



AGREEMENT

BETWEEN

**LOCKHEED MARTIN AEROPARTS, INC.
JOHNSTOWN, PA**

AND

LOCAL LODGE 2171

DISTRICT 98

**INTERNATIONAL ASSOCIATION OF
MACHINISTS**

AND AEROSPACE WORKERS, AFL-CIO



September 23, 2023 through September 24, 2027

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AGREEMENT

This Agreement is made this **23rd day of September 2023**, by and between Lockheed Martin AeroParts, Inc., Johnstown, Pennsylvania, hereinafter referred to as the “Company” and District 98 and Local Lodge 2171 of the International Association of Machinists and Aerospace Workers, AFL-CIO, hereinafter referred to as the “Union.”

ARTICLE 1 – PURPOSE AND INTENT

1.0 The purpose of the Company and the Union in entering into this labor agreement is to set forth their agreement on rates of pay, hours of work, and other conditions of employment with a desire to promote and maintain harmonious relations, to encourage economy of operation, to help ensure cooperation and understanding among all persons employed by the Company, and to achieve and maintain the highest level of performance consistent with good safety and health practices.

1.1 The Company and the Union encourage the highest possible degree of friendly, cooperative relationships between their respective representatives at all levels and with and between all employees.

ARTICLE 2 – RECOGNITION

2.0 The Company recognizes the Union as the sole and exclusive bargaining agency for the following categories of employees employed at its Johnstown, Pennsylvania facility: All full-time and regular part-time production and maintenance employees, including inventory control employees, shipping and receiving employees, production control employees, lead persons and quality control employees employed by the employer at its Johnstown, Pennsylvania, facility; excluding all office clerical employees and guards, professional employees and supervisors as defined in the Act, and all other employees as certified in National Labor Relations Case #6-RC-11225.

ARTICLE 3 – UNION SECURITY

3.0 Employees covered by this Agreement shall, as a condition of employment, be required to be members of Local Lodge No. 2171, District 98, of the International Association of Machinists and Aerospace Workers, and all new employees hired shall, as a condition of employment, become members of Local Lodge 2171, District 98, of the International Association of Machinists and Aerospace Workers, within thirty (30) calendar days after date of employment. As required by law, the only condition of employment under this clause is the tendering of uniform initiation fees and dues.

3.1 The Company will, within three (3) working days after receipt of notice from the Union, discharge any employee who is not a member as required in Section 3.0 of this Agreement.

ARTICLE 4 – CHECK OFF

4.0 Upon receipt of an employee's signed authorization, the Company shall deduct from the employee's paycheck the initiation and/or reinstatement fees and regular monthly dues, or an amount equivalent to regular monthly dues, payable by the employee to the Union during the period provided for in said authorization. The amount will be certified, in writing to the Company, by the Secretary Treasurer of the Local Lodge.

4.1 Deductions shall be made for initiation and/or reinstatement fees from the first paycheck of the employee after receipt of authorization from the Secretary-Treasurer of the Union. Monthly dues will be deducted in weekly increments, divided equally across four weeks per month. If a month has five weeks, monthly dues will not be deducted in the fifth week.

4.2 Deductions provided for in paragraph 4.1 shall be remitted to the Union weekly. The Company shall furnish the Union with a record of those for whom deductions have been made and the amounts of the deductions.

4.3 The Union shall notify the Company in writing what the amount of monthly dues, initiation and reinstatement fees shall be, in accordance with the by-laws of the Union.

4.4 The Company will deduct and transmit to the treasurer of the Machinists Non-Partisan Political League the amount specified for each week from wages of those employees who voluntarily authorize such contributions on the forms provided for that purpose by The Machinists Non-Partisan Political League. These transmittals shall occur monthly and shall be accompanied by a list of the names of those employees for whom such deductions have been made and the amount deducted for each such employee.

ARTICLE 5 – MANAGEMENT RIGHTS

5.0 The Company retains the exclusive right to, among other things, hire, direct and schedule the working force; to plan, direct and control, or to sell or lease the operations; to subcontract; to discontinue, reorganize or combine any department or job or branch of operations with any consequent reductions or other changes in the working force; to transfer, promote, reclassify, lay off, suspend, discharge or otherwise discipline employees for just cause; to promulgate and implement reasonable rules and regulations; to introduce new or improved methods or facilities; and in all respects to carry out the ordinary and customary functions of management, provided that these management rights do not violate any express provisions of this Agreement.

5.1 The Union, on behalf of the employees, agrees to cooperate with the Company to attain and maintain full efficiency and give maximum effort.

ARTICLE 6 – NON-DISCRIMINATION

6.0 It is the policy of the Company and the Union that the provisions of this Agreement shall apply, in accordance with federal or state laws governing non-discrimination in employment, to employees covered by this Agreement without discrimination on account of race, ethnicity, color, national origin, ancestry, pregnancy, sex, age, religion, sexual orientation, gender identity or expression, marital status, family structure, genetic information, veteran status, union activities, union membership or nonunion membership, and mental or physical disability so long as the essential functions of the job can be performed with or without reasonable accommodation.

Any reference to the male or female gender shall be deemed to include either gender without regard to sex.

ARTICLE 7 – HOURS OF WORK

7.0 The normal, but not guaranteed work week shall consist of four work days of ten hours each day, forty hours per week. Employees shall be paid weekly on the last scheduled day of the normal work week through electronic direct deposit. Payroll advice documents will not be delivered or mailed to employees.

7.1 Schedules of work are within the discretion of the Company, and work schedule changes will normally be scheduled at least one week in advance of the first day of such change. In situations where advance notice is impossible, the Company and the employee(s) involved may agree to a schedule change.

7.2 Employees shall receive an unpaid lunch period.

7.3 The Normal work schedule is as follows:

First Shift:

6:00 AM – 4:30 PM or 5:54 AM - 4:24 PM Monday thru Thursday

10 Minute Break 9:00 AM – 9:10A M or 9:15 AM – 9:25 AM Mon/Tues/Wed*

15 Minute Break 9:00 AM – 9:15 AM or 9:15 AM – 9:30 AM Thursday*

Lunch 11:30 AM –12:00 PM or 12:00–12:30 PM or 12:30–1:00 PM

Mon/Tues/Wed*

Lunch 11:30 AM to 12:30 PM or 11:24 AM to 12:24 PM Thursday

10 Minute Break 1:50 PM – 2:00 PM or 2:30 PM – 2:40 PM Mon/Tues/Wed

15 Minute Break 1:50 PM – 2:05 PM or 2:30 PM – 2:45 PM Thursday

* As scheduled by the Company.

Second Shift: (if necessary)

4:30 PM - 3:00 AM or 7:30PM – 6:00 AM Monday through Thursday

Two 10 Minute Breaks and half-hour unpaid lunch – Mon/Tue/Wed

Two 15 Minute Breaks and one-hour lunch (1/2 unpaid) Thursday

Employee and Union input will be sought before second shift time is established. Shift starting time will be for all employees and will not be changed more frequently than each one hundred eighty (180) days.

7.4 The usual wash-up time will be five (5) minutes before the end of the individual's shift.

7.5 All flexible shift requests must be approved by the employee's supervisor and a manager.

7.6 There shall be a ten (10) minute break before the regularly scheduled ten (10) hour shift for any employee who has worked two or more hours overtime. There shall be a ten (10) minute break at the end of the regular ten (10) hour shift for any employee scheduled to work two or more hours of overtime.

ARTICLE 8 – OVERTIME

8.0 Time and One-Half (1 1/2) shall be paid for all hours worked over forty (40) in a workweek.

8.1 Double Time shall be paid in the following instances:

- Sundays and/or Holidays recognized in this Agreement; or for
- All hours worked over forty-eight (48) in a workweek.

8.2 Paid time off and flex time will count as time worked for the computation of overtime pay. Paid time off is defined as holiday, bereavement, jury-witness duty or military leave. **An employee working a holiday shall receive holiday pay plus double time, in accordance with Article 8 Section 8.1. Only hours actually worked on a holiday shall count toward the computation of overtime. There shall be no pyramiding (stacking) of overtime hours.**

8.3 Although overtime is not mandatory, overtime will be offered equitably to employees within an overtime group, which shall be by their **program**, classification, department, and shift.

(A) A list of existing **programs and** departments is as follows:

The list of programs and departments above may be adjusted by mutual agreement between the Company and the Union.

Postings for job openings in departments listed above shall include the physical location of the building.

(B) In Department 51 and 58 separately, employees classified as Machinist-Four, Machinist-Five and Machinist-Six will be grouped together for the purpose of overtime.

(C) Within a department and shift, employees classified as Structural Assembler at all grade levels will be grouped together.

(D) Within a department and shift, employees classified as Composite Assembler at all grade levels will be grouped together.

(E) Tool Crib will be offered overtime any time there is at least one machinist scheduled to work overtime.

Program	Department
C-130	45 – C-130 Medium Assembly
	46A – C-130 Large Assembly
	46B – C-130 Large Assembly
	53A – C-130 Subassembly
	53B – C-130 Subassembly
	54C – Production Control
F-16	52A – F-16 Legacy Assembly
	52B – F-16 Assembly
	54F – Production Control
F-35	47 – F-35 Assembly
	54A – Production Control
	50 – Composite Assembly
	54D – Production Control
	54B – Production Control
	44 – Paint Shop
	49 – Operations (Weld, Maintenance, Assembly)
	51 – Machining
	58 – Second shift Machine
	56 – Quality
	57 – Second shift

8.4 An employee who has worked overtime at any time in the scheduled work week shall not be denied the right to work the remainder of the employee’s regular scheduled hours for the balance of the scheduled work week.

8.5 It is the intent of the Company to offer overtime work as soon as the Company is aware of the need to work. Generally, weekend overtime work will be offered before the lunch period on Thursday of each week. Canvassing of employees to see if they are interested in prospective work if it becomes available is acceptable; however, a firm offer to work must be tendered to the employee before the employee can be charged for refusing available hours.

8.6 There will be one overtime list for each overtime group which will show the hours asked, worked, refused and charged for the date needed and the cumulative total year-to-date. This list will include in-week, weekend and holiday overtime charges. These lists will be posted with access by all.

8.7 Overtime charges shall be recorded in actual hours. For example, an employee working ten (10) hours at time and one-half will be charged with ten (10) hours; and an employee working ten (10) hours at double time will be charged ten (10) hours.

8.8 A refusal to work will be charged in the manner as if an employee worked the hours asked, excluding weekday post shift overtime offered after lunch on that day and weekend overtime offered after lunch on Thursday.

8.9 Employees who are absent on days that overtime is offered will be charged with the hours asked, provided they would have had the opportunity to work had they not been absent.

8.10 Employees who accept overtime hours and then do not work will be charged with one time the hours asked.

8.11 Overtime codes to be used on the overtime list will be:

- A – Absent
- L – Light Duty
- M – Military Leave
- R – Refused
- W – Worked
- Z – Not Asked by Lunch Period

8.12 Employees entering a classification within a department and shift, or employees returning from leaves of absence in excess of thirty (30) calendar days will be charged with the then current average overtime hours for that group.

8.13 Employees on military leave when overtime is being worked will not be charged with the hours asked.

8.14 Generally, the employee with the lowest amount of charged hours on the overtime list within an overtime group will be offered overtime first. If an employee other than the employee lowest in hours is offered work, it should be attributable to job continuity or special job knowledge and never to supervisory favoritism.

A) The overtime spread of hours among active employees in a classification within department and shift shall not exceed forty-four (44) hours at any given time.

B) In situations where a classification is populated in multiple departments and overtime in a particular department becomes excessive, similarly classified employees in low overtime departments may be used to replace some higher hour employees in the high overtime department to bring overtime levels to closer parity. This will be done to keep overtime levels between employees within a **program**, classification and shift within a three hundred and fifty (350) hour spread.

8.15 If, after all employees in a classification within a department and shift are **offered** or have been given an opportunity to work, **and** additional employees are needed, qualified employees in the same classification from other departments shall be offered the work.

8.16 If, during an overtime shift, it is determined that additional overtime will be needed later in the weekend where none had been scheduled, the employees working will be considered first before calling in other employees.

8.17 Employees working outside their normal department or classification for twenty (20) hours or more hours during a week will be offered the opportunity to work overtime in that classification and department after the employees regularly assigned have had the opportunity to work. This shall not preclude such employee from accepting overtime work in their home classification and department if they become eligible to work. The employee will only be charged once for hours offered.

8.18 At the end of each calendar year, all overtime lists will be returned to zero hours.

8.19 Probationary employees will not be **offered** overtime work except at the Company's discretion after all other employees in the classification, and departments have been offered work.

8.20 When multiple day weekend blocks of overtime are needed and employees are available on both daytime and evening shifts that are capable of doing the work, the Company will consider both shifts in making its decision where the work is best placed.

ARTICLE 9 – REPORT AND CALL IN PAY

9.0 Should any employee report to work on any of the regularly-scheduled work days without having notice not to report, they shall be provided with at least five (5) hours work or be compensated for five (5) hours work at straight time. Due notice shall be considered if given by a telephone call (and a message is left) at the telephone number of record with the Company. In the event that a message cannot be left for the employee, the Company's record of making the

telephone call shall serve as evidence of due notice. Each employee is responsible for **maintaining a current address or telephone number with the Company**. The Company is not expected to compensate any employee for five (5) hours in the event of causes beyond the control of the employer.

A. When an employee agrees to work on a Friday, Saturday, Sunday, or Holiday, that day will be considered as a regularly-scheduled work day. However, if an employee agrees in advance to work overtime of less than five (5) hours on a Friday, Saturday, Sunday or Holiday, the minimum pay shall be **two (2) hours**, paid at the applicable rate. It is understood that under the provisions of Article 5, the Company has the discretion to schedule a full hour of work.

9.1 An employee who is called back to work outside their scheduled shift, or day of rest, shall be compensated for **two (2) hours** at straight time pay, or the appropriate overtime rate of pay as set-forth in the overtime article of this agreement for the time worked, whichever is greater. This provision will not apply if they are called before the start of the employee’s regular shift and continues to work the regular shift.

ARTICLE 10 – HOLIDAYS

10.0 Eligibility – All bargaining unit employees shall be eligible for holiday pay. An employee must have worked or have been on Flex Time or paid leave on the last work day before or the first work day after the holiday. Paid leave is defined as military leave, bereavement, or jury/witness duty. Any employee on an approved leave of absence shall not be eligible for holiday pay if a regular holiday occurs or is observed while the employee is on such personal leave of absence.

10.1 During any week in which a holiday specified by this Agreement falls, the Company will be scheduled on a four-day, ten (10) hour basis. Pay for holidays is based on ten (10) hours at the employee’s regular straight-time rate, including shift premium, if applicable.

10.2 Holidays recognized in this Agreement shall be:

Year	Holiday	Date	Day	Hours
2023	Thanksgiving*	11/23/2023	Thursday	10
	*2nd Shift	11/22/2023	Wednesday	
	Monday after Thanksgiving	11/27/2023	Monday	10
	Holiday Shutdown	12/25/2023	Monday	10
	Holiday Shutdown	12/26/2023	Tuesday	10
	Holiday Shutdown	12/27/2023	Wednesday	10
	Holiday Shutdown	12/28/2023	Thursday	10

2024

New Year's Day	1/1/2024	Monday	10
Memorial Day	5/27/2024	Monday	10
Independence Day	7/4/2024	Thursday	10
Labor Day	9/2/2024	Monday	10
Thanksgiving*	11/28/2024	Thursday	10
<i>*2nd Shift</i>	<i>11/27/2024</i>	<i>Wednesday</i>	
Monday after Thanksgiving	12/2/2024	Monday	10
Holiday Shutdown	12/24/2024	Tuesday	10
Holiday Shutdown	12/25/2024	Wednesday	10
Holiday Shutdown	12/26/2024	Thursday	10
Holiday Shutdown	12/30/2024	Monday	10
Holiday Shutdown	12/31/2024	Tuesday	10

2025

New Year's Day	1/1/2025	Wednesday	10
Memorial Day	5/26/2025	Monday	10
Independence Day	7/3/2023	Thursday	10
Labor Day	9/1/2025	Monday	10
Thanksgiving*	11/27/2025	Thursday	10
<i>*2nd Shift</i>	<i>11/26/2025</i>	<i>Wednesday</i>	
Monday after Thanksgiving	12/1/2025	Monday	10
Holiday Shutdown	12/24/2025	Wednesday	10
Holiday Shutdown	12/25/2025	Thursday	10
Holiday Shutdown	12/29/2025	Monday	10
Holiday Shutdown	12/30/2025	Tuesday	10
Holiday Shutdown	12/31/2025	Wednesday	10

2026

New Year's Day	1/1/2026	Thursday	10
Memorial Day	5/25/2026	Monday	10
Labor Day	9/7/2026	Monday	10
Thanksgiving*	11/26/2026	Thursday	10
<i>*2nd Shift</i>	<i>11/25/2026</i>	<i>Wednesday</i>	
Monday after Thanksgiving	11/30/2026	Monday	10
Holiday Shutdown	12/24/2026	Thursday	10
Holiday Shutdown	12/28/2026	Monday	10
Holiday Shutdown	12/29/2026	Tuesday	10
Holiday Shutdown	12/30/2026	Wednesday	10
Holiday Shutdown	12/31/2026	Thursday	10

2027

Memorial Day	5/31/2027	Monday	10
Independence Day	7/5/2027	Monday	10
Labor Day	9/6/2027	Monday	10

* Second Shift will work an odd workweek of Sunday through Wednesday in lieu of the regular schedule of Monday through Thursday. Sunday will be considered a regularly scheduled workday and will not be subject to the payment of overtime. The holiday will be observed on Wednesday as noted on the list.

10.3 In addition to the holidays listed above, with twenty four (24) hours advance notice to their immediate supervisor, an employee may elect to take off a full shift unpaid (with no attendance infraction) for one (1) of the holidays listed below:

- **Martin Luther King Jr. Day**
- **Juneteenth National Independence Day**
- **Veterans Day**

The holiday may only be taken one time per calendar year and the holiday must occur on the employee's regularly scheduled workday.

ARTICLE 11 – FLEX TIME

11.0 Vacation time, paid sick time and paid personal time shall be combined into “flex time.” For seniority employees, flex time will be accrued monthly based on length of service and will be posted to the payroll the third pay of each month. Once posted to the payroll, flex time is earned and is available for use. Probationary employees are not eligible to earn or use flex time. When an employee completes their probationary period, they will automatically be credited with **forty (40)** hours of flex time. However, employees on Short Term Disability Leave or a leave of absence of thirty (30) calendar days or less will continue to earn flex time.

11.1 Flex time will be accrued according to the schedule below:

Years of Service Earned per Month	
0-4	10.00
5-9	11.67
10-14	13.34
15-19	14.50
20+	16.00

Employees may utilize accrued flex time once it is visible in the Company payroll system.

11.2 An employee shall be paid for flex time at the employee's current rate of pay, including shift premium and Lead pay.

11.3 Banking of Flex Time. Employees may accumulate a maximum flex time balance

of thirty-six (36) times their monthly earning rate. Unused flex time greater than this maximum balance will be paid to the employee.

11.4 Cashing in Flex Time. In lieu of taking flex time away from work, employees may cash in earned flex time. Requests to cash-in earned flex time must be approved by the Senior Manager or their designee. Approved requests will be processed in the next scheduled payroll.

11.5 All seniority employees, who terminate their employment for any reason, including retirement, shall receive pay for their unused flex time.

An employee who is laid off will be paid their flex time balance upon submitting a written request. Otherwise, any flex time balance will be retained by the Company and automatically paid to the laid off employee at loss of seniority as defined in Article 12.2, paragraph e.

11.6 Employees are urged to inform their supervisor, as early as possible, of their flex time desires to best ensure receiving flex time when desired.

A. In the event a dispute arises as to whom may take flex time in a particular week, seniority shall govern, providing employee requests flex time four (4) weeks in advance. If it is less than four (4) weeks, the request will be granted on a first-asked basis.

B. Flex time may be utilized to cover payment for any time lost, resulting from the employee's attendance infraction, provided flex time is available on the date of the infraction. Flex time used for early departures must be approved by a supervisor prior to the employee's departure.

C. In emergency or extenuating circumstances, and for the purpose of notification only, an employee may notify a lead prior to leaving the facility.

11.7 Flex time shall be taken in units of one-half (0.5) hour, further defined as units of thirty (30) consecutive minutes.

ARTICLE 12 – SENIORITY

12.0 For the purpose of this Agreement, “seniority” is defined as the length of continuous service with the Company. In the event there is more than one employee with the same seniority date, the employee having the lowest Social Security number (i.e. last four digits) will have the greater seniority.

12.1 New employees and those rehired after a break in continuous service shall be regarded as probationary employees for a period of one hundred and twenty (120) calendar days from the date of the last hire and shall not accumulate seniority until the end of the probationary period, with the understanding that after completing such probationary period, the employee’s seniority shall revert to the date of hiring or rehiring. During the said probationary period, the employee shall be considered on probation and the termination of an employee during such period shall not be subject to the Grievance/Arbitration procedure of this Agreement.

12.2 Continuous service shall be broken by any of the following reasons:

- A. If the employee quits, resigns, or retires.
- B. If the employee is discharged for just cause.
- C. If the employee is absent for three (3) consecutive workdays without reporting off with an acceptable reason unless it is impossible or unreasonable to call-in.
- D. Failure of a laid-off employee with seniority to contact the Company within three (3) work days after receipt of the certified recall letter. Recall letters will be by Certified Mail, return receipt requested, and will be sent to the last address of record with the Company. Each employee is responsible for notifying the Company of any change of address or telephone number by contacting the Lockheed Martin Employee Service Center. The employee shall return to work on the agreed upon start date which shall be within fourteen (14) calendar days unless extenuating circumstances, acceptable to the Company, prohibit it.
- E. Layoff in excess of forty-eight (48) months.
- F. Absence due to non-work-related illness or injury for twenty-four (24) consecutive months and a determination is made by the Company that a continued leave of absence cannot be provided as a reasonable accommodation.
- G. Absence due to a work-related illness or injury for forty-eight (48) consecutive months and a determination is made by the Company that a continued leave of absence cannot be provided as a reasonable accommodation.

H. Employee's failure to be a member of the Union will result in discharge. The Company will discharge an employee by the third work day after the Human Resources Department has received written notice from the Secretary-Treasurer of the Union that an employee is no longer in good standing with the Union. As required by law, the only condition of employment under this clause is the tendering of uniform initiation fees and dues.

12.3 LAYOFF SELECTION

A. When conditions necessitate a reduction in the work force, employees will be laid off by classification. Employees will be laid off in the following order:

1. Employees who volunteer for layoff shall be given due consideration, by seniority.
2. Employees with the least seniority in a job classification scheduled for reduction.

B. Notice of Layoff to the initial employee(s) being laid off shall be given to them as soon as possible but at least one (1) week before the effective date of the layoff.

C. Such employees will exercise their seniority and bump a less senior employee, providing the employee previously held a job in that classification. An employee may bump the General Laborer, Tool Crib Attendant, Structural Assembler-Three, or Composite Assembler - Three classifications even if they have never held the classification before, provided they have the skill and ability to do the work. The employee bumping into the new classification will be subject to a qualifying period of thirty (30) days actually worked. Time spent gaining the necessary certifications to perform the work will not count as a day actually worked. Failure to qualify will result in layoff. However, in the event that the Company would offer an available opening in another classification, the employee has the option of accepting that job.

D. If the laid-off employee cannot exercise their seniority the employee will be placed on layoff.

E. Employees who are temporarily disabled shall be considered an active employee for the purpose of this Article 12 and, if bumped, will exercise seniority upon return to work.

F. All time accrued as a Structural or Composite Assembler will transfer into either classification for the purpose of layoff.

12.4 RECALL

A. An employee who has exercised their seniority and bumped another employee and employees who are laid off will be put on the recall list.

B. Laid-off employees will be recalled in seniority order to a classification previously held or to the General Laborer, Tool Crib Attendant, Structural Assembler-Three or Composite Assembler - Three classifications not previously held. The employee recalled into the new classification will be subject to a qualifying period of thirty (30) days actually worked. Time spent gaining the necessary certifications to perform the work will not count as a day actually worked. Failure to qualify will result in layoff with loss of recall rights to that classification. If the employee refuses a recall to a classification previously held, their recall rights will be lost for all classifications.

C. Employees with recall rights will be given due consideration for jobs not previously held before any new employees are hired, provided the employee has the skill and ability to do the work based on Company records. Employees may identify their preferences for a maximum of three (3) positions they wish to bid on while laid off. Preferences may be submitted by completing a Job Preference While on Layoff form and returning it to the Human Resources Department.

D. Once on the payroll, recalled employees may request a shift change, crossing departmental lines within their classification. Requests will be honored by the Company on the basis of seniority and availability. The senior employee in the classification shall have their choice of shifts when a recall occurs in the classification.

E. All time accrued as a Structural or Composite Assembler will transfer into either classification for the purpose of recall.

12.5 The Company will post seniority lists.

12.6 If the Company elects to return a supervisor or other salaried employee to the bargaining unit who was promoted from the unit, prior to September 22, 2023, such employee will be placed in the highest-rated job classification previously held, where an opening exists. Such employee's seniority will reset and they shall be treated as a new hire for all other purposes.

12.7 If the Company elects to return a supervisor or other salaried employee to the bargaining unit who was promoted on or after September 22, 2023, the employee shall return with full seniority credit, provided their period away from the bargaining unit does not exceed two (2) years. If the employee has spent more than two (2) years away from the bargaining unit, such employee's seniority will reset and they shall be treated as a new hire for all other purposes except earned benefits such as flex time. If returned, the employee will be placed in the highest-rated job classification previously held, where an opening exists.

12.8 TEMPORARY LAYOFF

The Company shall not be restricted from laying off a person, or an entire shift, or an entire classification, or the entire Bargaining Unit, on a temporary basis for a period not to exceed thirty (30) calendar days, because of breakdowns, shortage in inventories or raw materials, acts of God, civil disorder, labor disruptions, government or customer suspension of work directives, or any other acts over which the Company has no control. The Company will make every reasonable effort to assign such employees to other work if available.

- A. Employees who volunteer for temporary layoff shall be given due consideration acceptable to the Company.
- B. Employees placed on temporary layoff will not have the right to exercise their seniority and bump another employee.
- C. Employees placed on temporary layoff may voluntarily take earned Flex Time Pay during temporary layoffs. Employees on temporary layoff will be considered active employees for the purpose of Flex Time accrual, Holiday pay, and all other benefits.
- D. Individual employees shall not be temporarily laid off more than once in a calendar year until all other employees in the same classification in the affected area shall have been temporarily laid off once, unless the affected employee and the shop committee agree to exceed this limit.
- E. Employees placed on temporary layoff will be notified of the expected length of the temporary layoff. Notice shall be given as soon as practicable.
- F. Returning temporarily laid off employees to work will take precedence over recall of employees who are laid off. The most senior employee will be the first returned to work. Employees will be returned to their classification.
- G. The Company will notify the Shop Committee in writing whenever temporary layoffs occur.

ARTICLE 13 – JOB BIDDING

13.0 Whenever it is necessary to add a new position to a classification, the Company shall post the position available and identify the department and shift. Eligible employees who have successfully completed their probationary period and that have been in their current position for an additional eight (8) months, regardless of classification, department, or shift, shall have the opportunity for a four (4) working day period during a two-pay period span to apply with Human Resources for such new position.

13.1 However, an employee that has satisfied the above in 13.0 having remained in their current position for no less than six (6) months may apply for an available position that is posted and at any time may apply for a promotional opportunity having met the one (1) year period noted above. The posting shall state the tentative date when the job will be available. Lateral movement within a classification shall be limited to the original posting but shall not preclude second shift employees the opportunity to move to first shift. Other openings created by the job bid will continue to be filled by job bid until no qualified bidders are identified, then by new hire.

- A. An employee who will be out of the facility for a period of time of not more than two (2) weeks may complete an Employee Job Bid Notice Form and submit it to Human Resources. This form will be considered a bid for classifications that the employee has identified if such classifications are posted during this period of absence.
- B. The Company will post a notice indicating the employee selected for the position within two (2) weeks after removal of the job posting from the board.
- C. Qualified bidders will be determined by information provided on the job bid application and in the employees' personnel department file at the time of posting.
- D. First consideration shall be given to the employee currently holding the posted classification **or who has held classification before**. Thereafter, the qualified bidder with the greatest seniority shall be awarded the job.
- E. All time accrued as a Structural Assembler or a Composite Assembler will transfer into either Assembler job for Pay for Knowledge Progression.
- F. If the employee is awarded a higher labor grade job, the employee will receive a four percent (4%) increase. No base rate increase will be awarded to any employee who has previously held the occupation or labor grade being awarded. In all cases, the employee will receive at least the minimum rate for the classification and no more than the maximum rate for the classification.

G. If the employee is awarded a lower labor grade job, the employee will retain their rate if they have held the higher rated job for at least six (6) months unless it is in excess of the maximum for the classification.

H. In the event a qualified bidder is offered a position and refuses to accept, the employee shall not be eligible to bid on new positions for a three (3) month period from the time of refusal.

I. The employee awarded the new position will be subject to a qualifying period of thirty (30) days actually worked. In case the employee fails to qualify in their new position, they will be returned to their last classification, department, and shift, seniority permitting. For purposes of this Paragraph H, a “day actually worked” is defined as any day that the employee works at least one-half of their regular shift, except that time spent gaining the necessary certification to perform the work will not count as a day actually worked. For lead positions, the Company and the Union may mutually agree to extend the forty-five (45) working day qualifying period.

J. If there are no qualified bidders, the Company will fill the position from outside the bargaining unit.

K. The bidder shall be placed into the new position no later than sixty (60) calendar days following acceptance of the Company’s offer, the Company and the Union may mutually agree to extend the sixty (60) calendar day period. **However an employee who is selected for a promotion shall be placed into the new position no later than thirty (30) days following acceptance of the Company’s offer. In the event that the employee is not moved in that time, the employee shall begin receiving appropriate pay for the new position within thirty (30) days of acceptance.**

13.2 Whenever it is necessary to transfer an existing position within a classification and shift from one department to another, the Company shall identify the gaining and losing departments, then canvass the classification within the losing department to determine the employee to be transferred to the gaining department. Seniority shall be the determining factor. Employees in their probationary or qualifying periods are eligible for not more than one canvass during those periods. The senior displaced worker will have shift preference to displace a less senior employee in the same classification.

13.3 Temporary transfers and promotions not to exceed thirty (30) calendar days may be made by the Company to any position for which the employee is qualified to perform. **The Company shall provide written documentation of all temporary transfers to the transferred employee and the Union.** The Company and the Union may mutually agree to extend the thirty (30) day period. In the event of surplus or work slowdown, the Company will

transfer from the losing department **and classification** by volunteer starting with the most senior employee. If there are no volunteers, employees will be transferred in inverse seniority order. No employee will be transferred involuntarily more than once until all other employees in their department and classification have been transferred at least once.

Experience gained during a temporary transfer, within a three (3) month time limit immediately prior to a job posting, shall not be used as a determining factor in selecting an applicant for that posted job and/or opening.

13.4 Should any employee perform the work of a higher classification for more than ten (10) hours in a week, they shall receive not less than the minimum rate for the hours worked in such higher classification.

13.5 If an employee is temporarily transferred for the convenience of the Company to a lower classification, the employee's rate shall not be reduced to that of the lower classification. However, in the event an employee is transferred to a lower classification of the employee's own choosing the employee will then receive the rate paid for that classification.

13.6 Lead positions will be posted and awarded to the qualified bidder with the greatest seniority who has previously held or currently holds the classification for at least twelve (12) months over which the lead position will be designated. **Employees who previously held the classification for at least twelve (12) months are not required to have remained in their current position for six (6) months to apply for an available lead position.** The following criteria will be used to determine if an applicant is qualified: ability to communicate, train and work well with fellow workers, supervisors and other departments; and demonstrated technical ability in the posted classification. Probationary employees are not eligible to apply for a Lead position. During periods when employees are serving in lead positions, they will be paid an additional **one dollar (\$1.00)** per hour above their base rate.

- A. If the Company determines there is no longer a need for an employee to perform lead duties or determines an employee is ineffective in performing lead duties, the employee will be notified in writing, and the Company will remove the employee's pay additive. The effective date of the employee's pay adjustment shall be the first Monday immediately following the removal of the employee's lead designation. Any reduction of leads shall be in accordance with Article 12 Seniority.**

Prior to a lead being removed for inability to maintain the qualifications of a lead as outlined above, the Company will meet with the lead to discuss the identified deficiencies and opportunities for improvement. The lead will be given an opportunity to correct their performance/behavior, and any continued failure to correct the identified deficiencies may result in removal from the lead position.

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

ARTICLE 14 – DISCHARGES AND DISCIPLINE

14.0 If an employee is called into a meeting by the Company to discuss a situation that may lead to a possible reprimand or a documented reprimand, the employee will be entitled to have a Shop Committee Person **or Shop Steward** present. Progressive discipline shall be used when appropriate.

14.1 In the event an employee is disciplined or discharged, they shall be given the reason for their discipline or discharge in writing within two (2) working days, and a copy shall be given to the Union.

14.2 A grievance resulting from a discharge must be filed within five (5) working days of notification of discharge and will proceed as set forth in step two of the grievance procedure.

14.3 The Company maintains the right to discipline employees **for just cause, in a timely manner, not to exceed eight (8) working days of reasonable knowledge of the occurrence. In instances requiring investigations and/or internal reviews, reasonable knowledge shall not be established until the conclusion of such investigations/reviews.**

The Company shall apply the following categories when **applying discipline**: work performance, employee conduct, or attendance. Attendance discipline will be administered as provided in the Attendance Memorandum of Understanding. It is within the Company's discretion, subject to the grievance procedure, to determine which category of discipline shall be administered.

Where progressive discipline is appropriate, employees shall be disciplined in the following manner:

- A. Verbal Warning – Issued by management and documented in the employee's record.
- B. Written Warning – Issued by management and documented in the employee's record.
- C. Suspension Without Pay, three (3) days – Issued by management and

documented in the employee's record.

D. Final Warning/Suspension Without Pay, five (5) days – Issued by management and documented in the employee's record.

E. Discharge – Issued by management.

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

14.4 While the Company will generally impose progressive discipline within an individual category as follows, the Company, at its discretion, may impose discipline at any of these steps depending on the nature and severity of an employee's action(s) or violation(s). An employee's record within the preceding twelve (12) service-month period will be considered in instances of progressive discipline for Verbal and Written Warnings. An employee's record within the preceding eighteen (18) service-month period will be considered in instances of progressive discipline for Suspension Without Pay. Any disciplinary action including Verbal and Written Warning will be considered null and void for purposes of disciplinary action and the disciplinary documentation pertaining to the discipline in the same category will be removed consistent with the twelve (12) to eighteen (18) month periods as noted above.

14.5 Employees may contact Human Resources to request to review their disciplinary record. Such requests will not be unreasonably denied or delayed.

ARTICLE 15 – GRIEVANCE PROCEDURE

15.0 The parties agree that it is desirable to settle complaints at the employee-supervisor level before they become grievances. A grievance may be filed should any differences or disputes arise between the Company and the Union or any employee with respect to any provisions of the Agreement and such differences shall be settled in the following manner.

15.1 Step 1 – If not settled on the employee-supervisor level, the grievance shall be reduced to writing on a form provided and submitted to a Human Resources designee, within five (5) working days of knowledge of the incident. The supervisor will hold a meeting with the

grievant and the Shop Committee Person or Shop Stewards within two (2) working days of receipt of the written grievance. The supervisor will give a written answer within three (3) working days of the meeting. To facilitate settlements, settlements made at step one shall not be considered a precedent for future grievances.

Step 2 – A grievance not satisfactorily adjusted in Step 1 shall then within three (3) working days after the supervisor has replied be submitted by the Shop Committee Person or Shop Steward to a Human Resources designee. The written grievance shall then, within five (5) working days, be discussed at a meeting between the Shop Committee and/or the Business Representative and representatives designated by the Company. The grievant may be in attendance. The Company shall issue a written answer within five (5) working days after the meeting. The Step 2 settlement shall be final and binding upon the Union, the employee, and the Company unless otherwise mutually agreed to by the parties.

Step 3 – Arbitration – In the event the grievance has not been settled at Step 2, either party may submit the matter to arbitration. In the event such action is not taken within ten (10) working days following receipt of the Step 2 answer, the grievance shall be considered to have been settled and closed.

A. The grievance shall be presented at an arbitration hearing before an arbitrator mutually selected by the Company and the Union. If the Company and the Union cannot mutually agree upon an arbitrator, the moving party shall apply to the Federal Mediation & Conciliation Service (FMCS) for a panel of seven (7) arbitrators, who are members of the National Association of Arbitrators (NAA), and from which an arbitrator shall be selected within fourteen (14) calendar days from receipt of the list. The parties shall alternately strike names from the list until one name remains. The moving party shall strike first. The parties may mutually agree to request a second panel.

B. The parties, within (10) calendar days, shall schedule an arbitration hearing which shall be held in the Johnstown area within forty-five (45) calendar days after the Arbitrator has acknowledged a willingness to act unless the Company and the Union mutually agree otherwise; provided, however, if the Arbitrator is unable to schedule a hearing within such forty five (45) day period, the parties shall schedule a hearing as soon as practicable thereafter.

C. Further it is mutually agreed that the arbitrator's decision, consistent with the restrictions of their authority, shall be final and binding on both parties. The arbitrator's authority shall be restricted to the determination of a grievance as defined in Section 15.0 of this Article and the arbitrator shall

not have the power to add to, subtract from or modify the provisions of this Agreement. The expenses of the arbitrator shall be borne equally between the parties. All other expenses shall be borne by the party incurring such costs.

15.2 All time limits must be followed by the responsible party in order to avoid forfeiture of the grievance. It is agreed that the time limits may be extended by written mutual consent.

15.3 Grievances affecting the bargaining unit as a whole or a large number of employees may be initiated by the Union, and such grievance shall be submitted to Step 2 of the procedure within five (5) working days of knowledge of the incident.

15.4 During the grievance process, where there is mutual agreement between the Company and the Union, mediation may be used in an effort to resolve a grievance.

15.5 Any pay or benefit remedy in the adjustment of a grievance in any step of the grievance procedure, including arbitration, will be less any mandatory taxes, wages or benefits that the employee may have received in the intervening period and will not exceed three hundred sixty-five (365) calendar days from the date of the alleged contract violation.

ARTICLE 16 – UNION REPRESENTATION

16.0 The Union may select up to **four (4)** employees to serve as Shop Committee persons. The Shop Committee shall serve as the Grievance Committee and the Negotiating Committee. The Union shall provide the Company with a written list of Officers and/or Committee Persons.

16.1 Upon receiving permission from the Human Resources designee, accredited representatives of the Union shall be admitted to the plant during working hours for assisting in the adjusting of grievances or investigation of possible grievances. It is understood by the parties that the second shift Shop Steward may adjust their reporting time once a month for the purpose of attending the monthly Union meeting.

16.2 Such permission by the Human Resources designee shall not be unreasonably withheld nor shall such permission be abused. All such representatives shall comply with the security regulations as required of all other plant visitors. In no event will production be interrupted.

16.3 The Company shall pay members of the Shop Committee and the aggrieved employee at their current rate of pay, including shift differential, if applicable, for time spent in processing grievances (except arbitrations), and any other joint Union/Company conferences.

Employees who are members of the Negotiating Committee shall be paid for hours lost from their normal workweek while participating in contract negotiations with the Company.

16.4 If the bargaining unit population shifts between buildings and/or schedules, the Company agrees to discuss with the Union any need for additional Shop Stewards. Each building in which employees are regularly assigned to work may have at least one (1) Shop Steward.

ARTICLE 17 – LEAVE OF ABSENCE

17.0 Applicable and current federal regulations will govern Family and Medical Leave (FMLA). Return to work requirements for such leave as may be changed from time to time by the Company will be administered in accordance with existing Company policy. The Company will notify the Union of any changes to the medical leave policy or process in advance of their implementation.

17.1 A personal leave of absence may be granted at the discretion of the Company to an employee for personal reasons not covered in paragraph 17.0 or Article **21** (Military Leave). An employee will be granted a personal leave of absence under reasonable circumstances, providing production requirements permit.

17.2 An employee may apply to Human Resources in writing for a leave of absence without pay for one (1) or more days but not to exceed thirty (30) calendar days. During the thirty (30) calendar day leave of absence, employees are considered active and employee benefits continue. However, as provided for in Article 10 (Holidays), employees are not eligible for holiday pay when a holiday is observed during a leave of absence. Flex time cannot be taken while on a leave of absence, but may be taken before the leave begins. Employees will be responsible for reimbursing the Company for the normal employee share of any benefit premiums. If the leave of absence is for the employee's personal medical reasons, a statement of release from the employee's physician shall be provided upon return to work.

17.3 If renewal or extension of the leave of absence is desired, written application in accordance with paragraph 17.2 must be made prior to the expiration of the then current leave of absence. Any extensions granted beyond a thirty (30) calendar day period will result in the termination of all benefits including flex accrual and employees will be offered the option to continue group benefits through COBRA.

17.4 At the termination of the leave of absence, the employee will be returned to the employee's former position, seniority permitting. In the event the employee's former position has been abolished, the employee will exercise seniority in accordance with Article 12 (Seniority) as if being in the former position. For the purpose of this Article, a "former position" is defined as

the employee's classification, department, and shift immediately prior to the leave of absence.

17.5 In the event an employee wishes to return to work before the expiration of their leave of absence, they may request to do so by making written request to Human Resources.

17.6 Employees with at least one year of continuous service, accepting full-time positions, as Union Representatives shall be given a leave of absence without pay for the term of office up to one year. The leave shall be extended yearly if required and requested. Such employee shall retain the seniority held at the time of the leave of absence for purposes of returning to the bargaining unit. Such employee shall have the privilege of returning to the employee's former position. In the event the employee's former position has been abolished, then the employee will exercise seniority in accordance with Article 12 (Seniority) as if being in the former position. It is understood that this Section shall be limited to one employee at any one time.

ARTICLE 18 – PARENTAL LEAVE

18.0 Parental leave shall be administered in accordance with the corporate policy currently in effect and which may change from time to time both during and after the expiration of this Agreement. The Company shall notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

ARTICLE 19 – BEREAVEMENT LEAVE PAY

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

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

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

- **Grandparents, Step Grandparents, Grandchildren, and Step Grandchildren.**
- **Current Spouse’s Parents, Grandparents, Step Grandparents, Children, Stepchildren, Grandchildren, and Step Grandchildren.**
- **Current Spouse’s Siblings, Step Siblings, Half Siblings, and their current Spouses.**

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

ARTICLE 20 – JURY DUTY OR WITNESS SERVICE

20.0 Employees are expected to report to jury duty or serve as witnesses when required by subpoena. Paid time off will not be approved for an employee appearing as a defendant, plaintiff, or for court appearances that are not required.

20.1 Employees shall be granted their regular pay for those hours which they are absent from work during the employee’s regularly scheduled workday. Employees will not receive their regular pay for jury duty/witness service which occurs during a leave of absence.

20.2 If an employee assigned to second shift is absent from work on the calendar day they serve as a juror or witness, such absence will be considered an approved paid absence and not subject to an attendance infraction.

20.3 Employees are required to submit a legally valid subpoena or jury summons to their supervisor in order to qualify for payment. Employees shall keep their supervisor informed of their jury/witness duty status.

ARTICLE 21 – MILITARY LEAVE

21.0 Military leave shall be administered in accordance with the corporate policy currently in effect and **which may change from time to time both during and after the expiration of this Agreement.** The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

ARTICLE 22 – BUSINESS TRAVEL

22.0 Employees will be reimbursed for necessary, actual, and reasonable business travel expenses while on travel status, excluding vacations and authorized leaves of absence without pay, in accordance with the corporate policy currently in effect and **which may change from time to time both during and after the expiration of this Agreement**. The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

ARTICLE 23 – NON-BARGAINING UNIT EMPLOYEES DOING BARGAINING UNIT WORK

23.0 It is the intent of the Company that non-bargaining unit employees shall not perform duties which are normally performed by Bargaining Unit employees except in the following type of situations:

1. In the instruction or training of employees.
2. In emergency or critical conditions.
3. In order to prevent injury to employees or damages to Company property or equipment.
4. When such work is related and necessary to the performance of the salaried employee's duties.

The Company will use its best efforts to ensure that the terms of this provision are understood and applied.

ARTICLE 24 – SAFETY AND HEALTH

24.0 The Company shall continue to furnish and maintain safe and healthful working conditions, to include washing facilities, toilets and lunchroom.

24.1 Employees shall be required to wear safety devices and apparel and other equipment necessary to properly protect themselves from injury, and the Company shall provide required safety equipment.

24.2 The Union shall cooperate in enforcing reasonable safety rules and regulations, and in maintaining cleanliness and good housekeeping throughout the plant.

24.3 No employee shall be required to perform work that involves imminent danger to their or any other employee's health or physical safety once a complaint has been lodged with the immediate supervisor, unless the employee is issued written instructions by the Company Safety Coordinator to proceed with the work.

24.4 The Company will reimburse up to a maximum of two hundred dollars (\$200.00) every two (2) years to each employee for prescription safety glasses which meet American National Standards Institute (ANSI) specifications for frames and lenses. Glasses may be purchased from the employee's vendor of choice.

This benefit will be provided every two (2) years or more frequently if damage to the frames or lenses is a result of work requirements.

Payment(s) will be made either to the employee, when a receipt is presented, or to a vendor if the Company is direct billed. In either case, the ANSI specification must be documented on the receipt/invoice.

24.5 The Company will provide safety foot protection where it is required. The Company will reimburse an employee up to **one hundred fifty dollars (\$150.00)** every year toward the purchase of OSHA approved steel-toe safety shoes.

24.6 A Joint Safety Committee shall be maintained and meet at least monthly. The purpose of the safety committee is to assist in the identification and resolution of potentially unsafe, unsanitary, or unhealthy conditions. Committee members may request meetings on other safety issues of mutual concern. The final resolve of these issues shall be the sole responsibility of the Company.

The Company and Union will annually appoint representatives to serve on the Joint Safety Committee. The structure of the Joint Safety Committee may be modified as needed based on business conditions with the agreement by both parties so long as there is equal representation by the Union and Company.

ARTICLE 25 – STRIKES AND LOCKOUTS

25.0 There will be no strikes, work stoppages, interruption or impeding of work. No officer or representative of the Union shall authorize, instigate, aid, or condone any such activities. No employee shall participate in any such activities.

25.1 There shall be no lockouts.

ARTICLE 26 – TUITION REIMBURSEMENT

26.0 Financial assistance to employees seeking college and university degrees will be reimbursed by the Company in accordance with the corporate policy currently in effect and **which may change from time to time both during and after the expiration of this Agreement.** The Company will notify the Union of changes in policy or processes as they occur. Nothing in this Agreement shall prevent the Company from making changes to this corporate policy on the same basis as that policy is revised with respect to non-bargaining unit employees.

ARTICLE 27 – SAVING CLAUSE

27.0 In the event that any federal or state legislation, governmental regulations or court decisions cause invalidation of any Article or Section of this Agreement, all other Articles and Sections not so invalidated shall remain in full force and effect.

ARTICLE 28 – DURATION

28.0 This Agreement shall become effective on **September 23, 2023**, and shall remain in force until **September 24, 2027**, unless, at the end of each year period thereafter, this Agreement shall be renewed automatically for periods of one (1) year unless either party gives written notice of interest to terminate or amend at least seventy-five (75) days prior to the renewal date. The parties agree to commence negotiations within sixty (60) days after the giving of such notice.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the
23rd day of September 2023.

LOCKHEED MARTIN
AEROPARTS, INC
JOHNSTOWN, PENNSYLVANIA

Cassidy Clark

Cassidy Clark
Labor and Employee Relations, Supervisor

Z Budden

Zach Budden
Labor and Employee Relations, Director

Xavier Jefferson

Xavier Jefferson
Labor and Employee Relations, Senior Manager

Wayne Davis

Wayne Davis
General Manager, Site Director

Mark A. Batzer

Mark Batzer
Senior Manager, Site Support Operations

Christopher A. Schreyer

Christopher Schreyer
Senior Manager, Production Operation

Patrick McCann

Patrick McCann
Human Resources

Danielle Ownby

Danielle Ownby
Labor and Employee Relations

Sarah Summers

Sarah Summers
Labor and Employee Relations

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO

Jody Bennett
Jody Bennett
Chief of Staff, Aerospace

Robert Barnwell

Robert Barnwell
Aerospace Coordinator

MACHINIST LOCAL LODGE 2171

Frank Schutz

Frank Schutz
Union President

Jerrod M. Fetcko

Jerrod Fetcko
Vice President

Mike Wentzel

Mike Wentzel
Business Representative

Trevor Mclyntyre

Trevor Mclyntyre
Negotiating Committee

Chrystal Shaulis

Chrystal Shaulis
Negotiating Committee

APPENDIX “A”

JOB CLASSIFICATION SECTION

LABOR GRADES - The following classifications shall be assigned to the following Labor Grades:

<u>Job Classification</u>	<u>Labor Grade</u>
Computer-Aided Machining (CAM) Offline Programmer	7
Inspector A	6
Inspector B	5
Inspector C	4
Nondestructive Testing Level II, Tech B	7
Machinist-Six	6
Machinist-Five	5
Machinist-Four	4
Fabrication Welder-Six	6
Fabrication Welder-Five	5
Fabrication Welder-Four	4
Maintenance Mechanic	6
Painter	5
Structural Assembler-Five	5
Structural Assembler-Four	4
Structural Assembler-Three	3
Paint Prep/Chemical Film Operator	4
Production Associate	4
Tool Crib Attendant	3
General Laborer	2
Composite Assembler – Five	5
Composite Assembler – Four	4
Composite Assembler – Three	3

WAGES

SECTION ONE

A) **On October 7, 2023, a one dollar (\$1.00) increase will be applied to the minimum and maximum of all labor grades. Employees on the active payroll or on approved leave of absence will receive a one-time increase of one dollar (\$1.00) hour to their hourly straight time rate.**

Additionally, by October 27, 2023, each employee who was active or on an approved leave of absence for less than ninety (90) days as of August 18, 2023, shall receive a Lump Sum Payment equal two hundred seventy five dollars (\$275). The Lump Sum Payment above may be deferred without Company matching contributions, to the Hourly Employee Savings Plan Plus (401K) and/or the Health Savings Account (HSA) upon completion of the appropriate election form that is available at the Human Resources office. In order to elect to defer the bonus, the completed election form must be returned to the Human Resources office within fifteen (15) calendar days following ratification subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances that exceed the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.

B) Effective on the dates immediately below, the base rate of pay for each employee and the labor grade minimums and maximums shall be increased as provided below:

Monday, October 9, 2023 – 4.0%
Monday, September 16, 2024 – 4.0%
Monday, September 15, 2025 – 3.0%
Monday, September 14, 2026 – 3.0%

C) Automatic Rate Progression

All employees who are not at the maximum rate of their classification shall receive an additional twenty cents (\$0.20) per hour effective the first **Monday** of each **February, May, August, and November** of each year of this Agreement.

SECTION TWO

***In no event shall an employee be paid less than sixteen dollars (\$16) per hour.** Minimums and maximums for labor grades are established as follows:

Effective October 9, 2023

LABOR GRADE	MINIMUM	MAXIMUM
1	\$16.00*	\$21.33
2	\$16.00*	\$22.36
3	\$17.52	\$24.84
4	\$20.56	\$28.46
5	\$21.55	\$30.00
6	\$22.72	\$31.08
7	\$23.57	\$32.27

Effective September 16, 2024

LABOR GRADE	MINIMUM	MAXIMUM
1	\$16.00*	\$22.18
2	\$16.00*	\$23.25
3	\$18.22	\$25.83
4	\$21.38	\$29.60
5	\$22.41	\$31.20
6	\$23.63	\$32.32
7	\$24.51	\$33.56

Effective September 15, 2025

LABOR GRADE	MINIMUM	MAXIMUM
1	\$16.00*	\$22.85
2	\$16.44	\$23.95
3	\$18.77	\$26.60
4	\$22.02	\$30.49
5	\$23.08	\$32.14
6	\$24.34	\$33.29
7	\$25.25	\$34.57

Effective September 14, 2026

LABOR GRADE	MINIMUM	MAXIMUM
1	\$16.00*	\$23.54
2	\$16.93	\$24.67
3	\$19.33	\$27.40
4	\$22.68	\$31.40
5	\$23.77	\$33.10
6	\$25.07	\$34.29
7	\$26.01	\$35.61

SECTION THREE

Shift differential shall be **one dollar (\$1.00)**/hour in addition to employee base rate.

SECTION FOUR

A) By **December 8, 2023**, each employee who was on the active payroll or on an authorized leave of absence of less than three (3) months on **November 17, 2023**, shall receive a supplemental wage payment of **one thousand dollars (\$1000)**.

B) By **December 13, 2024**, each employee who was on the active payroll or on an authorized leave of absence of less than three (3) months on **November 15, 2024**, shall receive a supplemental wage payment of **one thousand dollars (\$1000)**.

C) By **December 12, 2025**, each employee who was on the active payroll or on an authorized leave of absence of less than three (3) months on **November 21, 2025**, shall receive a supplemental wage payment of **one thousand dollars (\$1000)**.

D) By **December 11, 2026**, each employee who was on the active payroll or on an authorized leave of absence of less than three (3) months on **November 20, 2026**, shall receive a supplemental wage payment of **one thousand dollars (\$1000)**.

The supplemental wage payment for **December 2023** may be deferred in **five hundred dollar (\$500) increments, without Company matching contribution, to the Hourly Savings Plan (HSP) and/or the Health Savings Account (HSA)**. All subsequent supplemental wage payments above may be deferred in **five hundred dollar (\$500) increments, without Company matching contribution, to the Performance Sharing Plan (PSP) and/or the Health Savings Account (HSA)** upon completion of the appropriate election form that is available at the Human Resources office. In order to elect to defer the bonus, the completed election form must be returned to the Human Resources office by November 15th of each year.

SECTION FIVE

If this agreement is ratified **with a full committee recommendation by Friday, September 22, 2023**, without any interruption of the Company's operations, a ratification bonus of **four thousand dollars (\$4000)** will be paid to each employee on the active payroll or an approved leave of absence. Employees will receive this **four thousand dollars (\$4000)** payment in their paycheck by **October 27, 2023**. In the event the Company proposal dated **September 14, 2023** is not ratified by **September 22, 2023**, this ratification bonus offer is considered void.

The Ratification Bonus payment above may be deferred **one thousand dollar (\$1000) increments** without Company matching contributions, to the Hourly Employee Savings Plan Plus (401K) **and/or the Health Savings Account (HSA)** upon completion of the appropriate election form that is available at the Human Resources office. In order to elect to defer the bonus, the completed election form must be returned to the Human Resources office within

fifteen (15) calendar days following ratification **subject to IRS Regulations. It is the responsibility of the employee to ensure their account is open and that the elected deferral amount will not result in account balances exceeding the IRS annual maximums. If at the time of deposit, the deferral amount will result in account balances that exceed the IRS annual maximum, the entire deferral payment will be paid to the employee, minus applicable taxes.**

SECTION SIX

MACHINIST PAY FOR KNOWLEDGE PROGRESSION

Progression within the machinist job family will be based on the following:

Machinist-Four: Employees placed in the Machinist-Four classification will meet the criteria for the classification as established by the Company.

Machinist-Five: To qualify for the Machinist-Five classification, an employee in the Machinist-Four classification will have 1) graduated from a state approved journeyman machinist program, or 2) received an associate degree in machine technology, or 3) received a machine shop technology certificate of completion with a minimum fifteen hundred (1500) hours training, or 4) has gained a minimum of thirty (30) months active work experience as a Lockheed Martin AeroParts machine shop employee at the Machinist-Four level.

Machinist-Six: Machinist-Five employees will be promoted to the Machinist-Six classification when they have gained three (3) years active experience as a Lockheed Martin AeroParts machine shop employee at the Machinist-Five level. Machinist-Six classification employees will be expected to perform increasingly complex assignments on a variety of machine tools within the shop.

Progression within the machinist job family will be automatic based on meeting educational and experience requirements without regard to the number of employees in the three levels.

WELDER PAY FOR KNOWLEDGE PROGRESSION

Progression within the welder job family will be based on the following:

Welder-Four: Employees placed in the Welder-Four classification will meet the criteria for the classification as established by the Company.

Welder-Five: To qualify for the Welder-Five classification, an employee will have 1) graduated from a state approved journeyman welder program, or 2) received an associate degree in welding technology, or 3) received a welding technology certificate of completion with a minimum nine hundred (900) hours training.

Welder-Six: Welder-Five employees will be promoted to the Welder-Six classification when they have gained three (3) years active experience as a Lockheed Martin AeroParts weld shop employee at the Welder-Five level.

Progression within the welder job family will be automatic based on meeting educational and experience requirements without regard to the number of employees in the three levels.

STRUCTURAL ASSEMBLER PAY FOR KNOWLEDGE PROGRESSION

Structural Assembler-Three: Employees placed in the Structural Assembler-Three Classification will meet the criteria for the classification as established by the Company.

Structural Assembler-Four: To qualify for the Structural Assembler-Four Classification, an employee will have A) an FAA Airframe Certification, or B) a minimum of five years of structural assembly or repair experience in the military, or C) gained two (2) years as a Lockheed Martin AeroParts, Inc. employee at the Structural Assembler-Three level.

Structural Assembler-Five: To qualify for the Structural Assembler-Five Classification, an employee will have A) an FAA Airframe Certification plus gained two (2) years as a Lockheed Martin AeroParts, Inc. employee at the Structural Assembler-Four level, or B) gained thirty (30) months as a Lockheed Martin AeroParts, Inc. employee at the Structural Assembler-Four level.

Progression within the assembler job family will be automatic based on meeting educational and experience requirements without regard to the number of employees in the three levels.

COMPOSITE ASSEMBLER PAY FOR KNOWLEDGE PROGRESSION

Composite Assembler-Three: Employees placed in the Composite Assembler-Three Classification will meet the criteria for the classification as established by the Company.

Composite Assembler-Four: To qualify for the Composite Assembler-Four Classification, an employee will have A) an FAA Airframe Certification, or B) a minimum of five (5) years of composite assembly or repair experience in the military, or C) gained two (2) years as a Lockheed Martin AeroParts, Inc. employee at the Composite Assembler-Three level.

Composite Assembler-Five: To qualify for the Composite Assembler-Five Classification, an employee will have A) an FAA Airframe Certification plus gained two (2) years as a Lockheed Martin AeroParts, Inc. employee at the Composite Assembler-Four level, or B) gained thirty (30) months as a Lockheed Martin AeroParts, Inc. employee at the Composite Assembler-Four level.

Progression within the assembler job family will be automatic based on meeting educational and experience requirements without regard to the number of employees in the three levels.

APPENDIX “B”

SAVINGS PLANS

HOURLY EMPLOYEE SAVINGS PLAN PLUS

All eligible employees may elect to contribute up to the maximum of seventy-four dollars (\$74.00) weekly in one dollar (\$1.00) increments. The Company will match employee weekly contributions into the plan at a fifty percent (50%) rate.

Employees may direct investment of the Company match between multiple investment fund options as provided for within the plan.

Additionally, employees may contribute an unmatched amount not to exceed the IRS limits.

As soon as administratively practicable, but no later than June 30, 2024, eligibility to the Lockheed Martin Hourly Savings Plan Plus (HSP) will close and participation in the Lockheed Martin Performance Sharing Plan (PSP) will begin.

HOURLY CAPITAL ACCUMULATION PLAN

A company contribution of five hundred dollars (\$500.00) will be made to each employee's account for each quarter that the employee is actively at work. Funds will be immediately vested and subject to investment at the discretion of the employee into the same options available under the Hourly Employee Savings Plan Plus.

As soon as administratively practicable, but no later than June 30, 2024, eligibility to the Lockheed Martin Capital Accumulation Plan for Hourly Employees (HCAP) will close and participation in the Lockheed Martin Performance Sharing Plan (PSP) will begin.

LOCKHEED MARTIN PERFORMANCE SHARING PLAN

As soon as administratively practicable, but no later than June 30, 2024, employee and Company contributions to the Lockheed Martin Hourly Savings Plan Plus (HSP) will close and participation in the Lockheed Martin Performance Sharing Plan (PSP) will begin.

- a. **Employee Elective Deferral.** Employee contributions to the PSP can be made in 1% increments of eligible base pay, up to the PSP maximum, and subject to IRS annual maximums.
- b. **Company Matching Contributions.** The Company will match 50% of the first 8% of weekly eligible base pay deferred to the plan.
- c. **Automatic Enrollment.** Employees hired or rehired will be automatically enrolled in the PSP with a 3% before-tax contribution of eligible weekly base pay. Automatic enrollment is effective 30 days from the hire or rehire date. Employees have 30 days from date of hire or rehire to opt out before contributions begin.

- d. Eligible Base Wages.** Eligible base wages include regular pay, pay for holiday, pay while on vacation, and pay for paid absences. It also includes lump sum merit payments given in lieu of pay increases and before-tax contributions for flexible benefits or fringe benefit plans. Base pay does not include overtime, incentive compensation, bonuses, commissions, rate guarantees, severance, relocation pay, lump sum payments in lieu of vacation pay, variable rate compensation, shift differentials, or other special pay.
- e. Company Contributions.** As soon as administratively practicable, employees will receive a Company contribution of 6% of eligible weekly base pay into the PSP.

Applicability of Plan Document. For all of the benefit coverage offerings listed in this Section, the terms of the Plans will be summarized in separate Summary Plan Descriptions (SPD) where applicable. Copies of the SPDs will be furnished to the Union and to each employee eligible for the Plans.

APPENDIX “C”

GROUP INSURANCE PLANS

The Company agrees to provide insurance coverage as indicated to employees covered by this Agreement. The terms of these Plans, which shall be the governing document, will be summarized in a separate summary plan description (SPD). This Appendix “C” replaces in its entirety the Group Insurance Plans provisions contained in Appendix “C” of the **May 20, 2018** labor agreement, as well as any other agreement. The Group Insurance Plans provisions contained in Appendix “C” of the **May 20, 2018** labor agreement shall remain in full force through December 31, **2023**, except as may be modified herein.

MEDICAL PLANS

Health Maintenance Organization Plan (HMO)

The UPMC of PA HMO will continue to be available where it is currently offered to all bargaining unit employees in Pennsylvania hired prior to May 20, 2018 and will continue through the length of the collective bargaining agreement. Should the UPMC of PA HMO no longer be available as a medical coverage option for employees, the Company will make an attempt to secure a HMO option comparable to the plan offering being discontinued. All offered HMO Plan(s) will be a plan filed with the State and will meet the corporate standards for quality and coverage. The specific terms and provisions of the Plan shall be determined by the Insurance Carrier. If a comparable HMO is not available, the Company will make an attempt to secure another Health Insurance Plan option comparable to the plan offering that is being discontinued.

The Company will pay 92% of the premium cost of the medical plan selected. The employee will contribute 8% of the premium cost.

High Deductible Health Plans

The Corporate-wide High Deductible Health Plans (HDHP) will be offered to employees on the “same basis as” offered to non-bargaining unit employees. For employees hired or rehired on or after May 20, 2018, the High Deductible Health Plans will be the only options available.

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

The Cost Share Formula:

	Company/Employee
HDHP Plan 1	92% / 8%
HDHP Plan 2	93% / 7%
HDHP Plan 3	95% / 5%

Bargaining unit employees who are eligible and enrolled in the Company’s High Deductible Health Plan on January 1, 2024, will receive a one-time only 2024 Company contribution to their Health Savings Account (HSA) (or Health Reimbursement Account (HRA) if not eligible for HSA). The contribution amount will be five hundred dollars (\$500) for employee-only coverage or one thousand dollars (\$1000) for employee plus one or more coverage in lieu of any other Company contributions including but not limited to any contributions made to employees on the same-as basis as non-bargaining unit employees. In the event that the Company’s contribution in 2024 for non-bargaining unit employees is greater than the amounts listed above, eligible and participating bargaining unit employees will receive an additional one-time contribution to their HSA (or HRA if not eligible for HSA) account equal to the difference between the bargaining and non-bargaining unit employee contributions. Commencing in 2025 and continuing through the life of the Agreement, as defined in Article 27 Duration of the applicable collective bargaining agreement, Company contributions to bargaining unit employee HSAs (or HRA if not eligible for HSA) will be made on a same-as basis as are made to non-bargaining unit employees.

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

Medical Opt-Out Credit

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

DENTAL PLAN

The Dental Plan Core, Dental Plan Enhanced and Dental Plan HMO (where available) will be offered to employees on the “same basis as” offered to non-bargaining unit employees.

The Company will pay 100% of the premium cost of the Dental Plan Core or the Dental Plan HMO, if selected. If the employee selects Dental Plan Enhanced, the employee is responsible for any additional premium costs between the selected plan and the Dental Plan Core.

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

Employees may annually change dental plan options or elect to decline coverage at the time of benefit open enrollment.

VISION PLAN

The Vision Core and the Vision Plan Enhanced will be offered to employees on the “same basis as” offered to non-bargaining unit employees.

The Company will pay 100% of the premium cost of the Vision Plan Core. If the employee selects Vision Plan Enhanced, the employee is responsible for any additional premium costs between the selected plan and the Vision Plan Core.

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

HEALTH INSURANCE CONTINUATION

Continuation of health benefits (medical-dental-vision plans, as appropriate) will be offered as described in the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 (the “Act”) to those employees and dependents who lose coverage as a result of a ‘qualifying event’ as defined by the Act. The full cost of such coverage continuation plus applicable administration fees will be paid by the employee or dependent(s).

If laid off, active medical coverage for employee and eligible dependents will continue until end of the month of the date of the layoff at no cost to the employee. The length of time medical coverage is continued as a result of layoff will be included as part of the total length of time coverage may be continued under the Act or Insurance Continuation (as applicable).

SHORT TERM DISABILITY

The Company will provide weekly benefit of three hundred ninety dollars (\$390) per week. **For employees who are actively at work on or after January 1, 2024, and commence leave after January 1, 2024, the Company will provide short-term disability coverage of 55% of weekly earnings, or \$390, whichever is greater.** Weekly benefits may be paid up to twenty-six (26) weeks provided the disability begins while insured, the employee is under the care of a physician and continues to be disabled as determined by the Short Term Disability carrier.

LIFE INSURANCE

The Company provides employee basic life insurance. All employees receive Basic Life Insurance coverage of **forty-three thousand dollars (\$43,000)**. Effective January 1, **2024**, the amount will increase to **fifty thousand dollars (\$50,000)** for employees who are actively at work on or after January 1, **2024**.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE (AD&D)

The Company provides AD&D Insurance. All employees receive AD&D insurance coverage of **forty-three thousand dollars (\$43,000)**. Effective January 1, **2024**, the amount will increase to **fifty thousand dollars (\$50,000)** for employees who are actively at work on or after January 1, **2024**.

BUSINESS TRAVEL ACCIDENT PLAN

The Lockheed Martin Business Travel Accident Plan will automatically be extended to employees covered by this Agreement on a “same basis as” plan design as offered to non-bargaining unit employees. This change will be made as soon as administratively practicable.

EMPLOYEE-PAID OPTIONAL INSURANCES

Group Universal Life (GUL) Insurance. The Company offers Group Universal Life (GUL) Insurance. The employee pays 100% of the cost. **Effective January 1, 2024, employees may elect coverage options of one (1) times up to nine (9) times Annual Base Pay.**

For coverage effective January 1, **2024**, employees will be granted a one-time Group Universal Life Insurance special enrollment during the **2024** Annual Enrollment period. During this period, employees may enroll or increase one level up to the plan maximum in the Group Universal Life Insurance plan for the year beginning January 1, **2024** without providing Proof of Insurability (POI). Employees must be actively at work on or after January 1, **2024** for any coverage increase to be effective.

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

- A. Spouse. An employee may elect coverage for a spouse at coverage levels equal to one (1x), two (2x), or three (3x) times employee’s Annual Base Pay. The spouse is required to provide Proof of Insurability (POI) if electing three (3x) times the employee’s annual base pay or if the employee enrolls the spouse after thirty (30) days of the employee’s or the spouse’s first day of eligibility.

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

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

- A. Self. An employee may elect coverage with options of \$25,000.00, \$50,000, \$100,000, \$200,000, \$300,000, \$400,000, or \$500,000. Amounts in excess of \$300,000 cannot exceed (10x) times Annual Base Pay.
- B. Spouse. An employee may elect coverage for a spouse with options of \$10,000, \$25,000, \$50,000, \$100,000, \$150,000, \$200,000 or \$250,000.
- C. Dependent Child(ren). An employee may elect coverage for eligible dependent child(ren) in the amounts of \$10,000, \$25,000 or \$50,000.

VOLUNTARY SUPPLEMENTAL INSURANCE

Voluntary supplemental insurance will be offered to employees on the “same basis as” offered to non-bargaining unit employees. The employee pays 100% of the cost.

Offerings include **coverage for 24/7 Accident, Hospital Indemnity and Critical Illness, Legal Services, Identity Theft Protection, and Whole Life with a Long-Term Care feature.**

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

MACHINIST CUSTOM CHOICES WORKSITE BENEFITS PROGRAM

The International Association of Machinists and Aerospace Workers, Local 2171, District 98 may offer the Machinists Custom Choices Worksite Benefits program to its members in the bargaining unit through their designated agent, Employee Benefits Systems, Inc. (EBS). It is understood that all policyholder service will be provided by the underwriter and EBS without costs to Lockheed Martin Aeronautics. It is understood that the Company is not the plan sponsor and is not responsible for plan administration, enrollment or communication.

It is further agreed as a condition of offering this payroll deduction service that EBS will comply with Company Payroll administration and procedures that will include the following basic requirements:

- **Each participating employee will complete a Deduction Authorization card that contains the employee’s name, social security number, deduction name(s) or type(s), employee’s signature, and date.**

- **Information affecting account activity, including, but not limited to enrollment, policy cancellations, deduction changes, premium rate changes, and other changes affecting the employee deduction amount will be made weekly.**
- **Any deduction amount not collected due to lack of earnings will be the responsibility of EBS. Lockheed Martin payroll will not collect amounts in arrears or provide an account reconciliation service.**
- **Deductions will be made from the employee’s paycheck each week.**
- **This program will be made available as soon as administratively possible.**

The specific dates and times of the enrollment period will be determined by mutual agreement of Lockheed Martin Aeronautics and Employee Benefits Systems, Inc.

FLEXIBLE SPENDING ACCOUNTS

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

Health Care Spending Account (HCSA). The minimum calendar year contribution is one-hundred dollars (\$100).

Dependent Care Spending Account (DCSA). The minimum calendar year contribution is one-hundred dollars (\$100).

GENERAL PROVISIONS

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

Plan	Default Coverage
Medical	HDHP Broad Network 1 - Employee Only Coverage
Dental	Dental Plan Core – Employee Only Coverage
Vision	Vision Plan Core – Employee Only Coverage

- C. ANNUAL ENROLLMENT 2024 AND SUBSEQUENT YEARS – ALL EMPLOYEES.** During the **2024** Annual Enrollment Election Period and all subsequent years under the terms of this Agreement, the chart below outlines the default coverage for Medical, Dental and/or Vision coverage if no active election has been made:

Current Plan	Annual Enrollment Default
<p>Medical:</p> <p>No Coverage</p> <p>High Deductible Health Plan</p> <p>HMO plan</p>	<p>Medical:</p> <p>No Coverage</p> <p>Same High Deductible Health Plan Same coverage level</p> <p>Same HMO plan Same coverage level</p>
<p>Dental:</p> <p>No Coverage</p> <p>Dental Plan Core</p> <p>Dental Plan Enhanced</p> <p>Dental HMO (where available)</p>	<p>Dental:</p> <p>No Coverage</p> <p>Dental Plan Core Same coverage level</p> <p>Dental Plan Enhanced Same coverage level</p> <p>Dental HMO Same coverage level (where available)</p>
<p>Vision:</p> <p>No Coverage</p> <p>Vision Plan Core</p> <p>Vision Plan Enhanced</p>	<p>Vision:</p> <p>No Coverage</p> <p>Vision Plan Core Same coverage level</p> <p>Vision Plan Enhanced Same coverage level</p>

Attachment A
Mutual Agreement
Healthcare Legislation and Taxation

Recognizing the impending implementation of healthcare legislation, it is the intent of both the Company and Union that none of the benefits provided in connection with the health insurance benefits (e.g. medical, healthcare spending accounts and any applicable benefit subject to the excise tax) will cause the application of an excise or High Cost Coverage Excise Tax (Cadillac Plan Tax), as a result of providing such benefits with respect to the Patient Protection and Affordable Care Act (the “PPACA”) or any other healthcare taxation legislation that may evolve over the life of this Agreement.

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

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

If such discussions fail to modify such plan(s), in an effort to avoid the excise tax thresholds, then the Company has the right to modify the plan(s) up to the point where the premium falls below the threshold but no further than administratively practicable. In addition, in the event the health insurance carrier(s) on their own accord discontinue the plan(s) for any reason, the Company shall have no further obligation to offer such plan(s).

APPENDIX “D”

MUTUAL AGREEMENTS

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No. 1

ATTENDANCE

Regular and punctual attendance are essential to successful business operations; therefore, employees are expected to fulfill their obligation of being on time and present for work. Regular and reliable attendance on scheduled days of work is considered an essential function of all positions.

1.0 PROVISIONS

Employees are provided with a flex time benefit that provides paid time-off for sick, vacation, and personal requirements. Employees are responsible for monitoring their balance so that flex time is available when needed.

The following absences are excused and will not be counted as infractions: paid flex time, an approved medical leave of absence, an approved family medical leave (FML) of absence, paid bereavement leave, jury duty, unpaid military leave, Company-initiated unpaid leave, and paid and unpaid authorized union business.

2.0 CALL-OFF PROCEDURE

When an employee is not reporting to work or will report to work after the scheduled shift start time, the Call-Off procedure shall be used. The employee is required to provide notification no later than fifteen (15) minutes prior to the scheduled shift start time **unless extenuating circumstances prevent said notification**. Employees not adhering to the Call-Off procedure will receive progressive discipline for employee conduct (Article 14 – Discharges and Discipline). The Call-Off procedure will be in effect for all regular workdays, overtime days, and holidays.

Employees have the responsibility to provide notification of an FMLA-certified absence or Short Term Disability Leave (STD) to the Lockheed Martin Employee Service Center and the Call-Off Procedure must be used to report such absences if advance notification is not provided. Employees are not required to use the Call-Off Procedure if a supervisor has been made aware of an excused absence unless it is for intermittent FML.

To call off, employees must dial (814) 262-3000. When the greeting begins, employees must press the Star Key (*) and 5000. Employees must then leave a message after the beep to include their name, supervisor's name and when they will return to work. NOTE: If employees do not have a touch-tone telephone, it will be necessary to leave their message directly after the greeting has played. The Company will notify all Bargaining Unit members if an alternative means of notification is implemented.

IMPORTANT: When employees have completed their message, they should hang up and their message will be automatically saved. If employees remain on the line and select the menu option to listen to their message, they must then also select the option to accept their message. EMPLOYEES MESSAGES WILL BE ERASED IF THEY DO NOT SELECT 'ACCEPT'.

In the instance when a security guard answers the phone, employees should communicate the same information listed above and it will be forwarded to the appropriate supervisor.

3.0 INFRACTIONS

Management will monitor employee's attendance and take appropriate action when required. When provisions of this attendance program are violated, an infraction will be recorded. Infractions will be recorded for the following types of violations:

1. When an employee is tardy resulting in an unexcused part-day absence at the start of their shift.
2. When an employee leaves prior to the end of their scheduled shift, resulting in an unexcused absence once they have reported to work.
 - a. Employees must notify their supervisor or **known** delegate and receive approval when leaving before the end of the scheduled shift. Employees leaving prior to the end of the shift without approval will receive progressive discipline for employee conduct up to and including discharge (Article 14 – Discharges and Discipline).
 - b. In emergency or extenuating circumstances, and for the purpose of notification only, an employee may notify a lead prior to leaving the facility.**
3. When an employee is absent, resulting in unexcused time.
4. When an employee returns late to their work area after a lunch break.
5. When an employee is scheduled for and accepts overtime and does not report to work.
6. **Three (3) consecutive absences caused by the same illness or circumstance in the same work week** will be considered as a single occurrence. If an infraction is warranted, one will be recorded for the occurrence.

4.0 DISCIPLINE

Discipline will be administered as a constructive measure, seeking through progressive steps to motivate the employee toward positive corrective action. Employee discipline shall be considered when three (3) **or more** infractions occur in a continuous twelve (12) service month period.

Discipline will be issued no later than the fourth working day following the date of the infraction according to the following parameters:

1. On the third infraction in any continuous twelve (12) service month period, the employee will be counseled by their departmental management and issued a verbal warning which shall be documented on the employee's record.
2. On the fourth infraction in any continuous twelve (12) service month period, the employee will be counseled and issued a final written warning.
3. A fifth infraction in any continuous twelve (12) service month period will result in an employee's termination of employment.

4.1 Mitigation of Infractions

1. For each ninety (90) day period that an employee maintains perfect attendance, an infraction will be disregarded, beginning with the earliest recorded infraction.
2. Disregarded infractions, and any associated disciplinary action, will remain on record but will not be considered for future disciplinary action in the event of subsequent infractions.
3. Absences and related disciplinary levels will only be mitigated when the employee is on the active payroll. Infractions and discipline level will not be mitigated during leaves of absence and/or periods of layoff.

On a one-time basis, effective September 23, 2023, all employees with progressive discipline for attendance, as of August 2, 2023, will back up one progressive discipline step.

No. 2

JOINT ALCOHOL AND DRUG PROGRAM

The Union and the Company are concerned about the effects of alcohol and drug abuse in the workplace and recognize that dependency is an illness for which recovery is possible. Treatment can be successful for employees who have substance abuse problems, and, therefore, employees are encouraged to avail themselves of the Company's confidential Employee Assistance Program (EAP) for help with alcoholism and/or drug dependency.

Employees will not be subject to drug testing or physicals before returning to work as a result of recall.

For Cause Alcohol and Drug Testing

Testing for reasonable suspicion or post-accident/incident/near-miss shall be administered by a contracted medical facility on or offsite when there is cause to believe that an individual is under the influence of alcohol, illegal drugs, improperly administered medications and/or unauthorized substances.

A. Reasonable Suspicion

The criteria, which may constitute Reasonable Suspicion by the Company include, but are not limited to:

- i. Slurred speech, smell of alcohol or marijuana
- ii. Physical loss of control, such as stumbling or violent behavior
- iii. Psychological loss of control, such as paranoia, rambling or incoherent speech, diminishing consciousness, or loss of touch with reality
- iv. Signs of emotional stress, such as argumentative or unusually aggressive behavior
- v. Detection of paraphernalia related to alcohol and/or illegal drugs
- vi. Detection of alcohol/illegal drugs/prescription drugs not prescribed for the individual on Company premises or the individual
- vii. Unusual or repeated injury on the job or damage to property not readily explained by work conditions
- viii. Criminal behavior relative to illegal drug activity

B. Post-Accident/Incident

Testing may be administered after involvement in an accident/incident or potentially dangerous near-miss accidents, while performing job-related duties on or off Company property of the following individuals:

- i. Employees injured on the job if (a) the injury is serious enough to require medical treatment beyond first aid and (b) the injured employee's actions or omissions reasonably could have been a contributing factor to the accident/injury or
- ii. Employees whose actions or omissions reasonably could have been a contributing factor in the case of an accident involving only property damage or
- iii. Employees whose actions or omissions reasonably could have been a contributing factor to a "near miss" in terms of injury or property damage, or
- iv. Employees covered by the agreement whose actions or omissions reasonably could have been a contributing factor to another individual's personal injury

Random Alcohol and Drug Testing

- A. Systematic random testing, without notice, is applicable to those employees who are granted access to classified information and those employees who are in positions involving national security, or health or safety.
- B. Any other drug and/or alcohol testing required by the Department of Defense (DoD), Department of Transportation (DOT), and/or other federal agency regulations shall be in accordance with the applicable regulations.
- C. The drug testing program is complementary to, and in no way supersedes Company disciplinary procedures for individuals who are on Company premises in an impaired state caused by a violation of this agreement.

Alcohol and Drug Testing

- A. Consent – No alcohol and drug test may be administered, without the written consent of the person being tested. (Attachment A) Employees have the right to speak with a Union representative prior to testing, if requested by the employee. Because time is of the essence, the conversation with the employee's Union representative shall not delay the alcohol or drug test. Refusing to consent and/or submit to an alcohol and/or drug test is considered insubordination and shall result in discipline up to and including termination of employment. An employee shall be placed on indefinite suspension pending the outcome of the test if it is not readily available.
- B. Transportation for Testing - Alcohol and drug testing may be performed through an offsite medical facility. Transportation to an offsite medical facility for alcohol and drug testing will be provided by the Company. The employee will be

transported to an offsite medical facility in the absence of the Union representative if in their opinion the test could be compromised by waiting for the representative to be present.

C. Chain of Custody – Collection and shipment of all urine samples will follow strict chain of custody procedures.

D. Notification – An employee who tests positive shall be so notified by the Company.

E. Confidentiality – The identities of employees who have tested positive on For Cause Testing shall be limited to the extent legally and contractually permissible to those persons having a need to know.

Positive Tests for Alcohol or Drugs

A. Employees whose blood alcohol levels are equal to or exceed 0.04 shall be deemed positive and the employee will be sent home without pay for the remainder of their shift. Test results for employees shall be positive for illegal/illicit drugs, improperly administered medications and/or unauthorized substances consistent with the Substance Abuse and Mental Health Services Administration (SAMHSA) certified laboratories in effect and as amended from time to time. An employee whose alcohol or drug test is positive will be considered in violation of this agreement and will be placed on a leave as described below.

B. A second positive test will result in termination.

Leave of Absence Following Positive Test

A. Treatment Required: Employees who have tested positive for drugs or alcohol in accordance with this agreement shall be placed on an unpaid leave for up to thirty (30) calendar days, consistent with the employee's treatment plan. The leave may be extended up to an additional thirty (30) calendar days if the employee presents satisfactory evidence of continuing to participate in treatment. The leave must be taken after a positive alcohol or drug test and shall be without pay. However, the employee may use accrued flex time. Their benefit coverage will continue. The employee must present a release from an accredited alcohol or drug rehabilitation program and/or be cleared by the Company's EAP representative in order to return to work. Upon return to work, they shall be tested for alcohol and drugs within the first five (5) calendar days and will be placed on a Last Chance Agreement (LCA), which shall include random alcohol and drug testing for up to twenty-four (24) service months. Failure to comply with any of these requirements will result in the employee's termination. Upon successful completion of the twenty-four (24) service month period, the employee's positive test result will be disregarded, and the associated

records will be destroyed.

B. Treatment Not Required: If at the time of an employee's positive test result, an assessment by an accredited drug and alcohol rehabilitation program or the Company's EAP representative indicates that the employee does not meet the criteria for treatment, they will be returned to work upon completion of a five (5) day disciplinary layoff. A second positive test will result in termination.

C. False Positive: In instances where an initial positive test is determined to be negative, the employee will be returned to work and shall be compensated for time lost. Any associated records will be destroyed.

Education

A. On an annual basis, the Company shall distribute educational information on its Alcohol and Drug policies.

B. On an annual basis, for up two hours per employee, the Company shall train and educate the stewards and management of represented employees on alcohol and drug awareness and assistance options at the direction of the Company's medical doctor or EAP administrator.

The parties recognize that as a contractor to the United States Government, Lockheed Martin Aeronautics AeroParts, Inc. may be directed by law, regulation or rule to implement additional programs aimed at the problem of alcohol and/or drug use. If such law regulation or rule is issued, the parties agree to meet within a reasonable time to negotiate any changes to this Agreement which may be requested by the Company in response to the newly enacted law, regulation or rule. However, nothing in this Agreement will prevent the Company from complying with any law, regulation or rule of the United States Government. Further, employees will be responsible to notify the Company of any criminal alcohol or drug statute conviction not later than five (5) days after such conviction. The Company agrees to notify the contracting agency within ten (10) days after receiving notification from such employee or otherwise receiving actual notice of such conviction.

Nothing in this Appendix shall be construed as a guarantee of employment for any period of time, including but not limited to the time an employee is participating in the Company's EAP or alcohol and drug testing programs.



I, _____, hereby authorize Lockheed Martin to conduct a breath alcohol test and urine drug test and use the results of that test for decisions relating to my employment, disciplinary action, or continued employment. I understand that I have the right to request that a Union representative be present prior to an alcohol test.

Signature and Date

Witness

No. 3

REWARDS AND RECOGNITION

The Company and Union acknowledge the value of giving special recognition awards for exceptional and/or significantly improved performance to teams as well as individual employees where the Company, in its sole discretion, identifies an individual employee or group of employees who have made significant contribution(s) to the Company. The Company in its discretion, may utilize a monetary or non-monetary award for recognizing the employee(s). This discretionary contribution may be demonstrated in a single one-time event or over a period of sustained high performance and may include an interval-based award tied to the achievement of performance metrics as defined by management. The Company will notify the Union of changes to the recognition program that may occur from time to time throughout the duration of the Agreement. The Company will inform the Union when team-based awards are granted.

The Company, in its sole discretion has the right to develop a performance-based program. Nothing in this Agreement shall prevent the Company from making changes to any applicable company or corporate policy on the same basis as they are revised with respect to non-bargaining unit employees.

No. 4

SUBCONTRACTING

The Company **commits to using** all employees to perform all work in-house first; unless schedules, costs, capability, or capacity so dictate. Prior to subcontracting work, the Company shall provide the Union a fifteen (15) day notice and give the Union the opportunity to discuss. However, doing so shall in no way impede the Company's ability to meet emergent operational needs. Further, nothing in this Agreement shall limit the Company's right to subcontract as deemed appropriate by the Company to effectively and efficiently operate the business.

No. 5

TECHNOLOGICAL ADVANCEMENTS

The Company and Union agree that it is to both their mutual benefit and sound economic and social goal to utilize the most cost effective/efficient machines, processes, methods and/or materials. In this way, the Company will be able to compete effectively in the marketplace and thereby attempt to provide economically secure jobs for its employees.

The Company will inform the Union of new technology that will have an impact on bargaining unit members in advance of implementation. The Company will brief the Shop Committee of anticipated schedules of new technology introduction, estimated numbers of employees directly affected, and if related training or retraining and/or reassignment of displaced employees is feasible, necessary and appropriate. Nothing in this Agreement will prevent the Company from implementing new technology as deemed appropriate by the Company to effectively and efficiently operate the business.

No. 6

ANNUAL LABOR RELATIONS MEETING

It is recognized that ongoing, open and constructive dialogue is beneficial to a productive labor-management relationship. To this end, there shall be an annual meeting for the purpose of discussing issues of mutual interest. The attendees shall be determined by the Company and the Union but shall include at least one (1) member of management from the Aeronautics Company and one (1) member from the IAM International Union. The meetings shall be scheduled at mutually convenient times and at a mutually convenient location.

No. 7

USE OF CHEMICAL MAINTENANCE REPRESENTATIVES ON-SITE

The Company will continue to maintain the use of chemical maintenance representatives onsite to perform **twenty (20)** hours of bargaining unit work per week. Should the need arise to exceed the **twenty (20)** hours per week agreement, the Company will engage the Union in discussion in advance of implementation.

No. 8

JOB PREFERENCE WHILE ON LAYOFF

NAME:
SENIORITY DATE:

DATE:
EMPLOYEE ID:

JOBBS I WISH TO BID ON WHILE LAID OFF
(MARK UP TO THREE)

JOB CLASSIFICATION	SIGNATURE
CAM Offline Programmer	
Composite Assembler-Five	
Composite Assembler-Four	
Fabrication Welder-Six	
Fabrication Welder-Five	
Fabrication Welder-Four	
Inspector A	
Inspector B	
Inspector C	
Machinist-Six	
Machinist-Five	
Machinist-Four	
Maintenance Mechanic	
Nondestructive Testing Level II, Tech B	
Paint Prep/Chemical Film Operator	
Painter	
Production Associate	
Structural Assembler-Five	
Structural Assembler-Four	

You may make changes to your selections at any time through the Human Resources Department while maintaining recall status.