

Agreement will remain in effect through 31 December 2022. Balances remaining in the LM Health Fund will be converted to a limited purpose Health Reimbursement Account.

- C. **High Deductible Health Plans.** Effective 1 January 2023, the Corporate-wide High Deductible Health Plans (HDHPs) will be offered to employees ~~on the "same basis as"~~ ~~offered to non-bargaining unit employees.~~ For employees hired or rehired on or after 12 July 2016, the High Deductible Health Plans will be the only options available.

1. ~~Effective 1 January 2023, the Company will pay 90% of the premium cost of the medical plan selected. The employee will contribute 10% of the premium cost.~~

Effective 1 January 2023, 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/Employee
HDHP Plan 1	90% / 10%
HDHP Plan 2	93% / 7%
HDHP Plan 3	95% / 5%

The HDHP maximum weekly contributions will be:

\$30/ Employee Only / \$60 Employee + 1 / \$90 Employee + 2 or More

2. Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or More.
3. Employees enrolled in a High Deductible Health Plan as of 1 January 2023, will receive a one-time Company contribution to a Health Savings Account (HSA) upon initial enrollment. The contribution for employee-only coverage is \$1,250. The contribution for employee plus one or more coverage is \$2,500. Employees must open an HSA to receive the Company contribution. Such contribution will be deposited as soon as administratively practicable. Employees may make a pre-tax contribution from their paycheck to their HSA. Contributions to HSA are subject to annual IRS limits, including contributions received from Lockheed Martin.

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counterproposals in any area of the Agreement opened by the Union.

Section 2. DENTAL PLANS

- A. The Comprehensive Dental Plan, Comprehensive Plus Dental Plan and Managed Dental Plan currently offered as options for all employees will be discontinued and no longer available as options after 31 December 2022. The current weekly contribution formula in effect immediately prior to the effective date of the Agreement shall remain in effect through 31 December 2022.**
- B. Effective 1 January 2023, the Dental Plan Core, Dental Plan Enhanced and Dental Plan HMO (where available) will be offered to employees ~~on the "same basis as"~~ offered to non-bargaining unit employees.**
- 1. Effective 1 January 2023, 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. Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or More.**

Section 3. VISION PLANS

- A. The Vision 24 Plan and the Vision 12 Plan currently offered as options for all employees will be discontinued and no longer available as options after 31 December 2022. The current weekly contribution formula in effect immediately prior to the effective date of the Agreement shall remain in effect through 31 December 2022.**
- B. Effective 1 January 2023, the Vision Plan Core and the Vision Plan Enhanced will be offered to employees ~~on the "same basis as"~~ offered to non-bargaining unit employees.**
- 1. Effective 1 January 2023, 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. Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or More.**

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Section 4. HEALTH INSURANCE CONTINUATION

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

Section 5. OTHER PLANS

- A. Life and Accidental Death and Dismemberment Insurance. The Company provides basic life and accidental death and dismemberment insurance. The provisions of such shall be within the Company's discretion except as follows:**
- 1. All employees receive Basic Life Insurance coverage of \$37,000. Effective 1 January 2023, the amount will increase to \$45,000 for employees who are actively at work on or after 1 January 2023.**
 - a) The amount of basic life insurance is subject to disability payment in the event of total and permanent disability prior to age 60.**
 - 2. All employees receive Accidental Death and Dismemberment Insurance coverage of \$37,000. Effective 1 January 2023, the amount will increase to \$45,000 for employees who are actively at work on or after 1 January 2023.**
- B. Business Travel Accident Plan. The Company provides Lockheed Martin Business Travel Accident Plan to employees covered by this Agreement on a "same basis as" plan design as offered to non-bargaining unit employees.**
- C. Short-Term Disability Insurance. The Company provides short-term disability coverage of fifty-five percent (55%) of weekly earnings to a maximum of \$380 per week. For employees who are actively at work on or after 1 January 2023 and commence leave after 1 January 2023, the Company will provide short-term disability coverage of fifty-five percent (55%) of weekly earnings as of the leave commencement date. All other provisions of short-term disability coverage shall be within the Company's discretion.**

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Waiting Period Days: First three days of any disability period (except that if you are an in-patient in a hospital for at least twenty-four consecutive hours, this will not apply to the day on which each confinement begins or to any day thereafter during that disability period. In addition, if a surgical procedure is performed as Ambulatory Surgery, this will not apply to the day on which surgery is performed or any day thereafter during that disability period).

D. Group Universal Life (GUL) Insurance. The Company offers Group Universal Life (GUL) Insurance. The employee pays 100% of the cost. Employees may elect coverage options of one times (1x) up to eight times (8x) Annual Base Pay. Effective 1 January 2023, employees may elect coverage options of one times (1x) up to nine times (9x) Annual Base Pay.

The cost of coverage per \$1,000 is based on the employee's age and salary as of December 1 of the prior plan year or hire date if later. The premium amounts are shown on each individual's personalized annual enrollment form.

Proof of Insurability required for:

1. Any multiple of insurance for an employee who enrolls after their initial eligibility date has passed (or who drops coverage and then re-enrolls at a later date)
2. Multiples of three (3) to ~~six (6)~~ **nine (9)** times annual base pay for a newly eligible employee and amounts over \$500,000

For coverage effective 1 January 2023, employees will be granted a one-time Group Universal Life Insurance special enrollment during the 2023 Annual Enrollment period. During this period, employees may enroll or increase one level up to the plan maximum in the Group Universal Life Insurance plan for the year beginning 1 January 2023 without providing Proof of Insurability (POI). Employees must be actively at work on or after 1 January 2023 for any coverage increase to be effective.

The amount of Group Universal Life Insurance is not subject to disability payment in the event of total and permanent disability prior to age 60.

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

1. **Spouse.** An employee may elect coverage for a spouse at coverage levels equal to one times (1x), two times (2x), or three times (3x) employee's Annual Base Pay. The spouse is required to provide Proof of Insurability (POI) if electing three times (3x) the employee's Annual Base Pay or if the employee enrolls the

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spouse after thirty (30) calendar days of the employee's or the spouse's first day of eligibility.

2. **Dependent Children.** An employee may elect coverage for any eligible dependent child(ren) at coverage levels of \$5,000, \$10,000 or \$25,000.

The cost of coverage per \$1,000 is based on the employee's age and salary as of December 1 of the prior plan year or hire date if later for spouse coverage and is a flat rate per \$1,000 for child(ren) coverage. The premium amounts are shown on each individual's personalized annual enrollment form.

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

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

Employee must be enrolled in order to elect spouse and/or child coverage.

If more than one child is covered, the employee only pays for the cost of one child --- but all children are covered for the same amount of insurance selected by the employee. Different amounts for children are not permitted.

- G. Effective 22 September 1975, employees with five or more years of service who retire with an early or normal retirement are eligible for \$1,000 of retiree life insurance.**

- H. Voluntary Supplemental Insurances.** Effective 1 January 2023, the Company will offer Voluntary Supplemental insurance to employees on the "same basis as" offered to non-bargaining unit employees. The employee pays 100% of the cost.

1. Offerings include Voluntary Accident, Voluntary Hospital Indemnity, Voluntary Critical Illness, Identity Theft Protection and Legal Services.

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

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

2. Dependent Care Spending Account (DCSA). The minimum calendar year contribution is \$100.

Section 6. GENERAL PROVISIONS

A. New Hires are eligible for benefits on date of hire. The benefit offerings and current weekly contribution formula and maximums in effect immediately prior to the effective date of this Agreement shall remain in effect through 31 December 2022.

B. NEW TO THE BARGAINING UNIT. The chart below outlines the default coverage which will become effective retroactively to the date the employee entered the bargaining unit if no active election has been made for medical, dental, or vision during benefits enrollment.

Plan	Employees entering the bargaining unit in 2022 – 2022 Default Coverage	Employees entering the bargaining unit in 2023+ - 2023+ Default Coverage
Medical	<i>LM HealthWorks</i> - Employee Only Coverage	<i>Broad Network 1</i> - Employee Only Coverage
Dental	<i>Comprehensive Dental Plan</i> - Employee Only Coverage	<i>Dental Plan Core</i> - Employee Only Coverage
Vision	<i>Vision 24 Plan</i> - Employee Only Coverage	<i>Vision Plan Core</i> - Employee Only Coverage

C. ANNUAL ENROLLMENT 2023 – ALL EMPLOYEES. If no election is made for Medical, Dental and/or Vision coverage during the 2023 Annual Enrollment Election Period, such coverage will default to “no coverage” effective 1 January 2023.

D. 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 is made:

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**Section 7 Retiree Medical, Paragraph B Under-Age 65 Retirees, Subsection 2a 5a High Deductible Retiree Health Plans, and
Section 7 Retiree Medical, Paragraph C Over-Age 65 Retirees, Subsection 1 Private Medicare Exchange Retiree Medical Coverage.**

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

Section 7. RETIREE MEDICAL

- A. Employees hired before 10 April 2006 are eligible for retiree medical coverage as detailed below. Employees, with a hire date prior to 10 April 2006 in another bargaining unit, who are transferred into this bargaining unit at the request of the Company and who had eligibility for retiree medical insurance coverage immediately prior to their transfer shall continue to be eligible.**

Retirees enrolled in a Company retiree medical plan will annually be provided the option to change their plan of enrollment subject to service area availability and subject to enrollment eligibility as determined at the time of retirement.

Retirees eligible for coverage as described here in Section 7, Paragraph A, may delay enrollment in a plan if they are covered under another group health care plan. A retiree may later activate enrollment in the plans, if the delayed enrollment is made within 30 days following termination of coverage under the other group health care plan. Active medical coverage is not required at the time of retirement in order to begin or delay coverage in a retiree medical plan.

B. Under-Age 65 Retirees

- 1. The employee must be at least age 55, but not age 65 or older and must be receiving benefits from the Retirement Plan for Hourly Employees.**
- 2. The employee eligible for Early Retirement (excludes deferred vested retirement) whose last hire date is before 1 January 1994 must have continuous service equal to at least five (5) years.**
- 3. The employee eligible for Early Retirement (excludes deferred vested retirement) whose last hire date is on or after 1 January 1994 must have ten (10) years of credited service.**

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- 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 and who have ten (10) years of credited service, or employees eligible for retiree medical insurance who retire before age 65 and thereafter attain age 65 and who have ten (10) years of credited service are eligible to participate in the over-age 65 healthcare option(s) ~~on the "same basis as" offered to non-bargaining unit over-age 65 retirees on an identical design basis.~~

- a) **Company Subsidy.** The Company subsidy for Retiree Medical Coverage is in the form of a credit to a Health Reimbursement Arrangement (HRA) in the amount of \$2,100 annually (\$175 per month) per enrolled retiree and \$2,100 annually (\$175 per month) per enrolled spouse.
- b) **Eligibility.** To be eligible for the Company subsidy (HRA), the retiree or their spouse must be age 65 or over and must enroll (and maintain enrollment) through the Company designated private Medicare Exchange (i.e., Via Benefits). For the spouse to be eligible, the retiree must be enrolled in a Lockheed Martin sponsored retiree medical plan.
- c) **Unavailability of the Private Medicare Exchange.** Should the Company designated private Medicare Exchange dissolve or otherwise become unavailable, the Company and Union agree to meet in an effort to designate a replacement private Medicare Exchange if such Exchanges are permissible based on regulations in effect at the time of discussions. If the parties are unable to come to an agreement during these discussions, the Company will designate a comparable replacement which results in no additional cost to the Company. In the event no such replacement can be designated, the Company shall be under no further obligation to designate a replacement.

Section 8. HEALTHCARE LEGISLATION AND TAXATION

It is the intent of both the Company and Union that none of the benefits provided in connection with the health insurance benefits (e.g. medical, health care spending accounts and any applicable benefit subject to the excise tax) will cause the application of an excise or High Cost Coverage Excise Tax (Cadillac Plan Tax) as a result of

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providing such benefits with respect to the Patient Protection and Affordable Care Act (the "PPACA") or any other healthcare taxation legislation that may evolve over the life of this Agreement.

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

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

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

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

Section 9. CONTINUATION OF BENEFITS DUE TO DEATH

1.
 - 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 9, Paragraph** 1.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.
2. 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.

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ARTICLE TWENTY-SIX
RETIREMENT PLAN FOR CERTAIN HOURLY EMPLOYEES OF LOCKHEED MARTIN
AERONAUTICS

Section 1. The Retirement Plan for Certain Hourly Employees of Lockheed Martin Aeronautics (the Retirement Plan) agreed to between the Company and the Union and in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement except as and until modified by the agreed upon changes set forth in ~~Appendix B—Retirement Plan for Hourly Employees~~ or the further provisions of this Article.

Section 2. The Company shall have the responsibility for the administration of the Retirement Plan except as otherwise specifically provided in any separate Agreement relating to the Retirement Plan and its administration in effect between the Company and Union.

Section 3. No matter respecting the Retirement Plan or any differences arising thereunder shall be subject to the Grievance Procedure established in this Agreement.

Section 4. ~~Pursuant to agreements reached between Lockheed Martin Aeronautics Company—Fort Worth and the International Association of Machinists and Aerospace Workers, it is understood that the Retirement Plan in effect immediately prior to the effective date of this Agreement shall remain in full force and effect for the duration of this Agreement except as modified by the agreed upon changes set forth below.~~ Changes are applicable to all covered hourly employees who are actively at work on or after the effective date of this Agreement unless otherwise indicated. A full description of the Retirement Plan For Certain Hourly Employees of Lockheed Martin Aeronautics features is provided in the Summary Plan Description.

Section 5. Employees hired or rehired on or after 2 July 2012 shall not be eligible for the Retirement Plan but shall be eligible for the I.A.M. National 401(k) Plan as described in Article Twenty-Seven, Paragraph C. - I.A.M. National 401(k) Plan.

A. **RETIREMENT BENEFIT:**

1. The monthly normal retirement benefit of an employee who retires or terminates with a vested benefit on or after the first day of this Agreement will be equal to ~~one hundred dollars (\$100.00)~~ **TBD one hundred and two dollars (\$102)** a month per year of credited service to date of retirement or termination. This monthly benefit amount will be extended to those who retired from active service on or after ~~1 January 2016~~ **2022** but before the date of this Agreement as long as such inclusion is in compliance with IRS regulations. **Employees who commence retirement on or after 1 January 2024 will receive a monthly normal retirement benefit of one hundred five dollars (\$105) a month per year of credited service to date of retirement or termination.** For purposes of this benefit, an employee on layoff status the first day of the Agreement is entitled to this benefit. An employee on layoff status is considered a terminated employee the earliest of: 1) refusal of recall, 2) expiration of recall period, 3) commencement of early or normal retirement or 4) when the employee becomes eligible for a normal deferred retirement benefit.

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2. Credited service restored under the bridging provision set forth in Paragraph F - Bridging of Prior Credited Service for Pension of this ~~Appendix Article~~ will not be used in determining the normal retirement benefit described in Paragraph A of this ~~Appendix Article~~. The benefit computed for the restored credited service will be added to the normal retirement benefit determined in accordance with sub-sections 1 and 2 of this Paragraph A.
- B. **DISABILITY BENEFIT:** The monthly disability benefit of an employee who qualifies for a disability retirement on or after the first day of this Agreement shall be equal to the normal retirement benefit earned to the date of disability based on credited service as described in Paragraph A - Retirement Benefit and benefits at such disability retirement date in accordance with Paragraphs A - Retirement Benefit and F - Bridging of Prior Service of this ~~Appendix Article~~.
- C. **NOTICE FOR ELECTION OF OPTIONAL FORMS OF RETIREMENT BENEFITS:** Shall be in compliance with 417(a) of the Internal Revenue Code.
- D. **POSTPONED RETIREMENT:**
 1. Effective on the first day of this Agreement, any employee who continues employment beyond the Plan's normal retirement age of 65:
 - a. Shall continue to accrue credited service under the plan while employed with the company until the employee actually retires.
 - b. Shall not be entitled to monthly retirement benefits until such employee actually retires; and
 - c. Shall not be required to elect a retirement benefit payment option upon reaching age 65 but will be treated, upon retirement, as a regular retirement pursuant to standard plan procedures, and may elect any payment option upon actual retirement and, if married, will otherwise be covered by the Plan's existing pre-retirement surviving spouse death benefit protection until actual retirement.
 2. Employees who continue employment beyond age 70 and $\frac{1}{2}$ will not be required to commence receiving retirement benefits. However, employees may elect to commence receiving retirement benefits by 1 April of the year following the attainment of age 70 and $\frac{1}{2}$. Retirement distributions will comply with the minimum required distribution regulations of the Internal Revenue Code.
 3. Employees who are actively at work and are over age 65 on the date of this Agreement will receive credited service for all periods of active employment worked with the company after the employees attained age 65.
- E. **GOVERNMENT APPROVALS:** The Retirement Plan as agreed to between the Company and the Union shall be contingent upon approval of the Internal Revenue Service and its The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counterproposals in any area of the Agreement opened by the Union.

compliance with all applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), subsequent amendments, and any other laws affecting qualified retirement plans and the regulations and orders issued pursuant to such laws. The Company shall make whatever amendments or changes to the Plan and its operation necessary to assure continued compliance with the law and continuation as a tax qualified plan.

F. BRIDGING OF PRIOR CREDITED SERVICE FOR PENSION:

Employee actively at work on the first day of this Agreement with one (1) or more years of continuous service or on the completion of one (1) year of continuous service will be eligible for bridging of lost credited service subject to the following rules:

1. Break in service occurred prior to 1 January 1976.
2. Benefit level for restored credited service will be equal to thirty-three dollars (\$33.00) a month per year of restored credited service.

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ARTICLE TWENTY-SEVEN
LOCKHEED MARTIN CORPORATION SAVINGS PLANS
AND I.A.M. NATIONAL 401(k) PLAN

A. Performance Sharing Plan (PSP). As soon as administratively practicable, employee and company contributions to the Hourly Savings Plan Plus (HSP) will end and participation in the Performance Sharing Plan (PSP) will begin.

1. **Employee Elective Deferral.** Employee contributions to the PSP can be made in ~~1% to 25%~~ increments of eligible base pay, up to the PSP maximum, and ~~will be~~ subject to IRS annual maximums.
2. **Company Matching Contributions.** The Company will match 50% of the first ~~6%~~ 7% 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. **Applicability of the Plan Documents.** The terms of the Plan are summarized in a separate Summary Plan Description. Copies of the Summary Plan Description will be furnished to the Union and to each employee eligible for the Plan.

B. Lockheed Martin Basic Benefit Plan for Hourly Employees (BBP). Company contributions to the BBP will be discontinued on 25 April 2022. The BBP will not be available to new hires effective 25 April 2022.

C. I.A.M. National 401(k) Plan

1. The Company shall offer the I.A.M. National 401(k) Plan to eligible employees hired or rehired on or after 2 July 2012. The Company will contribute in accordance with the

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agreed to schedule below. The remittance of these contributions will be on a quarterly basis to the I.A.M. National 401(k) Plan.

Completed Years of Service	Company Weekly Contribution Percentage of Base Pay*
0 – 3 years	3% 4% <u>5%</u>
4 or more years of service	4% 5% <u>6%</u>

*Base pay shall include an employee's straight time base hourly rate (including any COLA float, set-up pay, field rate, or other per hour additives) multiplied by the employee's regular straight time hours worked plus pay for holidays, pay while on vacation or personal business leave, jury duty pay or bereavement leave pay. Base pay does not include shift bonus, overtime, bonuses, lump sum COLA payments, ratification bonuses, payments in lieu of vacation or personal business leave, or any other payment made by the Company.

2. The Union shall have the responsibility for the administration of the I.A.M. National 401(k) Plan.
3. No matter respecting the I.A.M. National 401(k) Plan or the Company's administration associated with the Plan as described in this Article shall be subject to the Grievance Procedure established in this Agreement.

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ARTICLE TWENTY-NINE PERMANENT OFF-SITE ASSIGNMENTS

~~The Company and the Union agree that the provisions of the Company Union~~ **The provisions of this Agreement shall apply to employees within the bargaining unit set forth in the Article One (Recognition) Article of said Agreement who are permanently transferred to or hired for the Company's Off-Site **Base flight test locations** at Edwards Air Force Base, California and Naval Air Station Patuxent River (NASP), Maryland or any other domestic off-site base location outside of Tarrant County, Texas, that may be established for the F-35 Flight Test Program, the F-16 Flight Test Program, the F-22 Flight Test Program, or NASP Flight Test Program for which Lockheed Martin Aeronautics Company – Fort Worth is responsible, to which employees are permanently transferred under this Agreement, except as modified by the following provisions.**

I. Definition

- A. An employee is permanently transferred from the Fort Worth, Texas, facility to the off-site **base location** when the Company expects such transfer to be in excess of eleven (11) months and thereby deems the employee permanently transferred.
- B. ~~This Agreement Article~~ is not applicable to an off-site assignment contemplated to last less than eleven (11) months. An off-site assignment which the Company contemplates will last less than eleven (11) months will be covered by the provisions of Article Twenty-Three and Article Twenty-Eight of the ~~Company Union~~ Agreement.

II. Article Three – Job Classifications and Wage Rates

- A. An employee assigned to a classification in Factory Labor Grade 01 through 15 and Technical and Office Labor Grades 01 through 14 at an off-site **base location** under the provisions of this Agreement will receive a field rate of \$1.00 ~~\$1.30~~ **\$1.75** per hour above their regular hourly rate of pay while assigned to and working at the off-site **base location**. This field rate shall become effective the first Monday following their acquiring a residence at the off-site **base location**. This field rate shall cease the first Monday following the first day of travel upon temporary assignment away from the **base location**, (and begin again the first Monday following return to the **base location**), the first Monday following the first day of travel upon permanent assignment to another **base location** and shall cease upon the first Monday following the first day of travel on permanent transfer to the Fort Worth, Texas, facility.

→ Higher Cost of Living
75¢ increase unit buy
a tank of gas!

III. Article Seven – Union Representation and Grievance Procedure

- A. ~~Section 9—Applicable as written except that the time limits set forth in the first paragraph shall be fifteen (15) working days rather than eight (8) working days. The time limits set forth in sub paragraph (b) shall be fifteen (15) working days rather than three (3) working days.~~

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~~—B. Grievances not settled in Step III at the base shall be certified to Step IV of the Grievance Procedure at Fort Worth within fourteen (14) calendar days from the date answered in Step III at the base.~~

A. Section 9 – Applicable as written except that the time limits set forth in the first paragraph shall be fifteen (15) “calendar” days rather than “ten (10) calendar” days.

~~B. Section 11-B—The time limits set forth in sub-paragraph (b) shall be ten (10) calendar days rather than seven (7) calendar days.~~

C. Grievances not settled in Step I at the location shall be certified to Step II of the Grievance Procedure at Fort Worth within fifteen (15) calendar days from the date answered in Step I.

IV. Article Eight—Seniority

~~The parties agree that the following shall apply:~~

A. Selection of Employees for Off-Site **Bases Locations**

1. The Company will attempt to fill its requirements for employees at a permanent off-site location by selecting employees for classifications the Company deems necessary on a voluntary basis. However, the Company may, at its discretion, hire employees at or for a permanent off-site **base location**.
2. Employees recalled from layoff status at the Fort Worth, Texas, facility for permanent assignment to the off-site **base location**, will be governed by the following:
 - (a) Employees will be recalled in line of seniority subject to their agreeing to accept a permanent off-site assignment. A refusal of recall under this procedure will not affect the employee's recall status for jobs at the Fort Worth, Texas, facility.

B. Provisions Applicable at Off-Site **Bases Locations**

1. An employee hired for or permanently transferred to an off-site **base location** shall not be deemed a part of any seniority group at the Fort Worth, Texas, facility or at any other off-site **base location** during the period of such assignment. An employee permanently transferred to an off-site **base location** will accumulate seniority from the last date of hire at the Fort Worth, Texas, facility while assigned to the off-site **base location**. An employee hired for an off-site **base location** will accumulate seniority from last date of hire at the **base location**. An employee transferred from another Lockheed Martin Company to an off-site **base location** will accumulate seniority from last date of transfer from another Division to the **base location**. Seniority rights will be exercised as provided below:
2. An off-site **base location** employee who is permanently laid off at an off-site **base location** and who has recall rights at the off-site **base location** shall have recall rights at the Fort Worth, Texas, facility to jobs they are capable of performing in Factory Labor Grades 01

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through 05 and Technical and Office Labor Grades 01 through 04 for a period of ninety (90) calendar days from the date they were permanently laid off at the off-site **base location**, provided that such employee shall not displace a more senior employee with recall or promotion rights at the Fort Worth, Texas, facility.

The following provisions will be applicable to employees with recall rights under the above language:

- a. An employee who is permanently laid off at the off-site **base location** and wishes to exercise recall rights at the Fort Worth, Texas, facility must submit such request to the Company in writing.
- b. Such employee will be eligible for recall to openings which occur after the Fort Worth, Texas, facility has been notified that said employee requests recall rights at the Fort Worth, Texas, facility.
- c. Such employee who is offered recall to a job at the Fort Worth, Texas, facility will have fourteen (14) **working calendar** days from the date of their certified letter in which to report to the job at the Fort Worth, Texas, facility. An employee who chooses to decline the Fort Worth offer but wishes to retain recall rights to the off-site **base location** must so notify the Fort Worth facility by certified mail within five (5) calendar days after receiving notice of recall.
- d. An employee who is not recalled to a job at the Fort Worth, Texas, facility within the ninety-(90) day time limitation specified above shall retain recall rights to the off-site **base location** under the provisions of this Article.

C. Return to Fort Worth, TX Facility

1. An employee permanently transferred to an off-site **base location** from the Company's Fort Worth, Texas, facility shall be returned to the Fort Worth, Texas, facility in lieu of indefinite layoff at the off-site **base location**, in accordance with the following:
 - a. Production need permitting, when it is necessary to lay off employees at the **base off-site location** within a classification ~~and field of specialization~~, employees hired at or for the **base location** shall be laid off prior to requiring employees transferred from the Fort Worth, Texas, facility to return to the Fort Worth, Texas, facility.
 - b. When it is necessary that employees within a classification ~~and field of specialization~~ who have been transferred from the Fort Worth, Texas, facility be returned to the Fort Worth, Texas, facility, senior volunteers will be selected for such return, production need permitting.
 - c. Based upon the classification, ~~field of specialization~~, and department to which they were assigned at the time of their permanent off-site assignment, it will be determined if they would have been advanced to a classification in a higher labor grade than the last classification held at the off-site **base location** under the application of the ~~Company~~.

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Union Agreement had they remained at the Fort Worth, Texas, facility. If said employee would have attained and retained said higher classification as provided above, they will be placed on such classification on a current basis, displacing a less senior employee if necessary.

- d. If it is determined that the employee will not qualify for a higher classification under sub-paragraph (a) above, they will then be placed in the last classification ~~and field of specialization~~ held at the off-site ~~base~~ location, seniority permitting, displacing a less senior employee if necessary.
- e. If the employee cannot be placed under sub-paragraphs (c) and (d) above, then the current Fort Worth Company-Union Agreement shall be applied on a current basis.

V. Travel and Expense Allowance--Permanent Off-Site Assignment

Employees permanently transferred to an off-site base will be reimbursed for transportation and relocation expense under the provisions of this Section V.

A. Definitions

1. Permanent Travel Assignment-An assignment to Edwards Air Force Base, California or any other domestic off-site base outside of Tarrant County, Texas, that may be established for the F-35 Flight Test Program, F-22 Flight Test Program, or the F-16 Flight Test Program to which employees are permanently transferred under this Agreement, which is expected to exceed eleven (11) calendar months.
2. Dependents-The employee's spouse and unmarried children (minor children under twenty-one years of age) who receive more than one-half of their support from and who reside with the employee.

B. Transportation Allowances

Employees and their dependents shall receive transportation allowances in accordance with the provisions set forth:

1. Actual cost of first-class train fare plus Pullman lower berth or scheduled air coach fare including extra charge for jet travel.
 2. If by personal automobile, reimbursement will be at the current allowable mileage reimbursement rate as defined by the Internal Revenue Service (IRS), plus toll costs based on the most current edition of the Rand-McNally Standard Highway Mileage Chart. An employee is permitted to travel in a privately owned vehicle when specifically authorized by the Company on the Travel Order. Claims for reimbursement require itemized statements of mileage traveled and hour of departure and arrival at each destination.
 3. Travel time by highway is the actual travel time required, but not to exceed an amount computed by dividing 350 into the mileage of the most direct route as shown in the most
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current edition of the Rand-McNally Standard Highway Mileage Chart. Where a fraction of 350 occurs, a full day is added if the fraction is greater than 1/2 (greater than 175 miles). Nothing is added if the fraction is 1/2 or less.

4. Travel time by rail or air shall not exceed that of the scheduled carrier.
5. An employee traveling as a passenger in an automobile used for an authorized trip does not receive mileage allowance. The driver's name must be stated on the Travel Order.
6. If dependents travel with an employee by public transportation, actual cost is paid on the same basis provided the employee. If travel of the employee and dependents is by automobile, no additional mileage allowance is paid because of the dependents riding as passengers.
7. If the dependents do not travel with the employee, actual costs of public transportation are paid on the same basis as provided for the employee. If the dependents travel by personal automobile, the same automobile mileage allowance is made as if it had been driven by the employee. No additional mileage allowance is paid for other dependents riding with the driver.
8. Under no circumstances will mileage allowance be paid an employee for transportation of themselves and their dependents on more than two automobiles.

C. Relocation Allowance

No per diem subsistence or other expenses are paid an employee placed on a permanent travel assignment, except as listed below:

1. An employee with dependents is entitled to a relocation allowance for miscellaneous and incidental expenses (M&IE), in accordance with the per diem rates set forth by the Federal Government, plus reasonable actual lodging expense until the employee acquires their off-site residence, but not to exceed thirty (30) calendar days plus actual travel time.
2. An employee with no dependents is entitled to a relocation allowance for miscellaneous and incidental expenses (M&IE), in accordance with the per diem rates set forth by the Federal Government, plus reasonable actual lodging expense until the employee acquires **their** off-site residence, but not to exceed fifteen (15) calendar days plus actual travel time.
3. An employee who concurrently takes their dependents with them or whose dependents subsequently join them on their permanent travel assignment through the application of Paragraph F below is entitled to a relocation allowance for miscellaneous and incidental expenses (M&IE), in accordance with the per diem rates set forth by the Federal Government, reduced to 75% of the per diem amount for their spouse and for each dependent child 12 years of age or older, and reduced to 50% of the per diem amount for each dependent child under 12 years of age plus reasonable actual lodging expense for dependents. The employee is entitled to this allowance for dependents only at the time

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