

AGREEMENT

between

LOCKHEED MARTIN MARITIME SYSTEMS & SENSORS – MARINE SYSTEMS – BALTIMORE

LOCKHEED MARTIN SPACE SYSTEMS – DENVER

LOCKHEED MARTIN MISSILES AND FIRE CONTROL – ORLANDO

and the

**INTERNATIONAL UNION,
UNITED AUTOMOBILE, AEROSPACE**

AND

**AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
(UAW)**

**And Its Locals No. 738, No. 766,
and No. 788**

November 1, 2003 -

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AGREEMENT

Agreement made this **1st day of November, 2003**, by and between Lockheed Martin **Maritime Systems & Sensors – Marine Systems**, Lockheed Martin **Space Systems**, and Lockheed Martin Missiles and Fire Control - Orlando (hereinafter called the "Company" or as appropriate, "Companies") and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) and its Locals 738, 766 and 788 (hereinafter called the "Union").

WITNESSETH: This Agreement shall pertain only to employees of Lockheed Martin **Maritime Systems & Sensors - Marine Systems**, Lockheed Martin **Space Systems**, and Lockheed Martin Missiles and Fire Control - Orlando in the bargaining units hereinafter described in the Recognition Clauses.

It is agreed for the mutual protection of the parties that this Agreement can only be changed or modified by a document in writing signed on behalf of the parties hereto by their duly authorized representatives; however, written agreement regarding particular matters applicable to one of the plants may be made between the Local Union Bargaining Committee and Management at that plant and shall be binding upon the employee or employees concerned, the Local Union and upon Management at that plant. Written agreements regarding particular matters applicable to the National Agreement covering the three plants may be made between the National Aerospace Department, the Regional Directors and the Corporate Headquarters and shall be binding upon the employee or employees concerned and upon all parties.

ARTICLE I, § 1

ARTICLE I RECOGNITION CLAUSE

The Company recognizes the Union as the exclusive representative for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment as follows:

1. Baltimore – Local No.738

Pursuant to the certification of the National Labor Relations Board dated May 17, 1948, the Company recognizes the Union as the exclusive representative for the purpose of collective bargaining for all employees covered by the Direction of Election dated July 18, 1947, of all production, maintenance, and garage employees in the Middle River Plant, of Lockheed Martin **Maritime Systems & Sensors – Marine Systems**, including working leaders, but excluding working supervisors, leaders, and supervisory employees above the rank of leaders, employees assigned to the office and wearing office badges, plant or office clerical employees (but not shop timekeepers, stock chasers, and expeditors), plant protection employees, plant and equipment engineers, accounting department employees, marine department employees, timekeeping department employees (but not departmental timekeepers who check time on the floor), building and field engineers, (but not laborers in said department), tool design and tool engineering employees, purchase and procurement department employees, (But not raw stores, shipping and receiving employees), engineering department employees, technical and industrial engineers, and labor control employees, personnel department employees, executives, chauffeurs, subcontracting department employees, employees engaged in airport operations (but not mechanics), first-aid, hospital and medical employees, technical laboratory and research employees, office production and planning employees (but not employees who work on the plant floors), and Human Resources Department employees, and all or any other supervisory employees.

2. Denver – Local No.766

The Company recognizes the Union as the exclusive representative for the purpose of collective bargaining for all production and maintenance employees and, pursuant to the NLRB Certification dated June 20, 1969, those employees in certain classifications in the Reproduction and Data Distribution Department of the several plants known as Lockheed Martin **Space Systems**, located in the area of Denver, Colorado, including working leaders but excluding office and clerical employees, protection employees, hospital employees, engineering employees, laboratory employees, tool engineering employees and all supervisory employees as defined in the Labor Management Relations Act of 1947.

3. Orlando – Local No.788

The Company recognizes the Union as the exclusive representative for the purpose of collective bargaining for all production and maintenance employees of Lockheed Martin Missiles and Fire Control - Orlando, located in the area of Orlando, Florida, including working leaders but excluding office and clerical employees, protection employees, hospital employees, engineering employees, laboratory employees, tool engineering employees, and all supervisory employees as defined in the Labor Management Relations Act of 1947.

ARTICLE II

ARTICLE II MANAGEMENT'S PREROGATIVES

The right to hire, discipline, suspend or discharge for cause, transfer, maintain efficiency of employees, promote, and the right to lay off employees because of lack of work or for other legitimate reasons, is vested exclusively in the Company, provided that this will not be exercised in violation of the terms of this Agreement or be used for the purpose of discrimination against any member of the Union as such. In addition, the management of the plants, the control and regulation of the use of all equipment and other property of the Company, the direction of the working force, the making of rules not in conflict with this Agreement, and the operations at the plants, the products to be manufactured, the location of the plants, the schedules of production, the methods, processes and means of manufacturing are solely and exclusively the responsibility and prerogative of the Company. It is not intended by the foregoing recitation to limit any of the normal or usual functions of Management or to define all such functions. The Company shall exercise the functions and duties and responsibilities of Management without interference or hindrance by the Union or its members.

ARTICLE III

**ARTICLE III
RIGHTS OF EMPLOYEES**

Section 1. Neither the Company nor any of its agents shall interfere with, restrain, coerce, intimidate, or discriminate against any of its employees because of membership or non-membership in the Union.

Section 2. Neither the Union, nor its members, or anyone acting for or on behalf of the Union, shall interfere with, restrain, intimidate, or coerce any employee who does not wish to belong to the Union, nor shall they solicit membership or engage in other Union activities on Company time or property, except as otherwise may be provided in this Agreement, provided, however, that employees may solicit membership on Company property during lunch period or just prior to their starting time, provided that such solicitations shall not interfere with operations or production.

ARTICLE IV, § I.A.1

**ARTICLE IV
UNION SECURITY AND CHECK-OFF PROCEDURE**

I. The following union security provisions are applicable at locations as specified below:

A. Baltimore – Local No.738

Section 1. Any employee on the active payroll of **Maritime Systems & Sensors – Marine Systems** on the effective date of this Agreement who is a member of the Union in good standing and in the bargaining unit shall maintain his membership in the Union for the duration of this Agreement as a condition of employment, to the extent of paying dues uniformly required by the Union of all members.

Section 2. Any employee hired into the bargaining unit in **Maritime Systems & Sensors – Marine Systems** on or after the effective date of this Agreement shall become a member of the Union upon acquiring seniority and maintain his membership in the Union for the duration of this Agreement as a condition of employment in the said unit to the extent of paying dues and initiation fees uniformly required by the Union of all members.

Section 3. Notwithstanding any other provision contained in this Agreement, if any employee who is a member of the Union shall be transferred or promoted out of the bargaining unit covered by this Agreement, the provisions of this Article shall become inoperative as to such employee. If such employee shall thereafter in any manner be returned to a job within the unit, whether by transfer, demotion or otherwise, such employee shall be required to resume and maintain his membership in the Union for the duration of this Agreement as a condition of employment in the said unit to the extent of paying periodic dues and initiation fees uniformly required by the Union of all members.

Section 4. Employees hired into jobs outside the bargaining unit or employees transferred from jobs within the bargaining unit who were not members of the Union at the time of such transfers, if thereafter transferred into jobs within the bargaining unit shall become members of the Union not later than the 30th day following the effective date of such transfer, and maintain their membership in the Union as a condition of employment in the said unit for the duration of this Agreement to the extent of paying dues and initiation fees uniformly required by the Union of all members.

Section 5. "Members of the Union" or "Union Membership" where used in this Agreement means any employee who is a member of the Union and is not more than sixty (60) days in arrears in the payment of Union dues as specified herein.

Section 6. The Union shall certify to the Company a complete list of all cash paying Union members within ten (10) days of the effective date of this Agreement.

Section 7. Any dispute arising as to an employee's membership in the Union under this Article shall be reviewed by the Employee Relations Manager and the Chairperson of the Bargaining Committee, or their authorized representative, and if not resolved may be appealed to arbitration in accordance with the provisions of Article IX of this Agreement.

Section 8. All provisions of this Agreement requiring Union membership as a condition of employment shall be enforceable with respect to any employees covered thereby to the extent permitted by the applicable laws of the Federal and State Governments.

ARTICLE IV, § I.B.1

B. Denver – Local No.766

Section 1. Any employee on the active payroll of the Company in **Space Systems** on the effective date of this Agreement who is a member of the Union in good standing and in the bargaining unit shall maintain his membership in the Union for the duration of this Agreement as a condition of employment to the extent of paying such dues as are uniformly required by the Union of all members. Any employee on the active payroll of the Company who is not a member of the Union in good standing on the effective date of this Agreement shall not be required to become a member and maintain membership in the Union as a condition of employment.

Section 2. Any employee hired into the bargaining unit in **Space Systems** on or after the effective date of this Agreement shall become a member of the Union upon acquiring seniority and maintain his membership in the Union as a condition of employment to the extent of paying dues and initiation fees uniformly required by the Union of all members.

Section 3. Employees who are employed outside the bargaining unit and who are thereafter transferred into the bargaining unit shall be required to join the Union within thirty (30) days following the effective date of such transfer, provided such employee has acquired seniority in accordance with Article V, Section 3, and to maintain their membership in the Union as a condition of employment to the extent of paying dues and initiation fees uniformly required by the Union of all members.

Section 4. Notwithstanding any other provision contained in this Agreement, if any employee who is a member of the Union shall be transferred or promoted out of the bargaining unit covered by this Agreement, the provisions of this Article shall become inoperative as to such employee. If such employee shall thereafter in any manner be returned to a job within the unit, whether by transfer, demotion, or otherwise, such employee shall be required to resume and maintain his membership in the Union for the duration of this Agreement as a condition of employment in said unit to the extent of paying periodic dues and initiation fees uniformly required by the Union of all members.

Section 5. "Member of the Union" or "Union Membership" where used in this Agreement means any employee who is a member of the Union and is not more than sixty (60) days in arrears in the payment of Union dues and initiation fees as specified herein.

Section 6. Any dispute arising as to an employee's membership in the Union under this Article shall be reviewed by the Employee Relations Manager and the Chairperson of the Bargaining Committee, or their authorized representative, and if not resolved may be appealed to Arbitration in accordance with the provisions of Article IX of this Agreement.

Section 7. All provisions of this Agreement requiring Union membership as a condition of employment shall be enforceable with respect to any employees covered thereby to the extent permitted by the applicable laws of the Federal and State Governments.

C. Orlando – Local No.788

Section 1. "Member of the Union" or "Union Membership" where used in this Agreement means any employee who is a member of the Union and is not more than sixty (60) days in arrears in the payment of Union dues and initiation fees as specified herein.

Section 2. Any dispute arising as to an employee's membership in the Union under this Article shall be reviewed by the Employee Relations Manager and the Chairperson of the Bargaining Committee, or their authorized representative, and if not resolved may be appealed to Arbitration in accordance with the provisions of Article IX of this Agreement.

ARTICLE IV, § II.1

II. Check-off Procedure

Section 1. Each Company, insofar as permitted by State or Federal laws, will deduct out of the current net earnings payable to an employee covered by this Agreement, such initiation fees and union dues in such amount as may be fixed by the Convention of the International Union upon receipt of and in accordance with a duly executed authorization by the employee in a form agreed upon by the Company and the Union.

Any dispute as to the validity or revocation of such check-off may be submitted to the Grievance Procedure and Arbitration in accordance with Articles VIII and IX of this Agreement starting with Step 3 of the Grievance Procedure.

Section 2. Deductions from money due the employee pursuant to this Article will be made from the net earnings due the employee payable to him on the second regular pay date in each month provided that the Company has received such authorization and notice from the Financial Secretary of the Local Union by the 25th day of the month preceding the month in which such deductions are made. There shall be only one remittance per month by the Company.

Employees recalled or transferred into the bargaining unit will have dues deducted from the current month's earnings for the current and preceding month, provided, however, such recall or transfer was effective on or before the 25th day of the preceding month.

Employees who are laid off will have dues deducted for the current month from their last pay provided the employee has forty (40) hours earnings due for the current month.

In the event an employee does not have sufficient earnings due him on the second regular pay day in the month to cover the amount of said deductions for that month, the Company agrees to make such deductions from the earnings due the employee on the second regular pay day of the next succeeding month.

Except as provided herein, deductions for dues shall be for the current month only.

Section 3. Deductions shall be remitted to the Financial Secretary of the Local Union not later than five (5) days following the pay day on which the deductions were made; provided, however, it is recognized that circumstances may arise whereby the Company will be unable to remit such dues within the aforementioned time period. The Company shall furnish the Financial Secretary of the Local Union at the same time with a record of those for whom deductions have been made, the amount of the deductions and a list of absentees.

Section 4. Should an employee be promoted or transferred to a job not covered by this Agreement, the Company shall cease deducting dues from such employee. In the event the employee is transferred back into the bargaining unit, the Company shall again deduct dues from the pay of such employee. When ceasing to deduct dues for reasons cited in this paragraph, the Company will submit the names of such employees and the reasons for no deduction to the Financial Secretary of the Local Union.

Section 5. In making deductions and remittances for dues and initiation fees to the Union, the Company is entitled to rely upon the notification of the Financial Secretary of the Local Union of the amount of money due the Union by an employee. The Union agrees to hold and save the Company harmless from any and all liability, responsibility, or damage arising out of or reliance upon the authorization and notification provided for in this Article, and assumes full responsibility for the disposition of the funds so deducted when turned over to the Financial Secretary of the Local Union.

Section 6. This Article is separable from the remainder of the contract and any finding of invalidity with respect to any of the provisions of this Article shall not affect the validity of the other provisions of the contract.

ARTICLE V, § 1

ARTICLE V SENIORITY

Section 1. For purposes of this Article, the Baltimore Facility, the Denver Facility and the Orlando Facility will be considered as separate entities. Seniority as used in this Agreement shall be deemed to consist of the length of continuous service with the Company except as otherwise provided in this Article.

Section 2. Except as may be otherwise provided herein, length of service in connection with an employee's seniority shall be computed from the first hiring date, except that if there has been a break in his continuous service record as provided in Section 11 of this Article, then it shall be computed from the most recent rehiring date.

For the purpose of this Article, seniority for employees hired on or after November 6, 1954, at the Baltimore Facility, August 6, 1956, at the Denver Facility, or July 7, 1957, at the Orlando Facility, outside the bargaining unit and later transferred to a job within the bargaining unit shall be computed from and after their date of entrance into the bargaining unit.

When employees are transferred between one plant and another they will have entrance seniority for purposes of this Article. This applies to both active and laid-off employees. If an employee was hired at a site or operation and is subsequently transferred to the plant, such employee will have entrance seniority.

Section 3.

- (a) A new employee shall not acquire any seniority under this Agreement until the expiration of the period of ten (10) weeks of continuous service following employment and shall not receive any credit for continuous service during such period. If such employee shall be continued in the employ of the Company after the expiration of such ten-week period, the length of continuous service shall be computed from the date of employment in accordance with the applicable provisions of this Agreement. Any separation from employment during said ten-week probationary period shall not be made the basis of a claim or grievance against the Company and there shall be no obligation to re-employ such persons, provided, however, that this provision will not be used for the purpose of discrimination because of membership in the Union.
- (b) In the event, however, that a probationary employee is rehired within six (6) months after separation, he shall receive credit for his previous length of continuous service as a probationary employee, provided said probationary employee worked at least one month prior to said termination.
- (c) If a probationary employee is granted a leave of absence or is absent in excess of five work days during the probationary period, the effective date of acquiring seniority shall be postponed by a period of time no longer than the employee has been absent or on leave.
- (d) An employee who is re-employed by the Company after a break in his service, who at the time of the break in service had acquired seniority status under the provisions of Article V of this Agreement, will be required to serve a probationary period but will begin to acquire seniority as of the date of such re-employment.
- (e) If a probationary employee is placed in a formal training program, the effective date of acquiring seniority shall be postponed for the period of the training program, but such postponement shall not exceed ten (10) working days.

ARTICLE V, § 4

Section 4. The unit for the application of seniority principles shall be by Job Family Group within Seniority Units within each of the three plants. Such Job Family Groups and Seniority Units shall be determined locally by negotiation between the Company and the Union. It is recognized by the Company and the Union that it may be necessary to add to, delete from, or modify these Job Family Groups and Seniority Units from time to time. It is agreed for the mutual protection of the parties, that such changes can only be made in writing and if no agreement is reached locally it shall be subject to the approval of the Vice President, Human Resources of the Corporation and the Director for the Aerospace Department, International Union, or their designated representatives.

Section 5. The seniority principles described herein shall be effective from and after the effective date of this Article.

Section 6. For the purpose of an indefinite layoff of employees in connection with decreasing the work force, probationary employees will be terminated or seniority employees will be laid off as follows:

- (a) Probationary employees throughout the Job Family Group affected will be terminated first, provided that there are available employees remaining in the group affected with seniority who are willing and qualified to perform the work of the probationary employees to be displaced.
- (b) Thereafter, probationary employees in other Job Family Groups in the Seniority Unit affected will be terminated, provided that there are available employees remaining in the group affected with seniority who are willing and qualified to perform the work of the probationary employees to be displaced.
- (c) Thereafter, employees in the Job Family Group affected having the least seniority will be laid off; provided that there are available employees remaining in the group affected who are willing and qualified to perform the work of the employees to be displaced.
- (d) Employees who are scheduled for layoff will be extended the same rights afforded to employees being remanned to a lower paying job in accordance with the provisions of Article V, Section 9(b).

Section 7. When reducing the work force due to breakdown or shortage of material which, in the judgment of the Company is of a temporary nature not exceeding ten (10) work days, employees in the same classification in the overtime work group or groups affected will be laid off according to seniority. The ten (10) day period may be extended by mutual agreement between the Company and the Union.

Section 8.

- (a) When there is an increase in the work force after an indefinite layoff that was made for the purpose of decreasing the work force pursuant to Section 6 of this Article, employees will be recalled as follows:
 - (1) Laid off employees with the most seniority in the Job Family Group to be increased or employees who formerly worked in the Job Family Group within the preceding five (5) years shall be first offered employment, provided that they are qualified to perform the work of the job involved.
 - (2) After all laid off employees have been recalled to their Job Family Group in accordance with Section 8 (a) (1), employees who chose a layoff in lieu of a downgrade from the group being increased shall be offered recall, in accordance with their seniority, to the open job providing they are qualified to perform the work of the job involved. Such laid off employees shall be

offered recall only once under this provision and if he refuses such recall will remain on the recall list only for recall to job openings in accordance with Section 8(d) of this Article.

ARTICLE V, § 8.b

- (b) In the event the recall list of laid off employees in a Job Family Group to be so increased is exhausted, laid off employees in other job family groups within the seniority unit who have previously performed the same or similar jobs as shown on the Human Resources records of the Company will be recalled in accordance with their seniority, provided they are qualified to perform the work of the job involved.
 - (1) The Company will give consideration to employees who present verification of specific work experience on the official letterhead of a previous employer, provided that the work experience for such employee has occurred within five (5) years prior to date of hire. Such verified work experience will become part of the employee's Human Resources work record.
- (c) After the recall list of employees in the seniority unit to be increased is exhausted, laid off employees in other groups who have previously performed the same or similar jobs as shown on the Human Resources records of the Company shall be recalled to the classification requested, provided they are qualified to perform the work of the job involved. Such requests are limited to two (2) classifications, and must be in writing. If such recalled employees refuse to accept the job offered, they shall forfeit all of their rights to be recalled, provided, however, if such recalled employees give written notification to the Company within ten (10) days of the date of the notice of recall, they shall then be reinstated to the recall list for purposes of recall to the job from which they were laid off.
- (d) The Company shall recall, in line with his seniority, an employee who chose a layoff in lieu of a downgrading, to a classification in the group from which he was laid off, provided such classification is higher than the classification he refused at the time of layoff, and provided he is qualified, as shown on the Human Resources records of the Company, to perform the duties of the classification to which he is being recalled. It is understood he shall be recalled, in line with his seniority, to the group from which he was laid off along with other employees who are being promoted in the group to which he is being recalled according to Section 10(a).
- (e) An employee offered recall to a lower labor graded job than that from which he was laid off may refuse such recall without forfeiting his right of recall to the job from which laid off. An employee laid off from the lowest job in his group (including notes applicable to the group) who has previously held a higher job in the same Seniority Unit may refuse recall to that lowest job or jobs of the same labor grades as that lowest job in the same Seniority Unit without forfeiting his right of recall to a higher job, but he will not again be offered recall to a job of the same labor grade as the job he refused. However, if such employee refuses recall to the highest job for which he is eligible and qualified he will forfeit his right of recall. It is understood he shall be recalled in line with his seniority to the group from which he was laid off along with other employees who are being promoted in the group to which he is being recalled according to Section 10(a).

Section 9. Due to production requirements, it will be necessary in remanning part of or an entire Seniority Unit to classify excess employees to lower-rated jobs. When this is done, the procedure set forth in Paragraphs (a), (b), and (c) of this Section will be applied.

- (a) Employees who are excess in their job classification will be reclassified in accordance with their length of continuous service to an equal or next lower-rated job within their Job Family Group which they are qualified to perform, as shown by the Human Resources records of the Company.

- (b) If such reclassification under Paragraph (a) of this Section is to a lower paid job than the employee has previously satisfactorily performed in the bargaining unit according to the Human Resources records of the Company, for three (3) months or more within the preceding sixty (60) month period, then the employee shall be transferred to the former job in accordance with his length of continuous service.

ARTICLE V, § 9(c)

- (c) Employees who are excess in their job classification and are offered another classification or lower paying job under Paragraph (a) or Section 6 of this Article, shall before the end of the next work day, inform the management of their acceptance of such job or else forfeit their rights to such job. If necessary, this time may be extended one day by mutual agreement between the supervisor and the employee.
- (d) An employee may refuse a downgrading in accordance with the above procedure and accept a layoff in lieu thereof.

Section 10. In making promotions or reclassifying employees to higher-rated nonsupervisory jobs, the following procedure will prevail:

- (a) Employees who have been reclassified to a lower rated job within the Job Family Group or seniority unit for reasons other than inability or personal choice not dictated by reasons of health will be reclassified to higher paid jobs held by them as shown on the Human Resources records of the Company, in accordance with length of continuous service, provided they are qualified to perform the work, before other employees are promoted or hired into such job.
- (b) After the provisions of Section 10 (a) above have been applied, employees in the bargaining unit who have satisfactorily performed the job for three (3) months or more within the preceding sixty (60) month period will be offered reclassification to their former job.
- (c) An employee so reclassified under Paragraph (a) or (b) of this Section shall be given an increase of ten cents (\$.10) per hour or shall be paid the rate he previously received when he was so classified, plus any general increase effective during the period of this Agreement, whichever is higher, provided the new rate does not exceed the maximum of the labor grade rate range to which he is reclassified.
- (d) Exception to paragraph (a) of this Section will be made as to demoted employees who were formerly classified in the highest job classification of a multi-graded job (i.e., Toolmakers, First Class, Second Class, etc.) and who are now classified in the lowest job classification of the same multi-graded job. Such employees will be reclassified to the intermediate job classification of the same multi-graded job, regardless of whether the employee has been so classified. Such employee will receive the maximum rate for the intermediate job.
- (e) In making further promotions to higher-rated nonsupervisory jobs, promotions will be made first within the Job Family Group and second within the Seniority Unit, in making which the Company will give consideration to length of continuous service provided the employee is qualified to perform the work. Qualified employees, both active and on layoff first in the Job Family Group and then in the Seniority Unit will be offered promotion before new employees are hired. Thereafter, qualified employees from other Seniority Units will be given consideration in making such promotions.
 - (1) In the event a dispute exists between the Company and the Union as to the qualifications for promotion of the senior employee in the Job Family Group requesting the promotion, that employee will be given a trial period of up to ten (10) working days to demonstrate the ability to perform the required duties of the job. It is understood that the trial period shall be applicable to the most senior employee contesting promotion in the Job Family Group. Should the senior employee be unsuccessful in completing the trial period, a written explanation will be provided stating the reasons for disqualification. Where there is no senior qualified employee in the Job Family Group but a valid transfer request is on file from a senior employee in the Seniority Unit, and a dispute exists between the Company and the

Union as to the qualification of that employee, the employee will be given the aforementioned trial period. The trial period will not alter any existing training requirements.

ARTICLE V, § 10(f)

- (f) All employees who are promoted from a lower-graded job to a higher-graded job will receive an increase of twenty-five cents (\$.25) per hour for a one labor grade promotion, thirty cents (\$.30) per hour for a two labor grade promotion, and forty cents (\$.40) per hour for a three or more labor grade promotion or the minimum of the new labor grade whichever is higher, providing said increase does not exceed the maximum of the labor grade rate range to which they are promoted. Rates of pay as provided by Article V, Section 10 (c) and 10 (d) of this Agreement shall not be affected by this provision.
- (g) Employees who refuse a promotion shall not be eligible for reconsideration for a subsequent promotion to the same classification until ten (10) working days after the employee has requested reconsideration in writing.

Section 11. An employee's continuous service record shall be considered broken and all rights under this Agreement forfeited when the employee:

- (a) Quits or is retired.
- (b) Is discharged for cause.
- (c) Fails or refuses to return to work within five (5) work days after being recalled unless a satisfactory reason is given to warrant leniency. Notification for the purpose of this Section shall be made by Certified or Registered Mail addressed to the employee's last named address shown on the employee's Human Resources record. For the purpose of computing the five (5) work days under this paragraph, the day the Notice is mailed by the Company shall not be included.
 - (1) **Employees with at least five (5) years seniority who are offered recall to a job predicted to last less than two (2) months, and who refuse such a recall, shall not have their service broken, but will be placed on the bottom of the recall list as long as they retain recall rights. If they are subsequently recalled from their new position on the recall list, they will follow the provisions in Article V Section 8 and Section 11(c).**
- (d) Is absent for three (3) consecutive working days without reporting to the Company during the absence a reason which is sufficient to justify such absence. The three (3) days will be extended to six (6) working days in unusual circumstances which would make it impossible for the employee to report within the specified three days. Compliance with this paragraph is not to be construed to mean that excessive absenteeism will be tolerated.
- (e) Is absent due to either layoff or noncompensable disability or both which shall continue for a period equal to his length of continuous service with the Company at the time of such layoff or disability, but in no event in excess of five (5) years.
- (f) Fails to notify the Human Resources Department by written communication actually received by it at least once every twelve (12) month period following the date of layoff of his desire to be recalled, provided that the Company sends to the laid off employee during said twelve (12) month period at the employee's last known address, as shown on the Human Resources records, a Certified or Registered letter requesting the employee to notify the Company of the employee's desire to remain on the recall list. The employee has the obligation of notifying the Company within three (3) weeks from notification by the Company, and the Company shall incur no liability

for failure to receive a reply from the employee within three (3) weeks from the date of notification by the Company.

ARTICLE V, § 12

Section 12. The Company may deviate from applying the provisions stated in this Article with respect to layoffs, promotions, demotions, and recalls for a period of ten (10) work days.

The intent and purpose of this Section is to avoid delay in the adjustment of the work force where mass movement of employees is made necessary by product contract emergencies.

Section 13.

- (a) During their term of office under this Agreement,
 - (1) The President, Chairperson of the Bargaining Committee and other designated Union officials as agreed upon locally shall be deemed to have, for layoff purposes, more seniority in their same or similar classification than all other employees covered by this Agreement, which seniority shall prevail if they are willing and qualified to perform available work.
 - (2) Committeepersons shall be deemed to have more seniority, for layoff purposes, in their same or similar classification than any employee in their area, provided they are willing and qualified to perform available work.
 - (3) Stewards shall be deemed to have more seniority, for layoff purposes, in their same or similar classification than any employee in their area, provided they are willing and qualified to perform available work.
- (b) Due to the necessity of properly manning the work force of the Company, the above enumerated Union officials shall perform their assigned work each day; however, permission to leave their job will be granted in accordance with the provisions of this Agreement, for the purpose of attending meetings with management representatives or as otherwise provided herein.
- (c) The Company agrees that at times of demotion the Union officials described in this Section will be reclassified to lower-rated jobs pursuant to Section 9 of this Article in accordance with their natural seniority, and thereafter will not be laid off so long as such work is available. No Steward or Committeeperson shall be transferred out of his/her respective area as long as there is work available which he/she is qualified to perform and to which he/she is entitled under the other provisions of this Article, except by agreement between the Company and the Union. All promotions of said Union officials shall be made pursuant to Section 10 of Article V of the Collective Bargaining Agreement.
- (d) The Company agrees that members of the Bargaining Committee and other designated Union officials as agreed upon locally shall work on either the day or night shift if the Union so requests, at work they are qualified to perform.

Section 14. "Qualified" or "qualified to perform the work" as used in this Agreement shall be deemed to consist of ability to perform satisfactorily the required duties of the job and to meet standards of quantity and quality without the need of further training. It is understood, however, that the employee will receive the usual and normal explanations to perform the work involved.

Section 15.

- (a) The Company will furnish to the Chairperson of the Bargaining Committee an alphabetical list of in-unit employees quarterly, a list of in-unit employees by seniority within classification monthly, and a list of in-unit employees on layoff every quarter. The monthly list will include the employee's current hourly rate.

ARTICLE V, § 15 (b)

- (b) The Company will furnish to the Chairperson of the Bargaining Committee on a weekly basis a list of employees entering the Bargaining Unit and a list of employees being promoted. The Company will furnish to the Chairperson of the Bargaining Committee on a monthly basis a list of demotions and voluntary quits.
- (c) The Company will verbally advise the Chairperson of the Bargaining Committee of a layoff of bargaining unit employees at least **seventy-two (72)** clock hours prior to such layoff and shall submit to the Chairperson a list of employees laid off or recalled as soon as possible, but in any event not later than five (5) work days after such layoff or recall. This list shall contain the employee's name, last hiring date and job code number.
- (d) The Company will furnish to the Chairperson of the Bargaining Committee on a weekly basis a list of employees transferred to supervisory or out-of-unit positions.
- (e) The Company will furnish to the Chairperson of the Bargaining Committee a list of those employees going on temporary duty assignments and a list of those employees returning from such assignments within a week thereafter.
- (f) The Company will periodically notify each employee covered by this Agreement of his or her hiring date and job classification.

Section 16. The Company agrees to the principle that seniority of employees will be applied when transferring employees to jobs on the various shifts. In no case shall the Company be required to transfer an employee who is not qualified under Article V, Section 14. Subject to the above, the following procedure shall apply:

(A) Shift Preference.

- (1) Employees with at least six months of service may request a transfer to any other shift and shall promptly displace employees who have completed their probationary period and who are less senior in their classification in the same department. Departments for purposes of shift preference will be negotiated locally.
- (2) Requests may be filed not more often than once in a nine month period on a form to be supplied by the Company and will be valid for the succeeding nine month period. An employee may withdraw a shift transfer request any time prior to being notified of transfer. He may then file another transfer request. If an employee is offered a transfer in accordance with his request, he will not be allowed to file another request for a period of nine months.
- (3) An employee who is transferred pursuant to his request may not file another request for shift transfer for nine months. However, if such employee is transferred under Article V, Section 16 (b) he may then file a transfer request and will be eligible immediately for transfer in accordance with Section A of this Article.

The Company will not be required to transfer more than 10% of the employees in any classification in any department as determined locally each calendar month. Requests shall be processed in order of seniority

but shall not be valid until forty-eight (48) hours (excluding Saturdays, Sundays and holidays) from the time of filing.

ARTICLE V, § 16(B)(1)

(B) Shift Transfers as a Result of Production Requirements.

- (1) When it is necessary to transfer employees between shifts for production reasons, the Company shall apply the principle of seniority to employees in the classification and in the department from which transfers are being made. The following procedure shall apply within the department referred to in (a) (1):
 - (a) Employees who have on file a currently valid shift transfer request shall first be transferred in order of seniority.
 - (b) The Company shall then ask for volunteers who shall be transferred in order of seniority.
 - (c) If the vacancies cannot be filled in accordance with (a) and (b) above, the Company shall transfer employees in inverse order of seniority.
- (2) Temporary shift transfers may be made without regard to any provisions of this Section for a period not exceeding thirty (30) calendar days, except for employees to start a new shift, who may be temporarily transferred for a period not to exceed sixty (60) calendar days which may be extended by mutual agreement.

Section 17. Employees may be transferred from one Job Family Group or Seniority Unit to another, provided that permanent transfers will not be made to a classification in which other employees have rights under Sections 8 (a), 8 (b), 10 (a) or 10 (b). Such transfers shall not be made until consideration is given for promotions to such jobs for employees in the Job Family Group in which the opening exists, in making which the Company will give consideration to length of continuous service provided the employee is qualified to perform the work. When employees are transferred from one Seniority Unit to another Seniority Unit, such employees will retain seniority in their former Job Family Group for a period of ninety (90) **consecutive** days, after which time they will have seniority in the new group.

Temporary transfers will be without change in rate of pay or loss of seniority status in the group from which he was transferred. It shall be the Company's policy, so far as it is practicable and in accordance with production requirements and efficiency, to limit temporary transfers of employees to a period of twenty (20) working days on each such transfer. When temporary transfers are expected to exceed twenty (20) working days, employees will be assigned in order of inverse seniority from the overtime group or groups from which the transfer is being made except that senior employees from such groups may volunteer for such assignments.

Section 18. Without reference to any other provision of this Article, the Company may employ in its discretion without regard to seniority:

- (1) A limited number of exceptional employees consisting of students and graduates of technical and professional schools.

- (2) Employees who have been incapacitated from performing their regular work by reason of a compensable injury as defined under the applicable State Workmen's Compensation Act or Occupational Disability Disease Act while employed by the Company.

Temporary student employees will not be placed in job classifications from which in-unit employees are on layoff or have right of recall.

ARTICLE V, § 19

Section 19. In decreasing the work force, the Company will give employees to be indefinitely laid off at least **seventy-two (72)** clock hours' notice (excluding weekends and holidays) unless an employee is absent from work at the time such notice is given or unless such layoff is occasioned by changes in contract commitments or by unforeseen circumstances such as Acts of God. Employees temporarily laid off may be notified of an indefinite layoff by Certified or Registered letter to be sent to their last known address as it appears on the Human Resources records of the Company.

Section 20. Notwithstanding the provision of Section 2, an employee promoted out of the bargaining unit prior to November 12, 1984, to a position involving the supervision of employees in such bargaining unit will retain and accumulate seniority in such supervisory position which shall be credited to him if he returns to a job in such bargaining unit. Employees transferred to a job of any other kind outside such bargaining unit will not accumulate seniority in such job after November 17, 1963, and will retain only such seniority as acquired prior thereto. An employee transferred to a non-supervisory job after November 12, 1990, will retain seniority for a period equal to his service or five (5) years, whichever is less.

An employee promoted out of the bargaining unit on or after November 12, 1984, to a position involving the supervision of employees in such bargaining unit will retain such seniority as acquired prior thereto and shall accumulate an additional five (5) years, but no more, which shall be credited to him if he returns to a job in such bargaining unit.

An employee promoted out of the bargaining unit on or after November 8, 1987, to a position involving the supervision of employees in such bargaining unit will retain such seniority as attained prior thereto but no more, which shall be credited to him if he returns to a job in such bargaining unit.

- (a) Any employee transferred to an out-of-unit classification may be reclassified to a job formerly held by him in the bargaining unit as shown by the Human Resources records of the Company. Reclassification shall be determined upon his qualifications to perform the job, provided he has seniority to hold the job.
- (b) If such employee's former classification has been changed, either in name or description, he may be reclassified to the newer classification provided he is qualified to perform the job duties involved in the changed classification and further provided that he has seniority to hold such classification.
- (c) If such employee's former classification has been eliminated, he may be reclassified to a classification embracing comparable job duties to that which he formerly held prior to his transfer to an out-of-unit classification provided he has seniority to hold such classification.

Section 21. An employee who has been laid off by one plant of the Company and who has five (5) or more years continuous service, may file a request for a job in another plant covered by this agreement which the employee is qualified to fill without need for further training. The five (5) year continuous service requirement may be waived by mutual agreement. Such request shall be filed at the employee's home plant, which shall be forwarded to the plant at which the employee seeks to be hired and shall be valid for a period not to exceed twelve (12) months. When such openings are available, they will be offered to laid off employees who

have requests on file before the Company hires new employees. An employee who is offered a job and who refuses said offer will not be offered another job pursuant to this section. The employee must report within two (2) weeks from date of job offer. The Company will not be required to fill more than fifty (50) percent of available openings with preferential hires.

An employee accepting a job at a plant other than his home plant will have entrance seniority for the purposes of Article V. The employee shall lose all seniority at his new plant upon recall to his home plant.

It is understood that the Company will have no liability for the relocation of these employees to the plant where the openings occur and, under no circumstance, be required to incur any financial or contractual liability.

ARTICLE V, § 22

Section 22. Temporary duty assignment, as referred to herein, shall be deemed to consist of an assignment required to be performed temporarily in a location other than the normal bargaining unit applicable to each Local Union, which requires an in-unit employee to obtain lodging other than at his established residence.

- (a) An in-unit employee while on a temporary duty assignment who feels he has a complaint involving discipline or discharge shall write a letter of complaint to the Chairperson of the Bargaining Committee of the Local Union involved, who in turn may file a written grievance at the Third Step of the Grievance Procedure.
- (b) Such grievances shall be subject to the arbitration procedure provided in Article IX. The Company agrees to release witnesses called by either party only if they are not assigned to temporary duty as specified above. Investigations by arbitrators shall exclude off-site facilities.
- (c) The Chairperson of the Bargaining Committee may discuss, and attempt to adjust, any complaint concerning temporary duty assignments with the Employee Relations Manager or his designated representative.
- (d) An employee given temporary duty assignment shall be returned to the bargaining unit and be assigned in accordance with the provisions of Article V.
- (e) An employee on temporary duty assignment who is on the check-off list, or one who subsequently authorizes deductions, will have deductions made while on temporary duty assignment, subject to the conditions of the check-off authorization.
- (f) Field classifications and rates of pay are not subject to this Agreement.
- (g) It is understood and agreed that the provision of this Section will not be construed as extending representation recognition for such off-site operations and the provisions set forth herein apply only to those in-unit employees on temporary field assignments.
- (h) Employees on a temporary duty assignment will be paid in accordance with the pay practices at the Lockheed Martin facility to which they are temporarily assigned.

ARTICLE VI, § 1

ARTICLE VI LEAVES OF ABSENCE

Section 1. Employees elected or selected to full-time jobs in the Local Union or the International, which takes them from their employment with the Company, shall, upon written request to the Company receive leaves of absence without pay for a period of three years or less. Upon completion of their leaves of absence during the existence of this Agreement, they shall be re-employed according to their length of continuous service in work generally similar to that which they did last prior to their leaving, at the wage rates existing in the plant at the time of their return provided such work is available for them according to their length of continuous service and they are qualified to perform such work. Length of continuous service shall accumulate during such leaves of absence. Such leaves of absence shall be extended upon written request of the Union to the Company.

Leaves of absence without pay will be granted by the Company on written request of the Union, to Union representatives in a number not to exceed that allotted by the International Union in accordance with its constitution for the purpose of attending Union national and state conventions. It is the intention of the Union to honor and respect the requirements of production in requests for leaves of absence for such delegates.

Section 2. It is recognized by the Union that the Company's interest lies in reducing excessive absenteeism no matter what its cause may be. However, the Company recognizes that employees may be absent for extended periods of time as a result of disability due to sickness, accident or pregnancy. In such cases, leaves of absence shall be granted for a period not exceeding five (5) years or the employee's length of continuous service at the time the leave began, whichever is less. In the event an employee is granted a leave of absence within three months of his return from a leave as described herein, such leave shall be considered as an extension of the previous leave. However, if another leave of absence is granted during such three months for a disability entirely unrelated to the causes of the previous disability, the leave will be considered a new period of absence.

Leaves of absence for relatively short periods shall be granted for temporary illness or noncompensable disability.

Leaves of absence shall be subject to check by the Company's Medical Department.

A leave of absence under this Section shall be defined as a continuous absence of seven or more days excluding Saturdays and Sundays.

Length of continuous service shall accrue during such leaves of absence.

Section 3.

- (a) Leaves of absence without pay for relatively short periods may be granted by the Company to employees for personal reasons or reasons covered by the Family Medical Leave Act (FMLA). In such cases, length of continuous service shall accumulate during such leave.
- (b) The Company agrees that an employee who becomes disabled as a result of sickness, accident or pregnancy while on layoff, and who is recalled while ill or pregnant and notifies the Company within the proper time limits set forth in the Agreement for responding to recall of his inability to return at that time will be kept on the recall list and at the time the employee is physically able to return he will be placed on a job which he is eligible for under the terms of Article V.

In no event will an employee be kept on the recall list beyond the time limits set forth in the Agreement except that a recalled employee, who is unable to return because of disability due to sickness, accident or pregnancy and whose recall rights would expire prior to his return, will be given up to six (6) weeks from the time of his recall to return to work.

ARTICLE VI, § 4

Section 4. Employees away from their jobs because of a compensable injury as defined by the Workers' Compensation Act will be given a leave of absence and shall accrue length of continuous service while on compensation.

Section 5. Any leave of absence obtained through false pretenses shall be invalid and the employee's absence shall be recorded as unauthorized and such disciplinary action shall be taken as the Company believes warranted.

Section 6. Whenever requested by the Company, an application for a leave of absence shall be made in writing by the employee on a form provided by the Company, and, if approved, a copy thereof will be furnished the employee. All leaves granted under this Article shall be without pay.

Section 7. Upon written request to the Company, an employee will be granted a leave of absence for the purpose of entering training with the Peace Corps and subsequent service therein. This leave will extend for a period of not less than one (1) year nor more than three (3) years while attached to the Peace Corps. The written notification to the Company shall be submitted to the Employment Office of his plant and shall contain satisfactory written evidence that the Peace Corps has invited him to enter training and/or service. Length of continuous service shall accumulate during such leaves of absence.

Section 8. The Company will grant an educational leave of absence for any employee attending any institution of higher learning, acceptable to the Company. Such leave will be on an inactive status and will be limited to a maximum of three years. Upon return at the end of such leave he will be placed on the job he is eligible for under the terms of Article V.

Section 9. An employee elected to full time political office shall, upon written request to the Company, accompanied by appropriate election certification, receive a leave of absence without pay for the period of office. The inactive leave of absence shall be extended only if the employee is reelected to that or other political office. Length of continuous service shall accumulate during such leave of absence but the employee shall not be entitled to any employee benefits including pension benefits or accruals. Upon completion of the leave of absence, the employee shall be re-employed in accordance with his or her length of continuous service and qualifications to perform the available work.

ARTICLE VII, § 1

**ARTICLE VII
REPRESENTATION**

Section 1. For purposes of this Article, the Baltimore, Denver and Orlando Plants shall be considered as separate facilities.

Section 2.

- (a) Representation shall be by geographical areas, designated by mutual agreement between the Company and the Union as soon as possible after the date of this Agreement, but in no event later than thirty (30) days. Such representation is applicable to each bargaining unit as defined in the Agreement.
- (b) There shall be stewards designated by the Union on the basis of approximately one (1) steward for each one hundred (100) in-unit employees. The Company recognizes, however, that employment at times is so scattered in certain sections of the plant as to make it impracticable to follow exactly the foregoing ratio of stewards to employees. In such cases, the Company agrees that strict compliance with the ratio prescribed herein shall not be followed and will accept the designation of stewards to such areas on a lesser ratio basis as mutually agreed to be appropriate under the circumstances.
- (c) There shall be one (1) committeeperson for each six (6) stewards as provided for in Section (b) hereof, except as may be otherwise mutually agreed upon between the Union and the Company.

Section 3. Stewards and committeepersons will be allotted to the agreed upon geographical areas. When employment increases or decreases, upon the basis as outlined in Section 2, the number of Union representatives shall be adjusted accordingly; however, this adjustment shall not be made more than once every three (3) months. No steward or committeeperson will be assigned to an area unless the steward or committeeperson is working within such area.

Section 4. The Union shall furnish the Company with a list of its officers, plant committeepersons and stewards. Whenever any changes are made in personnel of the Union, the Company shall be notified promptly in writing by the Chairperson of the Bargaining Committee. The Company shall furnish the Union with a list of its general foremen or comparable supervision and other permanent management members who are to participate in the settlement of grievances as provided herein and shall notify the Union promptly of any changes in such list.

When the Company has not been supplied with the name of a steward, communications intended for this steward shall be addressed to the committeeperson; and when the Company has not been supplied with the name of a committeeperson, or with the names of both the steward and committeeperson, communications intended for such committeeperson and/or steward shall be addressed to the Chairperson of the Bargaining Committee.

Section 5. There shall be a Bargaining Committee consisting of five (5) members, all of whom shall be permanent members; namely those elected or selected by the Union to the position of Chairperson, Vice Chairperson and Secretary of the Bargaining Committee, and two (2) additional members designated by the Union.

Section 6. The Union may appoint an alternate for each shop committeeperson or steward, but he shall not have any preferential seniority. Such alternates, however, shall act only in the absence or disability of their respective principals and shall not otherwise be recognized by the Company.

Section 7. Only employees who have seniority shall be eligible to hold the office of stewards and committeepersons of the Local Union.

ARTICLE VII, § 8

Section 8. Union representatives shall not handle any grievances arising outside of their respective areas or steps of the Grievance Procedure as defined in Article VIII.

ARTICLE VIII, § 1

ARTICLE VIII GRIEVANCE PROCEDURE

Section 1. Any individual employee or group of employees shall have the right to present grievances to the Company and to have such grievances adjusted; but if the settlement of the grievance would affect the rights of other employees under this Agreement, then the Union will be notified of such grievance and the Company will negotiate with the Union concerning the disposition of such grievance, except those grievances which the Union agrees may be adjusted without notification to it or without participation.

Any complaint or problem which an employee has not been able to adjust with his supervisor, with or without a Steward, if it involves the interpretation and application of any of the terms of this Agreement, shall be presented in the following manner:

Step 1. The grievance may be taken up with the General Foreman or his representative by a Steward of the Union in the Steward's defined area. The General Foreman shall answer the grievance in writing within two (2) days after it is so presented.

Step 2. If the grievance is not satisfactorily adjusted under Step 1 hereof, it shall be referred to the appropriate Committeeperson by the Steward who may appeal it to the Superintendent or his representative in the department where the grievance arose. A decision in writing shall be made within three (3) days after presentation.

In the event a grievance has not been answered within the time limits specified at Step 1 or Step 2 it shall be deemed to be automatically advanced to the next step.

Step 3. If the grievance has not been satisfactorily adjusted under Step 2 hereof, it may be referred to the Employee Relations Manager of the particular Division by the Bargaining Committee at the next scheduled meeting of the Bargaining Committee and the Employee Relations Manager or his representative. The Employee Relations Manager or his duly authorized representative shall render a decision in writing within five (5) days after adjournment of the meeting. The Chairperson of the Bargaining Committee shall supply the Employee Relations Manager with an agenda of grievances forty-eight (48) hours in advance of the scheduled meeting. There shall be no obligation on the part of the Employee Relations Manager or his duly authorized representative to discuss any grievance which does not appear on the agenda.

Step 4. Any grievance not satisfactorily adjusted in Step 3 hereof may be appealed to the Company's Labor Relations Committee. A hearing shall be scheduled in five (5) days and an answer shall be given in writing within five (5) days after the close of the hearing. The President of the Local Union, the Chairperson of the Bargaining Committee and not more than two representatives of the International Union may be present and participate in the meeting provided for in this Step.

Section 2. Unless a grievance shall be appealed within five (5) days after the decision in any of the Steps 1, 2, or 3, of the Grievance Procedure of this Article, such grievance shall be deemed to have been settled in accordance with such decision which shall be final and binding upon all the parties, provided that an appeal of a grievance to the Third Step arising on the second and third shifts may be made within ten (10) days after a decision rendered on a grievance in the Second Step. A decision rendered on a grievance in Step Four of said Grievance Procedure shall be final and binding upon all parties and the grievance deemed settled in accordance with such decision unless arbitrated pursuant to Article IX of this Agreement. Time limits as provided in this Article may be extended by mutual written agreement.

Section 3.

- (a) All grievances shall be presented in writing in quadruplicate on a form furnished by the Company.

ARTICLE VIII, § 3(b)

- (b) The written grievance shall set forth the complaint and remedy sought, and this, together with any accompanying statements, shall be dated and signed by the complaining employee or employees and by the Steward presenting the grievance. Policy grievances alleging a violation of a clause of this Agreement, which affect a group of employees, shall be filed and processed by the Chairperson of the Bargaining Committee starting at the Third Step of the Grievance Procedure. *Grievances involving the violation of a clause of this Agreement, which affect a Steward individually, shall be accepted bearing only the signature of the Steward.* A grievance may be filed by a Steward on behalf of a laid off employee when the grievance alleges that the employee was laid off in violation of Article V or is entitled to recall under Article V of the Agreement. Such grievances need not be signed by the laid off employee.
- (c) All answers to grievances shall be in writing and, if adverse, shall state reasons for the denial; but if the reason is purely personal to an employee's character, it need not be stated.
- (d) The grievance shall set forth the number of the Article and Section of the Agreement which is the basis for the filing of the grievance, provided, however, that the Union may amend the grievance in writing in the First, Second and Third Steps and prior to completion of discussion at the Fourth Step. Such amendments thereafter shall be made only by mutual agreement.
- (e) As used, in this Article, the title "General Foreman" or "Superintendent" in those departments on those shifts wherein such title is not used or where the distribution of employees does not warrant the higher supervisory classification of "General Foreman" or "Superintendent," the term "General Foreman" or "Superintendent" shall be taken to mean the nearest comparable or nearest highest supervisory classification, whichever is most feasible.
- (f) After the Company representative has made a reply to a grievance in any step of the foregoing procedure, there shall be no obligation of such representative to discuss or consider the matter further.

Section 4. The meeting with the Employee Relations Manager, as outlined in Step 3, Section 1, of this Article, shall be held weekly at a time to be decided upon locally. Special emergency meetings with the Bargaining Committee on subjects other than grievances may be held by mutual agreement.

Section 5.

- (a) It is recognized that a grievance must be taken up promptly and shall in no event be taken up later than thirty (30) days after the Union or the employee could reasonably have been expected to know of the occurrence of the condition which it is claimed gave rise to the grievance. A grievance for reclassification, the conditions of which are actually in existence at the time of the grievance, may be processed under this Article. No wage claim shall be valid for a period of more than thirty (30) days prior to the date of filing the grievance.
- (b) Any claim or award for back wages under this Agreement shall be less any unemployment benefits or layoff benefits.
- (c) **Any grievance settlement under this agreement that results in the payment of back wages to an employee, shall be paid within sixty (60) days of the final signed agreement.**

Section 6. When it is necessary for a Union representative to leave his job for the purpose of handling grievances either at the request of an employee or upon presentation of a grievance signed by the employee or by the Steward as provided in Section 3 (b) of this Article, or for attending meetings with Management

representatives, such Union representative shall notify his immediate supervisor (or when not available, the next higher supervisor) and obtain permission to leave the job and shall report again to his immediate supervisor at the time of returning to work.

ARTICLE VIII, § 6

The Union representative must, in this connection, first obtain from his supervisor a pass which shall state the destination, the time of leaving, and upon returning to his work, the time of his return. The pass shall be signed by the Union representative and the supervisor. A duplicate copy of such pass will be given the Union representative when he returns to his work.

Permission will be granted a Union representative for the purposes set forth in this Section within thirty (30) minutes after the request, or as quickly as possible in keeping with sound plant practices. No Union representative shall conduct any of the activities contemplated in this Article in such a manner, time or circumstance as to interfere with production or efficiency. Grievances shall not be presented by a Steward or a Committeeperson during the first half hour after the start of his shift.

When a grievance has been appealed to the Third Step of the Grievance Procedure, the Chairperson of the Bargaining Committee, if he so desires, may contact the Committeeperson and/or Steward involved for the purpose of obtaining information regarding the grievance, subject to the procedure as set forth in this Section.

If, in order to understand an operation involved in the appealed grievance, the Committeeperson or the Chairperson of the Bargaining Committee may review the operations, provided appropriate arrangements are first made with Management representative. Such visits shall be restricted to the observation of the operation in question, discussion with Management representative and, if necessary for an understanding of the grievance, the employee involved in the grievance may be interviewed regarding the grievance for a reasonable length of time.

If desired by the Chairperson of the Bargaining Committee in investigating a grievance in Third Step, the Committeeperson may be called for his comments provided, however, that the Committeeperson leaves his work as provided in this Section.

Under the preceding three paragraphs, the Chairperson of the Bargaining Committee may designate a member of the Bargaining Committee to act for him.

Section 7. An employee having a grievance shall be given a reasonable time to take the grievance up with the proper Union representative during working hours without loss of pay to the employee, but he shall first obtain permission of his supervisor. The supervisor shall promptly secure Union representation for any employee requesting it, subject to the necessities of production.

Section 8. In cases where it is deemed necessary by the Local Union, the President of the Local and/or an International Representative of the Union shall be granted access to the plant, as hereinafter set forth, for the purpose of investigating a grievance which has not been satisfactorily disposed of at the Third Step of the Grievance Procedure described in this Agreement, provided such visit does not conflict with any Government regulations.

(a) The purpose of the visit shall be confined to:

- (1) Arriving at a decision as to whether or not such a grievance shall be appealed.
- (2) Its proper presentation in the event of appeal.
- (3) The visit shall be of reasonable duration and shall be subject to all plant rules and Company and Government regulations applying to employees.

- (b) *The Local Union shall give notice in writing to the Employee Relations Manager of the request for entry and will identify the representative who will make the visit and the specific grievance(s) in question.*

ARTICLE VIII, § 8(c)

- (c) Management will acknowledge receipt of the request and set a time during regular working hours which is mutually agreeable for such a visit.
- (d) Such visit shall be restricted to observation of the operations in question, discussion with the department supervision, Management representative, and, if desired by the International Representative or President, the Union Steward and/or Committeeperson may be called for his comments, provided, however, that the Steward or Committeeperson leaves his work as provided in Section 6 of this Article. If mutually agreeable, the employee or employees involved in the grievance may be interviewed in connection with the grievance.
- (e) The purpose of this provision is solely to facilitate the handling of the grievance and the Union representative shall confine his visit to the stated purpose.

Section 9. Each of the parties hereto agree to cooperate with the other to reduce to a minimum active time spent by Union representatives in investigating, handling, presenting, and adjusting grievances or disputes.

Section 10. An International Representative of the Union may be present at Third Step Grievance Meetings of the Grievance Procedure when requested by either the Management or the Local Union.

Section 11. Whenever it is mutually agreed upon between the Local Union and the Company, the aggrieved employee may be present at any step of the Grievance Procedure.

Section 12. In computing time limits under this Article, unscheduled work days and holidays shall not be counted.

Section 13. When a grievance is presented, Management shall make available at the request of the appropriate Union representative at the various steps of the Grievance Procedure copies of the following information regarding the employee's grievance: the date of employment, classification and rate of pay, attendance records and overtime information, provided any or all of such data is pertinent to the handling of such grievance. If any of the above data is requested, the Company will have three (3) days in which to answer the grievances instead of the two (2) days noted in Section 1, Step 1 of this Article. If there is other information which would contribute to a settlement that, in the judgment of the Company, can be released, the Company will discuss such information with the Union in the Third and Fourth Steps of the Grievance Procedure.

Section 14.

- (a) When an employee is discharged or suspended, the Company will mail to the employee's home address, as shown on the Human Resources Department records and to the Chairperson of the Bargaining Committee a statement as to the reasons for his discharge or suspension. Such statement will be mailed within forty-eight (48) hours from the time the employee is discharged or suspended.
- (b) A discharged employee or one who is suspended for disciplinary reasons shall have the right to request Union representation and, if requested, will be permitted an interview with his Committeeperson at a place designated by the Company for a reasonable length of time before he is required to leave the premises, unless circumstances necessitate immediate removal from the premises.

An employee may request representation by his Committeeperson if the Company requires an employee to attend an investigatory interview which may result in disciplinary action being taken against the employee.

ARTICLE VIII, § 14(c)

- (c) A grievance arising out of a discharge or disciplinary suspension which is alleged to have been made without cause must be filed in writing with the Employee Relations Department within five (5) days after such discharge or suspension or within five (5) days after the employee and the Chairperson of the Bargaining Committee received a statement as to the reasons for the discharge or suspension. The Employee Relations Department shall render a written decision within three (3) days after the grievance has been filed with it.

Any appeal from the decision of the Employee Relations Department shall be made to the Fourth Step of the Grievance Procedure set forth in Section 1 of this Article within five (5) days from the time such decision is received by the Union. Such meetings shall be held within five (5) days of the date of appeal.

Any appeal from the decision of Management at the Fourth Step shall be made by the Regional Director of the International Union or his representative and shall be presented in writing together with a statement of position within five (5) days from the receipt of such answer by the International Union. Any such appeal under the terms of this paragraph shall be considered to be in lieu of notice of intention to take the case to arbitration as provided for in Article IX (a). Management shall, within five (5) days of receipt of the appeal and statement of the position of the Union, submit to the Union in writing an answer to the statement of position so submitted and its position with reference to the relevant issues.

Thereafter the arbitration proceeding shall be in accordance with the terms of Article IX, Paragraphs (b), (c), (d), and (e). The decision of the Arbitrator may or may not include back pay.

Section 15.

- (a) Union Stewards and Committeepersons referred to in Article VII, Section 2, will each be allowed to spend such time as may be necessary in handling grievances and complaints in accordance with this Article, up to but not exceeding seven (7) hours in any week without deduction of pay. However, both of the above are to observe all the conditions and provisions set forth in this Agreement. No part of such time nor any other time during working hours shall be spent soliciting grievances.

Any other time spent by Union representatives or officials shall be without pay from the Company.

- (b) The President of the local Union and the Chairperson of the Bargaining Committee will be compensated by the Company while on leave of absence for Union business as defined in Article VI, Section 1. Such compensation shall be paid for each regular work day, Monday through Friday, inclusive, on the basis of eight (8) hours per day at his regular basic straight time hourly rate of pay as noted on the records of the Company, exclusive of night shift premium, but including the cost-of-living allowance.

Effective with the expiration of the term in office for the current Local Union President and Chairperson of the Bargaining Committee and no later than June 1, 2006, the Company will provide compensation up to twenty (20) hours per week for each official for administration of the Collective Bargaining Agreement. In the future should the size of the bargaining unit exceed 800 employees the Company would then provide full compensation up to 40 hours straight time per week for the Local President and Chairperson of the Bargaining Committee.

ARTICLE VIII, § 15(b)

Other members of the Bargaining Committee as provided for in Article VII, Section 5 will be compensated for time spent during their regular working hours in attendance at Third Step meetings, Fourth Step meetings, and special meetings on other matters with the Company except for arbitration hearings and negotiations. In addition, members of the Bargaining Committee designated by the Chairperson to act for him under Article VIII, Section 6 will be allowed up to but not exceeding eight (8) hours without loss of pay in any week for the purpose of investigating grievances on their shift. The total time available without loss of pay for all such alternates as a group shall not exceed eight (8) hours in any one week. Such compensation is to be at their regular basic straight time hourly rate plus the cost of living allowance.

Section 16. There shall be no retroactive application of the Grievance Procedure of this Agreement and no grievance which existed prior to the date hereof shall be taken up under this Agreement, except those grievances now in process or any grievances, the basis of which exists and continues to exist as of the time of execution of this Agreement, subject, however, to other provisions of this Agreement.

ARTICLE IX

ARTICLE IX ARBITRATION

Insofar as a grievance shall involve the interpretation or application of the provisions of this Agreement and has not been settled satisfactorily in Step Four of the Grievance Procedure as set forth in Section 1 of Article VIII, it may be submitted to an impartial arbitrator in accordance with the provisions of this Article, by either party to this Agreement.

- (a) The party desiring such arbitration shall within twenty (20) days of the decision in Step Four of said Grievance Procedure give written notice of such intention to the other party together with a written statement of facts upon which the case is submitted, and including a statement of the position of the party with respect to the arbitrable issues. Within seven (7) days after receipt of such notice and statement, the other party shall submit to the party desiring arbitration a written answer to the statement of facts so submitted and its position with reference to the relevant issues.
- (b) Within ten (10) days from the submission of such answer, the Company and the Union shall select initially an impartial arbitrator; but if they cannot agree upon a choice within ten (10) days thereafter, then the party desiring arbitration may request the Federal Mediation & Conciliation Service to submit a panel of seven (7) arbitrators. The parties will select an arbitrator by alternately striking names from the panel with the arbitrator remaining being the designated arbitrator. All notices and correspondence relative to the appointment of such impartial arbitrator shall be served simultaneously upon the other party.

The case will be heard within thirty (30) days from the appointment of the arbitrator unless such time is extended by mutual agreement.

It is understood that more than one case may be submitted to the same arbitrator at the same hearing, but neither party shall be required to submit more than three unrelated cases to any one arbitrator at any one time. In cases where either party considers that a major policy issue is at stake, such party may stipulate that only that one case be heard by the arbitrator.

- (c) The arbitrator shall consider only those issues, including any amendments that were made pursuant to Section 3 of Article VIII, which have been properly carried through all steps of the Grievance Procedure. The arbitrator shall afford to the Company and the Union a reasonable opportunity to present evidence, witnesses, and arguments. Persons testifying may be sworn at the request of either party.

The jurisdiction of the arbitrator and his decision shall be confined to a determination of the facts and the interpretation or application of the specific provision or provisions of this Agreement at issue. The arbitrator shall be bound by the terms and provisions of this Agreement and shall have authority to consider only grievances presenting solely an arbitrable issue under this Agreement. The arbitrator shall have no authority to add to, subtract from, modify or amend any provisions of this Agreement. The arbitrator shall have no authority to interpret any State or Federal law when the compliance or noncompliance therewith shall be involved in the consideration of the grievance or to consider wages or matters relating to Management prerogatives, or any other matter not specifically set forth in this Agreement.

The decision of the arbitrator shall be rendered within thirty (30) days of the submission of briefs to him and shall be final and binding on the Company, the Union, and the employee or employees involved, subject to the limitations specified in this Agreement.

- (d) The compensation of such arbitrator for his services and expenses in connection with the case or cases submitted to him shall be shared equally between the Company and the Union.

ARTICLE IX, § (e)

- (e) The Company and Union may mutually agree to submit any other question than herein expressly provided to the arbitrator for determination.
- (f) In computing time limits under this Article, unscheduled work days and holidays shall not be counted.

ARTICLE X

**ARTICLE X
STRIKES, LOCKOUTS AND WORK STOPPAGES**

The Union, its officers and members agree that for the duration of this Agreement there shall be no strikes, sit-downs, slowdowns, stoppages of work or any acts of any nature which would interfere with production and no picketing of any kind. The Company agrees that for the duration of this Agreement there shall be no lockouts. Failure or refusal on the part of any employee of the Company to comply with any and all provisions of this Section shall be sufficient ground for penalty or discharge. A lockout as mentioned herein shall not be construed as the closing down of the plant or any part thereof or curtailing any operations for business reasons.

The responsibility of the Company or the Union for acts of employees, members or other persons shall depend upon the agency of such persons.

ARTICLE XI

**ARTICLE XI
HOURS OF WORK**

Section 1. This Article defines the normal hours of work and nothing in this Agreement shall be construed as a guarantee of hours of work per day or per week or of days of work per week.

Section 2. The normal work day shall consist of eight (8) hours in the twenty-four (24) consecutive hour period following the starting time of the employees' respective shifts. The calendar day worked for respective shifts shall be determined as of the day the respective shifts start to work.

The work week shall begin with the hour that the respective shifts start to work on Monday and shall end 168 hours later, except that the work week for the third shift shall begin with the hour that it starts to work on Sunday and shall end 168 hours later.

Section 3. The normal work week shall consist of forty (40) hours on five (5) consecutive days for the first and second shifts, Monday, Tuesday, Wednesday, Thursday, and Friday, and for the third shift starting with Sunday night shall consist of the eight (8) hour period beginning with the starting shift time on Sunday night and the corresponding eight (8) hour periods for the next four (4) consecutive nights, except for employees engaged on operations which are normally classified as seven (7) day operations and other operations which are mutually agreed upon.

Section 4. Determination of starting times shall be made by the Company and schedules may be changed by the Company from time to time to suit varying conditions of business; provided, however, that starting times and schedules for groups or departments shall be a proper subject of discussion between the Company and the Union before such changes are made. When practical, the employees affected will be advised of such change seventy-two (72) hours prior to the change taking place.

Section 5. The scheduled starting times of the three shifts at Baltimore, Denver and Orlando for purposes of shift premium shall be as follows:

1st	4:00 a.m.	10:59 a.m.
2nd	11:00 a.m.	8:29 p.m.
3rd	8:30p.m.	3:59 am.

ARTICLE XII, § 1

**ARTICLE XII
OVERTIME AND HOLIDAY PAY**

Section 1. This Article is for the sole purpose of providing a basis for the calculation and payment of overtime and premium pay and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week. The overtime and premium pay provisions in this Agreement shall not in any way affect or increase the regular or basic straight time rate of pay, which shall be calculated upon the principles and practices hereinafter existing in the plant and be the basis for the computation of any overtime or premium payments provided herein. The premium pay for Saturday, Sunday and holidays provided herein is conditioned upon work in excess of bona fide standards and may be credited against any statutory compensation under the Fair Labor Standards Act, in accordance with the regulations and rulings of the Wage and Hour Administrator.

It is the intent of the parties that overtime and premium pay computed as provided in this Article shall be in conformity with and in reliance on the regulations and rulings of the Wage and Hour Administrator, and shall be in full compliance with the Fair Labor Standards Act, the Walsh-Healey Act, and any other requirements.

Section 2. Overtime will be paid at the rate of one and one-half the regular basic straight time rate as follows:

- (a) All authorized hours worked in excess of eight hours in any regular work day or in excess of forty hours in any regular work week for which overtime has not previously been paid.
- (b) All authorized work performed on the first and second shifts on Saturday and on the third shift on Friday.

Section 3. Overtime will be paid at the rate of double the regular basic straight time rate for all authorized work performed on the first and second shifts on Sunday and the third shift on Saturday.

Section 4.

- (a) Employees on the active payroll of the Company shall receive eight (8) hours regular basic straight time pay for the following holidays in the following years:

First Year	Second Year
11/27/03 Thanksgiving - Thursday	11/25/04 Thanksgiving - Thursday
11/28/03 Day after Thanksgiving - Friday	11/26/04 Day after Thanksgiving - Friday
12/24/03 Christmas Shutdown - Wednesday	12/24/04 Christmas Shutdown - Friday
12/25/03 Christmas Shutdown - Thursday	12/27/04 Christmas Shutdown - Monday
12/26/03 Christmas Shutdown - Friday	12/28/04 Christmas Shutdown - Tuesday
12/29/03 Christmas Shutdown - Monday	12/29/04 Christmas Shutdown - Wednesday
12/30/03 Christmas Shutdown - Tuesday	12/30/04 Christmas Shutdown - Thursday
12/31/03 Christmas Shutdown - Wednesday	12/31/04 Christmas Shutdown - Friday
01/01/04 New Year's Day - Thursday	05/30/05 Memorial Day - Monday
01/02/04 Day after New Year's Day - Friday	07/04/05 Independence Day - Monday
05/31/04 Memorial Day - Monday	09/05/05 Labor Day - Monday
07/05/04 Independence Day - Monday	
09/06/04 Labor Day - Monday	

ARTICLE XII, § 4(a)

Third Year	Fourth Year
11/24/05 Thanksgiving Day – Thursday	11/23/06 Thanksgiving Day – Thursday
11/25/05 Day after Thanksgiving – Friday	11/24/06 Day after Thanksgiving – Friday
12/23/05 Christmas Shutdown – Friday	12/25/06 Christmas Shutdown – Monday
12/26/05 Christmas Shutdown – Monday	12/26/06 Christmas Shutdown – Tuesday
12/27/05 Christmas Shutdown – Tuesday	12/27/06 Christmas Shutdown – Wednesday
12/28/05 Christmas Shutdown – Wednesday	12/28/06 Christmas Shutdown – Thursday
12/29/05 Christmas Shutdown – Thursday	12/29/06 Christmas Shutdown – Friday
12/30/05 Christmas Shutdown – Friday	01/01/07 New Year's Day – Monday
01/02/06 New Year's Day – Monday	05/28/07 Memorial Day – Monday
05/29/06 Memorial Day – Monday	07/04/07 Independence Day – Wednesday
07/03/06 Day before Independence Day – Monday	09/03/07 Labor Day – Monday
07/04/06 Independence Day – Tuesday	
09/04/06 Labor Day – Monday	

Holiday Pay will include night shift differential.

There shall be no pay for holidays when a holiday falls within a leave of absence. When a holiday falls on Sunday, the Monday following shall be considered the holiday. When a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday.

- (b) Employees who are authorized to work on said holidays, and who work, will be paid in addition to the holiday pay as provided in Section 4(a) double the regular basic straight time rate of pay for authorized work performed.
- (c) Employees working on operations which are normally classified as seven-day operations will not be paid overtime for Saturday or Sunday work when the Saturday or Sunday is a working day of their scheduled week, unless such hours exceed eight (8) hours in any regular work day or exceed forty (40) hours in any regular work week for which overtime has not previously been paid. Such employees shall receive time and one-half for all authorized work performed on the sixth day in their scheduled work week, double time for all authorized work performed on the seventh day in their scheduled work week, and double time for all authorized work performed on any of the designated holidays for which premium pay is not otherwise provided.

Section 5. If an employee is scheduled to work on a holiday and is notified but fails to report, he shall not receive any pay for said holiday unless he is absent for a satisfactory reason.

Section 6. There shall be no pyramiding of premium or overtime pay and nothing in this Article shall be construed to require the payment of premium or overtime pay more than once for the same hours worked.

The Union agrees that it will not foster or encourage, either directly or indirectly, any suits against the Company for so-called overtime on overtime, or for overtime or premium payments insofar as any such suits

seek to recover sums outside the scope of this Agreement, and that it will use its best efforts to discourage and prevent any such suits.

Section 7. So long as his normal work is available, no employee shall be deprived of his regularly scheduled employment for the purpose of avoiding overtime.

Section 8.

- (a) The Company will, insofar as is practicable, with due regard to production, equalize overtime among employees working in the same job classifications in the same work groups.

ARTICLE XII, § 8(b)

- (b) The work groups for the purpose of overtime distribution are outlined in the schedule attached. Overtime will be distributed among employees in the same job classification, on the same shift, within the work group outlined, subject to the principles set forth below:
 - (1) An employee need not be selected for overtime work unless he can perform the necessary work with full efficiency and without the need for more than normal explanations to perform the work involved. Normally, on weekend overtime, the low man in the group will first be offered the opportunity to work prior to other employees being asked. Imbalances of overtime are expected to be temporary, and adjustments will be made as soon as production requirements and overtime schedules permit.
 - (2) The work groups on the schedules attached for the three Locals who are party to this Agreement are based on the present production and manpower requirements of the Company and the present layout and organization of the plants. If a substantial change in any of those factors makes it necessary to change any of the work groups, the Union shall be notified. Such change will not be made until the need for change has been discussed between the Union and the Manager of Employee Relations.
- (c) In calculating overtime credits, the following rules shall apply:
 - (1) Overtime shall be credited on the basis of paid overtime hours.
 - (2) For the purpose of equal distribution of overtime only, an employee will be counted as having worked overtime if the employee:
 - (a) Refuses scheduled daily overtime.
 - (b) Refuses nonscheduled daily overtime and has been given notice of such overtime at least four (4) hours prior to the end of the shift.
 - (c) Refuses sixth and/or seventh day overtime and has been given notice of such overtime at least six (6) hours prior to the end of his last regularly scheduled shift.
 - (d) Accepts overtime but fails to work.
 - (e) Is due to work overtime but is absent.

The foregoing is for the sole purpose of equalizing overtime work and shall not affect the right of the Company to require overtime work or to control absenteeism.
- (3) An employee coming into a new group permanently shall be credited with having worked the average number of overtime hours for the group. An employee assigned on a temporary

basis to an overtime group will share in the overtime after those who are permanently assigned to the overtime group have been offered the overtime work. The Company will credit the overtime hours worked by temporary employees back to their original group.

- (4) A probationary employee will not be assigned overtime prior to such overtime first being offered to those employees with seniority in the classification within the overtime work group. When an employee attains seniority status, he will be credited with having worked the average number of overtime hours for the group.

ARTICLE XII, § 8(c)(5)

- (5) An employee on temporary duty assignment, as referred to in Article V, Section 22, for six (6) months or less who is returned to his former overtime group shall be charged with the overtime accumulated on the temporary assignment. All other employees on temporary duty assignment upon return shall be charged with the average overtime of the overtime group to which they are assigned.

- (d) Overtime records will be posted in the work area.

Section 9.

- (a) If an employee, whose regular work week is Monday through Friday, begins a shift on Sunday, he will be paid at the rate of double time for all consecutive hours worked, even though such hours extend into the next work day.

Similarly, an employee on a seven (7) day operation who begins a shift on the seventh (7th) day of his work week will be paid at the rate of double time for all consecutive hours worked, even though such hours extended into the next work day.

- (b) If an employee receives premium pay as a result of working more than eight (8) hours in a work day and such employee continues to work into his next work day with no time off, those hours in the next work day shall be paid at the premium rate.

(For example: A's regular starting time is 7:00 a.m. On Tuesday he starts at that time and works without time off until 9:00 a.m. Wednesday. He will be paid time and one-half for all hours worked from 3:30 p.m. Tuesday through 9:00 a.m. Wednesday.)

- (c) When no shift change is involved, but the employee is directed by his supervisor to come in before the regular starting time of his Monday shift and before the end of the 168-hour period which denotes his prior work week, the employee will be paid at the rate of double time for all hours worked prior to his regular shift starting time.
- (d) It is also understood that whenever a shift change requires an employee to report for work in a subsequent week, before the end of the 168-hour period which denotes the prior week, he will be deemed to have begun a new work week, provided there are seven and one-half (7 1/2) hours between his time of stopping work on Sunday, and starting work on Monday.

ARTICLE XIII

ARTICLE XIII BULLETIN BOARDS

The Company will provide a reasonable number of bulletin boards, the number and location of which is to be mutually agreed upon by the local Bargaining Committee and the Company at each plant, which boards may be used by the Union for posting notices approved by the Management and signed by the President of the Local Union or the Chairperson of the Bargaining Committee and restricted to:

- (a) Notices of Union recreational and social affairs.
- (b) Notices of Union elections, appointments and results of Union elections.
- (c) Notices of Union meetings.
- (d) Such other notices of bona fide Union activities as may be mutually agreed upon.

Each local Union may distribute copies of its official local paper and other Union literature on Company premises, subject to the following regulations to which the Union hereby agrees:

1. Distribution of the local Union paper and other Union literature will be permitted in nonwork areas when employees are on their own time, at locations mutually agreed upon.
2. The Union agrees that its members designated to distribute the official paper of the local Union and other literature will, at all times, comply with the instructions of the Plant Protection Department and that such Union members will not enter into any controversies at the points of distribution, but will submit any complaints to the Employee Relations Manager.
3. The Union agrees that at no time will it conduct its distribution so as to cause any interference with pedestrian or vehicular traffic. All loose and discarded copies of the official paper of the local Union and other literature within the area of distribution will be picked up and disposed of.
4. There will be no "hawking" of the Union literature while it is being distributed.
5. There shall be no other distribution or posting of pamphlets, advertising matter or any other kind of literature upon Company property other than as herein provided, unless mutually agreed upon by the local Bargaining Committee and the Company at each plant.

ARTICLE XIV, § 1

**ARTICLE XIV
VACATIONS**

Section 1. The vacation provisions set forth in Sections 1 through 9 shall remain in effect until January 1, 2004. The Company will grant vacation with pay after the completion of twelve (12) months continuous service as hereinafter set forth.

Employees with more than one (1) year, but less than ten (10) years' continuous service who, during the preceding calendar year, worked:

- 500 hours but less than 750 hours - 3 days vacation
- 750 hours but less than 1000 hours - 5 days vacation
- 1000 hours but less than 1500 hours - 7 days vacation
- 1500 hours or more - 10 days vacation

Employees with more than ten (10) but less than twenty (20) years of continuous service who, during the preceding calendar year, worked:

- 500 hours but less than 750 hours - 5 days vacation
- 750 hours but less than 1000 hours - 7 days vacation
- 1000 hours but less than 1500 hours - 10 days vacation
- 1500 hours or more - 15 days vacation

Employees with twenty (20) or more years of continuous service who, during the preceding calendar year, worked:

- 500 hours but less than 750 hours - 7 days vacation
- 750 hours but less than 1000 hours - 10 days vacation
- 1000 hours but less than 1500 hours - 15 days vacation
- 1500 hours or more - 20 days vacation

Employees who are laid off after completing twelve (12) months' continuous service shall be paid for vacation earned during the previous year and not yet taken plus vacation earned during the current year as set forth above.

The payroll records of the Company will be the basis for establishing the number of hours worked by each employee.

For the purpose of this Article, length of continuous service shall be determined as set forth in Section 1 of Article V of this Agreement.

Section 2. The rate of pay for the vacation period scheduled will be the employee's highest regular basic straight time pay rate for the preceding thirteen (13) weeks at the time vacation is started and eight (8) hours pay will be paid for each day of vacation earned. Vacation pay shall be advanced to the employee on the day his vacation starts. The employee will be advanced only that amount of money represented by the number of days vacation to which he is entitled. Payment in lieu of vacation will be made only if the Company determines that production requirements prevent time off for vacation. Vacation pay will include night shift bonus.

ARTICLE XIV, § 2

Vacation may be scheduled and taken in one half workday increments.

Section 3. The Company recognizes that it is desirable for employees to have a vacation and the Company may designate a two-week continuous vacation period during the months of July or August, at which time the plant operations may be closed down, unless military or production requirements dictate that there shall be no shutdown. In the event the plant is not shut down, then vacations will be scheduled throughout the year. Designation of a vacation period by the Company, if one is designated, will be announced not later than April 1st of the current year. All vacations shall be taken during such period if one is designated except employees needed to protect and maintain plants, equipment, and schedules during the closed down period.

Because the national defense effort may require continuous all-out effort in the production of the product or products manufactured at the various Plants, it may be necessary for the Company to cancel vacations of some employees, in which event those employees shall be paid their regular vacation pay at the time they would have taken their vacation or if production requirements permit, reschedule their vacation at a later time in the calendar year.

Scheduled vacations will not be canceled without the approval of Employee Relations at each Company. If any employee's scheduled vacation is canceled by the Company, such employee may request the Company to reschedule his vacation and wherever practicable the Company will do so.

Section 4.

- (a) Vacations earned during one calendar year as outlined heretofore must be taken during the calendar year immediately following. In no case will vacations be permitted to accumulate or carry over into subsequent calendar years, except as provided in (b) below.
- (b) Employees who are eligible for fifteen (15) or more days vacation may defer not more than five (5) days each calendar year up to a maximum of thirty (30) days deferred.

Section 5. Employees who leave the active payroll of the Company, except for reasons of death, after completing twelve (12) months' continuous service, shall be paid for all vacation earned and deferred up to the time of separation.

Section 6. Vacation earned during the current and preceding calendar year and any deferred vacation will be paid into the estate of a deceased employee or to his beneficiary (state law permitting) provided he has completed twelve (12) months continuous service.

Section 7. Employees recalled during the same calendar year in which they were laid off shall be credited with the total hours worked during the calendar year and shall receive a vacation based on the above schedules less any allowance made at the time of layoff.

Section 8. If one of the legal holidays for which straight time is paid as provided in Article XII falls within the vacation period, the Company may either extend the vacation by one day or pay the additional compensation for the holiday.

Section 9. In computing the total hours worked by an employee for the purpose of determining his vacation period in the current and next succeeding calendar years in accordance with Section 1 of this Article, the following in the preceding calendar years will be counted as hours worked:

- (1) All compensated hours.
- (2) Hours lost due to temporary disability under Workers' Compensation.

ARTICLE XIV, § 10

Section 10. Effective January 1, 2004, the Company will grant vacation with pay based on provisions set forth in Sections 10 through 20.

Employees will accrue vacation based on the employee's continuous service.

<i>Completed Years of Service</i>	<i>Monthly Vacation Accrual</i>
Less than 9 years	6.67 hours (Maximum 80 hours/year)
9 – 19 years	10.00 hours (Maximum 120 hours/year)
19 years or more	13.34 hours (Maximum 160 hours/year)

Section 11. Vacation will be accrued monthly each calendar year during which the employee is on active status, including absences for occupational injuries, jury duty, military duty, and Paid Absence Allowance (PAA) days. The payroll records of the Company will be the basis for establishing the months worked by each employee. In addition, if an employee returns from a Sickness and Accident Leave (S&A), inactive status, within ninety (90) calendar days they will receive an adjustment to their base vacation for any monthly accruals missed up to a maximum equal to three (3) monthly accruals at the rate they would have received. Under no circumstances will an employee receive more than three (3) total monthly accrual adjustments in a calendar year nor more than three (3) per S&A Leave when the leave takes place during parts of two calendar years. An employee whose S&A Leave exceeds ninety (90) days will not receive an adjustment for accruals missed, but will begin to accrue vacation upon their return per Article XIV, Section 10. The payroll records of the Company will be the basis for establishing the months worked by each employee.

Section 12. When an employee attains the next greater level of service that results in greater vacation entitlement during a calendar month, the greater vacation accrual will be effective beginning the next month in which the service is attained.

Section 13. Employees who are laid off shall be paid for vacation accrued and not yet taken during the current year as set forth above.

Section 14. The rate of pay for the vacation period scheduled will be the employee's highest regular basic straight time pay rate for the preceding thirteen (13) weeks at the time vacation is started and eight (8) hours pay will be paid for each day of vacation earned. Vacation pay shall be advanced to the employee on the day his vacation starts. The employee will be advanced only that amount of money represented by the number of days vacation to which he is entitled. Payment in lieu of vacation will be made only if the Company determines that production requirements prevent time off for vacation. Vacation pay will include night shift bonus.

Vacation may be scheduled and taken in one-half workday increments.

Section 15. The Company recognizes that it is desirable for employees to have a vacation and the Company may designate a two-week continuous vacation period during the months of July or August, at which time the plant operations may be closed down, unless military or production requirements dictate that there shall be no shutdown. In the event the plant is not shut down, then vacations will be scheduled throughout the year. Designation of a vacation period by the Company, if one is designated, will be announced not later than April 1st of the current year. All vacations shall be taken during such period if one is designated except employees needed to protect and maintain plants, equipment, and schedules during the closed down period.

Because the national defense effort may require continuous all-out effort in the production of the product or products manufactured at the various Plants, it may be necessary for the Company to cancel vacations of some employees, in which event those employees shall be paid their regular vacation pay at the time they would have taken their vacation or if production requirements permit, reschedule their vacation at a later time in the calendar year.

ARTICLE XIV, § 15

Scheduled vacations will not be canceled without the approval of Employee Relations at each Company. If any employee's scheduled vacation is canceled by the Company, such employee may request the Company to reschedule his vacation and wherever practicable the Company will do so.

Section 16. Vacation may be accrued to a maximum of 400 hours. After an employee's accrual reaches 400 hours, additional accruals will be awarded until the end of that calendar year. The following calendar year, the employee will be paid a lump sum, less all-applicable withholdings – based upon the employee's hourly rate at the time of payment – for any hours of vacation in excess of 400 hours at the time of payment.

Section 17. Employees who leave the active payroll of the Company, except for reasons of death, shall be paid for all vacation accrued up to the time of separation.

Section 18. Vacation accrued and not yet taken will be paid into the estate of a deceased employee or to his beneficiary (state law permitting).

Section 19. Employees recalled during the same calendar year in which they were laid off shall start accruing vacation immediately based on the above schedules.

Section 20. If one of the legal holidays for which straight time is paid as provided in Article XII falls within the vacation period, the Company may either extend the vacation by one day or pay the additional compensation for the holiday.

ARTICLE XV

ARTICLE XV LOST TIME, INCOMPLETE DAY'S WORK

Section 1. A penalty of 1/10th of an hour will be given an employee who Punches "in" from one (1) to six (6) minutes late. For tardiness beyond six (6) minutes, the regular procedure of six-minute intervals will apply, i.e., up to twelve (12) minutes, minus 2/10th of an hour, up to eighteen (18) minutes, minus 3/10ths of an hour, etc. Employees shall not be required to work during any such penalty period. The foregoing shall not be considered as a limitation on the right of the Company to take further disciplinary action for repeated tardiness.

Section 2. If an employee fails to punch his time card, such employee will bring the matter to the attention of his foreman or immediate supervisor and the employee will be required to prove to the foreman or immediate supervisor that he was at work during any time for which the employee wants credit. The card must bear the "o.k." of the foreman or the immediate supervisor before any such credit is given.

Section 3.

- (a) Employees who are scheduled for work and who do report for work at the scheduled time on a normal work day and without having been notified not to report shall be given four (4) hours available work of any type for which they may be qualified. If no work or less than four (4) hours work is available, employee shall be paid the equivalent of four (4) hours pay at his regular basic straight time rate.
- (b) Employees who, after completing their shift and leaving the plant are called back to work and report at the scheduled time and employees who are scheduled to work on an overtime day and report for work at the scheduled time and without having been notified not to report shall be given four (4) hours available work within their classification. If no work or less than four (4) hours work is available, the employee shall be paid the applicable rate for the four (4) hours.
- (c) However, if work is not available in (a) and (b) above as a result of circumstances beyond the control of Management, the Company shall not be so obligated.

Section 4. Employees who are injured in the factory and are sent home or to a hospital by the Company shall receive pay at the applicable hourly rates for the balance of their regular shift, but not to exceed eight (8) hours. Employees injured on a weekend shall receive pay at the applicable hourly rate for the balance of the scheduled overtime, but not to exceed eight (8) hours. Employees will not be paid more than one (1) partial day for any one (1) injury. Employees who are required to leave the plant to receive medical treatment due to an occupational injury will be paid at their regular rate of pay, not to exceed eight (8) hours.

ARTICLE XVI, § 1

**ARTICLE XVI
WAGES**

Section 1. Lump Sum Bonus

Employees on the active payroll or an approved leave of absence as of December 14, 2003, will be eligible to receive a \$3,000 lump sum payment. This payment will be paid to employees on December 24, 2003.

Section 2. Wage Increase

Effective November 5, 2005, employees on the active payroll or on an approved leave of absence will receive a 3% General Wage Increase applied to their base rate. In addition, the 3% increase will be added to the rate range minimums and maximums.

Effective November 4, 2006, employees on the active payroll or on an approved leave of absence will receive a 2% General Wage Increase applied to their base rate. In addition, the 2% increase will be added to the rate range minimums and maximums.

Section 3. Lump Sum Payments

(a) Definitions

(1) Bargaining Unit Compensation

When used in this Agreement in connection with Lump Sum Payments, Bargaining Unit Compensation shall be defined as wages and all other remuneration received while in the bargaining unit, excluding payments under employee suggestion programs, tuition refund payments, grievance payments representing loss of earnings in years prior to the applicable Base Year, and lump sum payments.

(2) Base Year

November 1, 2003 through October 29, 2004

(b) Eligibility

Base Year

For the Base Year, any employee who earned bargaining unit compensation during the Base Year is eligible to receive the Lump Sum Payment described below provided such employee was (a) either on the active company payroll or on an approved leave of absence on **October 30, 2004**, or (b) terminated during the base year by reason of retirement under the Company Retirement Plan, layoff, military service, or death.

(c) Payment

On **November 26, 2004**, each eligible employee will receive a payment equal to **three percent (3.0%)** of his bargaining unit compensation during the Base Year.

Section 4. New employees may be hired at an hourly rate of \$1.00 below the minimum for the labor grade of the job to which assigned. Automatic progression shall apply as provided in Section 11(k) of this Article.

ARTICLE XVI, § 5

Section 5. Employees recalled after layoff under the provisions of Article V, Section 8, of this Agreement will receive rates of pay on the following basis:

- (a) If such recall is to the same job classification as the one in which he was classified at the time of layoff, such employee's rate of pay will be his rate of pay at the time of layoff subject to the provisions of Section 11 of this Article.
- (b) If such recall is to a lower paying job than the employee has previously performed, he shall receive the maximum rate for the job or his previous rate, whichever is lower.
- (c) If such recall is to a job classification not previously performed by the employee, such employee shall receive at least the minimum rate for such job classification.

Section 6. There shall be no discrimination against employees in rates of pay or any other condition of employment by reason of sex.

Section 7. The Company may maintain the higher wage rate of an employee while performing a job in a lower classification.

Section 8. All employees assigned to the second and third shifts will be paid a cash bonus for each hour worked on that shift of forty cents (\$.40) and fifty cents (\$.50) per hour respectively. The said cash bonus shall be in addition to the employee's regular earnings including overtime.

Section 9. All employees assigned to seven (7) day operations will receive an additional forty cents (\$.40) per hour.

Section 10.

- (a) If an employee is permanently reclassified to a lower-rated job classification, he shall retain his current rate or be paid the maximum rate of the lower rated job classification, whichever is lower, except that an employee reclassified to a lower-rated job classification which he is not qualified to perform and for which he requires additional training will receive at least the minimum rate for such classification.
- (b) Permanent reclassification to lower-paid jobs will be made in the following instances:
 - (1) The employee is not qualified to perform the job to which he was upgraded or promoted.
 - (2) The re-evaluation of existing jobs.
 - (3) At the employee's request on the basis that he is not qualified to perform the job within the classification.
- (c) Employees working in a job classification which is re-evaluated and slotted into a higher labor grade shall be immediately reclassified accordingly. Such employee's rate of pay shall be in the same position within the new grade as it was within his old labor grade effective at the time of reclassification, provided that if the re-evaluation includes duties not previously provided for and performed by such employee, such employee shall receive his former rate or the minimum of the new grade, whichever is higher.

Any excess of employees in a labor grade or classification as a result of re-evaluating an existing job and slotting it into a lower grade shall be handled in accordance with Article V, Section 9 (a), (b) and (c).

ARTICLE XVI, § 10(d)

- (d) If an employee performs the duties of a higher classified job for 30% of the time during twenty (20) consecutive days of work, he shall be reclassified to the higher classified job. All related work which is necessary in performing the higher classified job shall be included in the time period. 'Related work' as used herein shall mean only those duties which are definitely described and recognized as incidental to and directly connected with the immediate performance of the higher classified work. Employees so reclassified shall receive at least the minimum rate for the higher classification. Reclassification under this provision shall be subject to the promotional rights of employees under Article V, Section 10. Said provision shall not be used in such a manner as to deprive employees of higher-rated jobs when the production requirements of the Company justify the reclassification of employees.
- (e) If a permanent reclassification to a lower or higher paid job becomes effective in the first half of the pay period, the employee's new rate of pay will be paid on the first day of the following pay period. If the permanent reclassification becomes effective in the last half of the pay period, the new rate of pay will be paid on the first day of the second pay period after transfer.

Section 11. The Job Evaluation Plan including the factors, degrees, points, and the job descriptions, titles and evaluations made thereunder as existing on the date of this Agreement shall be and are hereby made a part of this Agreement, and shall not be changed except as specified below.

It is recognized that a job description is written and intended to set forth the general duties and responsibilities of the job classification and does not in any sense restrict the right of the Company to assign duties to the employees, other than those specifically mentioned in the descriptions.

An employee's regular assignment of work shall determine his classification and labor grade as established by the job description and specification.

The Company shall have the right to establish new jobs, to revise existing jobs, to evaluate, and to obsolete jobs provided such action on the part of the Company shall not be directed toward reducing the labor grade of a job in which no substantial change in the job itself has occurred. When a new or revised operation involves duties which are not adequately or specifically described or properly evaluated in an existing job description, specification and classification, the Company has the right to develop and establish such new or revised job descriptions, specifications and classifications, rates of pay, and job family group placements, and to place them into effect. An existing job description, specification and classification shall not be considered to cover a new or revised job description, specification and classification if (a) the new or revised job covers major specific functions not called out in the existing job or (b) the existing job covers major specific functions not called out in the new or revised job.

The Company shall send by certified mail six (6) copies of such job descriptions, specifications and classifications, rates of pay, and job family group placements to the President of the Local Union within fifteen (15) days after placing them into effect.

The Union shall have the right within fifteen (15) days of receipt from the Company of a new or revised job to file a policy grievance alleging: (a) improper evaluation and labor grade; (b) improper job family group placement; and/or (c) that such new or revised operations should be placed or retained in an existing job description, specification and classification. Such grievance shall state the Union's position, the facts upon which it is based and the remedy or correction requested. In the event of a job rating grievance, the specific factors with which the Union disagrees, together with the reasons why it believes the factors are not evaluated properly, must be listed by the Union on the grievance form. In the event that the Company and the Union are unable to resolve the grievance, it may be appealed to arbitration in accordance with Article IX. Said arbitration shall be limited to a determination (based on the work as described by the Company) of:

(a) The proper evaluation.

(b) The proper labor grade.

ARTICLE XVI, § 11 (c)

(c) The proper Job Family Group.

(d) That the new or revised job may properly be placed or retained in an existing classification.

The job classification will be added to the applicable Appendix if within fifteen (15) days after receipt of such notification the Union has not filed a policy grievance. The job description and specification rate of pay, and job family group placement will become a part of and be subject to all of the applicable provisions of this contract.

The Company's right to make work assignments and to determine methods of operations is in no way restricted by this Section and shall not be subject to arbitration.

When arbitrating the rate of pay for a job, the authority of the Arbitrator shall be limited to a determination of into which of the existing labor grades the new or revised job shall be placed. The Arbitrator will base his award on evidence either party presents under the Company's Hourly Job Evaluation Plan, including intraplant job comparison material.

The effective date of the rate of pay of any new or revised job by any or all of the above procedure shall be the date upon which such new or revised job was first placed into effect by the Company. In the event that the job is placed in a different job family group or classification than the group or classification in which the Company originally placed it, either by agreement between the parties or by decision of the Arbitrator, the effective date of displacement pay, if any, shall be three (3) working days from the date of settlement by the parties, or three (3) working days from the date of receipt of the Arbitrator's decision by the Company. When the Union gives notice to the Company of intent to arbitrate such a matter it will list the reasons for disagreement and relief sought in writing to the Company.

Section 12. Automatic Progression.

(a) Classified employees in all labor grades will be advanced to the maximum rate of their labor grade rate range in increments of fifteen cents (\$.15) per hour, at intervals of thirteen (13) calendar weeks of work from and after their date of employment or date of last automatic increase.

(b) Classified employees who are promoted from one labor grade to another will be advanced in accordance with the progression set forth in Paragraph (a) of this Section.

(c) Fractional increments of less than five cents (\$.05) which may be necessary to bring the employee to the maximum of his rate range under Paragraph (a) of this Section will be paid to the employee on his final progression, in addition to the fifteen cent (\$.15) increment.

(d) Vacations, paid holidays and leaves of absence or other absence not exceeding twenty-one (21) days shall be counted in computing the automatic progression interval specified in Paragraph (a) of this Section.

(e) All employees who are reclassified from a higher-graded job to a lower-graded job incident to a readjustment of skills due to remanning will receive credit toward their automatic progression interval for time spent on the job held by them prior to their reclassification since their last automatic increase.

- (f) Employees transferred to a job at the same rate of pay within the same labor grade rate range shall receive credit toward their automatic progression interval for time spent in the job held prior to their transfer since their last automatic increase.
- (g) Employees who are recalled following a layoff of one year or less to the same job held by them prior to layoff or to a job bearing multi-grade relationship thereto, will receive either:

ARTICLE XVI, § 12(g)(1)

- (1) A ten-cent (\$.10) increase upon recall if they are at the midpoint or less of their labor grade rate range, in which case their automatic progression interval as provided herein will begin to run anew from and after said recall date; or
- (2) An automatic progression increase of ten cents (\$.10) per hour following ten (10) calendar weeks of work from and after such date of recall if such employees are above the midpoint of their labor grade rate range, in which case successive automatic progression intervals as provided herein will run from and after the date of such ten (10) week increase following recall.
- (h) Employees who are recalled from a layoff but do not fulfill the requirements of Paragraph (g) above, either as to recall to the same job or layoff of one (1) year or less, will receive neither of the benefits outlined in Paragraph (g) above, but will begin their automatic progression interval anew from and after said date of recall.
- (i) The automatic progression intervals shall run from and after any automatic increase.
- (j) Employees reclassified under Article V, 10 (c) shall receive credit toward their automatic progression interval for time spent on the job held by them previous to their reclassification since their last automatic increase, upon their reclassification to their previously held job, provided they are away from their previously held job for no more than one year. The automatic progression interval of employees away from their previously held job for more than one year will begin to run at the time of their reclassification to such job.
- (k) New hires, as referred to in Section 3 of this Article, will be automatically increased at the rate of twenty-five cents (\$.25) every three months (13 weeks) until they reach the minimum of the labor grade for the appropriate job classification. Thereafter, automatic progression shall occur as set forth in this Section.

Section 13. Cost of Living Payments

Effective **December 27, 2003**, the amount of COLA that each employee is currently being paid will be added to their base rate. In addition, the current COLA float of **\$.80** will be added to the maximums and minimums of the rate ranges.

Section 14. Cost-of-Living Escalator Clause

All employees within the bargaining units as defined in Article I of this Agreement shall be covered by a Cost-of-Living Allowance as defined and set forth in this Section.

- (a) The amount of the Cost-of-Living Allowance shall be determined and redetermined as provided below in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers All Items - U.S. Average (1982 - 1984 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor, and referred to herein as "Index."

- (b) Effective **November 1, 2003**, the Cost-of-Living Adjustment will be determined in accordance with the following table based on the average of the BLS Consumer Price Index (w) for July, August, and September **2003**, except as provided herein.

ARTICLE XVI, § 14(b)

BLS CONSUMER PRICE INDEX	COST-OF-LIVING ALLOWANCE ADJUSTMENT
180.3 or less	\$.00 per hour
180.4	\$.01 per hour
180.5	\$.02 per hour
180.6	\$.03 per hour
180.7	\$.04 per hour

and so forth with one cent (\$.01) per hour adjustment for each full 0.1 point change in the BLS Consumer Price Index subject to Paragraph (d) of this Section.

- (c) Cost-of-Living Adjustments shall be made quarterly **beginning February 7, 2004** through **August 4, 2007** in accordance with the following schedule:

EFFECTIVE DATE OF ADJUSTMENT	BASED ON AVERAGE OF BLS CONSUMER PRICE INDEX FOR:
February 7, 2004	Oct, Nov & Dec 2003
May 8, 2004	Jan, Feb & Mar 2004
August 7, 2004	Apr, May & Jun 2004
November 6, 2004	Jul, Aug & Sep 2004
February 5, 2005	Oct, Nov & Dec 2004
May 7, 2005	Jan, Feb & Mar 2005
August 6, 2005	Apr, May & Jun 2005
November 5, 2005	Jul, Aug & Sep 2005
February 4, 2006	Oct, Nov & Dec 2005
May 6, 2006	Jan, Feb & Mar 2006
August 5, 2006	Apr, May & Jun 2006
November 4, 2006	Jul, Aug & Sep 2006
February 3, 2007	Oct, Nov & Dec 2006
May 5, 2007	Jan, Feb & Mar 2007
August 4, 2007	Apr, May & Jun 2007

- (d) Cost-of-Living Adjustments paid during the term of this Agreement will be limited to the first **twenty-three cents (\$.23)** accrued during each year of this agreement as noted below:

First Year
February 7, 2004, through November 6, 2004, adjustments.

Second Year
February 5, 2005, through November 5, 2005, adjustments.

Third Year

February 4, 2006, through November 4, 2006, adjustments.

Fourth Year

February 3, 2007, adjustment through the expiration date of this agreement.

- (e) Employees hired after **November 1, 2003**, will only receive general and Cost-of-Living increases that are placed in effect after their date of hire, subject to the provision that in order to receive an applicable Cost-of-Living increase, the employee must have been on the payroll the full quarter prior to the effective date of the increase.

ARTICLE XVI, § 14(e)

Employees recalled after a lay-off under the provisions of Article V, Section 8, will retain the amount of COLA which they had at the time of layoff and will receive only those COLA accumulations generated after the date of recall.

- (f) In computing overtime pay, vacation pay, holiday pay, call-in pay, paid absence allowance pay, jury duty pay, bereavement pay, and military leave pay as provided in this Agreement the amount of any Cost-of-Living Allowance then in effect shall be included.
- (g) In the event that the Bureau of Labor Statistics does not issue the Index on or before the beginning of the pay period referred to in Paragraphs (b) and (c) above, any adjustment required will be made at the beginning of the first pay period after receipt of the Index.
- (h) No adjustment, retroactive or otherwise, shall be made in the amount of the Cost-of-Living Allowance due to any revision which may later be made in the published figures for the Index for any month on the basis of which the Cost-of-Living Allowance has been determined.
- (i) The continuance of the Cost-of-Living Allowance as herein provided is dependent upon the continued availability of the official monthly Index in its present form and calculated on the same basis as the currently published Amended Consumer Price Index (CPI-W) for Urban Wage Earners and Clerical Workers (1982 - 1984 = 100) unless otherwise agreed upon by the Company and Union.

Section 15. It is understood that the wage rates as set forth in this Article are nonarbitrable.

ARTICLE XVII

**ARTICLE XVII
PENSION PLAN, INSURANCE PROGRAM,
AND PAID ABSENCE ALLOWANCE**

Section 1. The parties have provided for a further improved Pension Plan and a Group Insurance Plan by supplemental agreement signed simultaneously with the execution of this Agreement. No matter respecting the provisions of these plans shall be subject to the grievance procedure established in this Agreement.

Section 2. The Paid Absence Allowance provisions set forth in Section 2 shall remain in effect until January 1, 2004. Up to a maximum of five (5) days Paid Absence Allowance per calendar year will be granted to employees on the active payroll who are absent due to illness or accident, provided they have at least twelve (12) months of continuous service.

For employees recalled on or after November 1, 1993, PAA days for the year of recall will be earned according to the following schedule of pay periods worked during the year of recall:

Below 13 pay periods worked	0	PAA days
13 pay periods worked	1	PAA days
16 pay periods worked	2	PAA days
19 pay periods worked	3	PAA days
22 pay periods worked	4	PAA days
26 pay periods worked	5	PAA days

Under no circumstances will an employee earn or be compensated for more than five (5) PAA days in any calendar year.

A day's pay will amount to eight (8) hours pay at the employees regular basic straight time hourly rate. In computing the Paid Absence Allowance period, a paid holiday shall be deemed a working day, and holiday pay shall be deemed Paid Absence Allowance.

Paid Absence Allowance days may be taken in one half work day increments. Application for Paid Absence Allowance pay must be made within thirty (30) calendar days after return to work. Application may be made to the Human Resources Department.

Any employee on the active payroll eligible for Paid Absence Allowance who has five (5) or less days of unused Paid Absence Allowance on December 31 will receive up to five (5) days pay in lieu of such Paid Absence Allowance. This will be paid in the month of January in the following year. Paid Absence Allowance will include night shift differential.

Upon layoff or retirement on pension, an employee will receive pay for unused Paid Absence Allowance.

Section 3. Effective January 1, 2004, the Company will grant Paid Absence Allowance days with pay based on provisions in Sections 3, 4, and 5.

Employees will accrue Paid Absence Allowance days monthly, at a rate of 3.34 hours per month.

Paid Absence Allowance days will be accrued monthly each calendar year during which the employee is on active status, including absences for occupational injuries, jury duty, military duty, Sickness and Accident time, and vacation. The payroll records of the Company will be the basis for establishing the months worked by each employee.

Section 4. Under no circumstances will an employee accrue more than forty (40) hours in any calendar year.

ARTICLE XVII, § 4

A day's pay will amount to eight (8) hours pay at the employees regular basic straight time hourly rate. In computing the Paid Absence Allowance period, a paid holiday shall be deemed a working day, and holiday pay shall be deemed Paid Absence Allowance.

Paid Absence Allowance days may be taken in full-day or half-day increments. Paid Absence Allowance days may also be taken in one (1) hour increments with prior supervisory approval. Application for Paid Absence Allowance pay must be made within thirty (30) calendar days after return to work. Such application may be made to the Human Resources Department and will include only full-day and half-day absences.

Section 5. An employee may bank up to a maximum of forty (40) hours per calendar year. Paid Absence Allowance days accrued beyond the maximum of forty (40) hours will be paid out annually in the month of January in the following year. Paid Absence Allowance will include night shift differential.

Upon layoff or retirement on pension, an employee will receive pay for unused Paid Absence Allowance.

ARTICLE XVIII, § 1

ARTICLE XVIII GENERAL PROVISIONS

Section 1.

- (a) The Union shall select three of its members to make recommendations in writing to the Safety Engineer or his representative on matters for safer working conditions. Meetings on matters presented may be held monthly between the Company's safety representatives and the Union's safety committee provided, however, this shall not limit the number of other safety committees. It is agreed that this committee shall work Health and Safety issues in a proactive fashion so as to provide for a safe working environment. Appropriate training for Union safety representatives will be made available by mutual agreement between the parties.

Whenever it is necessary, a representative of the International Union may be present. The minutes of such meetings will be made in writing and copies sent to the Local Union.

- (b) The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment. Protective wearing and safety devices and other equipment necessary to properly protect employees from injury shall be provided by the Company.
- (c) The Union's safety committee will have access to information and notification necessary to perform their functions. Functions include investigating worker concerns, accidents, injuries, near misses and meetings with management for resolution and necessary follow-up. They will be solicited for input in developing and evaluating programs such as Fall Prevention, Noise Abatement, Ergonomics, Toxic Material Reduction, Preventive Maintenance, Lockout, Powered Industrial Vehicle Safety, etc. The Chairperson of the Shop Safety Committee, on his request, or his representative will be allowed to participate in a plant safety inspection along with the Company representative not more frequently than once a month.
- (d) A Steward may call his supervisor's attention to hazardous conditions or make suggestions for improving safety. At the Steward's request, the Committeeperson or a safety Committeeperson will be checked out to participate in the discussion. Time spent by the Steward in such discussion will be included in computing paid time under Article VIII, Section 15 (a) of the Agreement. The items discussed will be turned over to the safety section of the Company for investigation and may be brought up by the Union at the next regular meeting with the Company.
- (e) The Company agrees to continue to maintain first aid facilities at the plant, which shall be organized under the general direction of a licensed physician.
- (f) Time spent during working hours by the three members of the Union Safety Committee in monthly meetings as outlined in (a) of this Section, and time spent during working hours by the Chairperson of the Union Safety Committee in Plant inspections and major accident investigations under (c) of this Section will be paid for by the Company. Time spent by the Chairperson on other activities listed under (c) of this Section will be paid for by the Company up to eight (8) hours per month.

The above Paragraphs (a), (b), (c), (d), (e) and (f) of this Section are subject to the first four (4) steps of the Grievance Procedure as provided in Article VIII of this Agreement, but are not subject to arbitration.

Section 2. Employees sustaining injury and who are physically handicapped as a result thereof will be given special consideration for employment in suitable jobs, providing such jobs are open and available.

Section 3. No member of the Shop Committee, Stewards or other officers of the Local Union shall be eligible for appointment to a position of supervisory capacity during the terms of office for which he is elected, unless such contemplated appointment is discussed with the Local Union.

ARTICLE XVIII, § 4

Section 4. All parties to this contract agree to continue to apply the provisions of this Agreement without regard to race, religion, color, age, sex, national origin, or handicap.

Section 5. Employee paychecks or direct deposit slips will be mailed directly to each employee's home mailing address on **Friday**.

Section 6. Supervisory employees shall not perform work covered by the Bargaining Unit at the particular division except in the following circumstances:

- (a) In the instruction or training of employees.
- (b) When starting, testing or studying new machinery or equipment.
- (c) In an emergency.

It is the position of the Company that out-of-unit and supervisory employees shall not perform in-unit work nor displace an in-unit employee on in-unit work.

It is the intent of the Company that supervisors or out-of-unit employees will not perform work that is normally and regularly performed by in-unit employees and clearly recognized as Bargaining Unit work, except as provided herein. All work normally and regularly performed by supervisors or out-of-unit employees is specifically excluded from this Agreement.

When a supervisor or out-of-unit employee performs work that is clearly Bargaining Unit work in violation of this Section and a valid complaint or grievance, substantiated by factual data, is filed on that work, the Company will take corrective action, including compensation to the appropriate employee to the extent of the actual work performed. Compensation will not be paid for work that is de minimis.

Section 7. If an employee is reprimanded and a notation thereof is placed on his service record, he shall be given a copy of such notation within ten (10) days after the occurrence provided that the employee acknowledges in writing receipt of such copy. Reprimands or suspensions antedating a period of twelve (12) months on the active payroll, during which no reprimand or suspension has been received, will be removed from the employee's record.

Section 8. An employee who fails to work his regularly scheduled hours because of jury duty or a witness subpoenaed by the court shall receive eight (8) hours pay at his regular basic straight time rate including cost-of-living. The employee must give at least forty-eight (48) hours notice to his supervisor. Payment is limited to a maximum of five (5) days in any week. To be eligible for payment, the employee must submit a written statement from the appropriate public official listing the dates served.

Section 9. An employee who is absent from work because of a death in his immediate family will be paid upon written application an allowance equivalent to eight (8) straight-time hours of pay including cost-of-living for any absence during the first three (3) regularly scheduled workdays immediately following the date of death or the first three (3) regularly scheduled workdays in conjunction with interment. If death occurs during vacation or the Christmas holiday schedule, it will extend the vacation or Christmas holiday by three (3) days. The immediate family of the employee includes only spouse, parents, in loco parentis, stepparents, parents of spouse, spouse's stepparents, grandparents, child, stillborn child (with death certificate), brother, sister, halfbrother, halfsister, stepbrother, stepsister, grandchildren, stepchildren, spouse's grandparents, brother-in-law, sister-in-law, son-in-law, and daughter-in-law.

ARTICLE XVIII, § 10

Section 10. An employee who is a member of a reserve component of the Armed Forces or the National Guard who is required to enter active annual training duty or called to active duty for civil disturbances shall be paid his normal straight time earnings, including shift differential and cost-of-living allowance where applicable, up to a maximum of ten (10) workdays for each of the above military service-connected absences. In no instance will an employee be paid for more than twenty (20) workdays in any calendar year. The amount due the employee under this paragraph shall be reduced by the amount received from the government body identified with such training duty for the period of such duty (up to the maximum period mentioned above). Such items as subsistence, rental and travel allowance shall not be included in determining pay received from State or Federal Government.

Section 11. For the purpose of this Agreement the use of the masculine pronoun or any derivative thereof shall be applied as to include both male and female employees.

Section 12. An employee who is required by the Company to report to the Company doctor on an off-shift for a work related injury shall be paid their straight time hourly rate of pay for actual time spent in medical up to but not exceeding four (4) hours.

ARTICLE XIX

**ARTICLE XIX
SEPARABILITY**

In the event that any of the provisions of this Agreement shall be or become legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof.

ARTICLE XX, § 1

**ARTICLE XX
DURATION**

Section 1. It is the intention of the Company and the Union, by this Agreement, to enter into a complete, comprehensive bargaining agreement for its duration. It is accordingly agreed that this Agreement, except as may be otherwise expressly provided in writing between the parties hereto, settles and resolves all bargainable matters, issues and demands, and sets forth all the contract terms and conditions by and between the Company and the Union for the duration of this Agreement. All matters, requests, issues and conditions not expressly provided or included in this Agreement, or in a separate written memorandum between the parties are waived and withdrawn for the duration of this Agreement.

Section 2. This Agreement shall remain in full force and effect without change and without reopening rights for any purpose by either party until midnight of November 1, 2007. This agreement shall automatically renew itself as of midnight November 1, 2007, for a period of one (1) year and shall continue from year to year thereafter unless written notice of desire to terminate or to amend any provisions of this Agreement other than those contained in this Article is given by either party to the other not less than sixty (60) nor more than ninety (90) days prior to November 1, 2007, or to November 1 of succeeding years, in which event this Agreement shall be open, effective as of midnight of November 1, 2007, or of November 1 of succeeding years; for termination or amendments as the notice may indicate. If such notice of desire to terminate or amend this Agreement is given, negotiations for a new or amended Agreement shall begin not later than fifty (50) days prior to November 1, 2007, or on November 1 of succeeding years, and shall continue until an agreement has been reached. During such negotiations, this Agreement shall remain in full force and effect, provided, however, that if an agreement has not been reached by midnight of November 1, 2007, or on November 1 of succeeding years, the Company or the Union may at any time thereafter give ten (10) days' written notice to the other of intent to terminate this Agreement, and upon expiration of such ten-day period, this Agreement shall terminate.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LOCKHEED MARTIN MARITIME SYSTEMS & SENSORS – MARINE SYSTEMS

By: _____
Director - Human Resources

LOCKHEED MARTIN SPACE SYSTEMS

By: _____
Vice President - Human Resources

LOCKHEED MARTIN MISSILES AND FIRE CONTROL - ORLANDO

By: _____
Vice President - Human Resources

ARTICLE XX § 2

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW)
and its Locals No.738, 766 and 788

By:

Ron Gettelfinger, President, UAW

Cal Rapson, Vice President and Director
National Aerospace Department, UAW

Mary Riordan, Assistant Director
National Aerospace Dept., UAW

Shirley Underwood, International Rep
National Aerospace Dept., UAW

Mike Hall, UAW International Rep, Region 5

Michael J. Barnette, UAW International Rep, Region 8

Roger Griffin, UAW International Rep, Region 8

Gerry Cox
President, Local 766

Dan Taylor
Chairman of the Bargaining Committee, Local 766

Dennis Kayl
Vice Chairperson of the Bargaining Committee, Local 766

Lee Boswell
Secretary of the Bargaining Committee, Local 766

Gil Gallegos
Committeeperson at Large, Local 766

Joe Sanchez
Committeeperson at Large, Local 766

ARTICLE XX § 2

Scott Reid
President, Local 788

Brenda Preslopsy
Chairperson of the Bargaining Committee, Local 788

Joe Fusco
Vice Chairperson of the Bargaining Committee, Local 788

Kathy Stillman
Secretary of the Bargaining Committee, Local 788

Jim King
Committeeperson at Large, Local 788

Jerry Heidgerkan
Committeeperson at Large, Local 788

Patrick J. Feehley, Jr.
President, Local 738

Iva Gene Tenley
Chairperson of the Bargaining Committee, Local 738

Gregory A. Thomas
Member/Civil Rights Chairperson, Local 738

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

In response to the concerns expressed by the Union regarding the type of work performed in various laboratories, it is not the policy of the Company to assign bargaining unit work so as to erode the various Local units covered by this national agreement.

It is understood and agreed between the Company and the Union that laboratories and the work associated therewith are essential for the research and development of projects which may ultimately become production work. The work of employees in laboratories may be similar to the work performed by production employees but is performed for the purpose of developing engineering prototypes and test models for test by Company engineers and by the customer.

It is the intention of the Company that wherever repetitive operations are required for producing quantities of the same item without significant modification and where the equipment and skills in the factory can reasonably be utilized to produce such repetitive items that the work will be performed by bargaining unit employees.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

This will serve to address the concern expressed by the Union with respect to discipline applied to employees who absent themselves during periods of extended overtime.

During periods when employees are scheduled to work extensive amounts of overtime, the amount of overtime actually worked by an employee will be an important mitigating factor in management's consideration of whether disciplinary action is appropriate for an employee who is absent from work when scheduled on such overtime.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

This will serve to confirm the understanding reached during negotiations in regard to investigation by the Union's Civil Rights Chairperson of grievances involving alleged discrimination.

In the case of a grievance alleging discrimination on the basis of race, religion, color, age, sex, national origin or disability, such grievance may, upon the request of the Chairperson of the Bargaining Committee, be referred to the Civil Rights Chairperson, who will act in lieu of the Committee person at Step 2 of the grievance procedure. The Civil Rights Chairperson may attend Step 3 or Step 4 grievance meetings at the request of the Chairperson. The Union will provide the Company with the name of the Civil Rights Chairperson.

If an employee covered by this Agreement presents a bona fide claim cognizable under the Americans with Disabilities Act, then before adjusting any such claim, the Company will offer to the employee the opportunity to have the Chairperson of the Bargaining Committee or his designee participate in the process of settlement.

The parties agree to abide by the provisions of the Americans with Disabilities Act.

The foregoing procedure is not to be abused and will be subject to review from time to time. If abuse is found, or believed to be present, the Company and the Union agree to meet and discuss such problems as may be emanating from the procedure. If a satisfactory solution is not achieved, this procedure will be discontinued, in which case the provisions of the Agreement will apply.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

During 1996 negotiations, the Company agreed to update overtime records at least two times per week, and declared its good faith intention to update the records three times per week when practicable. In those cases where the records are now being updated daily, the Company will continue this practice.

The overtime records will be monitored periodically by Employee Relations for adherence to this commitment.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

This will serve to confirm our discussion in regard to technological change.

The Company and Union recognize that it is to their mutual benefit to ensure that the competitiveness of this organization is maintained through the continued introduction of new technology.

Where the introduction of new technology necessitates skills, abilities or knowledge not possessed by incumbent employees and the Company elects to train or retain incumbent employees, preference will be given to senior employees in the affected classifications.

Accordingly, it is agreed to establish a joint Management/Union Committee on technological change comprised of three (3) representatives of the Company and three (3) representatives of the Union. One member from each party will be designated as a permanent appointee to such committee.

The committee will meet at least semiannually, unless otherwise mutually agreed. The Company will provide the committee with information, regarding the nature of an impending technological change as soon as possible, and the anticipated effect it will have on the Bargaining Unit employees.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. **Rapson**:

This letter will confirm the understanding reached during negotiations in regard to administration of Article VI, Section 3(a) of the Agreement.

Leaves of absence without pay under this provision will be construed to include leaves for the purpose of tending to the illness of a child, including newborn or adopted children, or parent. Requests for such personal leaves of absence will require the review and approval of Employee Relations.

Very truly yours,

Jeffrey L. George
Director, Human Resources

LETTER OF UNDERSTANDING

This letter will serve to clarify the Company's policy regarding the subcontracting of maintenance work and shall not affect the right of the Company to determine whether or not any particular work should be subcontracted.

It is the policy of the Company not to contract for maintenance work customarily performed by its maintenance employees so long as the Company has the facilities and equipment and available trained personnel to properly perform the work within the time required, except as provided herein.

The Company will continue to follow the practice of using bargaining unit maintenance personnel on maintenance work whenever the manpower, skills and equipment are available in the plant. When the maintenance work load exceeds the manpower or skills available within the Job Family Group affected, subcontract personnel will be used to supplement the maintenance work force. If such work requires overtime, qualified maintenance personnel in the affected Job Family Group will be offered work first and then subcontract personnel will be used as necessary. When the work requires equipment the Company does not have, the work will be subcontracted to the extent necessary to accomplish the job.

Maintenance Helpers and Laborers will be offered overtime work when available within their classification, within the department, on which the Company's normal equipment and tools appropriate to these classifications are used.

It is the Company's intent that when a job is assigned and started by Maintenance Department employees during the regular work week the maintenance employees will continue to work the job if it carries into an overtime situation, provided the work schedule can be met and the proper tools, necessary Company equipment, and qualified personnel are available without recourse to extraordinary measures. However, when a job is assigned and started by an outside contractor, it will normally be worked by the contractor personnel if it carries into an overtime period.

This procedure is not applicable to construction work such as building new facilities, making major modifications or additions to existing facilities, or to the installation or modification of major equipment.

When it is necessary to subcontract maintenance or construction work, the Company will inform the Chairperson of the Local Bargaining Committee. Upon request, the Company will meet with the Chairperson of the Local Bargaining Committee, if reasonably possible, to give an explanation of the nature of approximate dates, contractor, and reasons causing the Company to subcontract such work, e.g., the Company does not have the facilities, equipment and/or available trained personnel, or the work is construction, major modification, or the installation or modification of major equipment.

It is understood that bargaining unit employees who customarily perform the work in question will not be displaced or laid off as a direct and immediate result of work being performed by an outside contractor on the plant premises.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement this **1st day of November, 2003.**

Jeffrey L. George
Director, Human Resources

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS
OF AMERICA (UAW) and its Locals
No.738, 766, and 788.

Cal Rapson
Vice President and Director
National Aerospace Department, UAW

**MEMORANDUM OF UNDERSTANDING
UAW V-CAP CHECK OFF**

Section 1. Contributions to UAW V-CAP

The Company agrees to deduct from the pay of each employee voluntary contributions to UAW V-CAP, provided that each such employee executes or has executed the following "Authorization for Assignment and Check-Off of Contributions to UAW V-CAP" form; provided further, however, that the Company will continue to deduct the voluntary contributions to UAW V-CAP from the pay of each employee for whom it has on file an unrevoked "Authorization for Assignment and Check-Off of Contributions to UAW V-CAP" form.

Deductions shall be made only in accordance with the provisions of and in the amounts designated in said "Authorization for Assignment and Check-Off of Voluntary Contributions to UAW V-CAP" form, together with the provisions of this Section of the Agreement.

A properly executed copy of "Authorization for Assignment and Check-Off of Contributions to UAW V-CAP" form for each employee for whom voluntary contributions to UAW V-CAP are to be deducted hereunder, shall be delivered to the Company before any such deductions are made, except as to employees whose authorizations have heretofore been delivered. Deductions shall be made thereafter, only under the applicable "Authorization for Assignment and Check-Off of Contributions to UAW V-CAP" forms which have been properly executed and are in effect.

Deductions shall be made, pursuant to the forms received by the Company, from the employee's third pay received in each and every month that the authorization remains in effect.

Section 2. Termination of Company Obligations

The Company's obligation to make such deductions shall terminate automatically upon the termination of the employee who signs the authorization, upon written request, or upon his transfer to a Center, Unit or job not covered by this Agreement.

Section 3. Remittance to the Union

The Company agrees to remit within two (2) weeks after said deductions, the following:

- a. The total amount of V-CAP contributions deducted, less an appropriate administrative fee as determined by the parties.
- b. The names, employee man numbers, social security number and amounts from whose wages such deductions have been made.
- c. The Company shall, at the same time remit to the Union its check for the amount shown under item (a) above, care of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW).

Section 4. Authorization for Deductions

AUTHORIZATION FOR ASSIGNMENT AND CHECK OFF OF CONTRIBUTIONS TO UAW V-CAP

To Lockheed Martin _____:

I hereby assign to UAW V-CAP, from any wages earned or to be earned by me as your employee, the sum of: (check one)

\$1.00 \$2.50 \$5.00 Other

each and every month. I hereby authorize and direct you to deduct such amounts from my pay and to remit same to UAW V-CAP at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This authorization is voluntarily made. I understand that the signing of this authorization and the making of payments to UAW V-CAP are not conditions of membership in the Union or of employment with the Company, that I have the right to refuse to sign this authorization and contribute to UAW V-CAP without any reprisal, and that UAW V-CAP will use the money it receives to make political contributions and expenditures in connection with federal, state and local elections.

Name (Print)

Date

Address

Social Security Number

City State

Zip

Signature

IN WITNESS WHEREOF, the parties have executed this Agreement this **1st day of November, 2003.**

Jeffrey L. George
Director, Human Resources

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA (UAW) and
its Locals No.738, 766 and 788.

Cal Rapson
Vice President and Director
National Aerospace Department, UAW

SUPPLEMENTAL AGREEMENT
 (as referred to in Section 1 of Article XVII of
 Agreement dated November 1, 2003)
GROUP INSURANCE

Effective January 1, 2005 separate elections are provided for medical, dental and vision coverages. The existing group insurance plans will be changed to reflect the following provisions and schedules:

- A. Medical Plan – Effective January 1, 2005 coverage under the Lockheed Martin Designated Provider Network (DPN) Plan will change to the Lockheed Martin Point of Service (POS) Plan.

1. The following provides a summary of the POS.

	POINT of SERVICE PLAN
Lifetime Maximum per person	\$2,000,000 includes medical, prescription drug, mental health and substance abuse benefit payments from all Company sponsored plans. (HMO and network POS medical benefit payments are not included)
Calendar Year Deductible	Applies to covered <i>non-network</i> expenses only.
Individual	\$300
Family	\$900
Calendar Year Out-of-Pocket (OOP) Maximum	Applies to covered <i>non-network</i> expenses only. After the out-of-pocket calendar year maximums are reached, the plan pays 100% of eligible covered expenses for the remainder of the year. Excludes the deductible
Individual	\$2,700
Family	\$5,400
Inpatient Hospital Charges	Network: 100% Non-Network: 70% after deductible
Physician Office Visits	Network: 100% after \$10 copay per visit Non-Network: 70% after deductible
Diagnostic X-ray/Lab test	Network: 100% Non-Network: 70% after deductible
Emergency Room	\$75 copay; waived if admitted

HEARING AID BENEFIT	
Hearing exam	<p>Network: 100% after \$10 copay per visit</p> <p>Non-Network: 70% after deductible</p> <p>One exam per calendar year</p>
Hearing aid	<p>Network: 100% no copay</p> <p>Non-Network: 70% after deductible</p> <p>Combined network and non-network maximum of \$400 per hearing aid per ear in any 3 consecutive years</p>

2. Health Maintenance Organizations (HMO)

- a. The Company will offer standard HMO provisions to employees to the extent required by P. L. 93-222, the Health Maintenance Organization Act of 1973. Employee contributions will be calculated as described in paragraph 3.
- b. Effective January 1, 2005, the HMO coverage for office visit and other applicable medical service co-pays will be \$10 and emergency room co-pays will be \$75 for covered employees under an HMO plan. If not available, the aforementioned co-pays will be the filed plan that is nearest to these co-pays.

3. Employee Contributions

Effective January 1, 2005, each employee who elects coverage under the HMO medical plans or the Self-Funded POS medical plan shall pay a weekly Section 125 pre-tax contribution (via payroll deduction) to obtain that coverage. The amount of the weekly contribution required for coverage under any of the medical plans will be as follows:

The Company contribution for POS and HMO coverage (including the self-funded prescription drug plan and mental health and substance abuse costs) will be 90% of the lowest cost plan in the area. The difference between this amount and the cost of the plan selected will be paid by the employee, up to a maximum weekly amount. Employees may elect from three coverage levels – employee, employee + 1 or family.

The current weekly contribution formula and maximums in effect immediately prior to the effective date of this Agreement shall remain in full force and effect until December 31, 2004.

Effective January 1, 2005, the maximum weekly contributions will be:

	<u>Single</u>	<u>Employee + 1</u>	<u>Family</u>
POS:	\$ 10	\$15	\$20
HMO:	\$ 10	\$15	\$20

The costs for Company self-funded POS medical plan will be calculated annually using Lockheed Martin standard rating methodology. The costs for any insured medical plan, i.e. HMOs, will be the premium charged by the plan plus the cost for carved out prescription drug plan and mental health and substance abuse coverage. It will be calculated separately for employees and dependents based on each group's claim experience.

B. Prescription Drugs

Effective January 1, 2005, the separate prescription drug program for POS and HMOs will include the following provisions:

<p>At network retail Pharmacies</p> <p>Generic drugs</p> <p>Brand drugs</p> <p> Preferred brand</p> <p> Non-preferred brand</p> <p>At non-network pharmacies</p> <p>Generic</p> <p>Brand name drugs</p>	<p>Up to a 30 day supply, <i>you pay a copay per prescription; per refill:</i></p> <p>\$5 copay</p> <p>\$10 copay</p> <p>\$25 copay</p> <p>You pay for the prescription/refill and file a claim for reimbursement with the plan administrator. You will be responsible for:</p> <p>50% of the retail price</p> <p>50% of the retail price</p>
<p>Mail Order</p> <p>Generic Drug</p> <p>Brand Name Drug</p> <p> Preferred brand</p> <p> Non-preferred brand</p> <p>Generic Substitution</p>	<p>Up to a 90 day supply per Rx/per refill</p> <p>\$10 copay</p> <p>\$20 copay</p> <p>\$50 copay</p> <p>If you request a brand name drug when your physician permits a generic drug substitution, you will pay the preferred or non-preferred brand name copay plus the difference between the <i>generic and brand name cost.</i></p>

- C. Effective January 1, 2005, the separate Mental Health and Substance Abuse program for POS and HMOs will include the following provisions:

Calendar year deductible	None
Out-of-Pocket (OOP) maximum	None
<u>Mental Health</u>	
Inpatient (precertification required)	Network: 100% for up to 60 days per calendar year Non-Network: Not covered
Outpatient	Network: 100% after \$10 copay per visit; unlimited visits (if approved) Non-Network: Not covered
<u>Substance Abuse</u>	
Inpatient (precertification required)	Network: 100% for up to 45 days per calendar year Non-Network: Not covered
Outpatient	Network: 100% after \$10 copay per visit; unlimited visits (if approved) Non-Network: Not covered

- D. Effective January 1, 2005, the existing dental plan for active employees will be modified to the Company paid Comprehensive Dental Plan as summarized below.

Calendar Year Maximum	\$1,200
Lifetime Maximum	None
Calendar Year Deductible	\$50 per person; applies to Basic Services and Major Services only
Preventive and Diagnostic Services	100%
Basic Services	80%
Major Services	60%
Orthodontia	50%; \$1,000 lifetime; for children and adults
TMJ Lifetime	80%; \$300 lifetime

E. Effective January 1, 2005, the existing Vision Plan for active employees will be modified to the Company paid Vision 12 Plan as summarized below.

Service	Frequency	Plan Pays	
		Network provider	Non-network provider
Eye examination	Once every calendar year	Covered in full	Up to \$25
Corrective Prescription Lenses	Once every calendar year	Plan pays 100% up to established allowance for standard lenses and/or frames, excluding additional costs for non-covered lens options (tints, coatings, progressive lenses, etc)	
Single vision			\$40
Bifocals			\$80
Trifocals			\$80
Lenticular			\$125
Frames	Once every two calendar years	Plan pays 100% up to an established frame allowance	Up to \$45
Contact lenses (in lieu of eyeglass frames and lenses):	Once every calendar year	Plan pays \$105 Plan pays 100% with prior approval	Up to \$85 Up to \$120
<ul style="list-style-type: none"> • Elective • Medically necessary* 			
*Medically necessary lenses are covered with advance approval from the vision plan claims administrator.			

F. Effective January 1, 2005, employees actively at work will be eligible to participate in the Health Care and Dependent Care Spending Accounts subject to the plan(s) provisions:

The Health Care and Dependent Care Spending Accounts are pre-tax benefit plans. Contributions are deducted from participating employees paychecks before taxes are taken out. The Health Care and Dependent Care Spending Accounts are subject to rules and regulations set forth by the Internal Revenue Service.

Health Care Spending Account (HCSA)

Annual Contribution Elections

Minimum annual contribution \$100

Maximum annual contribution \$5,000

Claim Filing Minimum \$5

Claim Filing Deadline April 30th of the following year for expenses incurred in the previous calendar year

Dependent Care Spending Account (DCSA)

Annual Contribution Elections

Minimum annual contribution \$100
Maximum annual contribution \$5,000

Claim Filing Minimum \$5

Claim Filing Deadline April 30th of the following year for expenses incurred in the previous calendar year

G. Life Insurance – For employees who are actively at work on or after the effective date of the contract, the life insurance benefit will be **\$28,000**

H. Accidental Death & Dismemberment – Same as Life Schedule above.

I. Transition and Bridge Benefits

Effective for deaths occurring on or after January 1, 2004, the Transition and Bridge benefit amount will be increased from \$300 to \$400 per month. The bridge benefit for any month during which Social Security benefits are paid because your spouse has a dependent child is increased from \$150 to \$200 per month.

J. Effective January 1, 2005, a new optional Group Universal Life Insurance (GUL) will be available

1. Employees may choose from one (1) to six (6) times annual base pay

2. The cost of coverage per \$1,000 is based on the employee's age and salary as of December 1 of each prior plan year or hire date, if later.

3. Proof of Insurability is required for:

a. Multiples of three (3) to six (6) times annual base pay for a newly eligible employee and amounts over \$500,000

b. Any multiple of insurance selected by an employee who enrolls after their initial eligibility date has passed (or who drops coverage and then re-enrolls at a later date)

K. Effective January 1, 2005, a new Dependent Optional Term Life (DOTL) Insurance replaces the current Dependent Optional Life.

1. An employee may elect spouse coverage at one (1), two (2), or three (3) times employee's annual base pay. Proof of Insurability (POI) is required if the coverage amount elected is three times employee's annual base pay or if the employee enrolls for spouse coverage after 31 days of employee's or spouse's first day of eligibility.

2. An employee may elect \$5,000, \$10,000 or \$25,000 for eligible dependent child(ren).

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

L. Effective January 1, 2005, the existing Special Accident Plan is replaced by a new Special Accident Insurance Plan.

The following schedule is applicable:

SPECIAL ACCIDENT PLAN - Optional		
Employee	Spouse	Child
\$25,000	\$10,000	\$10,000
\$50,000	\$25,000	\$25,000
\$100,000	\$50,000	\$50,000
\$200,000	\$100,000	
\$300,000	\$150,000	
\$400,000	\$200,000	
\$500,000	\$250,000	

(1) Salary limit of 10 times annual pay if an amount above \$300,000 is desired.

(2) Employee must be enrolled in order to elect spouse and/or child(ren) coverage.

(3) 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.

M. Sickness and Accident – For employees who are actively at work or who are on sick leave on or after January 1, 2004, the benefit amount will be:

\$300 weekly for up to 52 weeks for all Labor Grades

N. Medicare Part B – For employees who retire from active service on or after January 1, 2004, and for surviving spouses of employees who retire or are eligible to retire from active service on or after January 1, 2004, upon attainment of age 65, the monthly Medicare Part B reimbursement will be \$60.

O. Retiree Medical Expense Benefits - Effective for employees who are eligible for retiree medical insurance and retire from active service on or after January 1, 2005, the following retiree medical plans will be available for early retirees up to age 65 or until they become eligible for Medicare.

1. Employees who retire on or after January 1, 2005, on Early Retirement or who retire on Disability Retirement, who have ten (10) years of credited service, may elect to have coverage under the Early Retiree Point of Service (POS) Plan or continued coverage under a Lockheed Martin offered HMO (including the separate Company prescription drug and mental health & substance abuse plans), which provides for retiree coverage.
2. **Early retiree medical contribution formula - A retiree's share of early (pre-age 65) retiree medical costs are based on the retiree's years of retirement credited service. As shown in the table below, the retiree cost sharing percentages apply for the total monthly cost for the early (pre-age 65) retiree medical benefits plan under which the retiree is covered to a maximum of \$633.34 (i.e., 95% of a total monthly cost of \$666.67 or \$8,000 annually) for single coverage or \$1,266.66 (i.e., 95% of a total monthly cost of \$1,333.33 or \$16,000 annually) for family coverage. The retiree's cost sharing percentage increases to 50% for costs that exceed that ceiling amount.**

<u>Years of Service</u> <u>(Pro-rated for partial years)</u>	<u>Retiree Percentage</u> <u>of Plan Costs</u>
0-9	not eligible
10-14	75%
15	50%
16	45%
17	40%
18	35%
19	30%
20	25%
21	23%
22	21%
23	19%
24	17%
25	15%
26	13%
27	11%
28	9%
29	7%
30 or more	5%

The POS plan is the same plan as for active employees.

3. Medical coverage for retirees eligible for Medicare:

a. Employees retiring from active employment on or after January 1, 2005, who:

- (1) Are eligible for Medicare and who have ten (10) years of credited service or,
- (2) Retire before age 65 who thereafter become eligible for Medicare and have ten (10) years of credited service, may elect to have medical coverage under the Medicare Eligible Retiree Medical Plan (MERMP) or a Lockheed Martin Senior HMO, if available, including the separate Company prescription drug and mental health and substance abuse plans, which provides for retiree coverage.

b. The MERMP provides medical benefits for the retiree and/or the spouse who becomes Medicare eligible by supplementing coverage under Medicare. Eligible dependents under age 65 who are not eligible for Medicare may be covered through the Early Retiree medical coverage.

c. The retiree may elect single or family coverage under the MERMP or a Senior HMO. The retiree cost for either of these coverages will be a flat monthly contribution amount, but is also subject to a maximum monthly Company subsidy amount. The flat monthly contribution is:

<u>Single</u>	<u>Family</u>
\$25	\$50

d. Lockheed Martin will share in the cost of the MERMP or Lockheed Martin Senior HMO, if available, up to a maximum monthly Company subsidy amount. The maximum monthly Company subsidy amount is \$333.33 (or \$4,000 annually) for single coverage or \$666.67 (or \$8,000 annually) for family coverage. The cost to the retiree for either of these coverages will be the flat monthly contribution as long as the Medicare Eligible Retiree Medical Plan (MERMP) or the Senior HMO premium is equal to or less than the maximum monthly Company subsidy amount. The retiree's flat monthly contribution cost sharing

increases by 100% of the MERMP or Senior HMO costs that exceed the maximum monthly Company subsidy amount. If the Senior HMO cost becomes greater than the MERMP cost, but is less than the maximum monthly Company subsidy amount, the retiree's flat dollar cost sharing amount will increase by 50% of the difference between the MERMP cost and the Senior HMO cost.

The following provides a summary of the Medicare Eligible Retiree Medical Plan (MERMP).

	MEDICARE ELIGIBLE RETIREE MEDICAL PLAN (MERMP)
Medicare Parts A and B	MERMP supplements Medicare Parts A and B coverage. Medicare is primary and reimbursement under the Company plan is reduced for any amounts payable from Medicare Parts A and B regardless of the enrollee's actual Medicare enrollment
Annual Deductible	\$100 per person
Lifetime Maximum	\$500,000 (no annual restoration)
Out-of-Pocket Maximum	\$5,000 per individual (excludes deductible)
Skilled Nursing Facility	Plan pays 80%, after deductible, for up to 120 days per calendar year
Outpatient Physician	Plan pays 80%, after deductible
X-ray/Lab	Plan pays 80%, after deductible
Routine Physical Exam	Plan pays 80%, no deductible; limits apply
Hearing Aid	Not covered
Home Health Care	Plan pays 80%, after deductible, for up to 120 visits per calendar year
Hospice Care Program	Plan pays 80%, after deductible, for up to 210 days per calendar year
MENTAL HEALTH AND SUBSTANCE ABUSE	
Inpatient	Plan pays 80%, after deductible
Outpatient	Plan pays 50%, after deductible
PRESCRIPTION DRUGS	
At network retail pharmacies	Up to a 30 day supply, you pay a copay per prescription; per refill:
Generic drugs	\$5 copay
Brand drugs	\$10 copay for preferred brand \$25 copay for non-preferred brand

	MEDICARE ELIGIBLE RETIREE MEDICAL PLAN (MERMP)
At non-network pharmacies	You pay for the prescription/refill and file a claim for reimbursement with the prescription drug claims administrator. You will be responsible for:
Generic	50% of the retail price
Brand	50% of the retail price (preferred or non-preferred)
Mail Order	Up to a 90 day supply per prescription; per refill
Generic drug	\$10 - copay
Brand name drug	\$20 - copay \$50 - copay
Formulary	Open formulary
Copays	Three tier – generic, preferred brand and non-preferred brand name drugs
Prior Authorization – list is subject to periodic review and update by the claims administrator	Included
Generic Substitution	If you request a brand name drug when your physician permits a generic drug substitution, you will pay the preferred or non-preferred brand name copay plus the difference between the generic and brand name cost.

The terms of the Plans in this Supplemental Agreement for Group Insurance will be summarized in separate Summary Plan Descriptions (SPDs). The terms of the plans in the SPD will not be changed during the term of the agreement except for legally required changes or any mutually agreed to changes. Summary Plan Descriptions will be furnished to the Union and to each employee eligible for the Plan.

P. Medicare Alternative Plan

For employees who retire on or after January 1, 2005, the Company will offer Senior HMOs (Medicare Risk HMOs) to bargained retirees age 65 and over where they are available. Retirees age 65 and over may enroll in such plans at retirement. At locations where Medicare Alternative Plans are offered, retirees age 65 and over may be provided the option to change their plan of enrollment to an available Medicare Alternative Plan offered to UAW retirees at that location, subject to any restrictions on location of domicile. There will be a cost for this coverage as described in Section O above. Participants in Retiree Medical Plans, who become eligible for Medicare due to their disability, are eligible to enroll in Medicare Alternative Plans. This change can only be made within 31 days after the eligibility notification by Medicare, or at other times a change in enrollment is allowed by the Plan.

Jeffrey L. George
Director, Human Resources

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS OF
AMERICA (UAW) and its
Locals No.738, 766 and 788

Cal Rapson
Vice President and Director
National Aerospace Department, UAW

November 1, 2003

Mr. Cal Rapson
Vice President and Director
UAW National Aerospace Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Mr. Rapson:

Effective **January 1, 2004**, the Company will **modify the** Performance Sharing Plan (PSP) for members of Locals 738, 766, and 788. Features of the plan will include but not be limited to:

- Eligibility – 6 months service.
- Contributions – 1% increments with max of 15% before tax and total of 17% before-tax and after-tax.
- Company match – 50% of first **\$22.00** employee contribution per week.
- Funds – **Currently, the plan offers ten (10) investment options. It is the intent of the Company to provide a plan that offers a reasonable range of investment opportunities. The number of investment options will not be changed without prior discussion with the Union.**
- Investment changes – **Twelve (12) in a calendar year, with at least one per calendar quarter.**
- Loan provision – up to 50% of the account balance or \$50,000, whichever is less.
- Vesting – immediate.

Very truly yours,

Jeffrey L. George
Director, Human Resources

**MEMORANDUM OF UNDERSTANDING
CONCERNING AMENDMENTS TO THE
AEROSPACE PENSION PLAN FOR EMPLOYEES
IN THE BARGAINING UNIT**

Lockheed Martin Corporation, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) agree that the Lockheed Martin Aerospace Pension Plan for Employees in the Bargaining Unit, as amended **January 1, 2000**, shall be further amended effective **January 1, 2004**, as follows:

1. Increase in Pension Rate for Retirements from Active Service.

For employees who retire from active service on or after **January 1, 2004**, with a normal, early, early with LISA, or total and permanent disability retirement, the present pension rate of **\$43.00** as provided for in Article V, Section (1) of the Plan, **AMOUNT OF BENEFIT**, will be increased as indicated below, according to the date of retirement:

<u>Date of Retirement</u>	<u>Pension Rate</u>
On or after January 1, 2004	\$49.00

2. Increase in Pension Rate for Vested Benefits

For employees who terminate from active service on or after **January 1, 2004**, with a vested right to a deferred pension, the pension rate will be as follows based on the date of termination.

<u>Date of Termination</u>	<u>Pension Rate</u>
On or after January 1, 2004	\$49.00

3. Supplemental Pension Benefits

For employees who retire from active service within the terms of Article V, **Sections (3), SPECIAL EARLY RETIREMENT, and (5), TOTAL AND PERMANENT DISABILITY RETIREMENT**, of the Plan on or after **January 1, 2004**, the temporary supplemental pension rate and the maximum monthly temporary supplemental benefit shall be increased from **\$43.00 and \$925.00** to **\$49.00 and \$1,225.00**, respectively.

APPLICABILITY

Except as provided in Paragraph 2, the reference to employees in this Agreement shall mean those employees who, on or after **January 1, 2004**, are actively on the payroll of the Company and those who, on **January 1, 2004**, are either on layoff with recall rights or on sick leave or union leave, and only those employees. The reference to employees in Paragraph 2, shall mean only those employees who, on or after **January 1, 2004**, are actively on the payroll of the Company, and only those employees.

4. For employees who qualify and retire from active service on or after **January 1, 2004**, the LISA amount increases from **\$375 to \$425**.

This Agreement shall become effective as of **January 1, 2004**, subject to the approval of the United States Internal Revenue Service.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement this **1st day of November, 2003**.

Jeffrey L. George
Director, Human Resources

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW) and
its Locals No.738, 766 and 788

***Cal Rapson**
Vice President and Director
National Aerospace Department, UAW

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

This is to confirm that beginning with the effective date of the 1999 agreement, the Pension Plan will be amended to provide that Hours of Service under Article I, Section (13) will include any additional hours as normally would have been credited to the employee had he worked on a non-overtime basis during a period of absence of up to one year, in the event of layoff.

Very truly yours,

Jeffrey L. George
Director, Human Resources

November 1, 2003

Mr. Cal Rapson
Vice President and Director
National Aerospace Department, UAW
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Rapson:

This will confirm our understanding reached during negotiations concerning pre-retirement counseling.

The Company will provide after-hours (unpaid time) pre-retirement counseling to interested in-unit employees and their spouses. Such counseling may include social security, financial planning and transition information. Sessions will be accessible by employees for all shifts which may be attended by a Union official.

Very truly yours,

Jeffrey L. George
Director, Human Resources

MEMORANDUM OF AGREEMENT

This document will confirm the understanding reached by the Negotiation Committee on Job Consolidations:

That the newly agreed upon classification be implemented on the effective date of the Agreement. Attached is a listing from Baltimore, Denver and Orlando of the newly combined classifications agreed to by the Local Union and Company representatives.

In making this Agreement, it is recognized that time will be required for administrative tasks such as establishment of new overtime groups, shift preference, job family groups, classification codes, rate ranges and job description language.

It is also recognized that a considerable amount of joint effort will be required. In order to accomplish the tasks remaining to be completed after the parties leave negotiations, it is agreed that a Joint Steering Committee be established at the locations, and chartered to continue this work. The parties recognize that other issues of importance should also be discussed at these meetings, such as business opportunities, further consolidation of jobs, and developing a joint partnership to identify cost and efficiency improvements which will provide the basis for a competitive edge in our business environment.

Seniority Rights

1. The job consolidations are not intended to cause employees to be downgraded or laid off as a direct result of the combination. Nor are the combinations intended to eliminate any employee's existing seniority rights.
2. Incumbent employees holding a classification which is part of a newly combined job will be reclassified to the combined classification in seniority order.
3. In the event of layoff, employees within the newly combined classifications will be laid off in combined seniority order.
4. Laid off employees with recall rights to jobs which have been combined into a single classification will have recall rights to the combined job, and will be offered recall in accordance with Article V, Section 8 based on their seniority in the combined classification.

Automatic Progression

Incumbent employees in the newly combined classifications on the effective date of the Agreement, whose base rate falls below the maximum rate of the new classification (and who are not currently in an automatic progression cycle) will begin a new progression cycle on the effective date of the Agreement in accordance with the current Agreement.

Over-Rate Positions

1. An employee who has been placed in an overrate position due to a change in the rate range of the employee's classification and as a direct result of the newly combined classification, will retain such over-rate position as long as the employee holds the classification without interruption.

2. An employee who is subsequently promoted or is removed from the classification by the Application of Seniority and is returned to the former classification will regain the over-rate position provided other employees in the classification enjoy such over-rate positions.
3. Employees placed into an over-rate range position will receive vacation and sick leave allowance, automatic progression wage increase, wage supplements and other wage compensation, at the higher labor grade which is the basis for the over-rate range position.

Training

Newly combined classifications have been identified which reduce the overall number of classifications and encompass broader ranges of skills. The Joint Committee recognizes that in order to assist employees to become proficient, they will need a certain amount of training. These training requirements will be established at each location subject to review and approval by the Joint Steering Committee. However, the parties agree that training will first be provided to active employees and employees eligible for recall based upon their seniority in the newly combined classification. Pretraining may be provided to laid off workers as anticipated future openings occur.

Deleted Jobs

A significant number of classifications will be deleted at each location as a direct result of the newly combined classifications. Should the need arise in the predictable future because of new programs or substantially changed work operations, it is recognized that the Company may reinstate such deleted classifications by mutual agreement.

Job Flexibility

The parties recognize that one of the factors to improving the Company's competitive posture is a flexible workforce. To that end, employees may from time to time perform duties which are isolated, incidental to their normal work assignment and not covered by the language of their job description.

National Steering Committee

The National Steering Committee will consist of the UAW Director of the National Aerospace Department and the Lockheed Martin Human Resources Vice President, or their designated representatives.

The purpose of the National Steering Committee is to review the application and progress of classification consolidations at each location, and should meet at least semi-annually the first year of the agreement and annually thereafter.

It should be understood what is not covered by this Memorandum of Understanding, the provisions of the Agreement shall be applicable.

November 1, 2003

Mr. Cal Rapson
Vice President and Director
UAW National Aerospace Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Mr. Rapson:

This will confirm the explanations given during the 1996 negotiations in Austin, Texas, concerning the application of Article V, Section 14, "...usual and normal explanations to perform the work involved."

The interpretation and application of this phrase was discussed during negotiations. At **Maritime Systems & Sensors – Marine Systems, Space Systems**, and Missiles and Fire Control - Orlando, it is the intent and practice that the phrase, "... usual and normal explanations to perform the work involved" means the employee will be given suitable familiarization and instruction consistent with the complexity of the work involved.

Very truly yours,

Jeffrey L. George
Director, Human Resources

MEMORANDUM OF UNDERSTANDING REGARDING RETIREMENT IN LIEU OF LAYOFF

In addition to the provisions set forth in Article V, Section 6, the following procedure will be followed when it is necessary for the Company to make a permanent reduction in the workforce.

Employees who have reached age fifty-five (55) and who are eligible to receive a normal or early retirement under the provisions of the Pension Plan, and have indicated their desire to retire, will be permitted to volunteer for layoff when a reduction in force is occurring within the classification. The only exception to the foregoing would be in those instances where in the judgment of the Company an employee possesses skills or experience which is necessary for the continued operation of the business.

This memorandum includes the following groups of employees as eligible:

1. Employees at age 65 or older and who are eligible for normal retirement.
2. Employees age 62 through age 64 and who are eligible for an unreduced early retirement.
3. Employees age 58 through age 61 and who are eligible for an early retirement, with supplement.
4. Employees age 55 or more who have 10 or more years of service, and who are eligible for early retirement, without supplement.

Should such employees change their mind about retiring, they will not be permitted to come back from layoff except under the normal recall provisions of the labor agreement.

November 1, 2003

Mr. Cal Rapson
Vice President and Director
UAW National Aerospace Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Mr. Rapson:

The Company maintains a program of tuition reimbursement to promote and encourage education and training as a means to increase employee productivity and expand career potential. This program is available for job related courses at accredited colleges and universities.

The Company will make the tuition reimbursement program available to bargaining unit employees for job related courses at certified vocational technical training institutions and will reimburse 100% of the paid tuition fee, not to exceed an annual total of \$1,500, for up to two (2) courses *successfully completed per academic term, provided that the employee has received written approval of each course per the Company prior to the employee enrolling in such courses.*

Very truly yours,

Jeffrey L. George
Director, Human Resources