

## MEMORANDUM OF UNDERSTANDING

Re: Suspension of F-16 Program Job Bids

This Memorandum of Understanding (the “MOU”) is entered into by and between Lockheed Martin Aero Parts Inc. (LMAPI), Johnstown, Pennsylvania (The “Company”) and the International Association of Machinists and Aerospace Workers, Local 2171, District 98 (The “Union”), with the goal of ensuring stability and continuity within the F-16 Program for the upcoming year.

A. General Provisions

1. Effective July 31, 2025, all employee-initiated transfer or promotion job bids out of the F-16 Program shall be paused for a period of twelve (12) months, during which the Company will continue to fill roles outside of the F-16 program consistent with the current collective bargaining agreement (“Agreement”).
2. Effective August 11, 2025, all employees on the active payroll or on an authorized leave of absence for less than ninety (90) calendar days shall receive a one-time lump-sum one-thousand-two-hundred (\$1,200.00) dollar bonus subject to applicable payroll taxes.
3. Subject to the following restrictions, employees exclusively assigned to the F-16 Program, in Departments 44, 49 (excluding Maintenance), 52A, 52B, 52C, 54 F, and 56 who are on the active payroll or on an authorized leave of absence for less than ninety (90) calendar days, will receive a one-dollar (\$1.00) pay premium applied to their regular hourly rate of pay. This premium shall apply for the duration of the period which they are employed on the program, provided they are not subject to pending discipline. Additionally, this pay premium shall be effective from August 11, 2025 until the expiration of the MOU.
4. Employees entering the F-16 Program shall be eligible to receive the premium subject to the qualifying restrictions outlined above in paragraph 3.
5. Where an opening occurs on the F-16 Program, only those senior qualified employees as determined by the Company, with prior LMAPI F-16 Program experience, will be eligible to bid on those positions. Where there are no qualified employees, the Company may fill those roles externally. However, no provisions of this MOU are intended to limit the Company’s ability to increase or decrease staffing levels or to fill openings as required to meet the operational needs of the business. The Company retains all its management rights to operate the business as it deems necessary.

**B. Limited One-Time F-16 Program Job Bid Transfer Window**

1. Employees currently working on other programs who wish to return to the F-16 Program in order to be eligible for the premium pay will be given a one (1) week transfer request window starting July 28, 2025 until the end of first shift August 4, 2025 during which they may submit Job Bids. These requests will be granted to the senior qualified employees, as determined by the Company, with previous LMAPI F-16 Program experience, up to a number equal to the number of current F-16 Program employees requesting to transfer out during the same window. In this regard, transfers if granted will be approved on a one-to-one basis with employees transferring out of the F-16 Program. Employees transferring during this window will be deemed eligible for the premium pay provided they meet all other eligibility requirements.
2. Employees currently working in the F-16 Program who meet all standard bid eligibility requirements as outlined in Article 13 – Job Bidding of the Agreement; and who wish to transfer to another program will be given a one (1) week transfer request window starting July 28, 2025 until the end of first shift August 4, 2025 during which they may submit Job Bids. Transfer requests submitted during this period will be considered and approved based on seniority, up to a number equal to the number of transfer requests received from experienced employees from other programs seeking to return to the F-16 Program. In this regard, transfers if granted will be approved on a one-to-one basis with employees transferring into the F-16 Program and at the Company's discretion.
3. A transfer request submitted during this window cannot be withdrawn, and employees whose requests are granted will be expected to report to their new classification and department effective August 14, 2025.

**C. Extension of Agreement**

1. This MOU shall expire July 31, 2026 unless the parties extend this MOU by mutual agreement.

**D. Commitment to Vote**

1. The Union agrees to conduct a ratification vote on this Memorandum of Understanding no later than the close of business July 28, 2025. The Union further agrees to notify the Company of the outcome of the vote promptly upon its conclusion. The provisions of this

agreement are contingent upon written confirmation of acceptance of the MOU in its entirety.

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### Acknowledgment and Execution

By signing below, the parties affirm their understanding of and agreement to the terms of this MOU.

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#### For the Company

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

#### For the Union

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_