

COORDINATED ECONOMIC PROPOSALS

| PARTICULAR DEMAND | ADDITION OR IMPROVEMENT | | | | | | | | | | | | | | | | |
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| <u>(1) Pension Plan</u> | <ul style="list-style-type: none"> • Increase to \$110.00 per month per year of Corporate service (past and future) and retroactive to January 1, 2014 with no reduction for early retirement. • Increase H-CAP contributions to \$600.00 per quarter. • After 55 years of age & 10 years of service or 30 years of service you will be eligible to draw early retiree pension without the deferred pension penalty but will be subject to 85pt rule. • Remove forty (40) year cap. • Increase bridged retirement amount to \$35.00 retroactive to January 1, 2014. • Add Pop-Up language as in the current CBA in Fort Worth retroactive to January 1, 2014. • Same COLA Formula for current and future retirees as in the current Agreement for active employees retroactive to January 1, 2014. • Modify continuous service to credited service for 85 points | | | | | | | | | | | | | | | | |
| HSP 401(K) | <ul style="list-style-type: none"> • Modify the 401K to be allowed to follow the current maximum federal government allowances and increase employees matched contribution up to \$80.00 and increase company match to 50%. | | | | | | | | | | | | | | | | |
| Basic Benefit Plan | <ul style="list-style-type: none"> • Basic Benefit Plan – Increase \$75.00 a quarter. For employees hired after 3/1/05 the basic benefit increased to \$125.00 per quarter. | | | | | | | | | | | | | | | | |
| <u>(2) Job Security</u> Article I, Section 13 | <ul style="list-style-type: none"> • No bargaining unit employee will be laid off, surplusd, reassigned or reclassified as a result of subcontracting, out-sourcing or in-sourcing. | | | | | | | | | | | | | | | | |
| <u>(3) Employee Privileges</u> Article VI Section 2 | <ul style="list-style-type: none"> • Sick Leave – increased to 5 hours per month (60) hours per year. | | | | | | | | | | | | | | | | |
| Article VI Section 3 | <ul style="list-style-type: none"> • Martin Luther King, Jr. Day a voluntary unpaid holiday at employee’s discretion with no discrepancy/infraction. • The Company recognizes the following holiday schedule during the period of this Agreement <p style="margin-left: 20px;">:</p> <p style="margin-left: 20px;">2014</p> <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 2px;">Memorial Day</td> <td style="padding: 2px;">Monday</td> <td style="padding: 2px;">May</td> <td style="padding: 2px;">26</td> </tr> <tr> <td style="padding: 2px;">Independence Day</td> <td style="padding: 2px;">Friday</td> <td style="padding: 2px;">July</td> <td style="padding: 2px;">04</td> </tr> <tr> <td style="padding: 2px;">Labor Day</td> <td style="padding: 2px;">Monday</td> <td style="padding: 2px;">Sept</td> <td style="padding: 2px;">01</td> </tr> <tr> <td style="padding: 2px;">Thanksgiving</td> <td style="padding: 2px;">Thursday</td> <td style="padding: 2px;">Nov</td> <td style="padding: 2px;">27</td> </tr> </tbody> </table> | Memorial Day | Monday | May | 26 | Independence Day | Friday | July | 04 | Labor Day | Monday | Sept | 01 | Thanksgiving | Thursday | Nov | 27 |
| Memorial Day | Monday | May | 26 | | | | | | | | | | | | | | |
| Independence Day | Friday | July | 04 | | | | | | | | | | | | | | |
| Labor Day | Monday | Sept | 01 | | | | | | | | | | | | | | |
| Thanksgiving | Thursday | Nov | 27 | | | | | | | | | | | | | | |

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|--------------------------|---------------------------------------------------------------------------------------------------|------------|------|----|
| | | Friday | Nov | 28 |
| | Christmas Holiday | Wednesday | Dec | 24 |
| | | Thursday | Dec | 25 |
| | | Friday | Dec | 26 |
| | | Monday | Dec | 29 |
| | | Tuesday | Dec | 30 |
| | | Wednesday | Dec | 31 |
| | Total Holiday Hours | 88 | | |
| | 2015 | | | |
| | New Year's | Thursday | Jan | 01 |
| | MLK Day | | | |
| | Memorial Day | Monday | May | 25 |
| | Independence Day | Monday | July | 06 |
| | Labor Day | Monday | Sept | 07 |
| | Thanksgiving | Thursday | Nov | 26 |
| | | Friday | Nov | 27 |
| | Christmas Holiday | Wednesday | Dec | 23 |
| | | Thursday | Dec | 24 |
| | | Friday | Dec | 25 |
| | | Monday | Dec | 28 |
| | | Tuesday | Dec | 29 |
| | | Wednesday | Dec | 30 |
| | | Thursday | Dec | 31 |
| | Total Holiday Hours | 104 | | |
| | 2016 | | | |
| | New Year | Friday | Jan | 01 |
| | MLK Day | | | |
| | Memorial Day | Monday | May | 30 |
| | Independence Day | Monday | July | 04 |
| | Labor Day | Monday | Sept | 05 |
| | Thanksgiving | Thursday | Nov | 24 |
| | | Friday | Nov | 25 |
| | Christmas Holiday | Friday | Dec | 23 |
| | | Monday | Dec | 26 |
| | | Tuesday | Dec | 27 |
| | | Wednesday | Dec | 28 |
| | | Thursday | Dec | 29 |
| | | Friday | Dec | 30 |
| | Total Holiday Hours | 96 | | |
| | 2017 | | | |
| | New Year | Monday | Jan | 02 |
| | Total Holiday Hours | 8 | | |
| Article VI (New Section) | <ul style="list-style-type: none"> • Bereavement Leave – 3 days paid for immediate | | | |

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| | <p>family. Same definition for immediate family (Parent/Spouse/SameSexPartner/Lockheed Registered Dependents).</p> |
| <p><u>(4) Medical & Healthcare Coverage</u></p> | <ul style="list-style-type: none"> • Maintain all current medical providers. Add Site specific HMO choices. • Maintain current percentages for employees share of the medical premiums. • Maintain current calendar year deductibles & out of pocket maximums. In addition to Lockheed Martin healthy actions contributions the company will contribute to the employee's Health Fund \$600.00 for employee; \$1200 for employee+1; \$1800.00 for employee+2 or more upon ratification and each year on January 1 for the duration of the agreement. • MERMP lifetime max increase to \$40,000; single \$380, family \$760 for all retirees, current and future. Maintain existing minimum retiree contribution. • Medicare supplement company contribution to be raised to \$380 and \$760 for all retirees current and future. Maintain existing minimum retiree contribution. • Short Term Disability - \$400.00 per week benefit up to 27 weeks unless provided by State SDI. • Dental Coverage – Basic Plan increase maximum to \$2,000.00 and Comprehensive Plan increase maximum \$2,500.00. • Hearing – Maximum coverage expenses per hearing aid per ear will be \$2000.00 annually. • Life and AD&D – Increase to \$50,000.00 |
| <p>Retirement Benefits</p> | <ul style="list-style-type: none"> • Early Retiree Medical Coverage – Increase company contribution to \$6500.00 annually for single coverage and \$13,000.00 for family coverage. • After declining or cancelling coverage, you will be able to re-enroll during an annual enrollment period. You may be able to re- enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center. |
| <p>Article VII Section 1</p> | <ul style="list-style-type: none"> • ARP's schedule to increase to \$0.50 every three (3) months to max rate in 60 months. |
| <p>Article VII Section 7</p> | <ul style="list-style-type: none"> • Shift Differential – Second shift \$1.00 per hour. |

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| | Third shift \$.50 per hour. |
| Page 92, Article VII, Section 14, Sub-section F See New language | <p style="text-align: center;">FIELD DUTY</p> <ul style="list-style-type: none"> • An employee assigned to field duty shall receive a per diem for meals and incidental expenses at the rate approved by the U.S. Government. Lodging and air transportation shall be reimbursed for necessary, actual and reasonable business expenses while on field duty assignment. |
| (5) General Wage Increases Article VIII and Article VIII | <ul style="list-style-type: none"> • Effective 3/8/14, 5% GWI; Effective 3/7/15, 4% GWI; Effective 3/5/16, 4% GWI. • All GWI's are to be applied to the minimums and maximums of labor grades and in grade positions of all employees. • Increase the annual COLA supplements to \$1,100.00. |
| Page 16, Article I, Section 17, Machinists Non-Partisan League | <ul style="list-style-type: none"> • The Company will deduct from the employee's wages and turn over to the Treasurer of the Machinists Non-Partisan Political League (MNPL) contributions by any employee, who desires to make such contributions to said MNPL and who individually and voluntarily authorizes the Company in writing, on an authorization form mutually agreed to between the Company and the Union, to make such deductions. All funds so deducted shall be forwarded monthly to the Treasurer of the MNPL as soon as reasonably possible after the end of each month in which deductions are made, accompanied by a record stating the name of employee, social security number, and amount contributed and so deducted, <ol style="list-style-type: none"> (1) Such deductions shall be made in accordance with instructions on said authorization cards which have been delivered by the Union to the Payroll Department of the Company. (2) Such deductions shall be made each week from the employee's pay check for that week while an employee, as defined in Article I, Section I, of said Agreement. This section 17 shall be terminated in the event cognizant administrative authority determines that the cost of implementing the withholding procedure for the MNPL program must be borne by the Union unless the Union agrees to bear such cost. |

COORDINATED ECONOMIC PROPOSALS

Article III, Section 4

- Remove restrictions on union grievances.
- Article I Section 2 -Contract Termination date 3/5/17
- Period of agreement December 1, 2016 through midnight December 31, 2016.

PROPOSALS TO AMEND SUMMARY PLAN DESCRIPTIONS

Modify paragraph on page 16

After declining or cancelling coverage, you will ~~not~~ be able to ~~re~~-enroll during an annual enrollment period. You may be able to ~~re~~-enroll if a qualified status change or special enrollment rule applies – subject to all plan eligibility and enrollment requirements. To do so, you must contact the Lockheed Martin Employee Service Center.

Employee Privileges

Article VI Section 1 (Vacations)
Change six consecutive months to 36 months

Supplement F, New Letter, Acquisition of New Business

The Company and Union recognize that in order for Lockheed Martin to complete as a world class aircraft manufacturer, the Site must strategically leverage existing resources while eliminating inefficiencies which may exist in the current ~~hourly~~ Site structure. Additionally, in order to sustain Site competitiveness and attract potential future investment opportunities for ensuring business viability and continuity, the parties are committed to joint collaboration in new business ventures.

In order to facilitate this joint collaboration, upon mutual agreement, the parties may mutually agree to enter into “position to win” discussions when a new business venture is identified by the Company. These discussions could include wage and benefit economic targets and operational modifications that would need to be achieved in order to submit to a new program confirmation by the Company for the purpose of integrating the new program work into the existing contractual provisions of the CBA, any modified operational agreements previously agreed to and to enact the agreed upon wage and benefit agreements achieved in the position to win discussions.