COMPREHENSIVE PROPOSAL
TO CLOSE
PASS 3

2026 NEGOTIATIONS

between

LOCKHEED MARTIN AERONAUTICS COMPANY
Fort Worth

AND

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE WORKERS
AFL-CIO

AND

AERONAUTICAL INDUSTRIAL DISTRICT 776
(Production and Maintenance Unit)

SUBMITTED June 4, 2026

Period of Agreement: June 15, 2026 through ~~June 13, 2032~~ June 15, 2031

Except as specifically modified by this proposal, and items previously agreed upon by the parties during these negotiations, all terms and conditions of the printed Agreement will remain the same.

In all instances, qualified benefit plan language is the controlling document. Nothing contained herein or expressed by the parties orally or in writing constitutes a waiver/deviation from the plan agreement.

ARTICLE THREE
JOB CLASSIFICATIONS AND WAGE RATES

Job Classifications and Wage Rate Schedules

Section 1. The job descriptions, job evaluations, job evaluation plan, rate ranges and the Glossary of Terms used for the job descriptions made a part of this Agreement shall remain in effect for the duration of this Agreement, except as new occupations or job classifications may be added under the provisions of Section 2 of this Article.

New Job Classifications

Section 2-A. It is recognized that changing conditions and circumstances may require the establishment of new occupations or job classifications within the collective bargaining unit because of the introduction of new products, changes in equipment, tooling, or in methods of manufacturing or processing of materials. Under such circumstances, the Company and Union shall negotiate the descriptions, evaluations and appropriate rate ranges for such new job classifications. Failing to agree, the Union shall have the right to file a grievance general in character limited to the alleged improper description, evaluation, or rate range of such job classification. Any change in description, evaluation, or rate range as a result of the grievance procedure shall be retroactive to the date of filing of such grievance. If the Union does not file a grievance within thirty (30) calendar days after the failure of the parties to agree, the description, evaluation and rate range established by the Company shall remain in effect.

Job Classification

Section 3-A. The occupational summary in each of the job descriptions shall be a brief description of the occupation. The occupational summary describes the occupation as a whole and distinguishes one occupation from other occupations. The work requirements in each job description provide the basis for determining the classification within the occupation when interpreted and applied as follows:

(1) In determining an employee's proper job classification under the job descriptions and wage rates, the determination of whether the employee is performing the work requirements or work operations set forth in the job description shall be the governing consideration. Each classification's job description is to be interpreted and applied in its entirety as a job standards specification to define and illustrate the job requirements. Job classification assignments shall be made with the objective of attaining, as far as possible, equal pay for equal work.

(2) Where work assignments are not specifically described, such work assignments shall be appraised and classified under the most appropriate job description by considering the relative degree of complexity or level of difficulty of said work assignments in comparison with the following:

(a) Assignments described in the Work Performed section of the job descriptions; and

(b) Knowledge and ability requirements as cited in the job descriptions.

(3) Unless expressly described in the job description, an employee shall not be required to perform all of the work operations described in a job description to be eligible for the classification. However, an employee shall not be eligible for a classification by reason of performing an isolated or singular duty described in a job description.

(4) The normal duties of any employee may include some of the work of related jobs when required.

(5) An employee is required to perform the work operations, duties and other distinguishing characteristics described in a job description as assigned and for which the tasks are considered customary to qualify for a classification.

Section 3-B. Subject to all provisions of this Agreement, an employee who is regularly assigned to work in an occupation with a lower labor grade may receive no more than the maximum rate established for that job classification during the period of such assignment.

Section 3-C. An employee will not refuse to perform work assigned to them even if such work is not specifically described in their job description.

Lead Duties

Section 4-A. Where the Company determines the need for a Lead within a department and classification, the senior employee in the department will be selected to fill such position, provided such employee is available and has met the necessary qualifications as outlined in this Section below. Lead duties do not constitute an independent job classification.

Section 4-B. Management will notify all available employees working in the department and classification where an opening for a lead position exists and allow employees seven (7) calendar days following the notification to submit a request via email for consideration to their supervisor. Untimely requests shall not be considered.

Section 4-C. Where the need to establish a lead exists within a department, the following criteria shall be used:

1. Consideration shall be given to employees within a department and classification, who have the technical skills and work experience within the applicable task center where the need exists.

2. Employees will be evaluated by ~~***the supervisor***~~ ***an area leader*** ***on*** a 1 to 5 scale (5 is the highest score) based on job-related criteria to include technical skills, leadership qualities, communication skills, and dependability/accountability. ***The area leader will meet with the departmental Steward to review candidates and gather feedback prior to nominating a lead.***

3. ~~Within seven (7) calendar days following selection of a lead, and prior to the notification and assigning of a lead designation to the selected employee, employee evaluations shall be reviewed by the departmental Senior Manager, the departmental Steward, and a Labor and Employee Relations Analyst.~~ **Once a nomination has been made, the area leader will submit the selection to the Shop Lead Selection committee for review. The submission will include the scorecards for all employees considered.**

4. Following the review, the employee as determined by the Company receiving the highest total score will be formally selected to fill the lead opening. In cases where there is more than one qualified employee who have tied for the high score, the most senior employee will be selected as lead.

5. Disputes arising under the application of this Section are subject to the grievance procedure consistent with Article Seven (Grievance Procedure) of this Agreement.

Section 4-D. Employees designated as leads will be subject to overtime assignment requirements, shift preference, and promotion and regression provisions of this Agreement. If an employee designated as a lead changes shift, department, or classification, their lead designation will be removed on the effective date of the move.

Section 4-E. If the Company determines there is no longer a need for the employee to perform lead duties or determines the employee is ineffective in performing lead duties, the employee will be notified in writing, and the Company will remove the employee's pay additive. The effective date of the employee's pay adjustment shall be the first Saturday immediately following the removal of the employee's lead designation. ~~***Labor and Employee Relations will approve changes in lead designation prior to employee notification or lead removal.***~~

Section 4-F. An employee designated as a lead may voluntarily give up the lead designation with a thirty (30) calendar day written notice. Employees who voluntarily give up the lead designation may not be reselected for one (1) year.

Section 4-G. An employee who is selected to perform lead duties will be laid off in line of seniority with employees in their job classification. There is no superseniority for lead employees.

Section 4-H. Lead duties include performing a specialized task while continuing to perform their normally assigned duties within their classification. The following are meant to serve only as examples of the types of tasks performed by leads and not an indication of a distinct job classification. Tasks that may be performed by employees identified as leads include but are not limited to:

1. Providing on the job training, guidance, and technical assistance regarding operations, work methods, shop and/or administrative practices, and machine or work set-ups or layouts to the workgroup.

2. Relaying management priorities and directions to assigned group.

3. Seeing that machines, tools, and equipment are properly utilized to accomplish the work at hand.

4. Imparting current or new trade, craft, or occupational knowledge in accordance with work instructions, processes, and procedures to the workgroup.

5. Transmitting information and work instructions effectively to others~~,~~ ***but not creating daily work assignments.***

Section 4-I. ***Effective 1 July 2026, e***mployees with less than ~~one (1)~~ **four (4)** year**s** of seniority are ineligible to be selected as a lead under this section. ***Exceptions to the requirement in this section may be made by mutual agreement.***

Section 4-J. Employees selected and identified by the Company to function as a Lead prior to June 15, 2026 will receive a one dollar ($1.00) per hour premium above the maximum of the rate range for the employee's classification while in a lead position. Effective June 15 ~~13~~, ~~2032~~ 2031 the premium for these employees will change to ~~three percent (3%)~~ four percent (4%) above their regular hourly rate of pay exclusive of any prior premiums.

As soon as administratively practicable in 2027, employees selected and identified by the Company to function as a Lead shall receive a ~~three percent (3%)~~ four percent (4%) premium above their regular hourly rate of pay while in a lead position.

The effective date of any Lead Premium rate change shall be the move date shown on the CIES form provided by the Company.

Ratification and Wage Rates

Section 5-A. Provided that each member of the Union's negotiating committee fully endorses and recommends the Company's proposal to the Union membership, and this Agreement is ratified no later than 5:00 p.m. central time on 14 June 2026, a lump sum payment of ~~TBD~~ ~~$2,500~~ ~~$8,500~~ $4,000**, less applicable taxes, shall be paid to each employee who as of 15 June 2026 is on the active payroll or on an authorized leave of absence of less than 90 days (for reasons other than union business). The entire ratification bonus may be deferred to the Performance Sharing Plan (PSP) or Health Savings Account (HSA) upon completion of the appropriate election form no later than 3 July 2026. In the event that a deferral cannot be processed, this bonus will be paid less applicable taxes. Payment will be made within 90 days of ratification.**

Section 5-B. Effective 04 July 2026, the minimums and maximums of factory labor grades one (1) through fourteen (14), technical and office labor grades one (1) through fourteen (14), and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days in those labor grades shall be increased by ~~one~~ ~~two and one-half~~ four **percent ~~(1.5%)~~ ~~(2.5%)~~ ~~(10%)~~** (4.0%) **computed to the nearest one (1) cent ($0.01) increment.**

The minimum of factory labor grade fifteen (15) shall be increased to twenty dollars ($23) per hour.

Section 5-C. Effective 03 July 2027, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one~~ ~~two~~ three percent ~~(1.0%)~~ ~~(2%)~~ ~~(8%)~~ (3%) computed to the nearest one (1) cent ($0.01) increment.

Section 5-D. Effective 01 July 2028, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one~~ two and one half percent ~~(1.0%)~~ ~~(2%)~~ ~~(7%)~~ (2.5%) computed to the nearest one (1) cent ($0.01) increment.

Section 5-E. Effective 07 July 2029 the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one~~ two and one-half percent ~~(1.0%)~~ ~~(1.5%)~~ ~~(7%)~~ (2.5%) computed to the nearest one (1) cent ($0.01) increment.

Section 5-F. Effective 06 July 2030 the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by ~~one~~ two and one-half percent ~~(1.0%)~~ ~~(1.5%)~~ (2.5%) computed to the nearest one (1) cent ($0.01) increment.

~~Section 5-G. Effective 05 July 2031 the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or on approved leave of absence for less than 90 days shall be increased by one percent (1.0%) computed to the nearest one (1) cent ($0.01) increment.~~

Section 6. Effective 04 July 2026 the following factory and technical and office labor grade structure shall be placed in effect for employees on the payroll.

Factory and Technical and Office Labor Grade Structure

{GWI TABLE}

Section 7. Each employee shall receive at least the minimum hourly wage rate for the labor grade to which their job is classified.

Section 8. Based upon the labor grade structures set forth in this Article, the basic rate range for each of the job classifications covered by this Agreement is set forth in Appendix "A" and made a part of this Agreement.

Cost of Living

Section 9. The base rate (which does not include cost-of-living adjustment) of each employee shall be subject to periodic adjustments based on changes in the cost-of-living index as provided in this Section.

1. **Cost-of-living adjustments will be determined in accordance with changes in the Consumer Price Index, United States City Average for Urban Wage Earners and Clerical Workers, (CPI-W), (United States City Average, all items, 1982-1984=100) as published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the BLS Index.**

2. **Cost-of-living Adjustment Formula and Effective Dates**

   The first cost-of-living adjustment shall be effective 04 July 2026~~.~~ and will include the existing float and eighteen cents ($0.18) adjustment for the average increase of Feb, Mar, Apr 2026 based on the previous agreement BLS Index of 296.5. This and all subsequent adjustments will apply to eligible employees. ~~No cost-of-living adjustment will be made to any employee after 04 April 2027.~~ ~~The final COLA adjustment and float will occur on 01 July 2028.~~

   The amount of subsequent adjustments (which shall be applied as per the following paragraphs) shall be one (1) cent ($0.01) for each 0.3 point increase of the average of the BLS Consumer Price Indices for the three (3) month periods stated below at each effective date of adjustment over the BLS Index of 326.5 provided, however, that in no event shall there be a pyramiding of cost-of-living adjustments as a result of the computations. Cost-of-Living Adjustments paid during the term of this Agreement will be limited to the first ~~ten~~ fifteen cents ~~($0.10)~~ ($0.15) accrued during each year of this agreement as noted below:

Effective Dates of Adjustments	Based Upon Average of the Three Month BLS Consumer Price Index
9/26/2026	May, Jun, Jul 2026
12/26/2027	Aug, Sept, Oct 2026
3/27/2027	Nov, Dec 2026, Jan 2027
7/3/2027	Feb, Mar, Apr 2027
9/25/2027	May, Jun, Jul 2027
12/25/2027	Aug, Sept, Oct 2027
3/25/2028	Nov, Dec 2027, Jan 2028

7/1/2028	Feb, Mar, Apr 2028
9/30/2028	May, Jun, Jul 2028
12/30/2028	Aug, Sept, Oct 2028
3/31/2029	Nov, Dec 2028, Jan 2029
7/7/2029	Feb, Mar, Apr 2029
9/29/2029	May, Jun, Jul 2029
12/29/2029	Aug, Sept, Oct 2029
3/30/2030	Nov, Dec 2029, Jan 2030
7/6/2030	Feb, Mar, Apr 2030
9/28/2030	May, Jun, Jul 2030
12/28/2030	Aug, Sept, Oct 2030
3/29/2031	Nov, Dec 2030, Jan 2031

3. **"COLA float" refers to the net cost-of-living adjustment not previously incorporated into the rate range structure or the base rate of an eligible employee. All cost-of-living adjustments shall be a COLA float, except as hereinafter provided:**

   (a) Effective 04 July 2026, and before applying any action prescribed in Section 5-B, the COLA float accumulated after 28 June 2025 shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

   (b) Effective 03 July 2027, and after applying any action prescribed in Section 5-C, the COLA float (if any) accumulated after 04 July 2026 shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

   (c) Effective 01 July 2028, and after applying any action prescribed in Section 5-D, the COLA float (if any) accumulated after 03 July 2027 shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

   (d) Effective 07 July 2029, and after applying any action prescribed in Section 5-E, The COLA float (if any) accumulated after 01 July 2028 shall be added to the minimums and maximums of the rate ranges set forth in Article Three and to the base wage rate of each eligible employee.

   (e) Effective 06 July 2030, and after applying any action prescribed in Section 5-F, the COLA float (if any) accumulated after 07 July 2029 shall be added to the minimums of each eligible employee.

4. **The amount of any cost-of-living adjustment shall be added to the base rate of each eligible employee and shall include the following when determining pay rates:**

(a) Overtime Pay
(b) Holiday Pay
(c) Vacation Pay
(d) Personal Business Pay
(e) Jury Duty Pay
(f) Grand Jury Duty Pay
(g) Bereavement Pay
(h) Military Leave
(i) Parental Leave

5. In the event that any BLS Index referred to herein is not officially published on or before the Wednesday immediately preceding the effective date on which a cost-of-living adjustment would be made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.

6. No adjustment retroactive or otherwise shall be made because of any revision which may later be made in the published figures of the BLS Index.

7. In the event the Bureau of Labor Statistics, United States Department of Labor, changes the form and/or method of calculation of the BLS Index and publishes a new monthly index which differs from that defined in paragraph 1 of this Section, but continues to publish the BLS Index used in this Section by converting the new monthly index or by other means, such BLS Index shall continue to be used in applying paragraph 2 of this Section. In the event the Bureau of Labor Statistics publishes a new monthly index but discontinues publication of the BLS Index, the Company and the Union shall enter into negotiations with respect to a substitute cost-of-living index. The purpose of the negotiations shall be to ensure that the cost-of-living payments to be made under this Section will be as intended by the parties and shall be no less than that which would have occurred had the BLS Index continued. In the event the parties are unable to agree on a substitute index within sixty (60) days of the discontinuance of the BLS Index, the Union may file a "priority" grievance to be heard by the permanent arbitrator.

8. By 20 November 2026, each eligible employee who is active or on approved leave of absence for less than ninety (90) days as of 17 October 2026 shall receive a supplemental cost-of-living payment of one-thousand dollars ~~($1,400)~~ ($1,000). This payment may be deferred, without Company matching contribution, to the Performance Sharing Plan (PSP), or employees Health Savings Account (HSA) upon completion of the appropriate election form, which must be completed and returned to the Payroll office no later than 03 October 2026. A deferral election will remain active for the duration of this Agreement unless cancelled by the employee.

9. By 19 November 2027, each employee who is active or on approved leave of absence for less than ninety (90) days as of 16 October 2027 shall receive a supplemental cost-of-living payment of one-thousand dollars ~~($1,400)~~ ($1,000).

10. **By 17 November 2028, each employee who is active or on approved leave of absence for less than ninety (90) days as of 21 October 2028 shall receive a supplemental cost-of-living payment of one-thousand dollars ~~($1,400)~~ ($1,000).**

11. **By 16 November 2029, each employee who is active or on approved leave of absence for less than ninety (90) days as of 20 October 2029 shall receive a supplemental cost-of-living payment of one-thousand dollars ~~($1,400)~~ ($1,000).**

12. **By 15 November 2030, each employee who is active or on approved leave of absence for less than ninety (90) days as of 19 October 2030 shall receive a supplemental cost-of-living payment of one-thousand dollars ($1,000).**

13. ~~**By 21 November 2031, each employee who is active or on approved leave of absence for less than ninety (90) days as of 18 October 2031 shall receive a supplemental cost-of-living payment of one-thousand dollars ($1,000).**~~

Personal Rates

Section 10. Should an employee's basic wage rate be in excess of the maximum rate for the labor grade of the employee's job classification, such rate shall be designated as the employee's personal rate and shall not be changed unless the employee is subsequently assigned to job duties covered by a different job classification. If an employee holding a personal rate is classified to job duties covered by a different job classification, and, within thirty-five (35) calendar days thereafter is reclassified to the job duties covered by the job classification under which they formerly received a personal rate, they shall have such personal rate restored effective the payroll period immediately following such reassignment. Assignment of an employee to job duties covered by a different job classification shall not be made for the purpose of avoiding the payment of the personal rate. The Company shall endeavor, whenever practicable, to find jobs in higher rated job classifications for employees with personal rates.

Progression within Rate Ranges

Section 11. Automatic Rate Progression increases shall be effective the second Saturday in February, May, August, and November for all active employees and employees who have been on a leave of absence for less than thirty (30) consecutive calendar days prior to the effective date of the Automatic Rate Progression 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~~ <u>thirty</u> cents ~~($0.25)~~ ~~($0.45)~~ <u>($0.30)</u> per hour on the above dates (or such lesser amount as is necessary to bring the rate to the maximum) until the applicable maximum for the classification is reached. If the last automatic increase takes an employee's rate to a point within ten cents ($0.10) of the maximum rate of their job classification, they shall be granted such additional increase. ~~After eight (8) years of seniority, regardless of classification, an employee shall automatically be topped out to the maximum of their Labor Grade.~~

1. **Employees on the active payroll, or on an approved leave of absence of less than ninety (90) days, with at least ten (10) years of service, and who have not yet reached the maximum of the rate range as of 04 July 2026, and prior to applying any action prescribed in Section 5-B, shall receive a one-time equity adjustment of up to one dollar ($1.00) not to exceed the maximum of the rate range for their classification.**

Shift Premium

Section 12. Employees assigned to the second shift of a 5/40, 9/80, or 3/12 workweek schedule shall receive one dollar ($1.00) per hour above their regular hourly rate of pay. Employees assigned to third shift of a 5/40 workweek schedule shall receive ten cents ($0.10) per hour above their regular hourly rate of pay for eight (8) hours, but shall work only six (6) hours and thirty (30) minutes for eight (8) hours of pay. Employees assigned to the third shift of a 9/80 workweek schedule shall receive ten cents ($0.10) above their regular hourly rate of pay for nine (9) hours, but shall work only seven (7) hours and eighteen (18) minutes for nine (9) hours of pay.

~~**Surge Support**~~

~~**Section 14. The Company may supplement the workforce with IAM Represented employees from other Lockheed Martin facilities on a temporary and/or part-time basis in order to meet production needs. Surge support assignments shall not exceed one hundred and twenty (120) calendar days unless mutually agreed to by the parties. The Company shall *notify provide* the Union *with 15 calendar days' notice and an opportunity to discuss the decision* prior to utilizing temporary and/or part-time surge support. *No employee in the affected area(s) shall be displaced as a result of the implementation of surge support. For the duration of the surge support event, the Company shall continue to offer overtime at a rate of one hundred percent (100%) to employees in the area(s) where surge support is deployed.* Additionally, the Company may continue to supplement the workforce at other Lockheed Martin facilities or bases with members of this bargaining unit on a temporary and/or part-time basis in order to meet production needs as determined by the Company. The Company shall notify the Union prior to assigning employees to temporary or part-time surge support off-site.**~~

ARTICLE FOUR
HOURS OF WORK AND OVERTIME

Section 1-A. The established shifts, including shift start and stop times, will not ~~**may**~~ be changed without a prior thirty (30) calendar days' notice to the Union. ~~Before an established work schedule is changed, the Company and the Union will meet to discuss its implications and effects on employees for a period no longer than sixty (60) calendar days. After the sixty (60) calendar day period, or sooner if the parties agree, the work schedule will change after thirty (30) calendar days' notice to the affected employees.~~ ~~The Union shall not unreasonably refuse to agree to the implementation of an established work schedule 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.~~

Additional Work Schedule Flexibility

Section 1-B. The standard work schedule is based on a 5/40 schedule. The Parties have discussed and recognize the F-35 program is a dynamic business. The Parties are also committed to being responsive to business dynamics and customer requirements and have a mutual interest in positioning the Fort Worth facility to be responsive to changing events and customer requirements. This could include, but is not limited to, an increase in production rate, non-standard production requirements (aircraft configuration changes), or other requirements that go beyond the Fort Worth facility's current capacity. ~~To that end, the Company and Union agree to discuss possible solutions involving additional work schedules to meet customer requirements and expectations. The solutions will be mutually agreeable to both the Company and the Union and position the workforce to successfully meet customer requirements, expectations, and demands.~~ **Accordingly, upon providing the Union with thirty (30) days' notice, the Company may modify work schedules within a work area to any of the four established work schedules identified in this Agreement (5/40, 3/12, 9/80, 4/10A).**

Section 2. For pay purposes:

A. The shift-starting time at which an employee is directed to report for work on a Monday (Tuesday when Monday is a holiday) shall establish 1) the employee's shift starting time for the week in which the Monday falls and 2) the "standard day" for the employee's regular work week for the purpose of determining overtime within each standard day. However, nothing in this Section shall preclude a change in the employee's shift and/or starting time during the week. Where an employee is assigned to hours other than those of an established shift, the employee will be considered to be on the shift in which the majority of their first eight hours fall.

B. The standard day shall be from the beginning of the established regular shift to the beginning of the same shift on the next working day for each employee. For example, a standard Monday is from 3:45 p.m. Monday to 3:44 p.m. Tuesday.

C. Saturday - An employee is considered to be working Saturday if they report for scheduled work during the calendar Saturday – midnight Friday to midnight Saturday. This applies in principle to employees working alternative work schedules, where their off-day may be other than Saturday.

D. Sunday - An employee is considered to be working Sunday if they report for scheduled work during the calendar Sunday – midnight Saturday to midnight Sunday. This applies in principle to employees working alternative work schedules, where their off-day may be other than Sunday.

E. Continuous Working Hours – When an employee continues working after completion of their regularly scheduled shift hours, all continuous hours for the remainder of the standard day are to be computed as a part of that standard day for overtime purposes.

F. Early Overtime – Hours worked by an employee before the start of their shift will be computed as additional hours to the previous standard day.

G. Holidays – An employee is considered to be working during a holiday if they report for the scheduled work during that holiday from midnight to midnight.

H. The accounting workweek starts at midnight Friday and continues for one-hundred sixty-eight (168) hours until midnight the following Friday.

I. The effective date for all rate changes within this Agreement shall be the beginning of the accounting work week as defined in paragraph "H" of this Section.

5/40 Work Schedule

Section 3-A. The 5x40 work schedule consists of forty (40) hours (32.5 hours for third shift) of five (5) consecutive days, Monday through Friday. The work week for employees assigned to the boiler-house operations may be any consecutive five (5) days.

Section 3-B. On first and second shifts, eight (8) hours of work within nine (9) consecutive hours will constitute a regular day's work. On third shift, six and one-half (6-1/2) hours of work within seven and one-half (7-1/2) hours shall constitute a regular day's work.

5/40 Work Schedule for First and Second Shift

	M	**Tu**	**W**	**TH**	**F**	**M**	**T**	**W**	**TH**	**F**	
	HOURS										Total for Workweek
5/40 Work Schedule											
Monday – Friday	8	8	8	8	8						40

5/40 Work Schedule for Third Shift

	M	Tu	W	TH	F	M	T	W	TH	F	
	HOURS										Total for Workweek
5/40 Work Schedule											
Monday – Friday	6.5	6.5	6.5	6.5	6.5						40

5/40 Overtime Pay

Section 4-A. Work in excess of eight (8) hours on first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

Section 4-B. Work in excess of six and one-half (6-1/2) hours on the third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

Section 4-C. Work performed in excess of eleven (11) hours in a workday by first and second shift employees shall be paid at double the hourly straight-time rate. Work performed in excess of nine and one-half (9-1/2) hours in a workday by third shift employees shall be paid for at double the hourly straight-time rate.

Section 4-D. ~~**Effective 02 January 2027, Pprovided that an employee** ***has worked is paid*** **or is approved for company initiated unpaid hours for forty (40) thirty-six (36) straight time hours within the same workweek,**~~ W~~w~~ork performed on an employee's sixth (6^{th}) ~~***or seventh (7th)***~~ workday during the same workweek for the first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter.

Section 4-E. ~~**Effective January 2, 2027, Pprovided that an employee** ***has worked is paid*** **or is approved for company initiated unpaid hours for thirty two twenty-eight and a half (32.5) (28.5) straight time hours within the same workweek,**~~ **W~~w~~ork** performed on an employee's sixth (6^{th}) ~~***or seventh (7th)***~~ workday during the same workweek for third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first six and one-half (6-1/2) hours and two (2) times the hourly straight-time rate thereafter.

Section 4-F. ~~**Effective January 2, 2027, P*provided that an employee is paid or is approved for company initiated unpaid hours for forty (40)* thirty-six (36) *straight time hours within the same workweek,***~~ W~~w~~ork performed on an employee's seven (7^{th}) workday during the same workweek shall be paid at the rate of two (2) times the employee's hourly straight-time rate.

~~***Section 4-F. Provided that an employee has worked or is approved for company initiated unpaid hours for forty (40) straight time hours within the same workweek, all hours worked in excess***~~

~~of forty-eight (48) hours within the same workweek will be paid at two (2) times the hourly straight time rate.~~

5/40 Pay Computation Examples

Section 5. The following examples are for illustration purposes only. Section 2 of this Article defines the work schedule as it applies to pay calculation for these examples.

Example I: Monday – Friday with In-Week Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
			5:00	5:00					
7:00 7:00					7:00	7:00	7:00		
3:45 3:45			**3:45**	**3:45**	**3:45**	**3:45**	**3:45**		

The first eight (8) hours from 5:00 a.m. to 1:45 p.m. on Monday and Tuesday are paid at straight-time and the last two (2) hours each day from 1:45 p.m. to 3:45 p.m., are paid at time and one-half for the hours worked over eight.

Example II: Monday – Friday with Sunday and In-Week Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
			1:45						
3:45 3:45		3:45		3:45	3:45	3:45	3:45		
12:15 12:15		**12:15**	**12:15**	**12:15**	**12:15**	**12:15**	**12:15**		

The hours from 3:45 p.m. Sunday to 12:15 a.m. Monday are paid at double time (Sunday Shift). On Monday, the first eight (8) hours, from 1:45 p.m. to 10:15 p.m. are paid at straight-time and the last two (2) hours from 10:15 p.m. to 12:15 a.m., are paid at time and one-half for the hours worked over eight.

Example III: Monday – Friday with Sunday Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
					5:00	5:00			**5:00**
7:00 7:00			7:00	7:00			7:00		
									1:45
3:45 3:45			**3:45**	**3:45**	**3:45**	**3:45**	**3:45**		

On Wednesday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time and one-half for Tuesday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 7:00 a.m. to 3:45 p.m. are paid at the straight-time rate.

On Thursday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time and one-half for Wednesday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 7:00 a.m. to 3:45 p.m. are paid at the straight-time rate.

On Sunday, the eight (8) hours from 5:00 a.m. to 1:45 p.m. are paid at double time, which is the employee's seventh day in this example.

Example IV: Tuesday – Saturday with Sunday Overtime (Boiler House)

T thru Sa	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
						5:00	5:00		**5:00**
7:00 7:00				7:00	7:00			7:00	
									1:45
3:45 3:45				**3:45**	**3:45**	**3:45**	**3:45**	**3:45**	

On Thursday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time and one-half for Wednesday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 7:00 a.m. to 3:45 p.m. are paid at the straight-time rate.

On Friday, the two (2) hours from 5:00 a.m. to 7:00 a.m. are paid at time and one-half for Thursday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 7:00 a.m. to 3:45 p.m. are paid at the straight-time rate.

On Saturday (the employee's fifth work day) the hours from 7:00 a.m. to 3:45 p.m. are paid at the straight-time rate.

On Sunday (the employee's sixth work day) the eight (8) hours from 5:00 a.m. to 1:45 p.m. are paid at time-and-one-half rate.

9/80 Work Schedule

Section ~~6~~**5**-A. The 9/80 work schedule consists of eighty (80) hours (64.9 hours for third shift) in a two (2)-week schedule of nine (9)-hour shifts Monday through Thursday and an eight (8)-hour shift on an alternating Friday.

Section ~~6~~**5**-B. On first and second shifts, nine (9) hours of work within ten (10) consecutive hours will constitute a regular day's work. On third shift, seven and three-tenths (7-3/10) hours of work within eight (8) hours shall constitute a regular day's work. The 9/80 work Friday is a shift that consists of eight (8) hours of work performed within a period of nine (9) consecutive hours, except for third shift which will be six and one-half hours (6-1/2) of work performed within a period of seven (7) hours, shall constitute a regular day's work.

9/80 Work Schedule for First and Second Shift

	M	**Tu**	**W**	**T H**	**F**	**M**	**T**	**W**	**T H**	**F**	
	HOURS										Total for Workweek
9/80 Work Schedule											
First Week	9	9	9	9	4						40
Second Week					4	9	9	9	9	Off	40

9/80 Work Schedule for Third Shift

	M	**Tu**	**W**	**T H**	**F**	**M**	**T**	**W**	**T H**	**F**	
	HOURS										Total for Workweek
9/80 Work Schedule											
First Week	7.3	7.3	7.3	7.3	**3.25**						40
Second Week					**3.25**	7.3	7.3	7.3	7.3	Off	40

9/80 Overtime Pay

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

Section ~~7~~**6**-B. Work in excess of seven and three-tenths (7-3/10) hours on third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

Section ~~7~~**6**-C. Work performed in excess of eleven (11) hours in a workday by first and second shift employees shall be paid at double the hourly straight-time rate. Work performed in excess of nine and one-half (9-1/2) hours in a workday by third shift employees shall be paid at double the regular hourly rate.

Section ~~7~~**6**-D. ~~**Effective January 2, 2027, Pprovided that an employee**~~ ~~***has worked is paid***~~ ~~**or is approved for company initiated unpaid hours for forty (40) thirty-six (36) straight time hours within the same workweek,**~~ **W~~w~~ork** performed on Saturday**,** ~~***Sunday***~~ or the scheduled off-Friday of week two for first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first eight (8) hours and two (2) times the hourly straight-time rate thereafter.

Section ~~7~~**6**-E. ~~**Effective January 2, 2027, Pprovided that an *employee has worked is paid* or is approved for company initiated unpaid hours for forty (40) thirty-six (36) straight time hours within the same workweek,**~~ **W**work performed on Saturday~~, *Sunday*~~ or the scheduled off-Friday of week two for third shift shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first seven and three-tenths (7-3/10) hours and two (2) times the hourly straight-time rate thereafter.

Section ~~7~~**6**-F. ~~**Effective January 2, 2027, P*provided that an employee is paid or is approved for company initiated unpaid hours for forty (40)* thirty-six (36) *straight time hours within the same workweek,***~~ **Wwork** performed on Sunday shall be paid at the rate of two (2) times the employee's hourly straight-time rate.
~~***Section 6-F. Provided that an employee has worked or is approved for company initiated unpaid hours for forty (40) straight time hours within the same workweek, all hours worked in excess of forty-eight (48) hours within the same workweek will be paid at two (2) times the hourly straight time rate.***~~

9/80 Pay Computation Examples

Section 8. The following examples are for illustration purposes only. Section 2 of this Article defines the work schedule as it applies to pay calculation for these examples.

Example I: Monday – Friday (1st week of the 9/80 schedule) with In-Week Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
			4:00	4:00					
6:00 6:00					6:00	6:00	6:00		
3:30 3:30			**3:30**	**3:30**	**3:30**	**3:30**	**2:30**		

The first nine (9) hours from 4:00 a.m. to 1:30 p.m. on Monday and Tuesday are paid at straight-time and the last two (2) hours each day from 1:30 p.m. to 3:30 p.m. are paid at time-and-one-half for the hours worked over nine.

Example II: Monday – Friday (1st week of the 9/80 schedule) with Sunday and In-Week Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
			12:30						
2:30 2:30		2:30		2:30	2:30	2:30	2:30		
12:00 12:00		**12:00**	**12:00**	**12:00**	**12:00**	**12:00**	**11:00**		

The hours from 2:30 p.m. Sunday to 12:00 a.m. Monday are paid at double time (Sunday shift).

On Monday, the first nine (9) hours from 12:30 p.m. to 10:00 p.m. are paid at straight-time and the last two (2) hours from 10:00 p.m. to 12:00 a.m. are paid at time-and-one half for the hours worked over nine.

Example III: Monday – Friday (1st week of the 9/80 schedule) with Sunday Overtime

M thru F	**Sa**	**Su**	**M**	**Tu**	**W**	**Th**	**F**	**Sa**	**Su**
					4:00	4:00			**4:00**
6:00 6:00			6:00	6:00			6:00		
									1:30
3:30 3:30			**3:30**	**3:30**	**3:30**	**3:30**	**2:30**		

On Wednesday, the two (2) hours from 4:00 a.m. to 6:00 a.m. are paid at time-and-one-half for Tuesday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 6:00 a.m. to 3:30 p.m. are paid at the straight-time rate.

On Thursday, the two (2) hours from 4:00 a.m. to 6:00 a.m. are paid at time-and-one-half for Wednesday, which is still within the twenty-four (24) hours from the start of the employee's established start time for the week. The hours from 6:00 a.m. to 3:30 p.m. are paid at the straight-time rate.

On Sunday, the nine (9) hours from 4:00 a.m. to 1:30 p.m. are paid at double time, which is the employee's seventh day in this example.

3/12 Work Schedule

Section ~~9~~**7**-A. The 3/12 work schedule consists of thirty-six (36) hours worked in twelve (12)-hour shifts over three (3) consecutive days, Friday through Sunday, and compensated at the hourly straight-time rate for forty (40) hours in a workweek. If implemented, this schedule shall apply to Fort Worth flight operations, the Test Sites (Edwards Air Force Base and Patuxent River NAS), and related support organizations.

Section ~~9~~**7**-B. If a 3/12 work schedule is implemented beyond Fort Worth Flight Operations, the Test Sites (Edwards Air Force Base and Patuxent River NAS) and related support organizations, the 3/12 work schedule will first be staffed ~~**by new hires or**~~ on a volunteer basis in seniority order**; if insufficient volunteers are available, the schedule will be staffed by new hires**. Where the need within a department, classification or skill set is not met after asking for volunteers, an agreement will be established between the Company and the Union on the method to staff the remaining needs.

Section ~~9~~**7**-C. On first and second shifts, twelve (12) hours of work within thirteen (13) consecutive hours will constitute a day's work. There will be no third shift.

	M	Tu	W	Th	F	Sa	Su	
	HOURS							Total Hours for Workweek
3/12 Friday-Sunday					12	12	12	36

3/12 Overtime Pay

Section ~~10~~**8**-A. Work performed in excess of twelve (12) hours in a workday shall be paid at two (2) times the hourly straight-time rate.

Section ~~10~~**8**-B. ~~**Effective January 2, 2027, Pprovided that an employee *has worked is paid* or is approved for company initiated unpaid hours for thirty-six (36) thirty-two (32) straight time hours within the same work week, w**~~Work performed on Monday, Tuesday, ~~or~~ Wednesday, ~~***or Thursday***~~ shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first twelve (12) hours and two (2) times the hourly straight-time rate thereafter.

Section ~~10~~**8**-C. ~~**Effective January 2, 2027, P*provided that an employee is paid or is approved for company initiated unpaid hours for thirty-six (36)* thirty-two (32) *straight time hours within the same work week,***~~ **Wwork** performed on Thursday shall be paid at the rate of two (2) times the hourly straight time rate.

~~***Section 8-C. Provided that an employee has worked or is approved for company initiated unpaid hours for thirty-six (36) straight time hours within the same work week, all hours in excess of forty-eight (48) hours within the same workweek will be paid at two (2) times the hourly straight time rate.***~~

4/10 Work Schedule

Section 9-A. The 4/10 work schedule consists of forty (40) hours of four (4) consecutive ten (10) hour workdays with three consecutive scheduled days off. Ten (10) hours of work within eleven (11) consecutive hours will constitute a day's work. There will be no third shift.

Section 9-B. ~~Employees may be assigned to~~ ~~t~~The ~~primary~~ 4/10 work schedule is the ~~referred to as~~ 4/10 A (Monday-Thursday) ~~schedule~~ ~~or the alternate 4/10 work schedule referred to as 4/10B (Tuesday-Friday).~~ The 4/10 work schedule will first be staffed on a volunteer basis in seniority order; if insufficient volunteers are available, the schedule will be staffed by new hires. Employees not already assigned to a 4/10 A will not be involuntarily moved to a 4/10A work schedule.

4/10 Work Schedule

	Sa	Su	M	Tu	W	Th	F	
	HOURS							**Total Hours for Workweek**
4/10 Work Schedule								
4/10 – A	**Off**	**Off**	**10**	**10**	**10**	**10**	**Off**	**40**
4/10 – B	**Off**	**Off**	**Off**	**10**	**10**	**10**	**10**	**40**

4/10 Overtime Pay

Section 10-A. Work in excess of ten (10) hours in a day on first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate.

Section 10-B. Work performed in excess of thirteen (13) hours in a workday by first and second shift employees shall be paid at double the hourly straight-time rate.

Section 10-C. ~~Effective January 2, 2027, Pprovided that an employee~~ ~~*has worked is paid*~~ ~~or is approved for company initiated unpaid hours for~~ ~~forty (40)~~ thirty-six (36) ~~straight time hours within the same workweek,~~ Work performed on an employee's fifth (5th)~~,~~or sixth (6th) ~~*or seventh (7th)*~~ workday during the same workweek for the first and second shifts shall be paid at the rate of one and one-half (1-1/2) times the hourly straight-time rate for the first ten (10) hours worked over either one or two days and two (2) times the hourly straight-time rate thereafter.

***Section 10-D.* ~~Effective January 2, 2027, P~~*~~provided that an employee is paid or is approved for company initiated unpaid hours for forty (40)~~* ~~thirty-six (36)~~ *~~straight time hours within the same workweek,~~* Work performed on an employee's seventh (7th) workday during the same workweek for the first and second shifts shall be paid at the rate of two (2) times the hourly straight rate.**

~~Section 10-D. Provided that an employee has worked is paid or is approved for company initiated unpaid hours for fifty (50) straight time hours within the same workweek, all hours worked in excess of fifty (50) hours within the same workweek will be paid at two (2) times the hourly straight time rate.~~

Shift Preference

Section 11-A. In all shift preference moves, preference shall be given to more senior employees where in the Company's determination ability and skill are substantially equal. Where two or more departments are merged for seniority purposes, they shall be considered as one department when applying the provisions of this Section.

Section 11-B. An employee with a hardship will be considered at any time for a shift transfer and such request will be granted for a period not to exceed twenty-eight (28) calendar days in any twelve (12) month period provided that each steward and each manager on the affected shifts in the affected department agrees to grant the request. In no case will the approval of this request result in the involuntary displacement of an employee from one shift to another.

Section 11-C. ~~Beginning 31 May 2022,~~ **eEmployees** may at any time during each calendar year, for reasons other than hardship, submit to their immediate supervisor or the company designee, an electronic request for a shift transfer. The Company shall maintain a shift preference list by classification and department for each shift. If an opening exists within a department, or department subsection if applicable, preference will be given by seniority to those departmental employees with an active shift preference request on file, provided that this move does not imbalance an adequate workforce.

A shift preference request once submitted may not be changed or withdrawn for six (6) months. Each request will be reviewed provided that the employee has not requested and been granted a shift transfer in the previous twelve (12) month period. However, any employee who has been granted a shift transfer and who is later moved by the company, may immediately file another shift transfer request. Once granted the employee cannot revoke the shift preference request.

The Company will make a serious effort to honor requested shift transfers within sixty (60) calendar days of the request being submitted.

If the shift request cannot be granted within that sixty (60) calendar day period within the employee's classification within the employee's home department, or home departmental subsection, if applicable, the Company will honor the requested shift transfer within thirty (30) calendar days by bumping the lowest senior employee within the employee's classification and department, or home departmental subsection, if applicable.

~~Beginning 05 June 2023, and continuing~~ ~~a~~**A**nnually on the first Monday in June of each year, unresolved shift preference requests that have been on file with the Company for at least twelve (12) months will be granted across departmental lines by bumping the lowest senior employee within the employee's classification, seniority permitting.

In situations where specific skills are needed on a shift, qualified employees may be retained or transferred out of sequence to obtain or retain persons of specialized skills and/or experience for a period of up to fifteen (15) calendar days. This period may also be extended with mutual agreement of the Union and Company.

In no event shall the application of this section result in employee turnover exceeding ten percent (10%) in a classification per department per shift in any three (3) consecutive calendar months excluding the annual across departmental line moves which shall not exceed 20%.

Section 11-D. Employees who are in their probationary period cannot submit shift preference requests under this Section; however, they may be moved at the Company's discretion in accordance with the provisions of Article 8 of this Agreement.

Overtime Assignment

Section 12-A. Records shall be kept of overtime hours worked by employees with the intent of equitable distribution of overtime work among employees within an occupational group, capable of performing such work. These records shall be made available to department Stewards upon request. Employees from one classification or job from another department will not be called upon to work overtime in another classification or job in a department when employees in the classification or job in which the overtime is to be worked are available **and not otherwise ineligible from working overtime**, except **as defined below or** in case of an emergency over which the Company has no control.

1. ~~**Overtime hours will first be offered by classification, within a supervisory group, department and then shift.**~~

1. Departments will maintain an overtime list **~~by supervisor~~** for each classification, shift, and work schedule.

2. Departments utilizing more than one work schedule may select employee overtime assignments based on production need.

3. **When it becomes necessary for employees covered by this Agreement to work overtime, and a sufficient number of volunteers are not available, management will fill the openings by scheduling employees in the department on the same shift under the following conditions:**

    A. **The least senior employee in the department, classification <u>and shift</u> ~~supervisory group~~ is to be scheduled first. If it becomes a regular necessity to schedule employees, the scheduling will be rotated among the overtime group, and a separate "scheduled overtime" list will be established.**

    B. **The scheduled overtime list will be "zeroed" each January.**

Section 12-B. When it becomes necessary for employees covered by this Agreement to work overtime, they shall not be laid off during regular working hours to equalize the time.

Section 12-C. Employees who **~~are in any step of the attendance control program will not~~** lay off without paid coverage during their regularly scheduled work week may not be assigned to overtime work during that workweek and/or their upcoming regularly scheduled days off. **<u>Employees ineligible for overtime will continue to be charged for overtime as it is offered.</u>**

Maintenance of Overtime Records

Section 13-A. In the absence of specific departmental agreements, the following shall apply for the maintenance of overtime records.

Section 13-B. Overtime ~~H~~hours accepted or refused will be recorded as equivalent straight-time hours. ~~**Any hours offered but paid at straight time will be recorded as equivalent straight-time hours for tracking purposes.**~~ Fractions of hours worked or charged will be recorded to the nearest full hour. Employees who accept and are scheduled to work the overtime but fail to work the overtime may be charged with an attendance infraction consistent with Mutual Agreement No. 1 (Attendance Control Program).

Section 13-C. The method for arriving at the charge of equivalent hours for an employee will be to compute the average hours in their overtime group ~~**by supervisor**~~. Where there is a large number of employees (forty or more) within an overtime group, ~~**by supervisor,**~~ the equivalent hour charge will be determined by adding the hours for every fourth employee in the group, beginning with the fourth employee in the overtime records. Stewards' overtime will not be averaged in as part of the equivalent hour charge.

1. The effective date for an overtime charge of equivalent hours will be on the date the employee establishes seniority in the classification and/or agreed to overtime group ~~**by supervisor**~~. New hires will be given an equivalent hour charge in their overtime group ~~**by supervisor**~~ upon completion of their probationary period. Probationary employees will not work overtime unless all employees in their overtime group, ~~**by supervisor**~~ have been given an opportunity to work.

2. (a) Upon changing shifts an employee will be given a new equivalent hour charge. In the event they are returned to their former shift within the succeeding thirty (30) calendar days, they will be given their former charge plus any hours they may have been offered while on the other shift.

   (b) Upon changing shifts due to an approved "hardship shift change" the employee will be placed at the bottom of the overtime list ~~**by supervisor**~~ for the shift to which they have been placed for the duration of the hardship period (not to exceed 28 calendar days). Upon being returned to their regular shift, the employee will be given their former overtime charge plus any hours they may have been offered while on the other shift.

3. Employees absent due to illness for thirty (30) calendar days or less will not be charged for overtime during this period even though they would have been scheduled had they been present. After an absence of thirty (30) calendar days or more, they will be given an equivalent hour charge upon their return to the overtime ~~**supervisory**~~ group.

4. No charge will be made for overtime not worked by an employee on authorized vacation of one (1) week or more except when the employee's request for vacation is made after assignments are scheduled. This includes the weekend just prior to the effective date of their vacation and the weekend just prior to their return to work. If the employee desires to work

the weekend just prior to the effective date of their vacation and is scheduled to work, they will be charged.

5. Employees who are asked to perform work on holidays will be charged in the same manner as regular overtime. This agreement in no manner affects or modifies the Company's right to assign employees to holiday work.

6. Employees may not trade their scheduled overtime with other employees but must work their regularly scheduled overtime or be charged as having worked.

7. Overtime for stewards will be administered as follows:

   A. When elected to a steward position, the employee will remain on their departmental overtime list and will be listed on a separate steward overtime list. As a result, stewards may have more hours than other employees.

   B. (1) When overtime assignments arise, the steward will first be considered for overtime from their department overtime list **~~by supervisor~~** along with other employees in the department. If the steward is offered overtime during this step, they will be charged for overtime worked or refused on the departmental overtime list.

   (2) If the steward is not offered overtime from their departmental overtime list **~~by supervisor~~** and the steward overtime requirements stated in sub-paragraph 9 are met, they will be offered overtime under that agreement as a steward. Overtime worked or refused during this step will be recorded on the steward overtime list.

   (3) Overtime worked by an employee appointed as a temporary steward will be recorded following the same procedure established in sub-paragraphs B(1) and B(2) of this Section.

   C. Refusal by a steward or a temporary steward to work overtime from the steward overtime list shall fulfill the Company's overtime obligation to offer that employee this overtime assignment.

8. Employees who must turn down overtime assignments due to mandated reserve drills will not be charged for overtime.

9. To provide representation during overtime days, a steward who is not otherwise ineligible for overtime will be offered an opportunity to work scheduled overtime in their department when:

   A. Ten (10) or more employees in a department are assigned to overtime, and

   B. The overtime work being performed requires one or more employees of the classification of the steward, and

C. The steward is capable of performing such available work, and

D. The selection of a steward will not cause the ratio of stewards to employees to exceed one (1) to one hundred seventy-five (175) or major fraction thereof.

E. A steward who works on an overtime day is not an additional employee to handle Union problems and the steward or temporary steward should restrict their activities to problems arising on that particular overtime day.

Section 13-D. A loaned employee will remain on their home department's overtime list. Loaned employees may not be asked to work overtime until all **eligible** employees in the "loaned to" department have been asked to work. **An employee is considered eligible for the purposes of this section if they are not otherwise disqualified as a result of Section 12-C above.**

…

Section 16. If an employee shall fail to work their full shift, there shall be deducted from their pay the actual minute time that they fail to work.

Section 17. Daylight Saving Time Adjustment

1. **In the event of a change to or from Daylight Saving Time during an employee's scheduled shift, employees shall be compensated for all actual hours worked.**

2. **When clocks are set backward one (1) hour in the Fall, employees working through the time change shall be paid for the additional hour worked.**

3. **When clocks are set forward one (1) hour in the Spring, employees working through the time change shall be paid only for the actual hours worked, which will result in one fewer hour of pay for that shift.**

Section 1~~7~~**8**. Nothing in this Agreement shall be construed as a guarantee of hours of work per day or per week.

ARTICLE FIVE
HOLIDAYS

Holiday Pay

Section 1. Without regard for an employee’s workweek schedule, the following dates are designated holidays for which the employee shall not report to work unless assigned due to insufficient volunteers for overtime:

2026	**Day Before Independence Day**	**3-Jul**	**Friday**	**8**
	Labor Day	**7-Sep**	**Monday**	**8**
	Thanksgiving Day	**26-Nov**	**Thursday**	**8**
	Day after Thanksgiving	**27-Nov**	**Friday**	**8**
	Christmas Holiday	**24-Dec**	**Thursday**	**8**
	Christmas Holiday	**25-Dec**	**Friday**	**8**
	Christmas Holiday	**28-Dec**	**Monday**	**8**
	Christmas Holiday	**29-Dec**	**Tuesday**	**8**
	Christmas Holiday	**30-Dec**	**Wednesday**	**8**
	Christmas Holiday	**31-Dec**	**Thursday**	**8**
2027	**New Year’s Day**	**1-Jan**	**Friday**	**8**
	Memorial Day	**31-May**	**Monday**	**8**
	Day After Independence Day	**5-Jul**	**Monday**	**8**
	Labor Day	**6-Sep**	**Monday**	**8**
	Thanksgiving Day	**25-Nov**	**Thursday**	**8**
	Day after Thanksgiving	**26-Nov**	**Friday**	**8**
	Christmas Holiday	**24-Dec**	**Friday**	**8**
	Christmas Holiday	**27-Dec**	**Monday**	**8**
	Christmas Holiday	**28-Dec**	**Tuesday**	**8**
	Christmas Holiday	**29-Dec**	**Wednesday**	**8**
	Christmas Holiday	**30-Dec**	**Thursday**	**8**
	Christmas Holiday	**31-Dec**	**Friday**	**8**
2028	**New Year's Day (observed)**	**3-Jan**	**Monday**	**8**
	Memorial Day	**29-May**	**Monday**	**8**
	Day Before Independence Day	**3-Jul**	**Monday**	**8**
	Independence Day	**4-Jul**	**Tuesday**	**8**
	Labor Day	**4-Sep**	**Monday**	**8**
	Thanksgiving Day	**23-Nov**	**Thursday**	**8**
	Day after Thanksgiving	**24-Nov**	**Friday**	**8**
	Christmas Holiday	**25-Dec**	**Monday**	**8**
	Christmas Holiday	**26-Dec**	**Tuesday**	**8**
	Christmas Holiday	**27-Dec**	**Wednesday**	**8**
	Christmas Holiday	**28-Dec**	**Thursday**	**8**
	Christmas Holiday	**29-Dec**	**Friday**	**8**
2029	**New Year’s Day**	**1-Jan**	**Monday**	**8**

	Memorial Day	28-May	Monday	8
	Independence Day	4-Jul	Wednesday	8
	Labor Day	3-Sep	Monday	8
	Thanksgiving Day	22-Nov	Thursday	8
	Day after Thanksgiving	23-Nov	Friday	8
	Christmas Holiday	24-Dec	Monday	8
	Christmas Holiday	25-Dec	Tuesday	8
	Christmas Holiday	26-Dec	Wednesday	8
	Christmas Holiday	27-Dec	Thursday	8
	Christmas Holiday	28-Dec	Friday	8
	Christmas Holiday	31-Dec	Monday	8
2030	New Years Day	1-Jan	Tuesday	8
	Memorial Day	27-May	Monday	8
	Independence Day	4-Jul	Thursday	8
	Day After Independence Day	5-Jul	Friday	8
	Labor Day	2-Sep	Monday	8
	Thanksgiving Day	28-Nov	Thursday	8
	Day After Thanksgiving	29-Nov	Friday	8
	Christmas Holiday	23-Dec	Monday	8
	Christmas Holiday	24-Dec	Tuesday	8
	Christmas Holiday	25-Dec	Wednesday	8
	Christmas Holiday	26-Dec	Thursday	8
	Christmas Holiday	27-Dec	Friday	8
	Christmas Holiday	30-Dec	Monday	8
	Christmas Holiday	31-Dec	Tuesday	8
2031	New Years Day	1-Jan	Wednesday	8
	Memorial Day	26-May	Monday	8
	~~Day Before Independence Day~~	~~3-Jul~~	~~Thursday~~	~~8~~
	~~Independence Day~~	~~4-Jul~~	~~Friday~~	~~8~~
	~~Labor Day~~	~~1-Sep~~	~~Monday~~	~~8~~
	~~Thanksgiving Day~~	~~27-Nov~~	~~Thursday~~	~~8~~
	~~Day After Thanksgiving~~	~~28-Nov~~	~~Friday~~	~~8~~
	~~Christmas Holiday~~	~~24-Dec~~	~~Wednesday~~	~~8~~
	~~Christmas Holiday~~	~~25-Dec~~	~~Thursday~~	~~8~~
	~~Christmas Holiday~~	~~26-Dec~~	~~Friday~~	~~8~~
	~~Christmas Holiday~~	~~29-Dec~~	~~Monday~~	~~8~~
	~~Christmas Holiday~~	~~30-Dec~~	~~Tuesday~~	~~8~~
	~~Christmas Holiday~~	~~31-Dec~~	~~Wednesday~~	~~8~~
~~2032~~	~~New Years Day~~	~~1-Jan~~	~~Thursday~~	~~8~~
	~~Memorial Day~~	~~31-May~~	~~Monday~~	~~8~~
			Total	~~600~~ 496

Section 2. To be eligible for holiday pay, an employee must be paid at least the equivalent of one (1) full regularly scheduled shift during the week in which the holiday occurs. **Unpaid full-day absences due to authorized leaves will not be considered as time worked for determining eligibility for holiday pay.**

Section 2-A. An employee shall receive eight (8) hours at their regular hourly rate of pay for each designated holiday regardless of the employee's work week schedule or the day of the week upon which the holiday occurs. In addition, an employee who works on a designated holiday shall receive two times their regular hourly rate of pay for hours worked.

Section 2-B. **Employees on alternate schedules, with proper notice, shall be permitted to utilize available vacation or personal business during the work week in which the holiday falls to ensure a full 40-hours of pay.**

Section 2-~~B~~C. An employee shall not receive pay for a holiday that occurs during the employee's leave of absence, layoff, or any other unpaid absence.

Holiday Scheduling

Section 3. Should work be required on a designated holiday, the Company will first ask employees with the least number of cumulative overtime hours in the affected classification and department. If there is an insufficient number of volunteers, the Company will schedule employees using the same methodology until the assignment need has been satisfied. Employees who do not accept the overtime assignment will not be charged.

Section 3-A. Prior to the scheduling of holiday work, the overtime list will be updated to a current status, reflecting all overtime hours worked or refused up to the time of scheduling. In the event of multiple holidays, **available overtime shall be requested at least 72 hours in advance of the start of the holiday period and the overtime list shall be updated based on employee acceptances.** ~~the overtime list shall be updated to a current status after each holiday is scheduled. Once this is done, work for the next holiday shall then be scheduled.~~

Section 3-B. Employees scheduled to work on a holiday shall be notified at least seventy-two (72) hours in advance of the holiday to be worked. Failure to report for work on the holiday shall result in such employee being ineligible for holiday pay.

Holidays While on Business Travel or TDY

Section 4. The provisions of this Article shall be applicable for employees on Business Travel or TDY as provided in Article Twenty-Three Business Travel.

Section 4-A. Employees shall not receive pay for a non-designated holiday that may be observed at their assigned work location while on Business Travel or TDY.

ARTICLE SIX
VACATION AND PERSONAL BUSINESS

VACATION

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

Vacation Eligibility

Section 1. The vacation eligibility date of an employee shall be the calendar month and day of their last hire or rehire date into the bargaining unit.

Section 1-A. Absence from work with pay for authorized vacation, personal business, bereavement leave, military leave, parental leave, jury duty, or Grand Jury duty shall be considered as time worked for computing vacation eligibility. Unpaid full-day absences due to authorized leave for temporary union business will be considered as time worked for determining eligibility for vacation accrual when the temporary union leave is requested by the Union District Office and approved by the Company.

Vacation Accrual

Section 2. Vacation begins to accrue for each employee on the first day of hire into the unit and will accrue at the rate shown below for any calendar month or partial calendar month. An employee's vacation balance will be available for use immediately upon being credited with the preceding months' vacation accrual but no later than the first workday of the month in which they successfully complete ninety (90) calendar days of their one-hundred-twenty (120) calendar day probationary period. Probationary employees shall not receive any vacation credit until the successful completion of ninety (90) calendar days of an employee's one-hundred-twenty (120) calendar day probationary period. Time lost, not to exceed ninety (90) calendar days, due to occupational illness or injury shall be counted for the purpose of vacation accrual if the employee returns to the active payroll.

Section 2-A. Vacation accruals are based on completed years of continuous service and become effective on the month following an employee's next vacation eligibility date. <u>Effective the first accrual date of 2027, the following accrual schedule will apply:</u>

Completed Years of Continuous Service	**Vacation Accrual**
0 to ~~8~~ <u>9</u> years	**~~6.67~~ ~~(10.03)~~ <u>9.33</u> hours per month**
~~9~~ <u>10</u> years to ~~18~~ <u>14</u> years	**~~10~~ <u>13.33</u> hours per month**
<u>15 years to 19 years</u>	**<u>14.33 hours per month</u>**
~~19~~ <u>20</u> years or more	**~~13.34~~ ~~(16.67)~~ <u>16</u> hours per month**

Section 2-B. The maximum vacation accrual is 400 hours and any vacation accrued in excess of 400 hours will be paid out at the end of the calendar year thereby, reducing the accrued balance to

400 hours to begin the new calendar year. Payments for excess vacation hours will be made as early as practicable in the new calendar year, which is typically on or before the third full pay period of the new calendar year. Any vacation time taken between the last accrual process run for the year and the payout of excess hours will be deducted from the balance prior to the payout.

Vacation Pay

Section 3. An employee shall be paid vacation at the regular hourly rate of pay in effect at the time the vacation is taken.

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

Section 3-B. An employee may request payment of earned personal business and/or vacation benefits while on an approved leave of absence. Such payments may be made only from those vacation and/or personal business hours that were accrued in the same calendar year when the payment was requested. Any earned personal business and/or vacation for which an employee is entitled when they are placed on leave of absence, will be compensated at the rate in effect at the beginning of the leave of absence period. An employee's request for payment while on approved leave of absence for personal business and/or vacation benefits accrued in prior calendar years will be granted only for financial emergency as may be determined by the Company in its sole and exclusive discretion in accordance with Internal Revenue Code section 409A.

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

Vacation Scheduling and Leave

Section 4. Production need shall be the determining factor in scheduling **and approving** vacations.

Section 4-A. Employees ~~are encouraged to~~ **~~must~~** **should** request vacation as far in advance as possible, but no later than one (1) hour before the end of the employee's previous shift. **All vacation requests must be submitted to the employee's immediate supervisor or designee for approval.** An employee should **~~must~~** request a full week of vacation at least four weeks before they want their vacation to start. Preference will be given in line of seniority, if practical, in scheduling vacations**, subject to leader approval**. If it is deemed impractical because of production need, to grant an employee's vacation request, the employee may ask that their vacation be scheduled at another time. Employees will not be forced to take a vacation.

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

PERSONAL BUSINESS

Section 5. ~~Effective 01 January 2023~~ **On 01 January of each calendar year**, employees on the active payroll shall be granted forty-eight (48) hours of personal business with pay ~~on 01 January of each calendar year~~. Such employees shall receive the below prorated grant during the calendar year of their hire, recall, or return from leave of absence date:

Month of Hire/Recall	Granted Hours
January	48.00 hours
February	44.00 hours
March	40.00 hours
April	36.00 hours
May	32.00 hours
June	28.00 hours
July	24.00 hours
August	20.00 hours
September	16.00 hours
October	12.00 hours
November	8.00 hours
December	4.00 hours

Probationary employees shall not receive any personal business credit until the successful completion of ninety (90) calendar days of an employee's one-hundred-twenty (120) calendar day probationary period. A probationary employee's personal business balance will be available for use immediately upon being credited but no later than the first day following the completion of ninety (90) calendar days of an employee's one-hundred-twenty (120) calendar day probationary period.

Section 5-A. <u>As soon as administratively practicable in 2027</u>, the maximum personal business balance is ~~sixty (60)~~ <u>seventy-two (72)</u> hours. At the end of each calendar year, an employee may carry over up to ~~twelve (12)~~ <u>twenty-four (24)</u> hours of unused personal business. Balances in excess of ~~twelve (12)~~ <u>twenty-four (24)</u> hours will be paid to each employee. Pay for unused personal business leave shall be at the employee's regular base rate of pay plus shift bonus, if any, in effect at the end of the calendar year. Payments for unused personal business hours will be made early as practicable in the new calendar year, which will normally be on or before the third full pay period of the new calendar year. Any personal business time taken between the last accrual process run for the year and the payout of excess hours will be deducted from the balance prior to the payout.

Personal Business Pay

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

Section 6-A. Personal business may be taken in ~~one (1)~~ one-half (0.5) hour increments. Personal business time shall be paid at the regular base rate of pay in effect for each employee at the time the personal business is taken.

ARTICLE EIGHT
SENIORITY

Section 1. Seniority shall be computed by job classification within a department based upon length of service within this bargaining unit since last date of hire at or rehire to Lockheed Martin Aeronautics Company – Fort Worth and shall be applied as described in this Article.

Section 2. Employees are considered probationary for one-hundred-twenty (120) calendar days after last day of hire and may be terminated by the Company without such employees having recourse through the Grievance Procedure. An employee's probationary period will be extended for the equivalent duration of any time that an employee is placed on inactive status due to a misconduct investigation or an authorized leave of absence during the probationary period. Upon the employee's return to the active payroll, the accumulation of days toward the completion of the probationary period will resume.

Section 3. **Except as otherwise provided in Section 11(c),** "~~C~~**c**apable of performing" as used in this Article shall mean that the employee has previously held at this Plant, as a matter of Company record, since last date of hire at or transfer to this Plant, the same classification for a continuous period in excess of thirty-five (35) calendar days.

General Layoff

Section 4-A. A general reduction in force shall occur in order as follows:

(a) Probationary employees as defined in Section 2 of this Article in a department in the affected job classification have no regression rights. Such employees shall be laid off first and considered terminated without recall rights.

(b) Employees having one-hundred-twenty (120) calendar days or more seniority in a department shall be placed in the highest-rated job classification within the bargaining unit that they are capable of performing provided such job classification is not in a higher labor grade. Such employees shall displace the least-senior employee, if applicable. The effective date of an employee's rate change, if any, is the move date shown on the electronic change in employee status (CIES) form furnished by the Company and their seniority is established in the new job classification and/or department on the move date shown on the CIES. An employee may accept a layoff instead of a reclassification to a lower-rated job.

(c) Employees notified of layoff may request an earlier release date than scheduled in writing to Labor and Employee Relations. Such request cannot be rescinded once it has been submitted. In the event the layoff is canceled, the employee will retain recall rights, as applicable, in accordance with the provisions of this Agreement.

(d) In case of a layoff due to lack of work for an indefinite period, at least two (2) weeks' notice will be given. If such notice is not provided, eight (8) hours will be paid for each workday for which notice is not provided, not to exceed eighty (80) hours. In the event, however, of an unforeseen emergency over which the Company has no control, only eight (8) hours' notice need be given. In case of required absence due to lack of work of short duration for a definite period, eight (8) hours' notice or pay in lieu will be given except in emergency cases over which the Company has no control. The affected employees who are not present at the time the notifications are presented will be sent an expedited or certified letter to be delivered to the employee's last address shown on the Company's records and will not be paid eight (8) hours' pay in lieu of notification.

Voluntary Layoff

Section 4-B. An employee may apply for a voluntary layoff out of line of seniority, which shall be in accordance with the following. The employee’s request shall be approved by the Labor and Employee Relations Site Lead and the President/Directing Business Representative or their designees.

(a) In a department and job classification where employees are scheduled for layoff, a senior employee in the same department and classification may apply for a voluntary layoff out of line of seniority, thereby cancelling layoff of the most-senior employee scheduled for layoff.

(b) The employee must submit a written request for voluntary layoff to the Labor and Employee Relations department no later than four (4) calendar days prior to the effective date of the announced layoff. Applications for voluntary layoff will be considered and granted in seniority order, as soon as practicable.

(c) An employee who volunteers for layoff under this provision will not be permitted to rescind their application once it has been submitted to Labor and Employee Relations.

(d) An employee’s request for voluntary layoff will be processed following the contractual provisions governing layoff, including the establishment of recall rights.

(e) In the event the Company cancels the scheduled layoff prior to the employee exiting, the approved voluntary request becomes null and void.

Mass Layoff

Section 4-C. This Section is applicable in the event that ten percent (10%) or more of the employees in the bargaining unit is laid off at once.

Employees with one-hundred-twenty (120) calendar days of seniority who are laid off out of line of seniority shall be recalled in line of seniority within fourteen (14) calendar days after layoff to jobs that exist in the Plant and for which they are capable of performing, displacing less-senior employees, if applicable. Employees who are not recalled within this time period, will be recalled in accordance with the applicable provisions of this Article.

Probationary employees at the time of a mass layoff may be returned to the active payroll at the Company’s discretion and without regard to their hire date.

Temporary Layoff

Section 4-D. The provisions of this section shall not apply to temporary layoff of one (1) workweek or less. An employee shall not be temporarily laid off under this Section more than once in any calendar year until all other employees in the same job classification in the same department shall have been temporarily laid off once under this Section.

Absences caused by the application of this Section shall not be counted for purposes of vacation or personal business eligibility. The provisions of this Section shall apply only to layoffs caused by the following: Contract cancellation, temporary reduction of operating schedules, material shortages, equipment failure, power failure, fire, flood, Acts of God or other similar emergencies. An employee who volunteers for more than one (1) workweek of temporary layoff will satisfy their turn for the equivalent number of layoff cycles in their classification/department for that calendar year.

Displacement Within Regression Groups

Section 5. In addition to the capable of performing rights set forth in this Article, an employee holding a classification within a "regression group" set forth in Appendix E, shall have the right at a time of reduction in force within their department and classification to transfer laterally or regress to a job classification as set forth in their respective "regression group," seniority permitting. Regression under this Section shall be in accordance with the following:

(a) An employee with regression rights under Sections 4-A, or by other agreements between the parties to job classification(s) shall regress to the highest classification to which they have regression rights, displacing the least senior employee, if applicable.

(b) Employees may be reassigned laterally within or between departments to the same or other classifications within a "regression group." This provision will apply when stabilizing the work force and after attempting to stabilize the work force by the use of Section 8-A of this Article. Employees so reassigned shall have their seniority established in the new classification and/or department on the move date shown on the CIES furnished by the Company. Prior to utilizing this provision, the Company will notify and consult with the President and Directing Business Representative. In the event the parties cannot agree that the transfer of employees under this provision is necessary in order to stabilize the work force, such disagreement shall be immediately referable to arbitration.

Active Employees Hired into the Bargaining Unit

Section 6-A. Active Lockheed Martin employees hired into this bargaining unit will establish seniority from their last date of hire into the bargaining unit upon completion of their probationary period. Seniority credit will not be granted for service in any other Lockheed Martin facility or bargaining unit.

Hourly to Salary Promotion and Return to the Bargaining Unit

Section 6-B. If the Company elects to return a supervisor or other salaried employee to the bargaining unit who was promoted from the unit, prior to April 25, 2022, seniority permitting, such employee will be placed in the highest-rated job classification previously held, that they are deemed capable of performing. Such employee's seniority will be limited to the actual time spent in the bargaining unit and will not accumulate while in a salaried position. If the returning employee's seniority will not permit return to such highest-rated job classification, the employee will be regressed in accordance with the other provisions of this Article. If the employee's seniority is not sufficient to hold a job classification under this provision, the employee will be laid off and they will establish recall rights as set forth in this Agreement.

Section 6-C. If the Company elects to return a supervisor or other salaried employee to the bargaining unit who was promoted on or after April 25, 2022, the employee shall return with full seniority credit, provided their period away from the bargaining unit does not exceed two (2) years. If the employee has spent more than two (2) years away from the bargaining unit, seniority will be limited to the actual time spent in the bargaining unit and will not accumulate while in a salaried position. If returned, the employee will be placed in the highest-rated job classification previously held, that they are deemed capable of performing. If the returning employee's seniority will not permit return to such highest-rated job classification, the employee will be regressed in accordance with the other provisions of this Article. If the employee's seniority is not sufficient to hold a job classification under this provision, the employee will be laid off and they will establish recall rights as set forth in this Agreement.

Recall

Section 7-A. An employee regressed under any of the provisions of this Article to a lower-rated job classification, or one who is laid off and subsequently recalled, shall be recalled to higher-rated job classification(s) which they are capable of performing in accordance with their hire date seniority as job vacancies occur in that job or jobs, if they so desire. Nothing contained in this Section shall be construed so as to give an employee the right to be recalled to a job which is in the same or a lower-rated job classification as that which the employee holds. An employee who refuses recall under this Section shall lose recall rights to any position the classification which they refuse and to other classifications in the same or lower-rated job classifications. The effective date of an employee's rate change, if any, is the move date shown on the CIES furnished by the Company and their seniority is established in the new job classification on the move date shown on the CIES.

Section 7-B. An employee who is voluntarily transferred in lieu of layoff or regressed to a lower-rated job classification, shall be offered the opportunity to return to that classification in line of seniority with employees who may have recall rights as openings occur.

Transfers and Loans

Section 8-A. Employees may be transferred from one department to another to build up or properly balance an adequate work force. In applying this Section, the following steps shall be taken:

(a) Employees may be promoted to available vacancies in accordance with Section 9 of this Article.

(b) If there are employees who have recall and/or promotion rights to the classification in the department to which a transfer is to be made, the employee who is being transferred must be capable of performing work in the classification and shall be more senior than the employees with promotion and/or recall rights.

(c) If there are no employees who have recall and/or promotion rights to the classification in the department to which a transfer is to be made, the employee who is being transferred need not be capable of performing work in the classification. Consideration shall be given to the most senior employee who is capable of performing.

(d) Seniority upon transfer shall be established in the new group after sixty (60) calendar days. The initial day of the sixty (60) calendar day period required for establishing seniority in the new classification and/or department is the move date shown on the Notice.

(e) When an employee is transferred to a classification that they are capable of performing, seniority will be established on the move date shown on the CIES provided by the Company and the employee shall be averaged into the overtime list upon the move date.

Section 8-B. An employee may be loaned from one department to another department, or within a department, for sixty (60) calendar days. Loans in excess of sixty (60) calendar days may be made by mutual agreement between a Union Directing Business Representative and a Labor and Employee Relations Site Lead. The Company will not make consecutive loans that continue beyond sixty (60) calendar days so as to deprive an employee of recall rights except by agreement between a Union Directing Business Representative and a Labor and Employee Relations Site Lead. The Company will notify the steward prior to employees being loaned. When an employee is loaned to a classification to which they do not hold capable of performing rights as defined in Section 3 of this Article, such employee will not be deemed to have established capable of performing rights to the classification to which they were loaned. A loaned employee will remain on their home department's overtime list. Loaned employees will be ~~asked~~ **eligible** to work overtime **in the loaned to department** only **after** ~~once~~ all **eligible** employees in the loaned to department have been asked **and there remains a need for overtime**. **The above requirement shall be considered met if all employees not otherwise disqualified as a result of ~~poor attendance~~ laying off during the work week without paid coverage have been asked to work overtime.**

Promotion

Section 9-A. Promotion is defined as a change in classification that results in a higher labor grade.

Section 9-B. When an opportunity for promotion arises within a department, the senior employee in the department shall be promoted to fill such position or vacancy, provided such employee is available, has the necessary qualifications and has an active request for promotion on file with the Company. An employee may submit a request for promotion at any time and remove their request for promotion at any time prior to an offer for training or promotion, consistent with Paragraphs A and B of this Section; however, such employee shall be ineligible to submit a request for promotion for six (6) months after removing their request. All promotion requests on file become null and void each year on November 30. The effective date of an employee's rate change, if any, is the move date shown on the CIES furnished by the Company. Upon promotion, an employee's seniority in the new classification is established on the move date shown on the CIES.

(a) Qualification Training Required Before Promotion

1. An employee’s request will become null and void once they have been considered and/or promoted, or they decline an offer for training prior to promotion into the requested classification. An employee who declines an offer for training becomes eligible to submit a new promotion request during the next filing period.

2. An employee who accepts an offer for promotion for which training is required shall commit to the training and the position by signing a conditional irrevocable CIES form. An employee that is unable to successfully complete the training shall be ineligible to submit a new request for six (6) months. An employee shall be ineligible to qualify for future consideration for any classification for which they successfully complete training and do not accept the promotion. Upon successful completion of required training and accepting promotion, an employee shall be placed on the shift of their preference, seniority permitting, provided that skill sets are balanced on all shifts.

(b) Qualification Training Not Required Before Promotion

1. An employee’s request will become null and void once they have been considered and/or promoted or they decline an offer for promotion into the requested classification. An employee who declines a promotion offer becomes eligible to submit a new promotion request during the next filing period.

Seniority for Employees in Union Positions

Section 10-A. Departmental Stewards, members of the Grievance Committee and members of the Negotiating Committee with at least one (1) year of service shall have top seniority within their respective departments as long as they remain officially in such capacity for the Union and work is available in their departments for which they are capable of performing.

Section 10-B. When a steward's job classification no longer exists on their shift within their department, the steward shall be regressed to the highest-rated job that they are capable of performing within their department and shift and shall continue to have top seniority as long as they remain officially in such capacity for the Union. If such steward has regression rights to a job classification in another department that is in a higher labor grade than that to which they would be regressed within their own department, they may elect to be decertified from their position with the Union and be regressed, seniority permitting.

Re-employment with Seniority

Section 11. **~~Where openings exist outside an employee's job family and/or promotion or regression groups, employees may apply to internal positions and be considered re-employed with seniority if selected.~~** If an employee is on layoff status, and/or is an active employee, and is re-employed with seniority into a job classification that the employee is not capable of performing as defined in Section 3 of this Article, the following shall apply:

(a) **Employees may not be re-employed with seniority to positions considered natural promotions or regressions within their job families.**

(b) At the Company's discretion, the employee's rate may be placed in an in-grade position, but not less than the minimum of the rate range for the job classification for which they are placed.

(c) **During the first ~~ninety (90)~~ ~~sixty (60)~~ *thirty-five (35)* calendar days, and prior to establishing capable of performing rights, for employees hired or promoted to positions outside of their job family and/or promotion or regression groups, the employee may be returned to their previous classification if the employee is not able to perform the job. If not retained, the employee will be returned to their previous position seniority permitting.**

~~(b)~~**(d)** During the first sixty (60) calendar days, for employees returning from layoff, the employee may be returned to layoff status if the employee is not able to perform the job. If not retained, the employee will be returned to their layoff status in their original job classification.

~~(c)~~**(e)** An employee returning from layoff who has satisfactorily completed sixty (60) calendar days, shall receive 10¢ above the minimum of their new classification or the rate at the time that they were laid off, whichever is less, but in no event less than the minimum of their new classification.

Loss of Seniority

Section 12. An employee shall lose seniority and employment will cease for any of the following reasons:

(a) Employee resigns.

(b) Employee is discharged and is not reinstated pursuant to the grievance procedure.

(c) Employee, who has been laid off, declines an offer of recall or fails to report for onboarding and their work assignment to the recalled job offered and accepted within ten (10) calendar days from the date of mailing of a certified or expedited letter to the employee's address of record with the Company. The employee is required to notify the Company of any change in their address by contacting the Lockheed Martin Employee Service Center. In the event of any question as to whether the employee properly notified the Company of a change in their address, the employee will be obligated to provide proof of such notification.

(d) If the employee fails to return to work at the end of an authorized leave of absence.

(e) (1) After an employee is absent due to layoff for a period of more than ninety (90) months. However only up to forty-two (42) months of said ninety (90) months shall be counted toward vesting and early retirement points under the Retirement Plan provided the employee retains recall rights during said period, as applicable.

(2) After an employee is absent due to disability for a period of more than ~~twenty-four (24)~~ ~~**twelve (12)**~~ **eighteen (18)** months and a determination is made by the Company that a continued leave of absence cannot be provided as a reasonable accommodation.

(f) If an employee is absent for more than five (5) consecutive working days without properly notifying the Company. However, in a case where the reason given by the employee for not being able to so notify is not satisfactory to the Company, the grievance procedure may be used to establish the employee's inability to notify of their absence.

Section 13. Seniority shall accumulate during layoffs, subject to all of the provisions of Section 12 of this Article. An employee who declines a job offered in a lower-rated classification than that from which they were laid off, but wishes to retain seniority, must notify the Company by registered mail to this effect within six (6) calendar days after receiving notice of recall. All notices to the Company must be given by registered mail or certified mail and addressed to the Company's Labor and Employee Relations Department.

Information Furnished to the Union

Section 14. Information pertaining to the seniority provisions of this Article shall be made available to the Union as follows:

(a) On a monthly basis, a seniority report shall be posted on the Labor and Employee Relations' website. This report shall also be provided to the Union. It shall include the name, last hire date, and job classification or job code of all employees in the bargaining unit by department and occupational groups.

(1) Employees having the same hire dates shall be listed in alphabetical order of their last names at the time of such hire date and employees having name changes shall retain their same position on the seniority record.

(b) As soon as practicable, a report of employees laid off or mass transferred.

(c) A list of employees recalled after such recalls occur.

(d) The name and classification of employees who have voluntarily transferred between departments as requested by the President and Directing Business Representative or their designee.

(e) The Company will notify the Union of leaves of absence either verbally or in writing/e-mail.

(f) At the request of the Union, a list of employees currently on the promotional bid list.

Section 15. The Company agrees that when new employees in the bargaining unit enter its employment they shall have access to an electronic copy of this Agreement.

ARTICLE TWENTY-FIVE
GROUP INSURANCE AND HEALTH CARE BENEFITS

All group insurance, health care benefits and employee premium payments or equivalents established under the terms of the contract between the Company and the Union 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 amendments set forth in the provisions of this Article. No matters respecting the group insurance and health care benefits program or any differences arising thereunder, including the rates which are established by the insurance carriers, shall be subject to the Grievance Procedure established in this Agreement.

The terms of the Plans listed below will be summarized in separate Summary Plan Descriptions (SPDs) where applicable. Copies of the SPDs will be furnished to the Union and to each employee eligible for the Plans.

Section 1. MEDICAL PLANS

The Company cost of its health benefits plans to be allowable shall be established annually as of 1 January each year of the Agreement based on past and estimated future experience as determined in accordance with accepted actuarial principles. This allowable Company cost shall include the estimated cost of any increase in negotiated health benefits since the last review and shall be applicable for the ensuing twelve months until the next annual review.

A. Legacy Health Care Plans.

1. The Aetna HMO will be available for employees hired or rehired prior to 11 July 2016 (which includes employees recalled on or after 11 July 2016 who have an original hire date prior to 11 July 2016) and reside within the Aetna Dallas/Fort Worth HMO service area. Kaiser Southern California HMO will be available for employees hired or rehired prior to 11 July 2016 (which includes recalled on or after 11 July 2016 who have an original hire date prior to 11 July 2016) and reside within the Kaiser Southern California HMO service area. If the employee resides outside of the HMO service area, the employee may contact the LM Employee Service Center to inquire if a Live/Work exception is available. The weekly contribution formula and maximums in effect prior to the effective date of the Agreement will remain in effect through 31 December ~~2022~~ **2026**.

2. Effective 1 January ~~2023~~ **2027**, the Company will pay ~~87%~~ **75%** of the premium cost of the HMO. The employee will contribute ~~13%~~ **25%** of the premium. ~~Effective 1 January 2023, the HMO maximum weekly contributions will be $60 Employee Only / $120 Employee +1 / $180 Employee + 2 or More. Effective 1 January 2024, the HMO maximum weekly contributions will be $66 Employee Only / $132 Employee +1 / $198 Employee + 2 or More. Effective 1 January 2025,~~

~~the HMO maximum weekly contributions will be $80 Employee Only / $160 Employee + 1 / $240 Employee + 2 or More.~~

~~HMO Maximum Weekly Contributions:~~

	~~Effective 1 January 2023~~	~~Effective 1 January 2024~~	~~Effective 1 January 2025~~
~~Employee Only~~	~~$60~~	~~$66~~	~~$80~~
~~Employee + 1~~	~~$120~~	~~$132~~	~~$160~~
~~Employee + 2 or More~~	~~$180~~	~~$198~~	~~$240~~

3. ~~Prescription drug benefits will be provided by the HMO. Retail pharmacy will be available for up to a 30-day supply at a $5.00 copay per covered generic prescription, a $20.00 copay per covered preferred prescription and a $40.00 copay per covered non-preferred prescription. Prescription Drug Mail Order service will be available for up to a 90-day supply at a $10.00 copay per covered generic prescription, a $40.00 copay per covered preferred prescription, and an $80.00 copay per covered non-preferred prescription. If Kaiser Southern California HMO does not offer the prescription drug benefits described in this Section (including copays), the prescription drug benefits will be the available Kaiser Southern California HMO filed plan that is nearest to the copays agreed to in this Section. Physician visits copays will be $20.00, emergency room copays will be $75.00 (waived if admitted to hospital) and inpatient hospital copays will be $150.00 per admission for covered employees and their covered dependents. Maximum covered expenses per hearing aid per ear will be $1,000. The number of hearing aids will be limited to one aid per ear per covered employee or covered dependent during any period of three consecutive years. Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or More.~~

4. The Aetna Point of Service (POS) will be available to employees in Fort Worth, Texas and NAS Patuxent River, Maryland hired or rehired prior to 11 July 2016 (which includes employees recalled on or after 11 July 2016, who have an original hire date prior to 11 July 2016). The weekly contribution formula and maximums in effect prior to the effective date of the Agreement will remain in effect through 31 December ~~2022~~ **2026**.

5. Effective 1 January ~~2023~~ **2027** the Company will pay ~~85%~~ **75%** of the premium cost of the POS. The employee will contribute ~~15%~~ **25%** of the premium cost. ~~Effective 1 January 2023, the POS maximum weekly contributions will be $66 Employee Only / $132 Employee + 1 / $198 Employee + 2 or More. Effective 1 January 2024, the POS maximum weekly contributions will be $73 Employee Only~~

~~/ $145 Employee + 1 / $218 Employee + 2 or More. Effective 1 January 2025, the POS maximum weekly contributions will be $90 Employee Only / $180 Employee + 1 / $270 Employee + 2 or More.~~ Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or More.

~~POS Maximum Weekly Contributions:~~

	~~Effective 1 January 2023~~	~~Effective 1 January 2024~~	~~Effective 1 January 2025~~
~~Employee Only~~	~~$66~~	~~$73~~	~~$90~~
~~Employee + 1~~	~~$132~~	~~$145~~	~~$180~~
~~Employee + 2 or More~~	~~$198~~	~~$218~~	~~$270~~

The Legacy Plans will be discontinued and no longer available as an option after ~~the expiration of this agreement~~ 31 December ~~2026~~ ~~2027~~ 2028.

Employees currently enrolled in a Legacy Plan as of 14 June 2026, and ~~subsequently~~ initially enroll~~ed~~ in a High Deductible Health Plan (HDHP) as of 01 January 2027, 01 January 2028 or 01 January 2029 will receive a one-time Company contribution to a Health Savings Account (HSA). The contribution for employee-only coverage is ~~$550~~ ~~$1,200~~ ~~will be equal to the IRS Maximum~~ $1,800. The contribution for employee plus one or more coverage is ~~$1100~~ ~~$2,400~~ ~~will be equal to the IRS Maximum~~ $3,600.

Employees must open an HSA to receive the Company contribution. On a one time basis, ~~S~~such contribution will be posted as soon as administratively practicable in 2027 ~~or~~, 2028 or 2029 ~~and will~~ corresponding to the opening of an HSA and date of transition to HDHP. Contributions to HSA are subject to annual IRS limits, including contributions received from Lockheed Martin.

Employees not enrolled in a Legacy Plan on 14 June 2026 will not be eligible for the above Company contributions.

~~Employees enrolled in a Legacy Plan as of 31 December 2027 and subsequently enrolled in a High Deductible Health Plan (HDHP) as of 1 January 2028, will receive a one-time Company contribution to Health Savings Account (HSA). The contribution for employee-only coverage is $1,000. The contribution for employee plus one or more coverage is $2,000. The Employer will match 100% of the Employee contributions made to the employees Health Savings Account up to the IRS Maximum for each plan year.~~

~~**Employees will receive annual HSA seed money of $2500 for family coverage and $1500 for single coverage.**~~

Employees who do not meet the eligibility criteria for having an HSA will have the Company contribution deposited into a General-Purpose Health Reimbursement Account (HRA).

To be eligible for participation in the Health Savings Account (HSA), the employee's Health Care Spending Account (HCSA) needs to have a zero balance on 31 December of the year prior to initial HDHP enrollment. Otherwise, the employee must wait until the following April (after the HCSA grace period ends on March 15) to participate in the HSA.

B. ~~LM HealthWorks Plan. The LM HealthWorks medical plan currently offered to all employees will be discontinued and no longer available after 31 December 2022. The weekly contribution formula and maximums in effect prior to the effective date of the 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. **B.** High Deductible Health Plans. Effective 1 January ~~2023~~ **2027**, the Corporate-wide High Deductible Health Plans (HDHPs) will be offered to 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~~ **2027**, 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 **effective 01 January 2027 through 31 December 2029** will be:
   $30 ~~**$50**~~ / Employee Only / $60 ~~**$80**~~ Employee + 1 / $90 ~~**$140**~~ Employee + 2 or More

The HDHP maximum weekly contributions effective 01 January 2030 will be: $40 / Employee Only /$80 Employee + 1 / $120 Employee + 2 or More

HDHP Maximum Weekly Contributions:

	~~Effective 1 January 2023~~ ~~**2027**~~
~~Employee Only~~	~~$30~~ ~~**$50**~~
~~Employee + 1~~	~~$60~~ ~~**$80**~~
~~Employee + 2 or More~~	~~$90~~ ~~**$140**~~

	Effective 1 January 2027	**Effective 1 January 2030**
Employee Only	**$30**	**$40**
Employee + 1	**$60**	**$80**
Employee + 2 or More	**$90**	**$120**

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 $1,600. The contribution for employee plus one or more coverage is $3,200.~~

   Employees as of 14 June 2026, who are enrolled in an HDHP as of 31 December 2026 and who remain active and enrolled in an HDHP on 01 January 2027, will receive a one-time Company contribution to a Health Savings Account (HSA). The contribution shall be $500.

4. ~~Employees hired, rehired, or new to the bargaining unit on or before 31 December 2022, who first enroll in a High Deductible Health Plan effective 1 January 2024, 1 January 2025, or 1 January 2026, will be eligible to receive a one-time Company contribution to a Health Savings Account (HSA) upon their initial HDHP enrollment regardless of which of the three aforementioned years employees first enroll in the HDHP. The contribution for employee-only coverage is $1,600. The contribution for employee plus one or more coverage is $3,200. Employees who otherwise register for HDHP shall only receive a Company contribution on one occasion and shall be maxed out at either $1,600 or $3,200 depending on the type of coverage selected by the employee.~~

5. ~~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.~~

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,~~ **T**he Dental Plan Core, Dental Plan Enhanced and Dental Plan HMO (where available) will be offered to employees.

1. ~~Effective 1 January 2023,~~ **T**he 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,~~ **T**he Vision Plan Core and the Vision Plan Enhanced will be offered to employees.

1. ~~Effective 1 January 2023,~~ **T**he 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.

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~~ **$45,000**. **Beginning 1 January 2027 the amount will increase to ~~$55,000~~ ~~$47,000~~ $50,000 for all employees actively at work on or after 1 January 2027.**
      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~~ **$45,000**. **Effective 1 January 2027, the amount will increase to ~~$55,000~~ ~~$47,000~~ $50,000 for employees who are actively at work on or after 1 January 2027.**

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.

   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 individuals 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 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 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**s** 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~~ **24-Hour** Accident, ~~Voluntary~~ Hospital Indemnity, ~~Voluntary~~ Critical Illness, Identity ~~Theft~~ Protection**,** ~~and~~ Legal Services **and Whole Life Insurance with Long Term Care**.

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~~ **2026**.

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	~~***LM HealthWorks***~~ ~~- Employee Only Coverage~~	***Broad Network 1*** - Employee Only Coverage
Dental	~~***Comprehensive Dental Plan***~~ ~~- Employee Only Coverage~~	***Dental Plan Core*** - Employee Only Coverage
Vision	~~***Vision 24 Plan***~~ ~~- Employee Only Coverage~~	***Vision Plan Core*** - 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**s** ~~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:

Current Plan	Annual Enrollment Default
Medical: No Coverage High Deductible Health Plan HMO or POS plan	Medical: No Coverage Same High Deductible Health Plan Same coverage level HMO or POS plan ~~**No Coverage**~~ Same coverage level **Effective 1 January ~~2028~~ 2029 No Coverage**
Dental: No Coverage Dental Plan Core Dental Plan Enhanced Dental HMO (where available)	Dental: No Coverage Dental Plan Core Same coverage level Dental Plan Enhanced Same coverage level Dental HMO Same coverage level
Vision: No Coverage Vision Plan Core Vision Plan Enhanced	Vision: No Coverage Vision Plan Core Same coverage level Vision Plan Enhanced Same coverage level

E. The Company shall continue to provide health care plans (Medical, Dental, Vision, and Retiree Medical) during the lifetime of the Agreement. The Company reserves the right to make changes to the insurance plans offered, including but not limited to changes to plan carriers, third party administrators, effective dates, eligibility, design, providers, and other plan offerings. ~~**During the life of the Agreement there shall be no changes in deductibles, co-pays, max out of pocket, or any other plan design features.**~~

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.

   4. Commence retirement on or before 1 December ~~2022~~ ~~**2026**~~ ~~**2027**~~ **2028** – Under-Age 65 Retiree Medical Coverage. For eligible employees, the following plans are available:
      a) ~~LM HealthWorks Retiree Plan~~ **High Deductible Retiree Health Plans on the same basis as offered to non-bargaining unit under-age 65 retirees on an identical design basis.**
      ~~b) LM Essentials Retiree Plan~~
      c) Aetna HMO (if reside within the Aetna Dallas/Fort Worth HMO Service Area)
      d) Kaiser Southern California HMO (if reside within the Kaiser Southern California HMO Service Area)

e) Aetna POS, as applicable

5. Commence retirement on or after 1 January ~~2023~~ ~~**2027**~~ ~~**2028**~~ **2029**~~–~~ Under-Age 65 Retiree Medical Coverage. For eligible employees, the following plans are available:
   a) High Deductible Retiree Health Plans will be available on the same basis as offered to non-bargaining unit under-age 65 retirees on an identical design basis.
   ~~b) Aetna HMO (if reside within the Aetna Dallas/Fort Worth HMO Service Area)~~
   ~~c) Kaiser Southern California HMO (if reside within the Kaiser Southern California HMO Service Area)~~
   ~~d) Aetna POS, as applicable~~

6. 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.

7. Contribution Formula. The retiree and the Company share in the cost of the under-age 65 retiree medical plan up to the maximum monthly Company subsidy. The eligible retiree's share of the cost is calculated using the years of retirement credited service based on the schedule below. The retiree is also responsible for 100% of the cost of coverage that exceeds the maximum monthly Company subsidy. As soon as administratively practicable, for eligible employees retiring on or after the first day of this Agreement, the service-based contribution formula applies for Retiree Medical Coverage with a monthly Company subsidy of $~~641.67~~ ~~**$800**~~ **$666.67** ($~~7,700~~ ~~**$9600**~~ **$8,000** annually) for Retiree Only coverage or ~~$1,283.33~~ ~~**$1,600**~~ **$1,333.33** monthly ($~~15,400~~ ~~**$19,200**~~ **$16,000** annually) for Retiree + Family coverage. The years of retirement credited service-based contribution schedule is as follows:

Retiree Percentage of Company Subsidy		
Years Of Retirement Service	Your Cost Sharing (Hire Date prior to 1 January 1994)	Your Cost Sharing (Hire Date on or after 1 January 1994)
0 – 4	Not Eligible	Not Eligible
5 – 9	100%	Not Eligible
10	85%	85%
11	80%	80%
12	75%	75%
13	70%	70%
14	65%	65%
15	60%	60%
16	56%	56%
17	52%	52%
18	48%	48%
19	44%	44%
20	40%	40%
21	37%	37%
22	34%	34%
23	31%	31%
24	28%	28%
25	25%	25%
26	22%	22%
27	19%	19%
28	16%	16%
29	13%	13%
30 or More	10%	10%

8. Employees who retire but elected "no coverage" or failed to enroll in a Retiree Medical plan within the required time frames at the time of retirement may enroll during an Annual Enrollment period or in the following circumstances subject to all applicable time frames:

   a) If a qualified status change occurs
   b) If a special enrollment rule applies

C. Over-Age 65 Retirees.

1. Private Medicare Exchange Retiree Medical Coverage. Over-age 65 employees eligible for retiree medical insurance 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).

   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 **~~$2400~~** $2,100 annually **~~($200~~** $175 per month) per enrolled retiree and **~~$2400~~** $2,100 annually **(~~$200~~** $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 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.

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% increments of eligible base pay, up to the PSP maximum, and subject to IRS annual maximums.

2. Company Matching Contributions. The Company will match **~~100%~~** 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. **Automatic Escalation. As soon as administratively practicable, if automatically enrolled upon hire or rehire and no change is made to the automatic enrollment contribution percentage, the contribution percentage will be increased by 1% per year starting the year after automatic enrollment until contribution reaches 8%.**

5. 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.

6. 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. **As soon as administratively practicable,** ~~T~~**t**he Company will contribute in accordance with the 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~~	~~5%~~
~~4 or more years of service~~	~~**7%**~~ 6%

*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, **parental 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.

ARTICLE THIRTY
DURATION

~~Section 1. This Agreement shall become effective on 25 April 2022, and shall remain in force until 11:59 p.m. on 14 June 2026 and at the end of each year period thereafter, this Agreement shall be renewed automatically for periods of one (1) year unless either party gives written notice of interest to terminate or amend same at least sixty (60) days prior to the renewal date.~~

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

~~Section 3. Negotiations concerning amendments to this Agreement shall commence not later than forty-five (45) days or sooner than sixty (60) days before the end of the contract period in effect when the notice of desire to amend is given. During said negotiations this Agreement shall remain in full force and effect, except that it may be terminated by either party upon thirty (30) days' notice in writing as hereinafter provided. During said thirty (30) day period, negotiations shall continue at the request of either party.~~

~~Section 4. In the event that one party serves a notice of desire to terminate in accordance with this Article and the other party serves a notice of desire to amend in accordance with this Article, negotiations concerning said amendments shall be undertaken as provided in Section 3 of this Article. During negotiations this Agreement shall continue in full force and effect unless, after the commencement of negotiations, a written thirty (30) day notice of termination is given by either party, provided that the termination date established by such notice does not occur sooner than the next renewal date. The parties may by mutual agreement extend such termination date, it being recognized that a notice of dispute under Section 8, Sub-Section (d) (3) of the Labor Management Relations Act of 1947, shall be due thirty (30) days prior to an agreed to or established expiration date, that is, simultaneously with the thirty (30) day notice of termination required during negotiations to cause termination of the Agreement.~~

~~Section 5. This Agreement supersedes and renders void all previous agreements, including the Agreement effective 11 July 2016 until 10 April 2022, whether written or oral, between the parties.~~

~~Section 6. "Contract Re-affirmance" – Effective 25 April 2025 the parties shall expressly reaffirm this Agreement for its remaining stated term through 14 June 2026.~~

Section 1. This Agreement will become effective 15 June 2026 and remain in force until 11:59 p.m. on ~~07 April 2030~~ ~~13 June 2032~~ 15 June 2031. Thereafter, the Agreement will automatically renew for successive one (1) year periods.

Section 2. Either party wishing to amend or terminate the Agreement must give written notice at least sixty (60) days before the next renewal date. When either party gives a notice of intent to amend the Agreement, all amendment negotiations will begin within the 15-day window between sixty (60) and forty-five (45) days before the end of the current term.

Section 3. In the event that one party serves a notice of desire to terminate the Agreement in accordance with this Article and the other party serves a notice of desire to amend in accordance with this Article, they shall undertake negotiations concerning amendments as provided in Section 2 of this Article.

Section 4. This Agreement supersedes all previous written and oral agreements between the parties including, without limitation, the Agreement effective 25 April 2022 to 14 June 2026.

Section 5. "Contract Re-affirmance"- Effective 14 June 2029 the parties shall expressly reaffirm this Agreement for its remaining stated term through 15 June 2031.

No. 1
ATTENDANCE CONTROL PROGRAM

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

1. To the extent possible, the Company and the Union aspire to the consistent application of this attendance control program, treating similar situations within a department in the same manner. **The following adjustments made during the 2026 negotiations to the Attendance Control Program shall be effective 01 January 2027.**

2. Employees are expected to maintain satisfactory attendance. Employee's attendance will be routinely monitored, and appropriate action will be administered to those who exceed the program guidelines.

3. "Proper Notice" in reporting an absence, **which is not otherwise protected, and/or reported and approved via the Company's TPA,** shall mean a phone call to the Plant Absence Reporting System (1-866-371-1323), at least one (1) hour prior to the beginning of the employee's scheduled start time. The recording service will be available twenty-four (24) hours a day. **Employees must provide their leader with sufficient information ~~to make an informed decision~~ regarding their absence (e.g., vacation, personal business, part-day, full day). ~~the absence request (e.g., anticipated duration of absence, expected return date, and type of absence such as vacation, personal business or unpaid unexcused)~~. An employee's failure to call in and report an absence~~,~~ may be treated as a failure to follow instructions. ~~*and may result in an immediate advancement in Step, regardless of the duration of an employee's full or part day (tardies and/or short time) absence.*~~** The time and date of a recorded phone call shall be used to determine time limits.

4. The following absences are excused and will not be counted as discrepancies: paid vacation, paid personal business, an approved medical leave of absence, an approved family medical leave of absence, **an approved parental leave,** paid bereavement leave, jury duty, unpaid military leave, Company-initiated unpaid leave, and unpaid authorized Union business.

5. Attendance discrepancies, which may trigger corrective action are as follows:

   Step 1: Employees incurring **~~three (3) hours and (1) minute or more, or any attendance infraction exceeding 30 minutes or more or~~** six (6) hours and one (1) minute or more**,** or three (3) **~~two (2)~~** part-day absences **of any duration** or more in a review period**~~, or four (4) part day absences of any duration or more in any~~**

~~**continuous three (3) review periods**~~ are subject to being placed in Step 1 of the program. They shall be counseled and issued a written warning.

Step 2: Employees incurring ~~**three (3) hours and (1) minute or more, or any attendance infraction exceeding 30 minutes or more or**~~ six (6) hours and one (1) minute or more, or three (3) ~~**two (2)**~~ part-day absences **of any duration** or more in a review period~~**, or four (4) part day absences of any duration or more in any continuous three (3) review periods**~~ while in Step 1 of the program shall be placed in Step 2. They shall be counseled and issued a written warning.

Step 3: Employees incurring ~~**three (3) hours and (1) minute or more, or any attendance infraction exceeding 30 minutes or more or**~~ six (6) hours and one (1) minute or more, or three (3) ~~**two (2)**~~ part-day absences **of any duration** or more in a review period~~**, or four (4) part day absences of any duration or more in any continuous three (3) review periods**~~ while in Step 2 of the program shall be placed in Step 3. They shall be counseled and issued a last and final written warning.

Step 4: Employees incurring ~~**three (3) hours and (1) minute or more, or any attendance infraction exceeding 30 minutes or more**~~ six (6) hours and one (1) minute or more, or three (3) ~~**two (2)**~~ part-day absences **of any duration** or more in a review period~~**, or four (4) part day absences of any duration or more in any continuous three (3) review periods**~~ while in Step 3 of the program shall be placed in Step 4. The employee is discharged.

Annual Cap: Employees who incur unpaid unexcused hours in excess of fifteen (15) hours in a calendar year ~~may~~ shall be counseled and issued a written warning. ~~be issued a verbal warning.~~ Once issued, the employee will be placed into the appropriate step for any additional attendance discrepancies of any duration while over the annual cap. ~~the employee's next attendance discrepancy shall result in being placed into the next step of the ACP.~~ ~~Where an employee has triggered pattern absenteeism, for any additional attendance discrepancy of any duration the employee will be placed in the next appropriate step.~~

Review periods are standardized based on accounting months as identified in the manufacturing day calendar.

In those cases where an employee is placed in a step and subsequently incurs any attendance discrepancy within the same standardized review period, the employee will be placed in the next appropriate step.

6. ~~**Pattern Absenteeism: One aspect of the attendance control program is to identify excessive employee attendance performance that triggers supervisory review for potential corrective action. In some cases, the above thresholds provide an opportunity for any employee to take advantage and consistently take time off without penalty. An employee engages in pattern absenteeism when:**~~

a. ~~**An employee has accumulated unpaid unexcused absence hours in excess of twelve (12)** ***fifteen (15) hours*** **in a calendar year;**~~

b. ~~**An employee has been placed in repetitive steps of the attendance control program three (3) or more times in a calendar year (e.g. Step 1, Step 2, Step 2, Step 2); or**~~

c. ~~**An employee has incurred three (3) five (5) attendance discrepancies of any duration or more in any continuous six (6) review periods, or five (5) eight (8) or more attendance discrepancies of any duration in a calendar year.**~~

~~**Where an employee has triggered pattern absenteeism, for any additional attendance discrepancy of any duration the employee will be placed in the next appropriate step.**~~

7. Back-Up Steps: Employees that make a good effort toward correcting their attendance are provided a method to back out of the steps of the Attendance Control Program.

a. ~~An employee in Step 1 of the program and that has not incurred any discrepancies for one review period will back up one step.~~ **Perfect attendance occurs when an employee has worked, utilized approved vacation or personal business, or any combination of the above without incurring any unpaid, unexcused full or partial-day absences.**

b. ~~An employee in Step 2 or 3 of the program and that has not incurred any discrepancies for two consecutive review periods will back up one step.~~ **Employees in Step 1 of the program who work, take approved vacation, or take paid personal business or any combination of the above for the equivalent of one-hundred-sixty (160) consecutive hours during the regular work schedule will back up one step.**

c. ~~Perfect attendance occurs when an employees has completed an entire standardized review period without incurring any attendance discrepancies.~~ **Employees in Step 2 or 3 of the program who work, take approved vacation, take paid personal business, or any combination of the above for the equivalent of three-hundred-twenty (320) consecutive hours during the regular work schedule will back up one step.**

d. **Approved leaves of absence of any duration will not count towards the consecutive hours worked requirement, however approved leaves will not require an employee to restart progress towards the hours worked requirement**

e. ~~**Pattern Absenteeism: Employees triggering pattern absenteeism who work, take approved vacation, or take paid personal business or any**~~

~~combination of the above for the equivalent of four-hundred-eighty (480) consecutive hours during the regular work schedule will back out of pattern absenteeism and continue to trigger steps of the attendance control program consistent with paragraph 5.~~

f. **Annual Cap:** **The annual cap shall reset January 1 every year of the Agreement.** ~~**Employees in step of the attendance program shall not be eligible for the annual cap reset until they have backed out of step and/or pattern absenteeism in the current year.**~~

8. ~~**Overtime: An Employee's ability to work overtime and earn overtime premiums shall be impacted by unsatisfactory attendance as follows:**~~

   a. ~~**Employees shall not receive overtime premium pay for time worked on regularly scheduled days off in any week they incur four (4) hours or more of unpaid unexcused absence time until they have worked and/or are approved for Company initiated unpaid hours equal to their regular work schedule (e.g. 5/40 1st and 2nd Shift = 40 hours, 3rd shift = 32.5 hours).**~~

   b. ~~**Employees who are in any step of the attendance control program, or who incur unpaid unexcused hours during their regularly scheduled work week are deemed ineligible for overtime and do not have to be asked. If not asked for overtime, ineligible employees will continue to be charged for overtime as it is offered.**~~

   c. ~~***Employees disqualified from overtime shall be placed on a separate overtime list for their departments. The order of this list shall be based on the current total cumulative overtime hours that the employee has worked. Where an employee has successfully backed out of step they shall be re-added to the departmental overtime list consistent with their current cumulative overtime hours.***~~

9. When an employee's overall attendance record is unsatisfactory, the reasons for their absences may no longer be excused. Each case will be evaluated on an individual basis.

10. Employee are required to notify their immediate supervisor before leaving work prior to the end of their regularly scheduled shift. When an employee's immediate supervisor is unavailable, the employee shall call the Plant Absence Reporting System (1-866-371-1323).

11. Holidays when scheduled, and accepted or scheduled overtime when not worked, will be treated like any other day in the application of this program.

12. Employees who are in any step of this Attendance Control Program must utilize available paid personal business in one-**half (0.5)** hour increments prior to incurring any unpaid unexcused time during an employee's scheduled shift, resulting in an employee's personal

business balance being applied until exhausted. **An employee's personal business balance will not be drawn down to cover an employee's absence on an overtime day.** Employees may not use vacation or combine vacation with personal business to circumvent the application of this provision. **However, where an employee has provided proper notice as defined in paragraph 2, they may utilize vacation to avoid being placed into a step of the attendance control program for attendance discrepancies of ~~one (1)~~ ~~two (2)~~ four (4) hours or less.**

Effective January 1, 2027 all employees will be completely backed out of the ACP.

No.16

DEPARTMENT 178-1 AND 178-2 COMBINATION

This Memorandum of Understanding (MOU) is made between the Company and the Union to outline the agreement regarding the separation of Department 178-1 and 178-2, which have previously been combined for all contractual purposes. This MOU establishes the terms and conditions for handling overtime administration, temporary layoffs, union representation, seniority and voluntary transitions for employees affected by this change.

This MOU supersedes Mutual Agreement No. 16, Departments 178-1 and 178-2 Combination (which is no longer of any force or effect) combining Departments 178-1 and 178-2 into a single department for all contractual purposes. The purpose of this newly drafted MOU is to create two separate Departments in accordance with the following:

Overtime Administration: Upon effective date of the Agreement, Department 178-1 and Department 178-2 will operate under separate overtime administration policies as outlined by the existing collective bargaining agreement. Overtime hours will be tracked independently in each department. Where sufficient volunteers are not available, employees assigned to ~~on~~ the F-35 program shall have the first right to refuse overtime on the F-16 program and~~,~~ employees assigned to the F-16 ~~employees~~ program shall have the first right to refuse overtime on the F-35 program, provided that the employee is appropriately qualified. ~~will have the first right to refuse overtime on the F-35 program if they are appropriately qualified.~~

Temporary Layoffs: In the event of temporary layoffs, each department will conduct layoffs independently, following the CBA provisions. Employees will be subject to layoff procedures based on seniority and job classification within their decoupled departments.

Union Representation: The Company and the Union agree that Department 178-1 will have a steward, and Department 178-2 will have a steward to ensure continuity in representation.

Voluntary Transfers: To facilitate a smooth transition, the Company and the Union will establish a process to accept volunteers from 178-2 to transfer into 178-1 as openings occur as follows:

1. **Volunteer Process: Employees interested in transitioning must submit a formal written request to the Company within thirty (30) calendar days from the effective date of this agreement. Requests will be reviewed based on the Company's consideration of operational need and seniority. ~~Employees will be transferred immediately within the first 30 days.~~ *In the event the F-16 program is discontinued, affected employees shall be absorbed by the F-35 program into department 178-1..***

Seniority: Employees who transition voluntarily retain their seniority according to the common seniority list, applicable across both departments.

No. 31

RETURN TO WORK PROGRAM

Employees with recognized disabilities under the law, and medically directed temporary work restrictions, may be assigned to modified duty work~~.~~ ~~**Employees in this program shall not be permitted to do any work outside of the jurisdiction of their classification in their home department. Employees working in the program will not be subject to disciplinary action within Mutual Agreement No.1**~~**.** consistent with the Company policy, currently AeroCode AC-1401, in effect and which may change from time to time. The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this Company policy on the same basis as that policy is revised with respect to non-bargaining unit employees both during and after expiration of this Agreement. **Participation in the Return to Work Program shall not exceed thirty-five (35) bargaining unit employees at any one time.**

No. XX

ALTERNATE WORK SCHEDULES

~~In the event the Company determines that additional or modified work schedules not currently contemplated under the terms of the Agreement are necessary to support customer requirements, or production demands beyond the current capacity of the Fort Worth facility, the Company agrees as follows to discuss the effects of such implementation.~~ If the Company determines that implementation of a 4/10A work schedule is necessary as the primary work schedule, the Company agrees to meet and discuss the effects of such transition prior to implementation.

Upon notice from the Company, the Parties shall meet and enter discussions regarding the effects of the proposed schedule changes, including but not limited to anticipated duration, staffing considerations, and the impacts of the proposed changes on bargaining unit employees. Such discussions shall commence promptly and continue for a period not to exceed ~~thirty (30)~~ sixty (60) calendar days unless mutually extended by written agreement.

During such discussions, the Company shall consider Union proposals and reasonable alternatives intended to minimize adverse impacts on employees. ~~If the Company and Union do not reach agreement within the thirty (30) day discussion period, the Company shall implement the proposed work schedule changes at the conclusion of that period.~~ Upon conclusion of the sixty (60) calendar day discussion period, the Union shall submit the Company's final proposal regarding the effects of a 4/10A schedule implementation to the membership for a (ratification) vote no later than 30 days after the conclusion of the discussion period.

~~Nothing in this provision shall waive the Company's or Union's rights regarding the negotiability of any other specific provision of the Agreement, except that t~~The Union agrees the Company may implement the 4/10 A work schedule and changes consistent with this Mutual Agreement following completion of the sixty (60) calendar day discussion period described above and ratification by a simple majority of the bargaining unit membership.

~~If the 4/10 A schedule is approved by the membership, and implemented by the Company, the Holiday schedule in Article 5 of this Agreement shall be amended to pay 10 hours for each listed Holiday. Any Holiday listed on the schedule which falls on a Friday shall be moved to the first regular workday following or preceding the Holiday.~~

~~If the 4/10 A schedule is approved by the membership, and implemented by the Company, it will remain the standard schedule for the life of the agreement.~~

No. XX

Shop Lead Selection Committee

In an effort to increase transparency in the lead selection and removal process, effective September 1, 2026, the Company and the Union shall establish a Shop Lead Selection and Removal Committee ("Committee") for the purpose of reviewing and approving lead designations and removal requests within the bargaining unit.

A. Committee Composition

The Committee shall consist of the following members:

- **One Operations Director, appointed by the Company, who shall serve as Chair;**
- **One Labor and Employees Relations Representative**
- **One Chief Steward, appointed by the Union; and**
- **At least one representative from the nominating leadership team**

B. Committee Operations

The committee shall meet no less than once a calendar month as needed. Meetings may be waived when there are no pending requests for selection or removal.

Employees evaluated through this process shall receive written notice of the decision within seven (7) calendar days following the completion of the committee's review.

C. Removal Requests

All requests for removal of a lead designation shall be submitted to the committee for review and approval.

D. Decision Authority

The Chair's decision in any review shall be deemed final unless the Labor and Employee Relations Representative identifies a concern requiring additional review, in which case implementation shall be deferred pending LER review and determination.

~~MUTUAL AGREEMENT #___~~

~~IAM DISTRICT 776 RETIREE MEDICARE BENEFITS PROGRAM~~

~~It is understood and agreed between the parties that Lockheed Martin and the International Association of Machinists and Aerospace Workers, District 776, are committed to maintaining a high-quality retiree healthcare program for eligible retirees, spouses, and dependents.~~

~~To support this objective, the parties agree to establish and maintain the IAM District 776 Retiree Medicare Benefits Program for the purpose of providing retiree healthcare education, enrollment assistance, advocacy, ongoing service, and access to Medicare-related healthcare solutions.~~

~~Employee Benefit Systems, Inc. (EBS), in partnership with TLC Insurance Group, LLC (TLC), shall serve as the designated broker, consultant, enrollment, advocacy, and service organization supporting the program and any successor Medicare-based retiree healthcare plans mutually adopted by the parties.~~

~~EBS/TLC shall be responsible for carrier procurement, market analysis, retiree education, enrollment support, annual plan reviews, advocacy services, ongoing participant communications, and other services necessary to support the administration and operation of the retiree Medicare program. EBS/TLC shall act as the primary resource for retirees regarding Medicare eligibility, Medicare enrollment, plan comparisons, plan changes, coverage questions, and ongoing member service.~~

~~The parties further agree to evaluate and implement Medicare solutions that provide comparable or enhanced retiree benefits, regulatory compliance, broader access to care, improved retiree experience, and cost efficiencies when compared to existing plan offerings. Any group Medicare plans adopted pursuant to this Agreement shall be offered through licensed insurance carriers and administered in accordance with all applicable federal and state laws, including Centers for Medicare & Medicaid Services (CMS) requirements.~~

~~Where applicable, Lockheed Martin shall remain the sponsor of any retiree healthcare group program and retain those responsibilities required by law or necessary to maintain the program. However, Lockheed Martin shall not be responsible for providing Medicare advice, Medicare counseling, enrollment recommendations, plan comparisons, carrier recommendations, or retiree advocacy services. Such functions shall be performed by EBS/TLC and the applicable insurance carriers.~~

~~The parties acknowledge that Medicare regulations restrict the marketing, recommendation, and enrollment activities associated with Medicare products. Accordingly, EBS/TLC shall maintain all licenses, certifications, carrier appointments, and regulatory approvals necessary to perform these services and shall be responsible for ensuring compliance with applicable Medicare marketing and enrollment regulations.~~

~~To facilitate administration of the retiree healthcare program, Lockheed Martin shall designate a primary point of contact and a secondary point of contact who shall coordinate with IAM District 776 and EBS/TLC. Subject to applicable privacy laws, company policies,~~

~~**and participant authorizations where required, Lockheed Martin shall provide reasonable access to census, eligibility, enrollment, and plan information necessary for the effective administration of the retiree healthcare program.**~~

~~**EBS/TLC shall be authorized to communicate directly with eligible retirees and participants for purposes of education, enrollment assistance, advocacy, annual plan reviews, compliance notifications, and ongoing service. Any participant information provided shall be used solely for purposes associated with the administration and support of the retiree healthcare program and shall be protected in accordance with applicable privacy and data security requirements.**~~

~~**The parties agree that EBS/TLC shall work with Lockheed Martin and IAM District 776 to maintain retiree plan offerings that are compliant with all applicable Medicare and healthcare regulations. Should any plan design, carrier arrangement, or benefit structure become non-compliant or unavailable, EBS/TLC shall provide recommendations for replacement solutions that preserve the objectives of the retiree healthcare program while maintaining regulatory compliance.**~~

~~**EBS, TLC, and their employees, agents, representatives, and subcontractors shall defend, indemnify, and hold harmless Lockheed Martin, IAM District 776, and their respective officers, employees, agents, and representatives from and against any claims, liabilities, penalties, fines, regulatory actions, losses, costs, or expenses arising from the negligence, misconduct, regulatory non-compliance, breach of privacy obligations, or failure of EBS or TLC to comply with applicable Medicare, insurance, or privacy laws and regulations.**~~

~~**The parties acknowledge that continuity of education, enrollment assistance, advocacy, and servicing functions is essential to the effective administration of the retiree healthcare program and the protection of participant interests.**~~

~~**Accordingly, EBS/TLC shall continue to serve as the designated broker and servicing organization supporting the IAM District 776 Retiree Medicare Benefits Program unless otherwise modified through mutual written agreement of Lockheed Martin and IAM District 776.**~~

~~**This Memorandum of Agreement shall become effective upon ratification of the Collective Bargaining Agreement and shall remain in effect for the term of the Agreement unless modified by mutual written consent of the parties.**~~

ARTICLE THREE (Fire Fighter Unit)
JOB CLASSIFICATION AND WAGE RATES

Job Classifications and Wage Rates

Section 2-B. **All employees on the 24/48 work schedule as of 14 June 2026 currently receiving the twenty cents ($0.20) premium, will receive a one-time equity adjustment of twenty cents ($0.20) prior to the general wage increase effective 04 July 2026. All employees on the 42.5 hour work schedule, as of 14 June 2026 will receive a one-time equity adjustment of ~~$4.77~~ $1.50 prior to the general wage increase effective 04 July 2026.**

~~Lead~~ **Field Trainer** Duties

Section 6-J. As soon as administratively practicable in 2027, employees selected and identified by the Company to function as a Field Trainer shall receive a four percent ~~(20%)~~ (4%) premium above their regular hourly rate while in a Field Trainer position. The effective date of any Field Trainer Premium rate change shall be the move date shown on the CIES provided by the Company.

~~Section 8-D **Extended Work** 24/48 Schedule Compensation~~

~~A Firefighter will be paid his/her regular straight-time hourly rate of pay for all hours during a twenty-four (24) hour period provided that the Firefighter reports to work and remains on the clock for the full twenty-four (24) hour period. Firefighters assigned to the regular 24/48 schedule shall receive a bonus of $0.20 per hour in addition to their base rates of pay.~~

MUTUAL AGREEMENT NO. 9

REQUIREMENTS for DRIVING AERONAUTICS FIRE DEPARTMENT COMMERCIAL MOTOR VEHICLES

Driver/Operator Premium

1. **Employees selected as a full time driver/operator will receive a ~~$4.77~~ four percent (4%) premium above their regular hourly rate of pay.**

2. **Employees who are temporarily designated as a driver/operator for a 24 hour shift will be eligible for the premium for the full shift.**

3. **Employees selected as a full time driver/operator are ineligible to be a Field Trainer.**