	4-Sep	Monday	10
	Thanksgiving Day	23-Nov	Thursday	10
	Year End Shut Down	25-Dec	Monday	10
	Year End Shut Down	26-Dec	Tuesday	10
	Year End Shut Down	27-Dec	Wednesday	10
	Year End Shut Down	28-Dec	Thursday	10
2024	New Year's Day	1-Jan	Monday	10
	Memorial Day	27-May	Monday	10
	Independence Day	4-Jul	Thursday	10
	Labor Day	2-Sep	Monday	10
	Thanksgiving Day	28-Nov	Thursday	10
	Year End Shut Down	24-Dec	Tuesday	10
	Year End Shut Down	25-Dec	Wednesday	10
	Year End Shut Down	26-Dec	Thursday	10
	Year End Shut Down	30-Dec	Monday	10
	Year End Shut Down	31-Dec	Tuesday	10
2025	New Year's Day	1-Jan	Wednesday	10
	Memorial Day	26-May	Monday	10
	Day before Independence Day	3-Jul	Thursday	10
	Labor Day	1-Sep	Monday	10
	Thanksgiving Day	27-Nov	Thursday	10
	Year End Shut Down	24-Dec	Wednesday	10
	Year End Shut Down	25-Dec	Thursday	10
	Year End Shut Down	29-Dec	Monday	10
	Year End Shut Down	30-Dec	Tuesday	10
	Year End Shut Down	31-Dec	Wednesday	10

2026	New Year's Day	1-Jan	Thursday	10
	Memorial Day	25-May	Monday	10
	Labor Day	7-Sep	Monday	10
	Thanksgiving Day	26-Nov	Thursday	10
	Year End Shut Down	24-Dec	Thursday	10
	Year End Shut Down	28-Dec	Monday	10
	Year End Shut Down	29-Dec	Tuesday	10
	Year End Shut Down	30-Dec	Wednesday	10
	Year End Shut Down	31-Dec	Thursday	10
2027	Memorial Day	31-May	Monday	10
	Day after Independence Day	5-Jul	Monday	10
	Labor Day	6-Sep	Monday	10
	Thanksgiving	25-Nov	Thursday	10
	Year End Shut Down	22-Dec	Wednesday	10
	Year End Shut Down	23-Dec	Thursday	10
	Year End Shut Down	27-Dec	Monday	10
	Year End Shut Down	28-Dec	Tuesday	10
	Year End Shut Down	29-Dec	Wednesday	10
	Year End Shut Down	30-Dec	Thursday	10
2028	New Year's Day (observed)	3-Jan	Monday	10
	Memorial Day	29-May	Monday	10
	Day before Independence Day	3-Jul	Monday	10
	Independence Day	4-Jul	Tuesday	10
	Labor Day	4-Sept	Monday	10
	Thanksgiving	23-Nov	Thursday	10
	Year End Shut Down	25-Dec	Monday	10
	Year End Shut Down	26-Dec	Tuesday	10
	Year End Shut Down	27-Dec	Wednesday	10
	Year End Shut Down	28-Dec	Thursday	10
2029	New Year's Day	1-Jan	Monday	10

- B. An employee shall receive ten (10) hours at straight time including shift bonus and odd work week bonus, if any for each holiday regardless of the day of the week upon which the holiday falls. In addition, two times (2x) the employee's regular hourly rate of pay shall be paid for hours worked on holidays.
- C. In order to be eligible for holiday pay, an employee must have worked or have been on a vacation or a paid leave (other than paid personal business) on the last workday before or the first workday after the holiday. When the holiday falls on the day before employment or the day after termination, or during an employee's leave, no pay under this Section shall be granted. Employees, who are on a leave of absence (excluding paid military leave) **on** the last workday immediately before the holiday, are considered to be on a leave of absence for the entire holiday period and are ineligible to receive holiday pay during the respective holiday period.
- D. Should a recognized holiday fall upon a Sunday, the Monday immediately following shall be observed as the holiday. Should a recognized holiday fall upon a Saturday, the **Thursday** immediately preceding shall be observed as the holiday unless the work schedule of the majority of employees includes Saturdays, in which event the holiday shall be observed on such Saturday. Should a holiday fall upon the sixth or seventh day of the work week of an employee assigned to an odd work week, the preceding or the following day, respectively, shall be considered a holiday for such employee.

ARTICLE 11 - HOURS OF WORK AND PAY PROVISIONS

Section 1 – Hours and Days of Work

- A. For all employees ten (10) hours shall constitute the standard day's work to be performed within ten (10) consecutive hours.
- B. The standard Day shift shall start between 6:00 a.m. and 4:30 p.m. The Union will be advised as to any deviation from the standard shift hours.

Before implementing a work schedule not already defined in this Article, the Company and the Union will meet to discuss its implications and effects on employees for a period no longer than thirty (30) days. After the thirty (30) day period, or sooner if the parties agree, management may implement the new work schedule after thirty (30) days' notice to the affected employees. The Union shall not unreasonably refuse to agree to the implementation of a work schedule not already contemplated in this Article where it is based on legitimate business reasons and/or operational requirements and will use its best efforts to secure the cooperation of the affected employees.

- C. An employee commencing their workday between the hours of 4:00 a.m. and 10:59 a.m. is considered to be in the Day shift rate period. An employee commencing his workday after 11:00 a.m. is considered to be in the Night shift rate period.
- D. Four, ten-hour days, Monday through Thursday, shall constitute the standard work week unless alternative work schedules are negotiated between the parties during the life of the Agreement, or unless the Company is instructed by the Federal Government to alter or change the work schedule now in effect.
- E. The Company, by mutual agreement with the Union, may assign employees to hours which deviate from the standard shift hours. The Union agrees that it will not unreasonably refuse to agree to deviation based on operational requirements.
- F. Overtime will be divided as equally as practicable among affected employees in the cost center, or in the Department, if the Department has no cost centers.

Section 2 - Rest Periods

Employees on Day and Night shifts shall receive a ten (10) minute rest period, at times designated by the Company, near the mid-point of each half of their assigned shift. Employees on Day and Night shifts shall receive one

Employees working overtime shall receive the regular rest periods occurring during such overtime period.

Additional rest allowances shall be permitted under the following conditions:

- 1) An employee called to work two (2) or more hours prior to the beginning of the shift shall be given a ten-minute rest period before starting the regular shift.
- 2) An employee working two (2) or more hours beyond the end of the regular shift shall be given a ten-minute rest allowance prior to starting such work.

Exceptions may be made under 1 and 2 above with respect to when and for how long such rest allowances will be where work operations, including the handling and operation of equipment and machines, are of such a nature that the work needs to be continued without interruption. Under these conditions supervision should still endeavor to allow an employee ten minutes rest during the work period outside the shift.

Section 3 - Premium for Hours and Days of Work

- A. Night shift employees shall receive a bonus of **one dollar (\$1.00)** an hour.
- B. All employees working other than the standard work week shall receive a premium of **forty cents (\$0.40)** an hour in addition to other bonuses.

Section 4 - Overtime Pay

- A. For purposes of computing overtime premium pay, the regular working day for employees assigned to the four/ten schedule is ten (10) hours and the regular working week is forty (40) hours.
- B. The first ten (10) hours worked in any continuous twenty-four (24) hour period beginning with the starting time of the employee's shift, will be paid at the employee's straight time rate.
- C. Hours worked in excess of ten (10) hours in any continuous twenty-four (24) hour shift of an employee's workweek shall be paid for at one and one-half times the regular rate of the employee.
- D. Hours worked in excess of twelve (12) hours in any continuous twenty-four (24) hour shift of an employee's workweek shall be paid for at two times the regular rate of the employee.

Hours worked on the fifth (5th) and sixth (6th) day of an employee's workweek shall be paid for at one and one-half times the regular rate of the employee. All Hours worked on the seventh (7th) day of an employee's work week or a holiday shall be paid for at two times the regular rate of the employee.

For purposes of determining premium rate eligibility for time worked on a 5th, 6th, or 7th day of an employee's work week, as well as paid vacation, paid sick leave and other paid leave, in-week overtime hours worked and Union Business shall be counted towards accumulation of the forty (40) hour requirement.

Section 5 – Overtime Distribution

Each supervisor or their designee has the responsibility of maintaining overtime lists for affected employees. The overtime lists shall be maintained by work group. The overtime records will be made available for the affected area steward and each senior steward.

A. Overtime Distribution

Overtime shall be distributed within the affected cost center, or department if no cost center exists, on the following basis with no intent to deviate from spirit of the contract:

- 1) New overtime will start on January 1 of each year.
- 2) Company will supply the Union with a list of employees qualified on each assembly and support functions within the site.
- 3) Supervisor will notify the shop steward that overtime is being scheduled.
- 4) The senior qualified employee on an assembly will be asked to work overtime and then the next most senior qualified employee will be asked in rotation order based on hours of overtime charged.
- 5) If additional employees are needed, they will be selected from the seniority list, within a classification, of affected cost center, or department if no cost center exists.

- 6) Should an employee who is not given proper notification choose not to work, the employee will not be charged the overtime. Proper notification requirement is 2:30 pm (3:30 pm for Inspection) on Wednesday of week overtime is scheduled for the following Friday, Saturday, and Sunday. Employees will only be charged for the hours for in week overtime worked if asked 24 hours in advance and for actual hours worked. Employees have until Thursday 9:00 am to rescind any overtime that they are scheduled to work.
- 7) An employee, who has received timely notification, who refused to work overtime will be charged for those hours.
- 8) Should overtime assigned require some particular qualification, or in an emergency, supervisor and shop steward will agree on next senior qualified employee from rotating seniority list within a classification. Next overtime assignment will revert back to the employee(s) passed over.
- 9) Employees transferred permanently from one cost center to another, or to a department if no cost center exists, will be placed in their proper position on the cost center or department seniority list, overtime hours will be carried to cost center or dept.
- 10) The supervisor must furnish each shop steward a list of employees who accept or reject the opportunity for weekend and/or holiday overtime by 10:00am on Thursday of the week the overtime is being worked. Any overtime equalization disparity agreed to by the parties will be remedied by the follow methods.
 - (a) If the supervisor is notified by the shop steward in writing before the overtime is worked that his selections are not the affected employees and refuses to correct the mistake, the affected employees will be made whole by monetary settlement.
 - (b) If the supervisor is not notified by the shop steward in writing before the overtime is worked that the selections are not the affected employees, the affected employees will be offered the next equal overtime. If the company fails to offer the affected employees the next opportunity, the employees will be made whole by monetary settlement.
- 11) Everyone within a classification will be asked for overtime first before asking outside the classification, i.e.; Paint Shop, Dept. 38-12, and Inspection.
- 12) The requirement to offer overtime for a tool crib attendant is 15 or more production employees.
- 13) The requirement to offer overtime for warehouse coverage is 15 or more production employees.
- 14) Weekend overtime start time is 6:00 am for day shift and 7:30 pm for nights. Any deviation from that starting time shall be agreed upon between the employee and the supervisor prior to the start of the shift. **Employee must work minimum of 5 hours on either Friday or Saturday to be eligible for Sunday overtime.** Friday, Saturday, and Sunday overtime will be for a minimum of 5 (five) hours.
- 15) Should the employee not fulfill their overtime commitment, the employee will be excluded from the next available overtime opportunity and will also be charged with the overtime hours. If an employee has three (3) deviations on overtime (in a six month period), the fourth and those thereafter deviations will be considered a discrepancy.
- 16) **Employees who have unexcused unpaid time of six (6) hours or more during their regularly scheduled work week may not be assigned to overtime work during their upcoming regularly scheduled days off.**

Section 6 - Pay Period

The pay period shall be from Saturday to and including the following Friday. Monies owed to employees shall be issued either by direct deposit or mail normally on Friday, but no later than seven (7) days after the end of the

pay period and shall represent the earnings of the employees during that pay period. In the event that a pay labor adjustment is needed, the employee shall receive any additional monies owed, as soon as practicable. The Company shall notify the Union of changes to the method of pay delivery of which the Company may make at its sole discretion.

Section 7 - Wage Rates

The following provisions governing wage rates shall apply to all employees unless stated otherwise in the Guaranteed Personal Rate Provisions:

A. Progression **within Rate Ranges:**

1) Employees other than Production Trainees

Automatic Rate Progression (**ARP**) Increases shall be effective the Second Saturday in **February, May August, and November** for all active employees who are below the maximum of their classification and who have been on the active payroll for the full Automatic Rate Progression Period. The base rate of pay shall be increased **twenty-five (\$0.25)** per hour on the above dates (or such lesser amount as is necessary to bring the rate to the maximums) until the applicable maximum for the classification is reached. **The Company has the discretion to increase an employee's hourly straight time rate of pay in amounts greater or at times other than provided in the paragraph above. The Company agrees to notify the Union prior to increasing an employee's hourly straight time rate of pay in accordance with this paragraph.**

2) Production Trainees

A Production Trainee will receive an automatic pay increase of seven cents (7¢) per hour every thirty (30) days up to ninety (90) days, from time of hire as a trainee. Upon the successful completion of the 120-day training period, he will be reclassified as a Production Assembler and thereafter he will be entitled to the wage increase specified for regular employees in (1) above. The date of reclassification as a Production Assembler shall be considered the date of hire for purposes of (1) above.

3) Pay Rate on Promotion

An employee promoted will be paid at the greater of either the minimum of the classification to which promoted, or **one dollar (\$1.00)** per hour above their current rate, and their automatic wage increase will proceed from that rate, **providing the increase does not exceed the maximum of the labor grade rate range to which the employee is promoted.** If an employee's promotion is effective on the date of an automatic wage increase, **the** base rate will be established as follows:

- (a) If the employee's base rate is below the maximum of the rate range for their classification prior to promotion, their base rate will be increased by the amount of the automatic wage increase to which they are entitled and such increased base rate will be their base rate just prior to promotion.
- (b) If the employee's base rate is at the maximum of the rate range for their classification prior to promotion, their base rate will be increased by **one dollar (\$1.00)** or the amount necessary to bring their rate to the minimum of the classification to which promoted, whichever is greater, or by an amount less than **one dollar (\$1.00)** if that will bring their rate to the maximum of the classification to which promoted. (See Letter #15 where applicable.)
- (c) If the employee is currently in rate retention on the effective date of the promotion, the employee will be paid **one dollar (\$1.00)** per hour above the maximum rate of the classification to which regressing or **one dollar (\$1.00)** above the current rate of the employee whichever is the lower rate.

B. Downgrades:

- 1) An employee downgraded to a lower classification shall be paid the maximum rate of the range for such classification, or **the** current rate, whichever is lower.

Section 8 - Rate Retention of Employees Accepting Downgrading Under the Layoff Procedure

An employee downgraded to a lower classification in a lower Labor Grade shall have **their** base rate in the downgraded classification established as follows:

Effective date of downgrade	Up to ten cents (\$.10) reduction
Three weeks subsequent to downgrade	Up to an additional ten cents (\$.10) reduction
Six weeks subsequent to downgrade	Up to an additional ten cents (\$.10) reduction
Nine weeks subsequent to downgrade	Up to an additional ten cents (\$.10) reduction
Twelve weeks subsequent to downgrade	Up to an additional to ten cents (\$.10) reduction
Fifteen weeks subsequent to downgrade	Any additional amount required to downgrade to reach the maximum of the classification to which the employee is being downgraded.

Section 9 - Temporary Assignment

An employee temporarily assigned to a higher-rated classification or temporarily assigned as Lead shall be paid, if appropriate, by means of a retroactive wage adjustment, upon completion of the assignment. In the event a temporary assignment is made to replace another employee holding a higher-rated classification, the rate of pay adjustment shall be at the same rate of pay as that held by the employee who was replaced.

In the event that an employee is temporarily assigned as Lead, the rate of pay adjustment shall be based upon Section 10 of this Article. In the event that an employee is temporarily assigned to a job formerly held, their pay adjustment shall be as specified above, or the pay adjustment shall be based upon the employee's former rate, whichever is higher. In the event that an employee is temporarily assigned to a higher-rated classification in order to assist but has not previously held the classification, the employee will receive the maximum of the rate of pay for the higher-rated classification or the employee's current rate of pay, whichever is greater. Seniority shall be considered in the selection of employees for temporary assignment.

Such temporary assignment shall not be considered a promotion within the meaning of Article 6, Section 6 of this article, and upon reassignment of such employee to their previously held classification at the end of the temporary period, they shall not be considered a downgraded employee within the meaning of Article 6, Sections 3 and 8.

Section 10 - Report Time

An employee called to work shall receive a minimum of five (5) hours' pay in the shift to which they are called. In the event an hourly-paid employee reports for work on their regular shift without previously having been notified not to report they shall be paid five (5) hours' pay provided, however, that if work within their capacity to perform is available, they will be required to perform such work to qualify for the five (5) hours' pay. If work is unavailable as the result of causes beyond the control of management, no pay shall be granted under this Section.

Failure on the part of an employee to keep the Company informed of their correct address and correct telephone number relieves the Company of the responsibility of any notification required by this Agreement.

Section 11 - Lost Time

Deductions for time off, whether due to tardiness or other causes, shall be at the rate of one-hundredth (1/100) of an hour's pay for each one tenth of an hour lost from work, rounded to the nearest minute.

Section 12- Pay for Lead

The rate of pay for Lead shall be one dollar (\$1.00) above the maximum rate of the Lead's own classification.

Section 13 - Tuition Reimbursement

An employee satisfactorily completing an outside training course, which has been approved in writing by the Company prior to the employee's beginning such course, will be reimbursed in accord with Corporate Policy.

Section 14 - Payroll Deductions - Company Reimbursement

Payroll deductions may be made to reimburse the Company as follows:

- 1) All cost of tools and equipment issued to an employee but not returned to the Company. An employee so charged shall be reimbursed by the Company in the event of the subsequent return of such tools and equipment to the Company, provided such tools and equipment may be properly identified and are in the same condition as when issued to the employee. Employees checking out special tools shall be released of liability for the same if, while in use on another shift, such tools are lost or damaged.
- 2) For money paid by the Company to a creditor or officer of the law for an indebtedness of the employee, provided demand is made upon the Company according to law.
- 3) For any indebtedness due to the Company covering purchases made by an employee through the Company.
- 4) For any loans or advances made to the employee by the Company.

ARTICLE 12 - PAY RATES

Section 1 - Job Descriptions and Basic Rates of Pay

- 1) The job descriptions for each of the Production and Maintenance classifications which were in effect on the date of execution of this Agreement, or which are placed into effect pursuant to Paragraph (2) hereof, shall be a part of this Agreement.
- 2) In the event that a new job or position is established or there is a substantial change in the duties or requirements of an established job since the effective date of this Agreement, the Company shall develop an appropriate job description and establish within the existing rate structure provided in Section 2 of this Article the basic rates to apply to such job. The Company shall furnish the Union with the new job description and shall submit for its approval the rate established for such job. In the event that agreement is not reached within seven (7) calendar days from the date of such submission or within such additional time as may be mutually agreed upon, the Company may place the new job description and rate in effect, subject to continued negotiation of the rate. Within five (5) working days from the date the job is placed into effect, the Union may proceed in accordance with Step 4 of the grievance procedure established in Article 5, Section 1 of this Agreement.

In the event agreement on the rate range for the newly-established job is not reached at Step 4, either party may refer the matter to arbitration in accordance with the provisions of Article 5, Section 3 of this Agreement. The arbitrator shall have the authority to determine the proper position of the new or amended classification within the existing agreed upon rate structure on the sole basis of the relationship the new or amended job bears to the other jobs in the existing rate structure. Any change in the established rate resulting from the negotiations or the arbitration shall be retroactive to the date such rate was placed in effect.
- 3) Job descriptions shall be applied in accordance with the Supplement "A" attached hereto and entitled, "Joint Statement of Policy for Application of Job Descriptions"

Section 2 – Guaranteed Personal Rate

A. Eligibility:

All individuals with bargaining unit rights on the active payroll, approved leave of absence or on layoff (and subsequently recalled) on the effective date of the new contract shall be eligible for a Guaranteed Personal Rate (GPR) while assigned to all classifications except the following:

Clarksburg Inspector Tooling (RML353), Plant Mechanic (RML403) and Tooling Maintenance Mechanic (RML493)

B. General Provisions:

- 1) Employees eligible for a GPR as described in Subsection A above, and whose base rate is below the GPR maximum of the classification to which assigned, shall progress to the respective GPR maximum in accordance with Article 11, Section 7, (A).
- 2) Employees eligible for a GPR as described in Subsection A above, and whose base rate exceeds the GPR maximum for the classification to which assigned, shall regress to the respective GPR maximum in accordance with Article 11, Section 7, (B).
- 3) Employees with a GPR who are promoted to a classification for which a GPR maximum has been established will progress to the higher classification's GPR maximum in accordance with Article 11, Section 7, (A), provided that such employee's rate does not exceed the GPR maximum of the new classification.

- 4) Employees with a GPR, or employees who are eligible for a GPR described in Subsection A above, who are downgraded by application of Article 6, Section 3 layoff procedure to a classification for which a GPR maximum has been established, shall regress to the GPR maximum of the classification in accordance with Article 11, Section 7, (B), if such employee's rate exceeds the lower classification's GPR maximum.
- 5) Employees with a GPR who are Leads shall be paid in accordance to Part C, Article 11, Section ~~11~~
12

Section 3 – General Wage Increase

- 1) **On March 18, 2023, a one dollar (\$1.00) increase will be applied to the maximum of all labor grades. Employees on the active payroll or on approved leave of absence will receive a one-time increase of one dollar (\$1.00) per hour to their hourly straight time rate.**
- 2) **On March 18, 2023, a general wage increase in the amount of 4.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 4.0%.**
- 3) **On March 16, 2024, a general wage increase in the amount of 4.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 4.0%.**
- 4) **On March 15, 2025, a general wage increase in the amount of 3.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 3.0%.**
- 5) **On March 21, 2026, a general wage increase in the amount of 3.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 3.0%.**
- 6) **On March 20, 2027, a general wage increase in the amount of 3.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 3.0%.**
- 7) **On March 18, 2028, a general wage increase in the amount of 3.0% will be effective for each bargaining unit employee on the active payroll on approved leave of absence of less than one (1) year, or military leave. The minimum and maximum for all GPR and non-GPR labor grades shall be increased by 3.0%.**
- 8) **The Company will grant five hundred dollars (\$500) to each employee that provides at least a ninety (90) calendar day notice of their intent to retire or voluntarily terminate from the Company. Employees planning to retire or voluntarily terminate from the Company during the life of this Agreement are eligible to receive five hundred dollars (\$500) by submitting written notification at least ninety (90) calendar days prior to their retirement or termination date. This payment will be paid on the following pay period of the employee's actual retirement or termination date. Participating employees will be expected to cross-train existing and/or new employees prior to their retirement or termination date. Employees receiving this payment waive any rights to recall as outlined in this Agreement.**

Section 4 – Rate Ranges for Labor Grades

The following minimums and maximums shall be established for those classifications below:

RATE RANGES (Effective 3-18-2023)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$25.16	\$47.82	\$47.82
RMC363	Mat. Rev. Board Inv.	\$22.58	\$45.16	\$46.23
RMC403	Plant Mechanic	\$26.43	\$48.15	\$48.15
RMC423	Plant Svc. Mechanic	\$21.32	\$45.07	\$46.20
RMC383	Plant Svc. Mech. Trainee	\$16.40	\$35.09	\$43.10
RMC443	Production Assembler	\$16.40	\$35.09	\$43.10
RMC463	Production Inspector	\$18.76	\$41.38	\$45.34
RMC473	Prod. Svc. Attendant	\$16.02	\$35.00	\$43.00
RMC453	Prod. Spray Painter	\$16.40	\$35.09	\$43.10
RMC483	Production Trainee	\$15.12	\$26.52	\$26.52
RMC493	Tooling Maint. Mech.	\$23.84	\$47.29	\$47.29
RMC413	Tooling Maint. Trainee	\$18.76	\$41.38	\$45.34

RATE RANGES (Effective 3-16-2024)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$26.17	\$49.73	\$49.73
RMC363	Mat. Rev. Board Inv.	\$23.48	\$46.97	\$48.08
RMC403	Plant Mechanic	\$27.49	\$50.08	\$50.08
RMC423	Plant Svc. Mechanic	\$22.17	\$46.87	\$48.05
RMC383	Plant Svc. Mech. Trainee	\$17.06	\$36.49	\$44.82
RMC443	Production Assembler	\$17.06	\$36.49	\$44.82
RMC463	Production Inspector	\$19.51	\$43.04	\$47.15
RMC473	Prod. Svc. Attendant	\$16.66	\$36.40	\$44.72
RMC453	Prod. Spray Painter	\$17.06	\$36.49	\$44.82
RMC483	Production Trainee	\$15.72	\$27.58	\$27.58
RMC493	Tooling Maint. Mech.	\$24.79	\$49.18	\$49.18
RMC413	Tooling Maint. Trainee	\$19.51	\$43.04	\$47.15

RATE RANGES (Effective 3-15-2025)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$26.96	\$51.22	\$51.22
RMC363	Mat. Rev. Board Inv.	\$24.18	\$48.38	\$49.52
RMC403	Plant Mechanic	\$28.31	\$51.58	\$51.58
RMC423	Plant Svc. Mechanic	\$22.84	\$48.28	\$49.49
RMC383	Plant Svc. Mech. Trainee	\$17.57	\$37.58	\$46.16
RMC443	Production Assembler	\$17.57	\$37.58	\$46.16
RMC463	Production Inspector	\$20.10	\$44.33	\$48.56
RMC473	Prod. Svc. Attendant	\$17.16	\$37.49	\$46.06
RMC453	Prod. Spray Painter	\$17.57	\$37.58	\$46.16
RMC483	Production Trainee	\$16.19	\$28.41	\$28.41
RMC493	Tooling Maint. Mech.	\$25.53	\$50.66	\$50.66
RMC413	Tooling Maint. Trainee	\$20.10	\$44.33	\$48.56

RATE RANGES (Effective 3-21-2026)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$27.77	\$52.76	\$52.76
RMC363	Mat. Rev. Board Inv.	\$24.91	\$49.83	\$51.01
RMC403	Plant Mechanic	\$29.16	\$53.13	\$53.13
RMC423	Plant Svc. Mechanic	\$23.53	\$49.73	\$50.97
RMC383	Plant Svc. Mech. Trainee	\$18.10	\$38.71	\$47.54
RMC443	Production Assembler	\$18.10	\$38.71	\$47.54
RMC463	Production Inspector	\$20.70	\$45.66	\$50.02
RMC473	Prod. Svc. Attendant	\$17.67	\$38.61	\$47.44
RMC453	Prod. Spray Painter	\$18.10	\$38.71	\$47.54
RMC483	Production Trainee	\$16.68	\$29.26	\$29.26
RMC493	Tooling Maint. Mech.	\$26.30	\$52.18	\$52.18
RMC413	Tooling Maint. Trainee	\$20.70	\$45.66	\$50.02

RATE RANGES (Effective 3-20-2027)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$28.60	\$54.34	\$54.34
RMC363	Mat. Rev. Board Inv.	\$25.66	\$51.32	\$52.54
RMC403	Plant Mechanic	\$30.03	\$54.72	\$54.72
RMC423	Plant Svc. Mechanic	\$24.24	\$51.22	\$52.50
RMC383	Plant Svc. Mech. Trainee	\$18.64	\$39.87	\$48.97
RMC443	Production Assembler	\$18.64	\$39.87	\$48.97
RMC463	Production Inspector	\$21.32	\$47.03	\$51.52
RMC473	Prod. Svc. Attendant	\$18.20	\$39.77	\$48.86
RMC453	Prod. Spray Painter	\$18.64	\$39.87	\$48.97
RMC483	Production Trainee	\$17.18	\$30.14	\$30.14
RMC493	Tooling Maint. Mech.	\$27.09	\$53.75	\$53.75
RMC413	Tooling Maint. Trainee	\$21.32	\$47.03	\$51.52

RATE RANGES (Effective 3-18-2028)

JOB CODE	JOB TITLE	MINIMUM	MAXIMUM	GPR
RMC353	Inspector – Tooling	\$29.46	\$55.97	\$55.97
RMC363	Mat. Rev. Board Inv.	\$26.43	\$52.86	\$54.12
RMC403	Plant Mechanic	\$30.93	\$56.36	\$56.36
RMC423	Plant Svc. Mechanic	\$24.97	\$52.76	\$54.08
RMC383	Plant Svc. Mech. Trainee	\$19.20	\$41.07	\$50.44
RMC443	Production Assembler	\$19.20	\$41.07	\$50.44
RMC463	Production Inspector	\$21.96	\$48.44	\$53.07
RMC473	Prod. Svc. Attendant	\$18.75	\$40.96	\$50.33
RMC453	Prod. Spray Painter	\$19.20	\$41.07	\$50.44
RMC483	Production Trainee	\$17.70	\$31.04	\$31.04
RMC493	Tooling Maint. Mech.	\$27.90	\$55.36	\$55.36
RMC413	Tooling Maint. Trainee	\$21.96	\$48.44	\$53.07

Section 5 – Supplemental Cost-Of-Living Payments

On or before the third pay period of December in each calendar year a supplemental cost-of-living payment in the amount of **one thousand dollars (\$1,000)** will be paid to each employee on the active payroll, on approved leave of absence for less than one year, or military leave on the **third Friday in November** in each calendar year.

The Supplemental COLA Payment may be deferred in **five hundred dollars (\$500)** increments, **without Company matching contributions**, to the **Performance Sharing Plan (PSP)** and/or the Health Savings Account (HSA) upon completion of the appropriate form by October 15th of the year in which the payment is to be made, **subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances exceeding the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.**

On or before January 19, 2024, a lump sum bonus in the amount of five hundred dollars (\$500) will be paid to each employee on the active payroll, on approved leave of absence for less than one (1) year, or military leave as of December 15, 2023. The lump sum may be deferred in two hundred fifty dollar (\$250) increments, without Company matching contributions, to the Performance Sharing Plan (PSP) and/or the Health Savings Account (HSA) upon completion of the appropriate form by December 15, 2023, subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances exceeding the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.

Section 6 –Lump Sum Bonuses

- 1) Provided that the membership ratifies the contract on **March 5, 2023**, by **9:00 p.m. EST**, a **\$5,000** ratification bonus will be paid within 60 days of ratification to all eligible employees on the active payroll as of **March 5, 2023**, or employees on an approved leave of absence for less than one year, or on military leave.

The **2023** ratification bonus may be deferred in **five hundred dollar (\$500)** increments, **without Company matching contributions**, to the Hourly Savings Plan Plus (401K) **and/or the Health Savings Account (HSA)** upon completion of the appropriate form within fifteen (15) calendar days following ratification, **subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances exceeding the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.**

- 2) **On or before March 17, 2028, a lump sum bonus of one-thousand dollars (\$1,000) will be paid to all eligible employees on the active payroll as of February 19, 2028, or employees on an approved leave of absence for less than one year, or on military leave. The lump sum bonus may be deferred in five hundred dollar (\$500) increments, without Company matching contributions, to the Performance Sharing Plan (PSP) and/or the Health Savings Account (HSA) upon completion of the appropriate form before January 15, 2028, subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances exceeding the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.**

ARTICLE 13 - BENEFITS

Section 1 – Medical Plans

- A. **Legacy Health Care Plans.** The Blue Cross Blue Shield of Georgia HMO, United Healthcare of Mississippi HMO and the Aetna West Virginia POS will be available where currently offered to employees hired prior to March 3, 2014.

- 1) The Company will pay 85% of the premium cost of the medical plan selected. The employee will contribute 15% of the premium cost.

- B. **High Deductible Health Plans.** The Corporate-wide High Deductible Health Plans (HDHP) will be offered to employees on the “same basis as” offered to non-bargaining unit employees. For employees hired or rehired on or after March 3, 2014, the High Deductible Health Plans will be the only options available.

- 1) Effective January 1, 2024, the percentage of the premium cost the Company will pay, and the employee will contribute will be based on the medical plan selected as described below.

The Cost Share Formula:

	Company Cost Share	Employee Cost Share
HDHP Plan 1	90%	10%
HDHP Plan 2	93%	7%
HDHP Plan 3	95%	5%

The employee weekly contributions will not exceed the HDHP maximum weekly contributions described below:

	Effective January 1, 2024	Effective January 1, 2026
Employee Only	\$30	\$35
Employee + 1	\$60	\$70
Employee + 2 or More	\$90	\$105

- 2) “Same basis as” is understood to mean that any improvements, modifications, reductions, 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.

- C. **Medical Opt-Out Credit.** Any employee who chooses to opt-out of medical coverage provided for under this Agreement shall receive a medical opt-out credit of \$11.54 per week. To be eligible for an opt-out credit, employees are required to certify, on an annual basis, that they have medical coverage elsewhere. Employees are ineligible for an opt-out credit if the employee is covered as a dependent under another Company-sponsored medical plan. Part-time employees are not eligible for an opt-out credit.

Section 2 - Dental Plans

- A. 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) 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, 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.**
- B. Dental Opt-Out Credit. Any employee who chooses to opt-out of dental coverage provided for under this Agreement shall receive a dental opt-out credit of \$2.31 per week. Employees are ineligible for an opt-out credit if the employee is covered as a dependent under another Company-sponsored dental plan. Part-time employees are not eligible for an opt-out credit.**

Section 3 - Vision Plans

- A. The Vision Core and the Vision Plan Enhanced will be offered to employees on the “same basis as” offered to non-bargaining unit employees.**
- 1) 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, 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 employee and eligible dependents will continue for thirty-one (31) 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 coverage shall be within the Company’s discretion except as follows:**

- 1) All employees receive Basic Life Insurance coverage of \$43,000. Effective January 1, 2024, the amount will increase to \$50,000 for employees who are actively at work on or after January 1, 2024.
 - 2) All employees receive Accidental Death Insurance coverage of \$43,000. Effective January 1, 2024, the amount will increase to \$50,000 for employees who are actively at work on or after January 1, 2024.
- B. Business Travel Accident Plan.** The Lockheed Martin Business Travel Accident Plan will automatically be extended to employees covered by this Agreement on a “same basis as” plan design as offered to non-bargaining unit employees. This change will be made as soon as administratively practicable.
- C. Short Term Disability Insurance.** The Company provides short-term disability coverage of seventy (70%) percent of weekly earnings to a maximum of \$410 per week. For employees who are actively at work on or after January 1, 2024, and commence leave after January 1, 2024, the Company will provide short-term disability coverage of 55% of weekly earnings. 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 (1x) times up to eight (8x) times Annual Base Pay. Effective January 1, 2024, employees may elect coverage options of one (1x) times up to nine (9x) times Annual Base Pay. For coverage effective January 1, 2024, employees will be granted a one-time Group Universal Life Insurance special enrollment during the 2024 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 January 1, 2024, without providing Proof of Insurability (POI). Employees must be actively at work on or after January 1, 2024, 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 (1x), two (2x), or three (3x) times employee’s Annual Base Pay. The spouse is required to provide Proof of Insurability (POI) if electing three (3x) times the employee’s annual base pay or if the employee enrolls the spouse after thirty (30) 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 (10x) times 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 Insurance.** Voluntary supplemental insurance will be offered to employees on the “same basis as” offered to non-bargaining unit employees. The employee pays 100% of the cost.

- 1) Offerings include coverage for 24/7 Accident, Hospital Indemnity, Critical Illness, Legal Services, Identity Theft Protection, and Whole Life with a Long-Term Care feature.
- 2) “Same basis as” is understood to mean that any improvements, modifications, reductions, 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.
- 2) **Dependent Care Spending Account (DCSA).** The minimum calendar year contribution is \$100.

Section 6 - General Provisions

- A. Employees will be eligible for benefits on date of hire. The benefit offerings and current weekly contribution formula in effect immediately prior to the effective date of this Agreement shall remain in effect through December 31, 2023.
- B. **NEW HIRES.** The chart below outlines the default coverages which will become effective retroactively to the hire date if no active election has been made for medical, dental, or vision during benefits enrollment.

Plan	Default Coverage
Medical	<i>Broad Network 1</i> - Employee Only Coverage
Dental	<i>Dental Plan Core</i> - Employee Only Coverage
Vision	<i>Vision Plan Core</i> - Employee Only Coverage

- C. **ANNUAL ENROLLMENT 2024 AND SUBSEQUENT YEARS – ALL EMPLOYEES.** During the 2024 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 has been made:

Plan	Current Election	Annual Enrollment Default
Medical	No Coverage	No Coverage
	HDHP Plan	Same HDHP Plan Same Coverage Level

	HMO or POS Plan	Same HMO or POS Plan Same Coverage Level
Dental	No Coverage	No Coverage
	Dental Plan Core	Dental Plan Core Same Coverage Level
	Dental Plan Enhanced	Dental Plan Enhanced Same Coverage Level
	Dental HMO (where available)	Dental HMO Same Coverage Level (where available)
Vision	No Coverage	No Coverage
	Vision Plan Core	Vision Plan Core Same Coverage Level
	Vision Plan Enhanced	Vision Plan Enhanced Same Coverage Level

- D. 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. The terms of the plan in the SPD will not be changed during the term of the Agreement except for legally required changes, any mutually agreed-to changes, or changes made per the terms of this Agreement. The Union acknowledges that the aforementioned changes may be made by the Company. 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 March 2, 2005, are eligible for retiree medical coverage as detailed below.**

B. Under-Age 65 Retirees

- 1) Commence retirement on or after January 1, 2019 - Under-Age 65 Retiree Legacy Medical Coverage. For eligible employees, the following plans are available:**
 - a. Marietta: Blue Cross and Blue Shield of Georgia HMO, Kaiser Georgia HMO**
 - b. Meridian: United Healthcare of Mississippi HMO**
 - c. Clarksburg: Aetna West Virginia POS**
 - d. For all locations: High Deductible Retiree Health Plans**
- 2) 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.**
- 3) 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 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. All eligible employees retiring on or after March 12, 2023, the service based contribution formula applies for Retiree Medical Coverage with an annual contribution cap of \$8,000 for Retiree-**

Only or \$16,000 for Retiree + Family coverage. The service based contribution schedule is as follows:

Difference in Cost of Plan and Subsidy	
Yrs. of Service	Your Cost Sharing %
0-9	Not Eligible
10	70%
11	67%
12	64%
13	61%
14	58%
15	55%
16	52%
17	49%
18	46%
19	43%
20	40%
21	37%
22	34%
23	31%
24	28%
25	25%
26	22%
27	19%
28	16%
29	13%
30 +	10%

- 4) **Retiree Legacy Medical Plan Changes.** During the life of the Agreement, and after its expiration, there will be no changes to the co-insurance, the calendar year deductible amounts, the calendar year out-of-pocket maximum, plan design or the prescription drug formula, for Retiree Legacy Medical Coverages listed in this Article. The terms of the plan in the SPD will not be changed during the term of the Agreement except for legally required changes, any mutually agreed-to changes, or changes made per the terms of this Agreement.
- 5) **Employees who retired on or after March 3, 2014, 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 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 who commence retirement on or after July 1, 2018, will be 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 will be 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. The Company will only be obligated to 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.

Section 8. Continuation of Benefits Due to Death

- A. In the event of the death of an active employee, medical, dental and/or vision coverage for enrolled surviving spouse and/or surviving dependent children will continue for six months from the date of death at no cost to them. The length of time coverage is continued for dependents will be included as part of the total length of time coverage may be continued as applicable under COBRA.
- B. If at the time of the death, an active employee qualifies for retiree medical coverage, in addition to the continuation of coverage for six months as described in Section 8, Paragraph A, and if retiree medical coverage is elected, the active medical coverage for enrolled surviving spouse and/or surviving dependent children will continue to the end of the sixth calendar month from the date of death.
- C. In the event of the death of a retiree, coverage for the surviving spouse and/or dependent children will continue as long as they remain eligible or until the surviving spouse remarries.

Section 9 - Retirement and Savings Plans

- 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 on or before March 6, 2011, will be eligible to participate in the Retirement Plan. Employees hired on or after March 7, 2011, will not be eligible to participate in the Retirement Plan.
 - 2) **Retirement Plan Monthly Rates:**
 - a. Employees who commence retirement on or after January 1, 2023, will receive one hundred five dollars (\$105) per month for each year of credited service.

- b. An employee who commences retirement and begins receiving a monthly benefit on or after January 1, 2011, under Sections 4.05 (A)(2), 4.05(A)(3), and 6.01(B) of the Retirement Plan will receive a benefit of thirty-three dollars (\$33) per year of credited service.
- 3) Effective January 1, 2018, the Plan will be amended to eliminate the 40-year credited service maximum used in determining the benefit amount.
- B. 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 March 7, 2011, will receive Company contributions per each quarter of active employment into the employee's HCAP account.
- 2) **Company Contributions:**
- a. Employees will receive a Company contribution in the amount of five hundred dollars (\$500) per quarter.
- 3) As soon as administratively practicable, but no later than July 1, 2023, eligibility to the Lockheed Martin Capital Accumulation Plan for Hourly Employees (HCAP) will close for employees hired on or after March 7, 2011, and eligible employees will participate in the Lockheed Martin Performance Sharing Plan (PSP).
- C. 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 eighty-four dollars (\$84) per week are subject to Company matching contributions at the rate of 50%.
- 3) **Unmatched Elective Deferral.** Employees may contribute an unmatched elective deferral amount not to exceed the IRS limits as referenced above in Section C(a).
- 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.
- 5) As soon as administratively practicable, but no later than July 1, 2023, eligibility to the Lockheed Martin Hourly Savings Plan Plus (HSP) will close and eligible employees will participate in the Lockheed Martin Performance Sharing Plan.
- D. Lockheed Martin Basic Benefit Plan for Hourly Employees (BBP).** The BBP provisions as stated in the applicable Plan Documents will govern except where modified herein.

- 1) **BBP Account.** Employees will receive Company contributions per each quarter of active employment into the employee's BBP account.
 - 2) **BBP Contributions:**
 - a. Effective January 1, 2018, the Company will make quarterly contributions for each employee in the amount of seventy-five dollars (\$75).
 - b. For employees hired after March 1, 2005, the Company will make an additional quarterly contribution of forty-five dollars (\$45).
 - 3) As soon as administratively practicable, but no later than July 1, 2023, eligibility to the Lockheed Martin Basic Benefit Plan for Hourly Employees (BBP) will close and eligible employees will participate in the Lockheed Martin Performance Sharing Plan (PSP).
- E. Lockheed Martin Performance Sharing Plan (PSP).** As soon as administratively practicable, but no later than July 1, 2023, eligibility to the Lockheed Martin Hourly Savings Plan Plus (HSP) will close and eligible employees will participate in the Lockheed Martin Performance Sharing Plan (PSP).
- 1) **Employee Elective Deferral.** Employee contributions to the PSP can be made in 1% increments of eligible base pay, up to the PSP maximum, and subject to IRS annual maximums.
 - 2) **Company Matching Contributions.** The Company will match 50% of the first 8% of weekly eligible base pay deferred to the plan.
 - 3) **Automatic Enrollment.** Employees hired or rehired will be automatically enrolled in the PSP with a 3% before-tax contribution of eligible weekly base pay. Automatic enrollment is effective 30 days from the hire or rehire date. Employees have 30 days from date of hire or rehire to opt out before contributions begin.
 - 4) **Eligible Base Wages.** Eligible base wages include regular pay, pay for holidays, pay while on vacation, and pay for paid absences. It also includes lump sum merit payments given in lieu of pay increases and before-tax contributions for flexible benefits or fringe benefit plans. Base pay does not include overtime, incentive compensation, bonuses, commissions, rate guarantees, severance, relocation pay, lump sum payments in lieu of vacation pay, variable rate compensation, shift differentials, or other special pay.
 - 5) **Company Contributions.** As soon as administratively practicable, employees hired on or after March 7, 2011, will receive a Company contribution of 6% of eligible weekly base pay into the PSP.
- F. Applicability of Plan Documents.** For all of the 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.

SUPPLEMENT "A"

JOINT STATEMENT OF POLICY FOR APPLICATION OF JOB DESCRIPTION

The following basic principles governed the preparation of these descriptions; these same principles are to govern their use.

1. The title selected for a classification is that which most clearly indicates the general nature and character of the work performed, and yet serves to set the classification apart from others described.
2. The job description describes typical and normal requirements. These requirements are characteristic of the job and illustrate a level of difficulty of work and are not intended to list or describe all work operations done within the classification. These requirements may not fit all specific individual work assignments, as the description when written was stated so as to be broad enough to include all variations of work in the classification as it existed throughout the Company.
3. The work operations, duties and other distinguishing characteristics described in a job description are those which are performed under guidance or instruction which is considered usual and normal for the work described.
4. The descriptions were prepared on the basis:
 - (a) That as a part of promotional procedure a worker may occasionally perform some of the work of higher-rated jobs under close guidance and instructions in order to qualify for advancement.
 - (b) That a worker performs the work of lower-rated jobs when required.
 - (c) That the normal duties of any work may include assistance to other workers on work operations.
 - (d) That normal job relationships between workers include giving guidance and instruction to each other, as long as such guidance and instruction is not intended to conflict with the duties of a Lead.
5. The job description is written to define and illustrate the job standard to be established and as such shall be interpreted and applied in its entirety in determining the proper classification for an employee.

In order to secure, or hold a classification, an employee must be assigned regularly and consistently to that work which distinguishes the classification from other classifications. An employee's classification shall be determined in the light of the overall requirements for knowledge, ability, and skill necessary to perform his regularly assigned duties. In making this determination, duties that are performed infrequently or rarely shall not be considered or made the basis of granting the higher classification.

This would not be applicable, however, to intermittent duties of a higher level to which the employee is specifically assigned in an area where the prevailing day to day routine may fall in lower level requirements. If the employee on such an assignment is expected to possess and apply the knowledge, skill and ability necessary for performance of the higher level work, **they are** entitled to the higher classification even though the majority of **the** work time may be spent on the lower level work.

6. The job descriptions herein referred to are of a composite nature and do thereby not require an individual employee to be performing all of the characteristic duties on a given work assignment in order to be properly classified.

7. The job descriptions are not intended for, and should not be confused with operation sheets, work instructions, or work assignment sheets, etc.
8. In the event of dispute as to interpretation of any word or phrase included in established and approved bargaining unit job descriptions such specific word or phrase is to be interpreted and applied as it is defined under the Glossary of Terms and Phrases of Supplement "D" of the Agreement in effect between the Company and Aeronautical Machinists Local Lodge 709.

SUPPLEMENT "B"

LETTERS OF PROCEDURE AND UNDERSTANDING

<u>Code</u>	<u>Subject</u>
1.	Clarification Concerning the Use of Time Standards Information
10.	Payment of the Difference Between the Amount of Weekly Disability Benefit Paid Under State Workman's Compensation Law and the Amount of Weekly Disability Benefit.
11.	Employees in Trainee Classification.
15.	Rate Establishment Upon Promotion or Rehire to Formerly Held Job, and Savings Plan and group Insurance Participation for Rehires.
17.	Quality Letter.
17a.	Quality Letter.
19.	Return of Employees Who Take Disability (Total and Permanent) Retirement Upon Sufficient Recovery.
21.	Clarify Same Day Seniority While in a Salaried Occupation.
24.	Monetary and Non-Monetary Awards.
25.	New Business.
26.	Alcohol and Drug Policy
27.	Employee Discipline
28.	New Technology

1.

June 19, 1963

MEMORANDUM OF UNDERSTANDING

CLARIFICATION CONCERNING THE USE OF TIME STANDARDS INFORMATION

This letter is being written as a result of your request during our meeting today to clarify any possible misunderstanding concerning the use of time standards information which appears on the Production Job Sheets and the Budget Cards in use at the Clarksburg Plant.

Such information is used as an internal management control to assist the Company in bidding on new work both from a cost and schedule standpoint. Accurate bidding enables the Company to obtain new business and thus assures the continued employment of its work force.

I trust that this explanation clarifies the fact that time standards information is not in existence for, nor will it be used to discipline employees.

10.

October 24, 1983

MEMORANDUM OF UNDERSTANDING

**PAYMENT OF THE DIFFERENCE BETWEEN THE AMOUNT OF WEEKLY DISABILITY
BENEFIT PAID UNDER STATE WORKMAN'S COMPENSATION LAW AND THE AMOUNT OF
WEEKLY DISABILITY BENEFIT**

This letter confirms the understanding reached during the 1983 Negotiations regarding the payment of the difference between the amount of weekly disability benefit paid under West Virginia Workmen's Compensation laws and the amount of weekly disability benefit payable for non-occupational illness or injury under the Lockheed Employees' Group Insurance Plan as follows:

Provide for payment of the difference between the amount of weekly disability benefit paid under West Virginia Workmen's Compensation laws and the amount of weekly disability benefit payable for non-occupational illness or injury under the Lockheed Employees' Group Insurance Plan. Such payment will be made for not to exceed twenty-six (26) weeks and only for weeks the employee is absent from work due to such occupational illness or injury and in which he draws weekly disability benefits under West Virginia Workmen's Compensation laws, except that any amount up to the full amount payable for weekly disability benefits will be made for the first week of disability if it is not payable under Workmen's Compensation. This provision will be applicable only to employees insured under the Lockheed Employees' Group Insurance Plan.

11.

October 24, 1983

MEMORANDUM OF UNDERSTANDING

EMPLOYEES IN TRAINEE CLASSIFICATION

This is to confirm our understanding regarding any employee on the active payroll placed in the Production Trainee, Plant Service Mechanic Trainee, or Tool Maintenance Trainee Classifications, who subsequently is found to be unable to meet the requirements for continuation in the program or who is removed from the Trainee classification due to surplus.

Such employee, upon removal from the Trainee classification under either of the above referenced circumstances, will be placed back in the same classification held immediately prior to their placement in the Trainee classification, seniority permitting. The rate of pay for such employee shall be not less than their in-grade rate immediately prior to their placement in the Trainee classification.

If such employee does not have sufficient seniority for such placement, they shall be declared surplus in the classification held immediately prior to their placement in the Trainee classification and placed in accordance with the applicable provisions of Article IV of the Agreement.

15.

October 10, 1986

MEMORANDUM OF UNDERSTANDING

RATE ESTABLISHMENT UPON PROMOTION OR REHIRE TO FORMERLY HELD JOB, AND SAVINGS PLAN AND GROUP INSURANCE PARTICIPATION FOR REHIREES

- A. The policy of the Company relative to establishment of rates of pay for employees promoted to a job previously held will be to have their rates of pay established on the following basis:

Upon promotion to a classification previously held wherein the employee has either continuous seniority or broken seniority since previously holding the higher classification, such employee will receive his current rate, or an in-grade rate consistent with the rate such employee held at the time **they** previously held such classification, whichever is greater.

- B. The policy of the Company relative to establishment of rate of pay for employees promoted to a classification not previously held is to establish the rate at his then current rate at the time of promotion, or the minimum of the higher classification, whichever is greater.

- C. The rate of pay of an employee recalled under the provisions of Article IV, Section 4, Recall, to a previously held classification will be established at an in-grade rate in line with such employee's position in the rate range at the time that such employee was downgraded. However, in the event such employee is recalled to the classification after holding a lateral or higher classification and subsequently surplused and not placed in the classification due to insufficient seniority, such employee shall have **their** in-grade rate established at the same in grade position to which **they** would have been entitled had **they** been placed in the classification at the time of the above named surplus.

- D. Any former employee who at any time since 1950 accumulated two years' seniority and left employment with any plant of the Corporation since that date, whether through layoff or quitting, shall upon rehire without seniority:

1. Serve no waiting period for group insurance coverage.
2. Be eligible for savings plan participation immediately upon rehire.
3. If rehired in a comparable classification held in his previous tenure with the LM Aeronautics Company, have his rehire rate established at an in-grade rate at least as high as the rate position held in such classification during the previous tenure.

17.

January 27, 1999

MEMORANDUM OF UNDERSTANDING

QUALITY LETTER

During the 1999 Negotiations, the parties recognize defense budgets, production costs, and competition for business impacts greatly upon the Company, its employees, the Union and its members. The Company and Union agree that it is in both parties' best interests to produce a high quality, cost effective product and to that end, both parties will support this position. We are dedicated to the concept that through effectively involving all employees and working together at all levels with mutual trust, respect and honesty, we can increase the viability of our Company.

In an effort to develop better working relationships, if the parties can mutually identify areas which are of a nature that affects cooperative working relations, both the Company-Union Negotiating Committees will agree to attend a joint training program on same.

17A.

December 4, 1989

MEMORANDUM OF UNDERSTANDING

QUALITY LETTER

The Company and Union agree it is in both parties' best interest to produce a high quality, cost effective product and, to that end, both parties will support this position

19.

May 10, 1993

MEMORANDUM OF UNDERSTANDING

**RETURN OF EMPLOYEES WHO TAKE DISABILITY (TOTAL AND PERMANENT)
RETIREMENT UPON SUFFICIENT RECOVERY**

This will confirm the agreement reached in negotiations concerning the return to work of employees who take disability (total and permanent) retirement and draw Social Security for total disability but later lose coverage of both because of sufficient recovery to return to work.

An employee who takes disability (total and permanent) retirement on or after June 14, 1993 and draws Social Security for total disability and later loses coverage of both because of sufficient recovery to return to work shall be entitled to return with full seniority. Such employee shall be placed in the last classification held immediately prior to disability retirement, subject to possessing sufficient seniority, and to any physical restrictions/limitations as determined by the Company Medical Department.

In the event the employee cannot be so placed because of insufficient seniority or physical restrictions/limitations, the employee will be considered as surplus from the last such classification held and handled under the surplus provisions of the Labor Agreement.

21.

February 5, 1999

MEMORANDUM OF UNDERSTANDING

CLARIFY SAME DAY SENIORITY FOR LAYOFF AND RECALL

During the discussions leading to the resolution of the 1999 contract, the Union raised the issue of seniority ordering for employees hired on the same day.

To resolve this issue, the parties agreed that employees previously hired at the Clarksburg facility should be given seniority preference. To accomplish this, when two or more employees have the same seniority date, all employees with employee numbers beginning with "5" will be grouped and the employee with the lowest last five digits will be considered senior. Thereafter, employees possessing numbers beginning with "x" will be grouped and the employee with the lowest last five digits will be considered senior. Finally, all remaining employees will be grouped and the employee with the lowest five digits will be considered senior.

Employee numbers cannot be used for the purpose of displacing into another department or classification.

24.

February 13, 2014

MEMORANDUM OF UNDERSTANDING

MONETARY AND NON-MONETARY AWARDS

We acknowledge the value of giving special recognition awards for exceptional and/or significant 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. This contribution 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 Company will inform the Union when team-based awards are granted.

The issuance of **employee recognition awards** will be in accord with Aero Code policy AC-3697.

25.

February 19, 2014

MEMORANDUM OF UNDERSTANDING

NEW BUSINESS

The Company and Union recognize that in order for Lockheed Martin to compete as a world class aircraft manufacturer, the Site must strategically leverage existing resources while eliminating inefficiencies which may exist in the current Site structure. Additionally, in order to sustain Site competitiveness and attract potential future investment opportunities for ensuring business viability and continuity, the parties are committed to joint collaboration in new business ventures.

In order to facilitate this joint collaboration, upon mutual agreement, the parties may mutually agree to enter into 'position to win' discussions when a new business venture is identified by the Company. These discussions could include wage and benefit economic targets and operational modifications that would need to be achieved in order to submit a proposal for new business. Provided the membership votes and ratifies any modified operational agreements previously discussed, the parties agree to open the collective bargaining agreement subject to a new program award for the purpose of integrating the new program work into the existing contractual provisions of the CBA, and any modified operational agreements previously agreed to in order to enact the agreed upon wage and benefit agreements achieved in the position to win discussions.

26.

MEMORANDUM OF UNDERSTANDING

ALCOHOL AND DRUG PROGRAMS

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 regardless of the level of damage, 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 employees who are granted access to classified information and 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, including employees who volunteer to participate in the Department of Transportation (DOT) random testing program described in Section II.

- 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 Medical.
- 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 but such right shall not be utilized to delay or defer such testing. 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 – An employee 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's 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 attempt to 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 breath alcohol (or equivalent) 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 of this Section I.
- B. A second positive test will result in termination.

5) Leave 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 personal business pay and/or accrued 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) active-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) active-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 suspension. The positive test result will be disregarded, and all records of the test result destroyed after twenty-four (24) active-service months, if there is no further occurrence. A second positive test within the twenty-four (24) active-service months 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. On an annual basis, the Company shall distribute educational information on its Alcohol and Drug policies.
- B. On an annual basis, for up to two hours per employee, the Company shall train and educate the stewards and management of represented employees on alcohol and drug awareness and assistance options at the direction of the Company's medical doctor or EAP administrator.

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 or outside of the workplace not later than ten (10) calendar days after such conviction. The Company agrees to notify the contracting agency within ten (10) calendar 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.

This Agreement will be incorporated into the collective bargaining agreements between the IAM and LM Aero – Marietta in the effective date of this agreement.

VOLUNTARY PARTICIPATION IN THE FEDERAL DEPARTMENT OF TRANSPORTATION (DOT) TESTING PROGRAM

It is acknowledged that Federal law requires periodic drug and alcohol testing of those employees possessing a valid Class A or Class B - Commercial Driver's License (CDL) in order to perform the essential functions of their jobs.

Employees in classifications that require a valid Class A or Class B - Commercial Driver's License (CDL) in order to perform the essential functions of their jobs and those employees who occasionally perform work covered by these classification, are subject to DOT Federal Motor Carrier Safety Regulation requirements. Employees who possess a valid Class A or Class B -CDL, and who satisfy all other federally-mandated requirements under Title 49 of the Code of Federal Regulations (CFR), may volunteer to be included in the drug/alcohol testing pool in order to be offered occasional work assignments in those classifications.

All employees seeking to volunteer to be included in the drug/alcohol testing pool must provide a photocopy of their current valid Class A or Class B -CDL to the Transportation Department Manager and are subject to interview and approval to participate by Transportation management. Candidates should be prepared to respond to questions and may be asked to sign applicable documents related to serious traffic violations, cancellations, suspensions, or revocations of driving privileges.

Employees holding valid Class A or Class B -CDL, and who are in the drug/alcohol testing pool, are also subject to other DOT requirements for drivers of commercial motor vehicles, including annual DOT medical examinations, annual review of motor vehicle driving records, and the maintenance of full Driver Qualification Files.

Information is available to employees regarding medical requirements for valid drug/alcohol tests including non-adulteration of specimens, timeliness requirements for reporting for testing after notice is received by the employee, and the consequences of a "positive" test result. Volunteers will remain in the drug/alcohol testing pool for the duration of their employment while maintaining a Class A or Class B -CDL, or until they withdraw from the testing pool. Volunteers may withdraw from the pool by submitting a written request to the Transportation Department Manager. Once an employee has withdrawn from the testing pool, they will not be permitted to re-enter the pool for the duration of their employment.

All aspects of the "random" drug/alcohol testing requirement shall be confined to the minimum required under applicable Federal law. Matters left to the discretion of the parties under the law and other testing required by DOT and "for cause" testing will be processed in accordance with Section I. The Company shall provide the Union with the names of employees included in the DOT random drug/alcohol testing pool, as well as any changes to the list as they occur. The Company shall inform the Union when tests are conducted along with the number of employees tested as soon as practicable following the tests. If an employee tests positive, and there is no acceptable reason for the positive result provided by the employee, the Company will inform the Union as soon as practicable of the positive test result.

Employees included in the drug/alcohol testing pool must maintain, all required licenses. Suspension or loss of a Class A or Class B -CDL, must be reported to the Transportation Department Manager on the employee's first workday following notification of the suspension or loss.

All drivers are expected to remain in compliance with the applicable provisions of Aero Code - 6477, and subsequent revisions.

27.

MEMORANDUM OF UNDERSTANDING

EMPLOYEE DISCIPLINE

The Company maintains the right to discipline, suspend, or discharge employees for just cause and shall apply the following categories when doing so: work performance, employee conduct, or attendance. Attendance discipline will be administered as provided in Supplement H. 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.

While the Company will generally impose progressive discipline within an individual category as follows, the Company, at its discretion, may impose discipline for just cause at any of these steps depending on the nature and severity of an employee's action(s) or violation(s). An employee's record within in the preceding twelve (12) 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.

- (1) Verbal Warning – issued by management and documented in the employee's record.
- (2) Employee Performance Notice - issued by management and documented in the employee's record.
- (3) Final Warning/Suspension Without Pay, three (3) days – issued by management and documented in the employee's record.
- (4) Discharge – issued by management.

It is understood that the Company may suspend an Employee without pay pending investigation of alleged misconduct which may lead to the issuance of a disciplinary action in the form of a suspension without pay or discharge, provided the unpaid suspension shall be limited to a maximum of thirty (30) days, with additional days of paid suspension as necessary, and that the Employee shall be reinstated and paid for the missed scheduled work time should the Company decide not to take disciplinary action against the Employee as a result of the investigation.

All disciplinary actions, as outlined in this Section, will be recorded in the employee's personnel records. Any disciplinary action including Verbal Warning and Employee Performance Notice (EPN) will be considered null and void for purposes of disciplinary action and the documents and documentation pertaining to the discipline shall be removed, if the employee did not receive an additional disciplinary action in the same category within twelve (12) months of the issuance of the discipline. An Employee Performance Notice with a Suspension will be considered null and void for purposes of disciplinary action if the employee did not receive an additional disciplinary action in the same category within eighteen (18) months of the issuance of the discipline.

28.

MUTUAL AGREEMENT

NEW TECHNOLOGY

- 1. The Union and the Company agree that employee job security may be affected from the Company's introduction and utilization of new machinery and equipment such as automated machines, and robots. It is further agreed that the utilization of the safest and most efficient machines, processes, methods, and materials is to the mutual benefit of the Union, the Company, and employees.**
- 2. The term "new technology" shall be defined as the installation or introduction of automated manufacturing machines, robots, and computer aided manufacturing systems which cause the direct elimination of work which has been performed manually by an hourly represented employee.**
- 3. Technological advances such as those referred to above necessitate changes which could affect jobs and the employees assigned thereto. In recognition of the Union's expressed concerns the Company will establish a committee which will deal with the introduction of new machinery and equipment with the goal of assuring that the employees whose jobs are directly eliminated by the introduction of new machinery and equipment will be offered retraining in the event that equivalent job opportunities are not available. Normally, this training will be accomplished on the employees own time and is intended to provide equal or better job opportunities than would have existed had the new machinery or equipment installation not occurred. Such training will only be for a job for which the Company foresees a requirement.**
- 4. Any new job classifications created as the result of technological change will be reviewed in advance with the Union.**

SUPPLEMENT “C”

ATTENDANCE STANDARDS - HOURLY EMPLOYEES

Regular attendance by each employee is essential to the operation of the Company's business and is also key to the financial well-being of the individual employee. Employees are, therefore, expected to fulfill their obligation of being on time and present for work. This policy sets forth the standard to be used by the parties to monitor attendance and taking appropriate action to improve attendance.

A. Commendation

1. Outstanding attendance or significantly improved attendance records should normally be given special recognition. Special emphasis should be placed upon proper recognition and commendation of employees with exceptional attendance records. For example:
 - a. One year – Commendation, form 5910, signed and issued by 1st level manager.
 - b. Two years – Commendation signed and issued by 2nd level manager.
 - c. Three or more years – Commendation signed and issued by 3rd level manager.
2. In evaluating attendance records to determine if an employee should receive a commendation for attendance, the following criteria should be used:
 - a. Perfect Attendance: No full or partial-day absence in any 12 consecutive – month period while on the active payroll. Do not count absences where the employee utilizes accrued vacation or sick leave, approved Family Medical Leave, Military Duty, Union Business, Bereavement leave, Departmental leave or Jury Duty.
 - b. Outstanding Attendance: No chargeable attendance irregularity in any 12 consecutive - month period while on the active payroll. However, for purposes of issuing a commendation for outstanding attendance, a department leave will be considered a chargeable attendance irregularity and will disqualify the employee.

B. Attendance

1. Definitions:
 - i. Absence – **Any scheduled work time missed** (excluding vacation and holiday – when not scheduled to work).
 - ii. Tardy – **An absence at the start of the shift of one-hour or less in duration.**
 - iii. Short-time – **An absence after reporting for work.**
2. An employee's attendance will be considered unsatisfactory if the employee has four (4) or more chargeable attendance infractions in any continuous nine (9) month period of active work.
3. Paid vacation, paid personal business, an approved medical leave of absence, an approved family medical leave of absence, bereavement leave, departmental leave, jury duty, military leave, Company-initiated unpaid leave, and Union business shall not be counted as an attendance infraction. Employees' who have unsatisfactory attendance (Verbal Warning or greater) are required to use any accrued personal business prior to any unpaid absences if they have unused balances in those accounts.
4. Any absence from work caused by a reason deemed excusable under the terms of the Family Medical Leave Act shall not be considered an attendance irregularity. In the event the Family and Medical Leave Act is modified, the terms that are in effect on the date of ratification of this agreement will be continued for the remainder of the term of this contract.
5. For so long as an employee does not currently have **any** disciplinary action on their record for unsatisfactory attendance, three (3) consecutive days of absence caused by the same illness within the same pay period will be **grouped and** considered as a single occurrence. **Grouping may consist of a partial day absence on either the front end or the back end of the grouping period, if it's related to the same illness and the absence is continuous over the three (3) consecutive days.**

Grouping of consecutive days of absence will not be allowed for employees who have current disciplinary action on their record for unsatisfactory attendance.

6. For so long as an employee does not currently have a disciplinary action on their record for unsatisfactory attendance, the employee will be allowed one (1) tardy per month which must be one hour or less in duration. This tardy will not be counted as a chargeable attendance irregularity for the purpose of disciplinary action.
7. All absences must be reported, **prior to** the start of the first shift of absence, to the designated absence report number, unless extenuating circumstances prevent such notice. Extenuating circumstances typically include unforeseen or unexpected events. When reporting an absence, **an employee must specify how they want to cover their absence. Absences that require prior approval shall be requested per the appropriate provisions of this agreement.** If an employee anticipates that the absence will be for three days or less, the day of contemplated return should be specified **when reporting an absence.** Thereafter, it will not be necessary to report the absence unless the employee cannot return to work as specified. If the expected absence is for more than three (3) days, the employee must call to report the continuing absence each three (3) days. Any unreported absence without a reasonable explanation for failure to notify the Company will be an infraction of this Attendance policy and treated as a failure to follow instructions.

C. Attendance Related Discipline

1. Employees are expected to maintain satisfactory attendance. Employee's attendance will be routinely monitored, and appropriate action will be administered for unsatisfactory attendance.
2. Progressive disciplinary action for unsatisfactory attendance will be imposed in the following sequence.
 - a. Verbal Warning – An employee whose attendance is unacceptable will be issued a Verbal Warning. At this step, and at each subsequent step of the process, the employee's Shop Steward will be notified in advance that this is occurring and will be encouraged to attend the meeting and counsel the employee on the importance of good attendance.
 - b. Employee Performance Notice - An Employee Performance Notice will be issued to an employee who has been verbally warned about his/her attendance and who has had a subsequent period of unacceptable attendance. At each step of the process, only those infractions since the last step of formal discipline will be considered.
 - c. Final Warning - An employee who has a third period of unsatisfactory attendance will be assessed a Final Warning.
 - d. Termination - An employee who is not responsive to the above outlined disciplinary sequence, and who has another period of unsatisfactory attendance, will be discharged.
3. The attendance record should be reviewed with a Labor Relations representative prior to issuing discipline for unsatisfactory attendance.
4. At each step of the process, the employee's Manager or their designee, Union Representatives and Labor Relations Representatives are available to counsel employees.
5. Attendance Related Discipline may be mitigated based on a serious demonstration of attendance improvement as follows:

If, after assessment of a disciplinary penalty, an employee maintains perfect-attendance and/or does not receive subsequent attendance related discipline as defined below, while on the active payroll (do not count absences where the employee utilizes accrued vacation or **personal business time**, approved Family Medical Leave, Military Duty, Union Business, Departmental Leave, Bereavement Leave, or Jury Duty), the penalty will be cancelled, (i.e., the disciplinary action remains on the record but is not considered in the event of subsequent unsatisfactory attendance) as follows:

- 12 months of perfect attendance = satisfactory attendance

- 12 months without subsequent discipline = Penalty is repeated
 - 18 months without subsequent discipline = Attendance is considered satisfactory and attendance related discipline will be removed upon employee request.
6. If discipline is cancelled, the employee's attendance will then be considered satisfactory and therefore, three (3) consecutive days of absence caused by the same illness within the same pay period will be considered as a single occurrence, **in accordance with section B (5) above**. Additionally, the employee will be allowed one (1) tardy per month which must be one hour or less in duration. This tardy will not be counted as a chargeable attendance infraction for the purpose of disciplinary action. Additional tardies will be considered attendance irregularities infractions.
 7. When an Inclement Weather/ Road Closure memorandum is issued by the Company and an employee is delayed or not able to report to work they will not receive an infraction.
- D. Responsibility and Authority
- Responsibility for good attendance rests with each individual employee. Responsibility for maintaining attendance standards rests with each manager. It is the responsibility of the Union to encourage adherence to these attendance standards and counsel employees concerning the importance of regular attendance.
- The parties agree that all attendance discipline will be nullified at the time of ratification.

Signature Page?

INDEX

SUBJECT	PAGE
Absence	
4-Day Unreported.....	25
Bereavement Leave.....	32
Jury Duty.....	32
Leaves Without Pay	33
Medical Leave.....	32
Military Leave.....	32
Prolonged Disability	32
Union Business.....	70
Witness in Court	33
Arbitration.....	16, 18
Area Steward.....	10
Armed Forces	
Employees Entering.....	29
Attendance	
Commendation.....	70
Responsibility and Authority	72
Attendance Related Discipline.....	71
Attendance Standards.....	70
Authority of Union.....	4
Availability for Release	
Promotions.....	26
Awards Monetary and Non-Monetary.....	61
Bargaining Unit	
Definition of.....	4
Bargaining Unit Work.....	4
Base Pay	
Personal Business.....	31
Vacation.....	29
Basic Rates of Pay	44
Basis of Seniority.....	20
Bereavement Leave.....	32
Bonuses	
Shift and Odd Work Week.....	37
Breach of Agreement	5
Bulletin Boards and Posting Notices	12
Classified Information	7
Company Reimbursement.....	43
Contract Administration Group	1
Cooperation.....	12
Cost-Of-Living Payment.....	48
Damage to Property	
Reporting of.....	12
Deductions	
Company Reimbursement.....	43
Lost Time.....	43
Union Dues.....	6
Demotion in Lieu of Layoff.....	26
Demotion of Employees	

Right to	8
Department Leave.....	70
Disability	
Prolonged.....	32
Discharge	
Loss of Seniority.....	25
Probationary Period	20
Discipline	
of Employees.....	69
Downgrade	
In Lieu of Layoff.....	26
Rate of Pay.....	42
Rate Retention under Layoff Procedure.....	42
Dues	
Union Membership	6
Dues Deduction	
Revocation of.....	6
Employee Discipline.....	69
Employees	
Non-Represented.....	4
Represented.....	4
Employment Not Jeopardized.....	13
Establishment of Seniority.....	20
General Layoff.....	14
General Wage Increase	45
Grand Lodge Representative.....	12
Grievance	
Discharge.....	17
Recall from Layoff.....	17
Grievance Procedure and Arbitration	16
Guaranteed Personal Rate	44
Eligibility	44
General Provisions.....	44
Hazardous Work	28
Hiring Notice	13
Holidays.....	34
Pay	36
Hours and Days of Work	37
Incentive Program	61
Indebtedness to Company.....	43
Initiation Fees	
Union.....	6
Injury on the Job	28
Inspection Overtime.....	40
Interpretation and Application	1
Job Classifications.....	46
Job Descriptions.....	44
Job Openings.....	27
Jobs	
New.....	44
Joint Statement of Policy	
Job Description.....	49
Jury Duty.....	32

Lateral Transfer.....	27
Layoffs	
General Procedure.....	21
Grievance	17
Probationary Period	20
Temporary.....	23
Top Seniority	23
Voluntary	22
Lead	
Consideration of.....	26
Downgrading of	22
Pay for.....	43
Promotion to.....	26
Temporary.....	42
Leaves of Absence	32
Leaves Without Pay	33
Letters of Procedure and Understanding.....	51
Lockout	5
Loss of Seniority.....	25
Lost Time.....	43
Make or Buy Responsibilities.....	8
Management Rights.....	8
Medical Leave.....	32
Military Leave.....	32
Negotiating Committees	5
New Technology	
Night Shift Bonus	37
Night Shift Hours.....	37
Non-Discrimination	7
Notification of Employee Address.....	27
Occupational Illness.....	29, 32
Occupational Injury	29, 32
Odd Work Week	
Holiday.....	36
Personal Business.....	31
Premium for	37
Openings	
Priority in Filling.....	26
Overtime	
Distribution	38
Expectations of.....	40
Inspection.....	40
Pay	38
Union Stewards.....	11
Part-Time Employee	20
Vacation.....	29
Pay	
Automatic Rate Progression	41
Downgrades.....	42
for Lead.....	43
General Wage Increase	45
Guaranteed Personal Rate	44
Holidays.....	36

Jury Duty.....	32
Lost Time.....	43
Odd Work Week	37
Overtime	38
Overtime Distribution	38
Personal Business.....	31
Premium.....	37
Production Trainees.....	41
Rate on Promotion	41
Rate Ranges for Labor Grades.....	46
Rate Retention of Employees Accepting Downgrading Under the Layoff Procedure	42
Ratification.....	48
Report Time	42
Supplemental Cost-Of-Living Payments.....	48
Temporary Assignment.....	42
Unused Personal Business	31
Vacation.....	29
Witness in Court	33
Pay for Lead.....	43
Pay Period.....	40
Payroll Deductions	
Company Reimbursement.....	43
Union Dues.....	6
Performance Required	2
Period of Agreement.....	2
Personal Business.....	30
Plant Safety Committee	28
Posting Notices.....	12
Premium for Hours and Days of Work	37
Priority in Filling Available Openings.....	26
Probationary Employees.....	20
Prolonged Disability	32
Promotion.....	26
Property Damage	
Reporting of.....	12
Rate Ranges for Labor Grades.....	46
Recall	
Grievance	16
Refusal of.....	25
Recall Rights.....	22
Recognition and Jurisdiction.....	1
Reinstatement	
Security	7
Report Time	42
Reporting for Work After Layoff.....	25
Reports Information Furnished to the Union	13
Rest Periods	37
Retirement Plan	12
Retroactive Adjustment	
Grievance	16
Right to Manage Plant	8
Sabotage or Subversive Acts	

Reporting of.....	12
Safety	28
Safety Committee.....	28
Safety Equipment.....	28
Salaried Employees	
Seniority of.....	21
Salaried Position	
Temporary.....	39
Sanitary, Safety and Health Conditions.....	28
Security Regulations.....	7
Senior Steward.....	10
Seniority.....	20
Establishment of.....	20
Layoffs.....	21
Lead Selection.....	26
Loss of.....	25
Ordering of Employees Hired the Same Day	60
Priority in Filling Available Openings.....	26
Promotion.....	26
Recall	23
Shift Transfers.....	27
Transfers	27
Separability	3
Shift Transfers.....	27
Temporary.....	27
Shifts.....	37
Pay Premiums	37
Solicitation of Membership.....	13
Special Trainees.....	21
Strikes and Lockouts.....	5
Subcontracting	8
Submission Agreement	19
Substantial Change.....	44
Subversive Acts	
Reporting of.....	12
Successors and Assigns.....	3
Supplemental Cost-Of-Living Payments.....	48
Temporary Assignment.....	42
Temporary Layoff.....	23
Temporary Recall.....	25
Temporary Salaried Position.....	39
Temporary Shift Transfer.....	27
Termination of Agreement.....	2
Theft or Damage	
Reporting of.....	12
Time Limits	
Grievance Procedure.....	16
Time Lost.....	19, 43
Trainee Classification	54
Transfer	
Lateral	27
of Employees	8
Transfers	27

Tuition Reimbursement	43
Union Activity	
Employment Not Jeopardized.....	13
Union Bulletin Board.....	12
Union Business.....	10
Union Grievances.....	18
Union Membership	
Revocation of.....	6
Union Membership Dues.....	6
Union Memberships	
Solicitation of.....	13
Union Orientation of New Employees.....	55
Union Recognition.....	4
Union Responsibility	5
Union Stewards.....	10
Designation of.....	10
Election of.....	10
Number of Stewards	10
Overtime	11
Time Off from Work.....	10
Union Officials and Steward Status on Transfers.....	11
Union-Company Relations.....	10
Vacation and Personal Business	29
Vacations	
Accrual.....	29
Pay	29
Scheduling.....	30
Voluntary Layoffs.....	22
Wage	See Pay
Wage Rates.....	41
Waiver of any Breach or Condition	3
Witness in Court	33
Work on Holiday.....	36
Work Schedule.....	37
Work Stoppage.....	5
Working Conditions.....	2