



**LAST, BEST AND FINAL  
COMPREHENSIVE PROPOSAL  
TO CONCLUDE  
2014 NEGOTIATIONS**

between

**LOCKHEED MARTIN SPACE SYSTEMS COMPANY  
Sunnyvale, California**

and

**INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
Local Lodges 2228, 2786, 610**

**SUBMITTED FEBRUARY 21, 2014**

**Period of Agreement: March 3, 2014 through March 4, 2018**

**The provisions of both the Economic and Non-Economic Proposal as contained herein is contingent upon written confirmation of acceptance of the package in its entirety by ~~8:00~~ 10:00 pm (EST) on Sunday, March 2, 2014.**

Except as specifically modified by this proposal, and items previously agreed upon by the parties during these negotiations, all terms and conditions of the existing Agreement, which is scheduled to expire March 2, 2014 will remain the same.

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

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## ARTICLE VIII, SECTION 3

### RATIFICATION BONUS

Provided that the membership ratifies the contract on or before **March 2, 2014**, a ~~\$500~~ ~~\$1,500~~ **\$2,700** ratification bonus will be paid within **sixty** (60) days of ratification to all eligible employees on the active payroll as of **March 3, 2014**, or employees on an approved leave of absence for less than one year or on military leave.

The entire ratification bonus may be deferred to the Hourly Savings Plan Plus **(401K)** upon completion and ~~timely submittal~~ of the appropriate form **within 15 days following ratification**. **Payment of the lump sum wage supplement is contingent upon written confirmation of the acceptance of the agreement by ~~8:00~~ 10:00 pm (EST) on Sunday, March 2, 2014.**

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## ARTICLE VIII, SECTION 4

### GENERAL WAGE INCREASE

#### FIRST YEAR

Within 60 calendar days of the ratification date, each employee on the active payroll, military leave or on approved leave of absence on such date, shall receive a Supplemental Wage Payment (SWP) in an amount equal to ~~two percent (2%)~~ three percent (3.0%) of his/her bargaining unit compensation during the period of January 1, 2013 through December 31, 2013. This SWP will exclude compensation received under employee rewards and recognition programs, tuition assistance programs, employee apparel reimbursement programs, grievance settlements and other lump sum payments. The SWP may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within 15 calendar days following ratification.

#### SECOND YEAR

Effective **March 14, 2015**, the base rate of each employee on the active payroll or on approved leave of absence or military leave on such date shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)**. The minimums and maximums of rate ranges for all labor grades shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)** effective the same date. Any employee with a base rate below the minimum of the adjusted rate range shall have their base rate adjusted to the minimum of such rate range.

#### THIRD YEAR

Effective **March 12, 2016**, the base rate of each employee on the active payroll or on approved leave of absence or military leave on such date shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)**. The minimums and maximums of rate ranges for all labor grades shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)** effective the same date. Any employee with a base rate below the minimum of the adjusted rate range shall have their base rate adjusted to the minimum of such rate range.

#### FOURTH YEAR

Effective **March 11, 2017**, the base rate of each employee on the active payroll or on approved leave of absence or military leave on such date shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)**. The minimums and maximums of rate ranges for all labor grades shall be increased by ~~one percent (1.0%) one and one-half percent (1.5%) two percent (2%)~~ **two and one-half percent (2.5%)** effective the same date. Any employee with

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a base rate below the minimum of the adjusted rate range shall have their base rate adjusted to the minimum of such rate range.

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EASTERN RANGE

~~For the duration of the agreement, employees at Eastern Range (CEG E) will not receive a general wage increase.~~

~~Effective March 3, 2014 GPR and non GPR labor grade rate ranges for Eastern Range (CEG E) will be frozen for the duration of this agreement.~~

FIRST YEAR

Within 60 calendar days of the ratification date, each employees at Eastern Range (CEG E) on the active payroll, military leave or on approved leave of absence on such date, shall receive a Supplemental Wage Payment (SWP) in an amount equal to ~~two percent (2%)~~ three percent (3.0%) of his/her bargaining unit compensation during the period of January 1, 2013 through December 31, 2013. This SWP will exclude compensation received under employee rewards and recognition programs, tuition assistance programs, employee apparel reimbursement programs, grievance settlements and other lump sum payments. The SWP may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within 15 calendar days following ratification.

SECOND YEAR

Effective March 14, 2015, each employees at Eastern Range (CEG E) on the active payroll, military leave or on approved leave of absence on such date, shall receive a Supplemental Wage Payment (SWP) in an amount equal to ~~one and one-half percent (1.5%) two percent (2%)~~ two and one-half percent (2.5%) of his/her bargaining unit compensation during the period of January 1, 2014 through December 31, 2014. This SWP will exclude compensation received under employee rewards and recognition programs, tuition assistance programs, employee apparel reimbursement programs, grievance settlements and other lump sum payments. The SWP may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within 15 calendar days following ratification.

THIRD YEAR

Effective March 12, 2016, each employees at Eastern Range (CEG E) on the active payroll, military leave or on approved leave of absence on such date, shall receive a Supplemental Wage Payment (SWP) in an amount equal to ~~two percent (2%)~~ two and one-half percent (2.5%) of his/her bargaining unit compensation during the period of January 1, 2015 through December 31, 2015. This SWP will exclude compensation received under employee rewards and recognition programs, tuition assistance programs, employee apparel reimbursement programs, grievance settlements and other lump sum payments. The SWP may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within 15 calendar days following ratification.

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## FOURTH YEAR

~~Effective March 11, 2017, each employees at Eastern Range (CEG-E) on the active payroll, military leave or on approved leave of absence on such date, shall receive a Supplemental Wage Payment (SWP) in an amount equal to two percent (2%) two and one half percent (2.5%) of his/her bargaining unit compensation during the period of January 1, 2016 through December 31, 2016. This SWP will exclude compensation received under employee rewards and recognition programs, tuition assistance programs, employee apparel reimbursement programs, grievance settlements and other lump sum payments. The SWP may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within 15 calendar days following ratification.~~

Effective March 11, 2017, the base rate of each employee on the active payroll or on approved leave of absence or military leave on such date shall be increased by two and one-half percent (2.5%). The minimums and maximums of rate ranges for all labor grades shall be increased two and one-half percent (2.5%) effective the same date. Any employee with a base rate below the minimum of the adjusted rate range shall have their base rate adjusted to the minimum of such rate range.

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## ARTICLE VIII, SECTION 7 – LABOR GRADE STRUCTURE

**Sunnyvale & Santa Cruz  
Non-GPR Rates  
Effective March 03, 2014**

<b>Factory</b>			<b>Technical &amp; Office</b>		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	40.62	40.62	20	39.03	39.03
18	39.66	39.66	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	32.45	32.45	15	33.98	33.98
13	31.32	31.32	14	29.34	29.34
12	30.14	30.14	13	28.27	28.27
11	29.02	29.02	12	27.17	27.17
10	27.80	27.80	11	26.06	26.06
9	27.09	27.09	10	24.98	24.98
8	26.36	26.36	9	24.35	24.35
7	25.71	25.71	8	23.69	23.69
6	24.98	24.98	7	23.01	23.01
5	24.29	24.29	6	22.37	22.37
4	23.92	23.92	5	21.74	21.74
3	22.95	22.95	4	21.07	21.07
2	21.99	21.99	3	20.44	20.44
1	21.03	21.03	2	19.76	19.76
00**	32.84	32.84	1	19.15	19.15

\*\*Not in Labor Grade Structure

(2) Skill Adjustment

Rate Range Maximums will be increased by \$0.35 per hour for Factory Labor Grades 18 and 19 in Contract Enforcement Groups (C.E.G.s) B and C effective immediately following the General Wage Increase in the first year of the agreement. Employees in these Labor Grades will then progress to the maximum of their respective grade through the Automatic Rate Progression process.

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## Vandenberg Non-GPR Rates Effective March 03, 2014

Factory			Technical & Office		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	38.93	38.93	20	39.03	39.03
18	37.94	37.94	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	32.45	32.45	15	33.98	33.98
13	31.32	31.32	14	29.34	29.34
12	30.14	30.14	13	28.27	28.27
11	29.02	29.02	12	27.17	27.17
10	27.80	27.80	11	26.06	26.06
9	27.09	27.09	10	24.98	24.98
8	26.36	26.36	9	24.35	24.35
7	25.71	25.71	8	23.69	23.69
6	24.98	24.98	7	23.01	23.01
5	24.29	24.29	6	22.37	22.37
4	23.92	23.92	5	21.74	21.74
3	22.95	22.95	4	21.07	21.07
2	21.99	21.99	3	20.44	20.44
1	21.03	21.03	2	19.76	19.76
00**	32.84	32.84	1	19.15	19.15

\*\*Not in Labor Grade Structure



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**Eastern Range  
Non-GPR Rates  
Effective March 03, 2014**

<b>Factory</b>			<b>Technical &amp; Office</b>		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	38.93	38.93	20	39.03	39.03
18	37.94	37.94	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	32.45	32.45	15	33.98	33.98
13	31.32	31.32	14	29.34	29.34
12	30.14	30.14	13	28.27	28.27
11	29.02	29.02	12	27.17	27.17
10	27.80	27.80	11	26.06	26.06
9	27.09	27.09	10	24.98	24.98
8	26.36	26.36	9	24.35	24.35
7	25.71	25.71	8	23.69	23.69
6	24.98	24.98	7	23.01	23.01
5	24.29	24.29	6	22.37	22.37
4	23.92	23.92	5	21.74	21.74
3	22.95	22.95	4	21.07	21.07
2	21.99	21.99	3	20.44	20.44
1	21.03	21.03	2	19.76	19.76
00**	32.84	32.84	1	19.15	19.15

\*\*Not in Labor Grade Structure

**Lockheed Martin Space Systems Company**  
**Sunnyvale & Santa Cruz**  
**GPR Rates**  
**Effective March 03, 2014**

<b>Factory</b>			<b>Technical &amp; Office</b>		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	40.62	40.62	20	39.03	39.03
18	39.66	39.66	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	35.50	35.50	15	33.98	33.98
13	34.69	34.69	14	33.55	33.55
12	34.43	34.43	13	33.11	33.11
11	33.75	33.75	12	32.69	32.69
10	32.69	32.69	11	32.21	32.21
9	32.20	32.20	10	31.68	31.68
8	31.98	31.98	9	31.48	31.48
7	31.68	31.68	8	31.20	31.20
6	29.78	29.78	7	29.95	29.95
5	29.39	29.39	6	29.77	29.77
4	29.24	29.24	5	29.36	29.36
3	29.06	29.06	4	29.21	29.21
2	28.62	28.62	3	29.03	29.03
1	28.40	28.40	2	28.75	28.75
00**	35.69	35.69	1	28.58	28.58

\*\*Not in Labor Grade Structure

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**Vandenberg**

**GPR Rates**

**Effective March 03, 2014**

<b>Factory</b>			<b>Technical &amp; Office</b>		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	38.93	38.93	20	39.03	39.03
18	37.94	37.94	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	35.50	35.50	15	33.98	33.98
13	34.69	34.69	14	33.55	33.55
12	34.43	34.43	13	33.11	33.11
11	33.75	33.75	12	32.69	32.69
10	32.69	32.69	11	32.21	32.21
9	32.20	32.20	10	31.68	31.68
8	31.98	31.98	9	31.48	31.48
7	31.68	31.68	8	31.20	31.20
6	29.78	29.78	7	29.95	29.95
5	29.39	29.39	6	29.77	29.77
4	29.24	29.24	5	29.36	29.36
3	29.06	29.06	4	29.21	29.21
2	28.62	28.62	3	29.03	29.03
1	28.40	28.40	2	28.75	28.75
00**	35.69	35.69	1	28.58	28.58

\*\*Not in Labor Grade Structure

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## Eastern Range

### GPR Rates

**Effective March 03, 2014**

<b>Factory</b>			<b>Technical &amp; Office</b>		
Labor Grade	Current	March 03, 2014	Labor Grade	Current	March 03, 2014
19	38.93	38.93	20	39.03	39.03
18	37.94	37.94	19	38.67	38.67
17	37.33	37.33	18	38.17	38.17
16	36.81	36.81	17	37.14	37.14
15	36.06	36.06	16	34.54	34.54
14	35.50	35.50	15	33.98	33.98
13	34.69	34.69	14	33.55	33.55
12	34.43	34.43	13	33.11	33.11
11	33.75	33.75	12	32.69	32.69
10	32.69	32.69	11	32.21	32.21
9	32.20	32.20	10	31.68	31.68
8	31.98	31.98	9	31.48	31.48
7	31.68	31.68	8	31.20	31.20
6	29.78	29.78	7	29.95	29.95
5	29.39	29.39	6	29.77	29.77
4	29.24	29.24	5	29.36	29.36
3	29.06	29.06	4	29.21	29.21
2	28.62	28.62	3	29.03	29.03
1	28.40	28.40	2	28.75	28.75
00**	35.69	35.69	1	28.58	28.58

\*\*Not in Labor Grade Structure

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## ARTICLE VI, SECTION 11

### COST-OF-LIVING ADJUSTMENT

- (1) In addition to the base rate of pay of each employee, a Cost-of-Living Adjustment (COLA) shall be paid to each employee in accordance with the provisions of this section.
- (2) a. Effective **January 3, 2015**, the current cumulative Cost-Of-Living Adjustment payable on that date (including the amount effective on that date) shall be added to the maximums of the rate ranges in Article VIII, Section 7, and to the GPR maximums in Article VIII, Section 8.  
  
b. Effective **January 2, 2016**, the difference between the current cumulative Cost-of-Living Adjustment and such previous adjustment as set forth in Subsection 2(a), if any, payable on that date (including the amount effective on that date) shall be added to the maximums of the rate ranges in Article VIII, Section 7, and to the GPR maximums in Article VIII, Section 8.  
  
c. Effective **January 7, 2017**, the difference between the current cumulative Cost-of-Living Adjustment and such previous adjustment as set forth in subsection 2(b), if any, payable on that date (including the amount effective on that date) shall be added to the maximums of the rate ranges in Article VIII, Section 7 and to the GPR maximums in Article VIII, Section 8.  
  
**d. Effective January 6, 2018, the difference between the current cumulative Cost-of-Living Adjustment and such previous adjustment as set forth in subsection 2(c), if any, payable on that date (including the amount effective on that date) shall be added to the maximums of the rate ranges in Article VIII, Section 7 and to the GPR maximums in Article VIII, Section 8.**

On each of the above dates, the employee's base rate will increase by the amount of COLA being received by that employee on that date. ~~Employees at Eastern Range will not receive the COLA Adjustment in their base rate. The rate range maximums will remain the same for the duration of the Agreement.~~

~~Employees hired or rehired on or after March 3, 2014 are not eligible for Cost of Living Adjustment. Effective January 3, 2016, all Cost Of Living Adjustments provisions shall be discontinued.~~

- (3) The Cost-of-Living Adjustment, if any, shall be determined in accordance with changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers, (CPI-W), (United States City Average – All Items, 1982-1984 = 100), revised by the Bureau of Labor Statistics based on the 1982-1984 Survey of Consumer expenditures, and published monthly by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the "Price Index."  
Except as provided above, Cost-of-Living Adjustments shall not be added to or subtracted from an employee's base rate of pay, nor to the minimums and maximums of the rate ranges.
- (4) During the period of Agreement, Cost-of-Living Adjustments shall be made at the following times:

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**Effective Date of Adjustment:**

**Based Upon Three Month Average  
Of The Price Indexes For:**

**July 5, 2014**  
**October 4, 2014**  
**January 3, 2015**  
**April 4, 2015**  
**July 4, 2015**  
**October 3, 2015**  
**January 2, 2016**  
**April 2, 2016**  
**July 2, 2016**  
**October 1, 2016**  
**January 7, 2017**  
**April 1, 2017**  
**July 1, 2017**  
**October 7, 2017**  
**January 6, 2018**

March **2014**, April, May  
 June, July, August  
 September, October, November  
 December **2014**, Jan **2015**, Feb  
 March, April, May  
 June, July, August  
 September, October, November  
 December **2015**, Jan **2016**, Feb  
 March, April, May  
 June, July, August  
 September, October, November  
**December 2016**, Jan **2017**, Feb  
**March, April, May**  
**June, July, August**  
**September, October, November**

In determining the three-month average of the Indexes for each specified period, the computed average shall be rounded to the nearest 0.1 Index Point.

- (5) Effective the payroll period commencing on **July 5, 2014**, the Cost-of-Living Adjustment factor shall be determined in accordance with the following table:

Three-Month Average BLS Consumer <u>Price Index</u>	COLA Index <u>Factor</u>
<del>229.5</del> 230.0 and below	<b>0</b>
<del>229.6-229.8</del> 230.1-230.3	<b>\$.01 per hour</b>
<del>229.9-230.1</del> 230.4-230.6	<b>.02 per hour</b>
<del>230.2-230.4</del> 230.7-230.9	<b>.03 per hour</b>
<del>230.5-230.7</del> 231.0-231.2	<b>.04 per hour</b>
<del>230.8-231.0</del> 231.3-231.5	<b>.05 per hour</b>
<del>231.1-231.3</del> 231.6-231.8	<b>.06 per hour</b>
<del>231.4-231.6</del> 231.9-232.1	<b>.07 per hour</b>
<del>231.7-231.9</del> 232.2-232.4	<b>.08 per hour</b>
<del>232.0-232.2</del> 232.5-232.7	<b>.09 per hour</b>
<del>232.3-232.5</del> 232.8-233.0	<b>.10 per hour</b>

And so forth, with \$.01 adjustment for 0.3 point change in the Average Index for the appropriate date set forth in subsection C above.

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- (6) ~~For eligible employees,~~ The amount of any COLA in effect at the time shall be included for all hours worked after the effective date of the adjustment and in computing overtime payments, vacation and sick leave payments, pay for unused sick and injury leave, military leave, holiday, jury duty, jury examination and witness payments, and for no other purpose.
- (7) In the event that the Bureau of Labor Statistics (BLS), United States Department of Labor, discontinues publication of the Price Index described in paragraph (3) above, the Company and the Union shall enter into immediate negotiations to determine the appropriate index to be used. The purpose of these negotiations shall be to ensure that the payments to be made under this Article will be as intended by the parties and shall be no less than that which would have occurred had the Price Index been continued unchanged in its present form. In the event the parties are unable to agree within sixty (60) days of the discontinuance of the Price Index, this dispute shall be submitted to final and binding arbitration as provided for in the Agreement. The COLA, if any, shall be retroactive to the appropriate effective date.
- (8) In the event the Bureau of Labor Statistics does not issue the appropriate Price Indexes on or before the beginning of one of the pay periods referred to in Paragraph (4), any adjustment in the COLA required by such appropriate Indexes shall be effective at the beginning of the first pay period, **or as soon as administratively practicable**, after receipt of the Indexes.
- (9) No adjustment, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the Price Index for any month or months specified in Paragraph (4).

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## ARTICLE VIII, SECTION 6

### COST-OF-LIVING SUPPLEMENT

On or before **December 19, 2014**, a supplemental Cost-of-Living payment in the amount of **eight hundred dollars (\$800)** will be paid to each employee on the active payroll, on approved leave of absence **for less than one year, or military leave on December 6, 2014**.

On or before **December 18, 2015**, a supplemental Cost-of-Living payment in the amount of **eight hundred dollars (\$800)** will be paid to each employee on the active payroll, on approved leave of absence **for less than one year, or military leave on December 5, 2015**.

On or before **December 16, 2016**, a supplemental Cost-of-Living payment in the amount of **eight hundred dollars (\$800)** will be paid to each employee on the active payroll, on approved leave of absence **for less than one year, or military leave on December 3, 2016**.

**On or before December 15, 2017, a supplemental Cost-of-Living payment in the amount of eight hundred dollars (\$800) will be paid to each employee on the active payroll, on approved leave of absence for less than one year, or military leave on December 2, 2017.**

#### Deferral

Each entire Cost-Of-Living Supplemental payment may be deferred to the Hourly Savings Plan Plus **(401K)** upon completion and timely submittal of the appropriate form.

~~Employees hired or rehired on or after March 3, 2014 are not eligible for Supplemental Cost-of-Living Payment. Effective January 3, 2016, all Cost of Living provisions shall be discontinued.~~



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## ARTICLE V, SECTION 4

### HOLIDAYS

#### Section 4 – Holidays

##### A. Days to be Observed

The Company recognizes the following holiday schedule during the period of this Agreement:

<b>2014</b>	<b>May through December</b>		<b>Total Holiday Hours</b>
May 26	Mon.	- Memorial Day	8
July 4	Fri.	- Independence Day	8
Sept. 1	Mon.	- Labor Day	8
Nov. 27	Thurs.	- Thanksgiving Day	8
Nov. 28	Fri.	- Day after Thanksgiving Day	8
Dec. 24	Wed.	- Holiday Shutdown	8
Dec. 25	Thur.	- Holiday Shutdown	8
Dec. 26	Fri.	- Holiday Shutdown	8
Dec. 29	Mon.	- Holiday Shutdown	8
Dec. 30	Tue.	- Holiday Shutdown	8
Dec. 31	Wed.	- Holiday Shutdown	<u>8</u>
			88
<b>2015</b>	<b>January through December</b>		
Jan. 1	Thur.	- New Year's Holiday	8
May 25	Mon.	- Memorial Day	8
July 3	Fri.	- Independence Day	8
Sept. 7	Mon.	- Labor Day	8
Nov. 26	Thurs.	- Thanksgiving Day	8
Nov. 27	Fri.	- Day after Thanksgiving Day	8
Dec. 24	Thur.	- Holiday Shutdown	8
Dec. 25	Fri.	- Holiday Shutdown	8
Dec. 28	Mon.	- Holiday Shutdown	8
Dec. 29	Tues.	- Holiday Shutdown	8

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Dec. 30	Wed.	-	Holiday Shutdown	8
Dec. 31	Thur.	-	Holiday Shutdown	<u>8</u>
				96

<b>2016</b>	<b>January through December</b>	<b>Total Holiday Hours</b>
Jan. 1	Fri. - New Year's Holiday	8
May 30	Mon. - Memorial Day	8
July 4	Mon. - Independence Day	8
Sept. 5	Mon. - Labor Day	8
Nov. 24	Thurs. - Thanksgiving Day	8
Nov. 25	Fri. - Day after Thanksgiving Day	8
Dec. 23	Fri. - Holiday Shutdown	8
Dec. 26	Mon. - Holiday Shutdown	8
Dec. 27	Tues. - Holiday Shutdown	8
Dec. 28	Wed. - Holiday Shutdown	8
Dec. 29	Thurs. - Holiday Shutdown	8
Dec. 30	Fri. - Holiday Shutdown	<u>8</u>
		96

<b>2017</b>	<b>January through December</b>	<b>Total Holiday Hours</b>
Jan. 2	Mon. - New Year's Holiday	8
May 29	Mon. - Memorial Day	8
July 3	Mon. - Independence Day	8
July 4	Tue. - Independence Day	8
Sept. 4	Mon. - Labor Day	8
Nov. 23	Thurs. - Thanksgiving Day	8
Nov. 24	Fri. - Day after Thanksgiving Day	8
Dec. 22	Fri. - Holiday Shutdown	8

## Lockheed Martin Space Systems Company

Dec. 25	Mon.	-	Holiday Shutdown	8
Dec. 26	Tues.	-	Holiday Shutdown	8
Dec. 27	Wed.	-	Holiday Shutdown	8
Dec. 28	Thurs.	-	Holiday Shutdown	8
Dec. 29	Fri.	-	Holiday Shutdown	<u>8</u>
				104
<b>2018</b>	<b>January</b>			<b>Total Holiday Hours</b>
Jan. 1	Mon.	-	New Year's Holiday	<u>8</u>
				8
			<b>Total for Contract Period</b>	<b>392</b>

# Lockheed Martin Space Systems Company

## ARTICLE V, SECTION 3

### BEREAVEMENT LEAVE

**An employee shall be eligible for three (3) days unpaid bereavement leave each calendar year upon a death in his/her immediate family. Employees shall provide verifiable evidence related to the reasons for this leave upon Company request. For purposes of this Section, immediate family shall mean: Mother, Father, Spouse, Same-Sex Domestic Partner, or Lockheed Martin Registered Dependents.**

# Lockheed Martin Space Systems Company

## LOCKHEED MARTIN SPACE SYSTEMS COMPANY BENEFITS PLAN

### RETIREMENT PLAN AMENDMENT AGREEMENT

This Agreement is entered into effective **March 3, 2014** between the International Association of Machinists and Aerospace Workers for itself and on behalf of the following District and Local Lodges (hereinafter referred to as "Union"). Aerospace Defense Related District Lodge 725, Area 5, and affiliated Local Lodges 2228 (Santa Clara and Santa Cruz County Plants) , California Central Coast Lodge 2786 (Santa Barbara County Plants), Missile and Electronics District Lodge 166 and affiliated Florida Missiles System Local Lodge 610 (Brevard County, Florida Plants) and Lockheed Martin Space Systems Company (hereinafter referred to as "Company").

#### RECITAL

The Company and the Union have negotiated and reached agreement, subject to the conditions set forth below, that the Company will modify the Retirement Plan for certain hourly employees (hereinafter referred to as "Plan") as soon as administratively practicable.

#### AGREEMENT

Therefore, subject to the conditions set forth herein, the parties agree as follows:

1. The changes in the Plan as provided herein are subject to the Company's obtaining and retaining all necessary permits and approvals of cognizant State and Federal authorities required to establish and continue the qualification of the Plan for Federal income tax purposes under applicable provisions of the United States Internal Revenue Code and to meet the requirements of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, and regulations thereunder.
2. All legally required changes will be incorporated in the final document.
3. Except as specifically amended as provided herein, the Plan as in effect on March 2, 2008 shall continue in full force and effect.
4. This Agreement shall remain in effect for the same period as the **2014** Collective Bargaining Agreement between the Company and the Union and may be opened for amendment or termination at the same time and under the same conditions as provided in that Collective Bargaining Agreement.
5. For a member who retires and begins receiving a monthly benefit on or after ~~April 1, 2014~~ **January 1, 2014** the monthly normal retirement benefit shall be determined by multiplying the member's years of credited service by ~~eighty-eight dollars (\$88)~~ ~~eighty-nine dollars (\$89)~~ ~~ninety dollars (\$90)~~ ~~ninety-five dollars (\$95)~~ **ninety-five dollars (\$95)**.

~~For a member who retires and begins receiving a monthly benefit on or after January 1, 2015 the monthly normal retirement benefit shall be determined by multiplying the member's years of credited service by eighty-nine dollars (\$89) ninety dollars (\$90) ninety-one dollars (\$91).~~

## Lockheed Martin Space Systems Company

~~For a member who retires and begins receiving a monthly benefit on or after January 1, 2016 the monthly normal retirement benefit shall be determined by multiplying the member's years of credited service by ninety dollars (\$90) ninety one dollars (\$91) ninety two dollars (\$92).~~

~~For a member who retires and begins receiving a monthly benefit on or after January 1, 2017 the monthly normal retirement benefit shall be determined by multiplying the member's years of credited service by ninety one dollars (\$91) ninety two dollars (\$92) ninety three dollars (\$93).~~

6. For a member who retires and begins receiving a monthly benefit on or after ~~April 1, 2014~~ **January 1, 2014** under Sections 4.05(A)(2), 4.05(A)(3), and 6.01(B) of the Plan will receive a benefit of **thirty-three dollars (\$33)** per year of credited service. Notwithstanding any provision in the Plan to the contrary, for any Member who retires on or after January 1, 1996, the credited service counted for benefit determination under this Supplement A-6, paragraph 4, will also be counted as credited service under Section 6.02 of the Plan (Early Retirement Benefits – 85 point determination only).
7. **For employees retiring on or after January 1, 2015 the plan will be amended to include Contingent Annuitant methods with pop-up feature.**
8. Individuals hired or rehired on or before March 6, 2011 will be eligible to participate in the Defined Benefit Pension Plan. Individuals hired or rehired on or after March 7, 2011 will not be eligible for the Defined Benefit Pension Plan.

Individuals hired or rehired on or after March 7, 2011 will participate in the Company-funded Hourly Capital Accumulation Plan (HCAP). Participants will receive deposits of ~~three hundred sixty dollars (\$360) three hundred seventy five dollars (\$375) three hundred ninety dollars (\$390)~~ **four hundred dollars (\$400)** per quarter of active employment into their own HCAP account and will be able to manage their investment options for future savings and income purposes.

Executed by the authorized representatives of the parties this **2nd** day of **March, 2014**.

FOR THE UNION:

FOR THE COMPANY:

IAM Local Lodge 2228, 2786, 610

Lockheed Martin Space Systems Co.

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# Lockheed Martin Space Systems Company

## HOURLY BASIC BENEFIT PLAN AMENDMENT AGREEMENT

This Agreement is entered into effective **March 3, 2014** between the International Association of Machinists and Aerospace Workers for itself and on behalf of the following District and Local Lodges (hereinafter referred to as "Union"). Aerospace Defense Related District Lodge 725, Area 5, and affiliated Local Lodges 2228 (Santa Clara and Santa Cruz County Plants) , California Central Coast Lodge 2786 (Santa Barbara County Plants), Missile and Electronics District Lodge 166 and affiliated Florida Missiles System Local Lodge 610 (Brevard County, Florida Plants) and Lockheed Martin Space Systems Company (hereinafter referred to as "Company").

### RECITAL

The Company and the Union have negotiated and reached agreement, subject to the conditions set forth below, that the Company will modify and enhance the Lockheed Martin Hourly Basic Benefit Plan (hereinafter referred to as "Plan") as described below as soon as administratively practicable.

### AGREEMENT

Therefore, subject to the conditions set forth herein, the parties agree as follows:

1. The changes in the Plan as provided herein are subject to the Company's obtaining and retaining all necessary permits and approvals of cognizant state and Federal authorities required to establish and continue the qualification of the Plan for Federal income tax purposes under applicable provisions of the United States Internal Revenue Code and to meet the requirements of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, and regulations thereunder.
2. The Company ~~will continue to provide~~ quarterly contributions for each employee ~~of~~ **will be increased from sixty-five dollars (\$65) to seventy dollars (\$70)**.
3. For employees hired after March 1, 2005, the Company ~~will continue to provide~~ an additional quarterly contribution ~~of~~ **that will be increased from thirty-five dollars (\$35) to forty dollars (\$40)**.
4. This Agreement is applicable to the employees of the Company covered by the **2014** Collective Bargaining Agreement between the Company and the Union; however, the applicability of the Plan shall be determined and be governed by the Plan's provisions and need not be limited to the employees of the Company. The Company will take no action in contravention of this Agreement with respect to employees covered by said Collective Bargaining Agreement, except as may be necessary to obtain approval of governmental authorities as referred to in paragraph 1 above.
5. The amendments stated herein or incorporated herein shall become effective **March 3, 2014**.
6. This Agreement shall be of no effect after its expiration or termination and shall not affect the rights of the Company thereafter to continue, amend, modify, suspend or terminate the Plan. This Agreement

## Lockheed Martin Space Systems Company

shall remain in effect for the entire period as the **2014** Collective Bargaining Agreement between the Company and the Union and may be opened for modification, amendment, or termination at the same time and under the same conditions as provided in such Collective Bargaining Agreement.

Executed by the authorized representatives of the parties this **2<sup>nd</sup>** day of **March, 2014**.

FOR THE UNION:

FOR THE COMPANY:

IAM Local Lodge 2228, 2786, 610

Lockheed Martin Space Systems Co.

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_



# Lockheed Martin Space Systems Company

## MEDICAL PLAN AMENDMENT AGREEMENT

This Agreement is entered into effective **March 3, 2014** between the International Association of Machinists and Aerospace Workers for itself and on behalf of the following District and Local Lodges (hereinafter referred to as "Union"). Aerospace Defense Related District Lodge 725, Area 5, and affiliated Local Lodges 2228 (Santa Clara and Santa Cruz County Plants) , California Central Coast Lodge 2786 (Santa Barbara County Plants), Missile and Electronics District Lodge 166 and affiliated Florida Missiles System Local Lodge 610 (Brevard County, Florida Plants) and Lockheed Martin Space Systems Company (hereinafter referred to as "Company").

### RECITAL

The Company and the Union have negotiated and reached agreement, subject to the conditions set forth below, that the Company will modify the Medical Plan for certain hourly employees (hereinafter referred to as "Plan") as soon as administratively practicable.

### AGREEMENT

Therefore, subject to the conditions set forth herein, the parties agree as follows:

**Recognizing the impending implementation of health care legislation in 2018, it is the intent of both the Company and Union that none of the benefits provided in connection with the aforementioned health insurance benefits (e.g. medical, health care spending accounts) 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"). Accordingly, in order to avoid such a tax and in keeping with the intent of the parties, the Company and Union agree to meet after the 2018 rates for the medical plans have been finalized and if the actual rates for any plan are shown to be above the thresholds for triggering the 2018 tax, then the parties will meet in an effort to modify such plan(s) to avoid the excise tax. ~~reserves the right, both during the term of this Agreement and after its expiration, to amend, modify and/or discontinue alter the health insurance benefits provided above solely for the purpose of avoiding implementation of a High Cost Coverage Excise Tax pursuant to PPACA.~~**

**If such discussions fail to modify such plan(s), in an effort to avoid the excise tax thresholds, then the Company has the right to modify the plan(s) up to the point where the premium falls below the threshold but no further than administratively practicable.**

**If the modifications to any such plan design necessary to avoid the excise tax cause the plan value to be less than the plan value under the 2014 LM HealthWorks plan design, then the Company has the right to discontinue such plan(s). In addition, in the event that the health insurance provider(s) on their own accord discontinue the plan(s) for any reason then the Company shall have no further obligation to offer such plan(s).**

Effective January 1, 2015, the 2014 Corporate-wide Health Plan (*LM HealthWorks Plan*) will be offered to all individuals of the Bargaining Unit. During the life of the Agreement, and after its expiration, there will

## Lockheed Martin Space Systems Company

be no changes to the co-insurance, the calendar year deductible amounts, the calendar year out-of-pocket maximum, medical plan or the prescription drug formula, subject to the aforementioned paragraph. Should the Company introduce or change health care options during the term of this Agreement and after its expiration, such options may, within the Company's discretion, be extended to individuals covered by this Agreement on the same basis as would be available to employees not represented by a labor organization. Same basis applies to any and all aspects including but not limited to eligibility, effective dates and plan designs. Employees will have coverage level options of Employee Only, Employee + 1 or Employee + 2 or more.

The Kaiser Northern California HMO, BCBS of CA HMO and Aetna FL HMO will continue to be available where it is currently offered to all eligible bargaining unit employees hired prior to March 3, 2014 in California and Florida ~~until December 31, 2014.~~

Effective January 1, 2015, the Company will pay 87% of the cost of the *LM HealthWorks* medical plan (~~Company contribution~~). The employee will contribute 13% of the cost of the *LM HealthWorks* medical plan.

Effective January 1, 2015, the Company will credit the *LM HealthWorks* Health Fund account at ~~\$200~~ ~~\$225~~ \$250 for Employee Only coverage and ~~\$400~~ ~~\$450~~ \$500 for Employee plus one or more coverage for employees who are enrolled in the *LM HealthWorks* medical plan. Employees enrolled in the *LM HealthWorks* medical plan on January 1 of each year of the Agreement will receive health fund credits in the amount of ~~\$200~~ ~~\$225~~ \$250 for Employee Only coverage and ~~\$400~~ ~~\$450~~ \$500 for Employee plus one or more coverage. In the event that coverage under *LM HealthWorks* will trigger the application of the Cadillac Plan Tax, the Company, within its sole discretion, may choose to make payments to impacted employees in the form of a lump sum cash payment in the amounts as set forth above.

The Company will continue to pay 85% of the cost of the HMO medical plan selected ~~until December 31, 2014.~~ The employee will contribute 15% of the cost of the HMO medical plan selected ~~until December 31, 2014.~~

~~Effective January 1, 2015, the employee will contribute 15% of the cost of the HMO medical plan selected plus the difference between the *LM HealthWorks* Company contribution and the total cost of the HMO plan selected. If the cost of the medical plan selected is less than the *LM HealthWorks* Company contribution, the employee will contribute 15% of the cost of the HMO medical plan selected.~~

Effective March 3, 2014, the *LM HealthWorks* Plan (LMHW) will be the only offered medical plan for those employees hired or rehired on or after March 3, 2014.

Executed by the authorized representatives of the parties this 2nd day of March, 2014.

FOR THE UNION:

FOR THE COMPANY:

IAM, Local Lodge 2228, 2786, 610

Lockheed Martin Space Systems Co.

Lockheed Martin Space Systems Company

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# Lockheed Martin Space Systems Company

## LOCKHEED MARTIN HOURLY EMPLOYEE SAVINGS PLAN PLUS AMENDMENT AGREEMENT

This Agreement is entered into effective **March 3, 2014** between the International Association of Machinists and Aerospace Workers for itself and on behalf of the following District and Local Lodges (hereinafter referred to as "Union"). Aerospace Defense Related District Lodge 725, Area 5, and affiliated Local Lodges 2228 (Santa Clara and Santa Cruz County Plants) , California Central Coast Lodge 2786 (Santa Barbara County Plants), Missile and Electronics District Lodge 166 and affiliated Florida Missiles System Local Lodge 610 (Brevard County, Florida Plants) and Lockheed Martin Space Systems Company (hereinafter referred to as "Company").

### RECITAL

The Company and the Union have negotiated and reached agreement, subject to the conditions set forth below, that the Company will modify and enhance the Lockheed Martin Hourly Employee Savings Plan (hereinafter referred to as "Plan") as described below as soon as administratively practicable.

### AGREEMENT

Therefore, subject to the conditions set forth herein, the parties agree as follows:

1. The changes in the Plan as provided herein are subject to the Company's obtaining and retaining all necessary permits and approvals of cognizant State and Federal authorities required to establish and continue the qualification of the Plan for Federal income tax purposes under applicable provisions of the United States Internal Revenue Code and to meet the requirements of the Employee Retirement Income Security Act (ERISA) of 1974, as amended, and regulations thereunder.
2. The Company will amend the Plan as follows effective on **March 3, 2014**, or on such other date as provided below, with respect to employees of the Company on such effective date who are covered by the Collective Bargaining Agreement between the Company and the Union:

A. Amend Supplement A-4 as follows:

Company matching contributions will be in cash and will be 50% of the matched elective deferral amount.

A weekly elective deferral amount subject to Corporation matching contributions under Section 4.01 may be specified as follows for eligible employees of Lockheed Martin Space Systems Company.

Elective Deferral Amount (Dollars)  
Subject to Corporation Matching Contributions

Up to ~~seventy three dollars (\$73)~~ ~~seventy six dollars (\$76)~~ ~~seventy seven dollars (\$77)~~ ~~seventy eight dollars (\$78)~~ weekly in \$1 dollar increments

## Lockheed Martin Space Systems Company

B. Amend Supplement A-4 as follows:

Paragraph (2) (b) (iii) has been amended to provide a maximum unmatched elective deferral amount of **two hundred fifty dollars (\$250)** for all eligible employees of Lockheed Martin Space Systems Company.

**Combined Before-Tax and Roth 401(k) Contributions cannot exceed the annual IRS limit of \$17,500 for 2014 (IRS limit is subject to change each year). If Contributions should exceed the IRS limit, any excess will automatically be reclassified as After-Tax Contributions.**

These changes will be effective as soon as administratively practicable after ratification of the agreement.

Executed by the authorized representatives of the parties this **2nd** day of **March, 2014**.

FOR THE UNION:

FOR THE COMPANY:

IAM, Local Lodge 2228, 2786, 610

Lockheed Martin Space Systems Co.

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

# Lockheed Martin Space Systems Company

## ARTICLE I, SECTION 1

**Period of Agreement modified as follows:**

### **D. Effective Date and Period of Agreement**

This Agreement, including all Parts hereof, shall remain in full force and effect from **March 3, 2014** until and including **March 4, 2018** and thereafter from year to year until modified, amended or terminated, as hereinafter provided.

### **E. Amendment or Modification**

Either LMSSC or the IAM&AW (on its own behalf and on behalf of all its Local Unions) may notify the other party of its desire to amend or modify the Agreement by written notice served after **December 1, 2017** but before **January 1, 2018**, or no more than ninety (90) days or less than sixty (60) days prior to March 1 of any subsequent yearly period. Such notice shall specify the modifications or amendments proposed and it is the intent of the parties to confine negotiations thereto.

# Lockheed Martin Space Systems Company

Company Proposal Version 4  
Date 2/21/14

## ARTICLE VI – PAY PROVISIONS

### Section 1. Wage Rates and Performance Reviews

#### A. Definitions

- (1) An employee's "base rate," for purposes of this Agreement, shall be the straight-time hourly rate of pay applicable to that employee's classification, exclusive of any bonus or premium.
- (2) An employee's "working rate," for purposes of this Agreement, shall be that employee's base rate of pay plus any Lead, shift, odd workweek, Cost-of-Living and field duty pay.
- (3) An employee's "maximum" for purposes of this Section shall be either the maximum rate in Article VIII, Section 7 or the Guaranteed Personal Rate maximum in Article VIII, Section 8.

#### B. Automatic Rate Progression

- (1) An employee on the active payroll whose base rate is below the maximum of the assigned classification, shall receive an automatic wage increase of twenty-five cents (\$.25) per hour, or such lesser amount as is necessary to bring the employee's base rate to the labor grade maximum, on the first day of the second pay period of March, July and November.
- (2) The Company may, at its discretion, effect an increase in an employee's base rate in amounts greater or at times other than provided for in Paragraph (1) of this Subsection.

#### C. Pay Rate on Promotion, Downgrade or Recall

- (1) An employee promoted will be paid at either the minimum of the classification to which promoted, or ten cents (\$.10) per hour above the rate prior to promotion, whichever is greater, and that employee's automatic wage increase will proceed from that rate. However, if an employee's promotion is effective on the date of an automatic wage increase, the base rate will be established as follows:
  - a. If an employee's base rate is below the maximum of the rate range for that employee's classification prior to promotion, the base rate will be increased by the amount of the automatic wage increase to which that employee is entitled and such increased base rate will be that employee's base rate just prior to promotion.
  - b. If an employee's base rate is at the maximum of the rate range for that employee's classification prior to promotion, the base rate will be increased by ten cents (\$.10) or the amount necessary to bring that employee's rate to the minimum of the classification to which promoted, whichever is greater, or by an amount less than ten cents (\$.10) if that will bring the rate to the maximum of the classification to which promoted.
- (2) An employee downgraded to a classification in a lower Labor Grade shall have that employee's base rate in the downgraded classification established as follows:
  - a. An employee downgraded through application of the layoff procedure as set forth in Article IV, Section 6 shall have the base rate reduced as follows:

Effective date of downgrade	Up to twenty cents (\$.20) reduction
Three weeks subsequent to downgrade	Up to an additional twenty cent (\$.20) reduction
Six weeks subsequent to downgrade	Up to an additional twenty cent (\$.20) reduction
Nine weeks subsequent to downgrade	Up to an additional twenty cent (\$.20) reduction
Twelve weeks subsequent to downgrade	Up to an additional twenty cent (\$.20) reduction
Fifteen weeks subsequent to downgrade	Any additional amount required to reach the maximum of the classification to which the employee is being downgraded.
  - b. An employee downgraded to a classification in a lower Labor Grade other than through application of the layoff procedures aforementioned, whose base rate is above the rate range maximum of the lower Labor Grade, shall be paid at the maximum rate for such classification, effective with the date of such downgrade.





# Lockheed Martin Space Systems Company

## ARTICLE VI – PAY PROVISIONS

### Section 10. Field Duty (See coded letters D-16 and E1)

#### A. Definitions

- (1) An employee shall be considered on field duty when sent by the Company, on a temporary basis, to places within the continental limits of the United States other than the plant or test base to which permanently assigned, when such temporary assignment is at such a distance that it requires the employee to obtain lodging at other than his/her established residence.
- (2) The provisions of the Agreement for shift, odd workweek and overtime premiums as well as Lead bonus shall apply in the same manner as at the employee's regular work station.

#### B. Field Duty Pay

- (1) An employee assigned to field duty for a period exceeding seven (7) consecutive days shall receive, in addition to his/her regular rate of pay, additional pay in the amount of forty-five cents (\$.45) per hour. Such additional amount of pay shall be effective only for the period of time an employee is so assigned to such field duty and shall begin as of the seventh (7th) day after the employee commences travel on such field duty assignment and end on the day preceding the day such employee is to return to his/her regular work station.
- (2) While an employee is traveling to and returning from a field duty assignment, he/she shall be paid at his/her working rate for a day of departure or a day of arrival, or at the applicable premium rate if these days fall on the sixth or seventh day of his/her workweek, or at overtime rate with respect to hours actually worked outside his/her regularly scheduled ~~eight (8) hour~~ shift as follows:
  - a. If no work is performed on such day, for eight (8) hours for such day, or
  - b. for hours worked on such day if worked prior to departure or immediately following arrival, in addition to travel time falling within the hours of his/her regularly assigned shift, but not less than a total of eight (8) hours pay for such day, or
  - c. for hours worked on such day if worked prior to departure and immediately after arrival, in addition to travel time, but in no event less than a total of eight (8) hours pay for such day.
- (3) With respect to days such employee is traveling, other than the day of departure or the day of arrival, he/she shall be paid at his/her working rate, or at his/her overtime rate if travel is on the sixth or seventh day of his/her workweek ~~\_, for such hours of travel time up to but not more than eight (8) hours in any one day of twenty-four (24) hours.~~
- (4) On a day of departure or a day of arrival an employee may be assigned to an odd shift. Pay for such shift shall be at the employee's working rate.

#### C. Per Diem Allowance

- (1) An employee assigned to field duty shall be ~~allowed a specific per diem for each full day reimbursed for necessary, actual and reasonable business expenses~~ while on such field duty assignment, to cover living expenses in accordance with the following schedule:- The Company reserves the right to amend, modify, or otherwise change the provisions of the section if business conditions or policy warrants such change.
  - ~~a. For the first ninety (90) days of such field duty, \$50.00 per day.~~
  - ~~b. For all days after ninety (90) days of such field duty, \$45.00 per day.~~
    - ~~— In field duty locations of inordinate residence cost, and where advance Company approval has been obtained, hotel room charges that exceed half the specified per diem shall be an allowable addition to such per diem.~~
    - ~~— If by advance arrangement of the Company, such as at military bases and aboard ship, etc., room and/or board are furnished to the employee in whole or in substantial part, the per diem will be proportionately reduced. In no such instance will the per diem be less than two dollars and fifty cents (\$2.50).~~
- (2) An employee not on field duty as defined herein, but who is on an assignment away from his/her regularly assigned plant which delays his/her return to his/her residential area and deprives such employee of having dinner at home at a normal hour, shall be reimbursed for actual reasonable dinner expenses incurred.

#### D. Use of Personal Automobile

## Lockheed Martin Space Systems Company

An employee required or permitted to use his or her own automobile for travel on authorized field duty, or on occasional travel for authorized Company business, shall be reimbursed at ~~\$.36 1/2 per mile~~ [the rate set by the Internal Revenue Service \(IRS\)](#) for such necessary mileage. This reimbursement rate includes the fair market value of maintenance of, and insurance for, the automobile used. At all times while operating a privately owned vehicle on authorized Company travel or travel for authorized field duty the employee shall maintain at least the minimum kinds and amounts of automobile liability insurance required in the State(s) where the vehicle is operated and shall comply with Company Management Procedures covering such use of privately owned vehicles on Company travel and travel for field duty. During use of a personal automobile for travel on authorized field duty and while on authorized Company business, the Company shall also provide such employee with automobile liability insurance coverage in excess of the limits of their personal automobile liability insurance with respect to liability for bodily injury (including death) and property damage to third parties, including passengers, arising out of such usage. Such Company insurance coverage shall apply only after such employee's own personal liability insurance has first been applied.

### FOR THE UNION

\_\_\_\_\_  
M. Goddard Date  
Grand Lodge Representative  
Western Territory, IAM&AW

### FOR THE COMPANY

\_\_\_\_\_  
E.P. Lombardi Date  
Labor Relations Lead  
LMSSC

# Lockheed Martin Space Systems Company

Uncoded Letter #39

## ~~Company Proposal~~

### ~~Memorandum of Agreement~~

#### ~~Between~~

~~Lockheed Martin Space systems company Eastern Range Operations, Brevard County, Florida~~

#### ~~And~~

~~The International Association of Machinists and Aerospace Workers and its District Lodge 166 and affiliated Florida Missiles and Space Local Lodge 1323 (Brevard County, Florida, Plants)~~

~~This Memorandum of Agreement sets forth, in its entirety, the agreement reached between Lockheed Martin Space Systems Company (hereinafter the Union) Pursuant to defining the terms, conditions and obligations of the parties with respect to the reduction of operations at the Eastern Range at CCAFS and Brevard County, Florida. This agreement is only applicable to employees covered under the Eastern Range Contract Enforcement Group E that are involuntarily laid off due to the Fleet Ballistic Missile (FBM) Program Consolidation. In accordance with this agreement, employees who are officially notified in writing of layoff will be eligible for the following:~~

- ~~1. Four (4) weeks (160 hours) of pay at the employee's base hourly rate of pay, plus cost of living adjustment.~~
- ~~2. A lump sum payment of \$2,200 that may be applied to the extension of current medical coverage through COBRA.~~
- ~~3. Employees will be provided up to 20 hours of access to a Placement Assistance Center. This shall include job search assistance including professional counseling and access to job openings within Lockheed Martin as well as other employers.~~
- ~~4. Preferential hiring at the following Lockheed Martin Space Systems Company IAM unit operations:
  - ~~— SWFLANT facility at Kinds Bay, Georgia~~
  - ~~— SWFPAC facility at Silverdale, Washington~~
  - ~~— Sunnyvale, Santa Cruz and Palo Alto facilities in California~~
  - ~~— San Diego facility in California~~
  - ~~— Launch Operations at CCAFS, Florida and VAFB, California~~~~
- ~~5. Employees will be paid all Company contributions accrued under the Hourly Basic Benefit Plan.~~

~~Employees will be given preferential consideration for openings in these IAM units in which they express interest and have the necessary qualifications. When an opening exists where two or more qualified employees have applied, the most qualified senior employee will be offered the position. Where the qualifications of two or more qualified employees are substantially equal, the most senior employee will be offered the position.~~

## Lockheed Martin Space Systems Company

~~Where an employee accepts an offer of work in an IAM unit where relocation is required, a lump-sum relocation allowance payment may be made as follows:~~

- ~~• \$2,500 for individual employee with no dependents.~~
- ~~• \$5,000 for employees with dependents.~~

~~Voluntary termination of employment, by resignation or retirement within one year of hire, will require an employee to reimburse the Company for the relocation allowance.~~

~~This MOA shall remain in effect through the FBM Program consolidation at the Eastern Range, but no later than March 1, 2008.~~

~~February 29, 2008: The parties agree to modify the expiration date of this MOA from "no later than March 1, 2008" to "no later than March 1, 2011".~~

### FOR THE UNION

\_\_\_\_\_  
Howard A. Thompson                      Date  
Base Steward  
Eastern Range, IAM&AW

### FOR THE COMPANY

\_\_\_\_\_  
Diana Chickonski                      Date  
Labor Relations Rep  
LMSSC



# Lockheed Martin Space Systems Company

**LG 10**

673-7

## PROGRAM INDUSTRIAL SECURITY COORDINATOR

Occupational summary:

Work independently or with limited supervisory assistance. Perform and review the various administrative actions necessary to process documentary material in accordance with security control systems and other applicable government and company directives.

Work Performed:

Provide a wide range of security related administrative/technical tasks in support of mission requirements. Typically, such tasks include but are necessarily limited to performing unique document control management involving receiving, dispatching, recording, filing, auditing, and destroying classified materials. Prepare classified materials for the courier and, when required, perform the courier function. Provide administrative support required in fulfilling industrial security requirements including, but not limited to, employee badging, electronic personnel security questionnaire processing (e-QIP), and other security tasks required.

- Update and maintain all local security files and databases
- Process all DoD clearance visit requests – (incoming and outgoing)
- Respond to government security requests on the GWAN system
- Monitor and track all annual / special briefings
- **Databases**
  - **Joint Personnel Adjudication System – New govt database for all clearances**
  - **New Corporate Security Data required for tracking all clearances & access'**
  - **Counter Intelligence Net (CINet) – Gov't required database for tracking foreign travel and foreign contacts for Lockheed Martin employees**
- **Tracking and assisting employees and contractors with their e-QIPS prior to final review and submission**
- **New VAFB visitor access procedures for all personnel requiring access to the Base**
- **New submittal process for requesting new employees for customer access – Letter of Justification (LOJ) requiring detailed justifications from management for access**
- **New LM Corp Annual Clearance Recertification to LM Security for all employees**
- **New Visitor Request & Badging System (VRBS) procedure for sending access' for employees that are traveling to other secure facilities / meetings**
- **Added as a presenter for the Annual Industrial Security Refresher Training**
- **Provide copies of foreign travel / foreign contacts and e-QIP to employees for polys**
- **New requirement by VAFB for courier and annual escort form processing / filing**
- **Provide (pre-/post) foreign travel paperwork and maintain COMSEC briefing forms and Controlled Unclassified Information (CUI) briefings for MDA**

## Lockheed Martin Space Systems Company

- **Assist with the mass re-issue of AECC and VAFB ID badges and re-programing**

Knowledge and Ability required:

Knowledge of special programs and DOD security control systems is preferred. A fundamental knowledge of personal computer programs is essential. Ability to exercise tact and good judgment in handling contracts with others. Complete knowledge of diverse administrative procedures applicable within Special Programs and DoD support functions.

Ability to recognize differing situations and take appropriate actions

Normally requires a high school diploma and a minimum of one year as a Clerk-Special Programs.

**FOR THE UNION**

**FOR THE COMPANY**

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M. Goddard \_\_\_\_\_ Date  
Grand Lodge Representative  
Western Territory, IAM&AW

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E.P. Lombardi \_\_\_\_\_ Date  
Labor Relations Lead  
LMSSC

# Lockheed Martin Space Systems Company

## LOCKHEED MARTIN MISSILES & SPACE FACTORY JOB DESCRIPTION

**LG18**

Code 488-3

PLUMBER PIPE FITTER - MAINTENANCE

### OCCUPATIONAL SUMMARY

This occupation requires the installation, repair and maintenance of plant plumbing systems, fittings, accessories, fixtures, and hazardous material lines (including sanitary, steam, various gas, air, sprinkling, water, paint, etc.) that utilize a variety of different piping.

### WORK PERFORMED

Determines routing of pipe, sequence of operations and location of plumbing lines, fixtures and accessories and equipment. Follows trade practice, specifications, blueprints, sketches and applicable state, municipal and underwriters' standards and ordinances. Computes kind, size and amount of pipe, connections and other materials when necessary.

Marks lines and points on walls, floors, ceilings and open areas or sets stakes to locate pipe routes, inlets, outlets, connections, fixtures and equipment. Prepares working and recording sketches as required.

Installs, connects and tests such sanitary plumbing fixtures as urinals, water closets, water heaters, wash basins, sinks and drinking fountains and such plant plumbing facilities as HVAC lines including chill, hot water, and refrigeration, compressed air, fire sprinkling, various hazardous gas, steam and other pressure systems; disconnect, remove, replace and connect plant system pumps.

Troubleshoots on plumbing breakdowns by diagnosing trouble, and repairing, replacing or taking other corrective action. Operates and maintains butane and propane equipment. May be required to operate the automated controls and manufacturing process facilities/equipment.

Lays out and installs plumbing to and from measuring cabinets, testing equipment, machinery, degreasers, heat treat equipment, etc.

Assist maintenance craftsmen in other fields of specialization when so assigned.

May be required to possess license or certificate as required by law.

### KNOWLEDGE AND ABILITY REQUIRED

To set up and operate pipe cutting and threading machines and accessories; to use plumbers' hand tools and measuring instruments.





# Lockheed Martin Space Systems Company

## ARTICLE VI – PAY PROVISIONS

### Section 3. Hours and Days of Work

#### A. Workweek and Workday

(See coded letters ~~B-22, C-14, C-12, and E-11~~)

- (1) The standard workweek consists of one-hundred and sixty eight (168) consecutive hours beginning at 12:00 midnight Sunday and ending at 12:00 midnight the following Sunday, except employees working the 9/80 alternative work schedule and employees assigned to the 4:00 PM to 12:30 AM swing shift whose workweek begins at 12:30 AM Monday and ends at 12:30 AM the following Monday. An odd workweek consists of one-hundred and sixty eight (168) consecutive hours commencing at the beginning of the first of the five (5) consecutive workdays other than the normal schedule of Monday through Friday.
  - (2) For pay purposes, the workday consists of twenty-four (24) consecutive hours beginning at 12:00 midnight of one day and ending at 12:00 midnight the following day, except for employees assigned to the 4:00 PM to 12:30 AM swing shift whose workday begins at 12:30 AM of one day and ends at 12:30 AM the following day and for employees assigned to the 11:30 PM to 7:00 AM graveyard shift whose workday begins at 11:30 PM of one day and ends at 11:30 PM the following day.
  - (3) A day or swing shift consists of eight (8) hours work to be performed within nine (9) consecutive hours, except for those personnel assigned to a 9/80 or 4x10 workweek, or except as otherwise mutually-agreed. A 4x10 workweek shall consist of ten (10) hours work to be performed within eleven (11) consecutive hours. A graveyard shift consists of seven (7) hours work, except that the graveyard shift for Emergency Services Specialists consists of eight (8) consecutive hours work.
- A 9/80 workweek will consist of nine (9) hours work performed each day Monday through Thursday, within (10) consecutive hours and eight (8) hours work performed on Friday within (9) consecutive hours the first week; the second week nine (9) hours work performed a day, within (10) consecutive hours Monday through Thursday (See coded letter B-22 and C-14).
- (4) The Company shall have the right to establish standard shifts as follows:

Day Shift      Starting times at 1/4 hour intervals from 6:00 AM to 8:30 AM  
(Voluntary: 4:00 am to 6:00 am)

Swing Shift    Starting times at 1/4 hour intervals from ~~2:30~~1:00 PM to 4:00 PM  
(Voluntary: 4:00 pm to 5:00 pm)

Grave Shift    Starting times at 1/4 hour intervals from 10:00 PM to 12:30 AM

Emergency Services Specialists shall be on duty during their entire shift period.

#### B. Odd Shifts (See coded letters B-6 and D-1)

- (1) The Company may assign certain employees, as set forth in coded letter B-6, to other than the standard shifts where such deviations are necessitated by operational requirements.
- (2) All other operationally required odd shift assignments shall be mutually agreed upon a minimum of one (1) week in advance by the Company and the Union. Odd shifts of up to thirty (30) calendar days duration may be approved by the affected Department Manager and Senior Steward. Odd shifts of longer duration may be approved by the Manager of Labor Relations and a Union Business Representative. The Union shall not unreasonably refuse to agree to the establishment of odd shifts where such shifts are necessitated by operational requirements and will use its best efforts to secure the cooperation of the affected employees.
- (3) Employee-requested odd shifts of a specific duration may be implemented, with the approval of the Department Manager and Senior Steward, for reasons such as alleviation of traffic problems, educational needs, or other personal reasons of an individual employee. An odd shift for an entire workgroup may be requested by 100% of the affected employees (as determined by a vote), and requires written approval by the Department Manager, Senior Steward, Manager of Labor Relations and a Union Business Representative. Employee-requested odd shifts may be modified or discontinued at any time based upon operational requirements.

## Lockheed Martin Space Systems Company

- (4) For the purpose of determining shift assignments of employees on an odd shift, the following schedule shall apply:

<b>Established Starting Time</b>	<b>Shift</b>
4:00 AM through 10:59 AM	Day
11:00 AM through 8:29 PM	Swing
8:30 PM through 3:59 AM	Graveyard

- (5) Employees placed on an odd shift shall be: first, volunteers in the affected group who are qualified to perform the work and, second, the least-senior employees in the classifications who are in the affected group and qualified to perform the work.

### **C. Workweek**

(See coded letter D-1)

- (1) Five days, Monday through Friday, shall constitute the normal workweek schedule.
- (2) The Company reserves the right to assign or rotate affected employees to an odd workweek schedule for continuous, seven-day operations. Such assignment will be made by mutual agreement, and the Union will not unreasonably refuse to agree.
- (3) Employees placed on odd workweek schedules shall be: first, volunteers in the classifications and in the affected group who are qualified to perform the work and, second, the least-senior employees in the classifications on a normal workweek schedule who are in the affected group and qualified to perform the work. Reassignments between odd workweeks will be made on the basis of seniority to employees who are competent to fill the vacancy, and who have filed written requests with the Department Manager at least seven (7) working days prior to the date the vacancy is filled.

An employee who has been on an odd workweek schedule for ninety (90) calendar days shall, upon written request, be assigned to the normal workweek schedule as soon as a less-senior qualified replacement is obtained and the operational requirements are such that the transfer may be made, but in no event later than thirty (30) calendar days from receipt of such request unless there is no less-senior qualified replacement within the affected group.

The Company will not assign an employee to an odd workweek schedule unless it has reasonable assurance that such employee will be assigned to such odd workweek schedule for thirty (30) calendar days or more.

### **D. Four-Day Forty-Hour Workweek**

The objective of a four-day forty-hour workweek is to allow management to meet its operational requirements while at the same time providing employees with a workweek that will improve the quality of their work life by providing the opportunity for reduced commuting time, energy conservation, and three-day weekends. Basic guidelines for the establishment of four-day forty-hour workweeks are as follows.

- (1) The Company will provide ten (10) days notice of the requirement to implement such a workweek and implementation will require approval of three-fourths (3/4) of the affected employees.
- (2) In circumstances where operational requirements necessitate employees transferring to a 4x10 workweek who do not elect to do so (but where 3/4 of the affected employees have approved such workweek), the local union will be so advised.
- (3) Employees assigned to such a workweek will be paid the straight time hourly rate of pay applicable to their classification for their regularly-scheduled hours.
- (4) Employees assigned to such a workweek will normally work four (4) consecutive days, with three (3) consecutive days off. Employees regularly assigned to work Monday through Thursday or Tuesday through Friday shall be considered to be on a standard workweek. Any other 4x10 workweek shall be considered an odd workweek.

### **E. 9/80 Alternative Work Schedule**

- (1) The 9/80 alternative work schedule may be implemented based on operational requirements subject to a 2/3 approval vote of the total affected employees. The affected group will be identified to the Union 30 days prior to the vote; either party may address any group irregularities for consideration. The vote will be conducted by the Union in the facility. The first vote will be to establish a pilot program and can be conducted once annually.
- (2) There will be a six-month pilot program starting on an agreed upon date. Continuation of the program after completion of the six-month pilot program will be mutually decided between the Union and the Company after another 2/3 approval vote (once annually), conducted by the Union, of the total affected group.

## Lockheed Martin Space Systems Company

- (3) The basic 9/80 workweek will include a nine (9) hour workday Monday through Thursday; an eight (8) hour workday Friday and an "off" Friday every other week. The workweek will begin at mid-shift on Friday. The 9/80 work schedule retains a 40 hour workweek (see attached workweek schedule) and may have two tracks, Track "A" and Track "B". Where there are two tracks, initial track selection will be by volunteer by seniority.
- (4) Each pay period will be for 40 hours unless overtime is worked.
- (5) Overtime pay at time-and-one-half will be paid for hours worked in excess of nine (9) on a nine (9) hour workday (Monday through Thursday) and over eight (8) on the work Friday. Overtime at time-and-one-half will be paid for work on an "off" Friday. All other provisions requiring the payment of overtime will continue in accordance with the Collective Bargaining Agreement (CBA).
- (6) Vacation pay may be taken up to nine (9) hours for a vacation day taken on a nine (9) hour day Monday through Thursday; and up to eight (8) hours for a vacation day taken on a work Friday, or in increments as currently allowed under the CBA. The accrual policy will remain the same as defined in the CBA.
- (7) Sick leave may be taken in increments in accordance with the CBA or up to nine (9) hours for full workdays Monday through Thursday and eight (8) hours on a work Friday.
- (8) Holiday pay will be nine (9) hours for a Holiday that falls on Monday through Thursday and eight (8) hours for a Holiday that falls on a "work Friday." No payment will be made for a Holiday that falls on an "off" Friday. However, payment for hours worked on a designated Friday Holiday will be paid at the double time rate.
- (9) Total Holiday hours under the 9/80 work schedule will not be less than what is negotiated under the 2002 Collective Bargaining Agreement. i) If the 9/80 work schedule results in a reduction of negotiated Holiday hours, these hours will be credited to the employee's vacation account annually.
- (10) An employee who is unable to work regularly scheduled hours due to jury/witness duty will be paid nine (9) hours for Monday through Thursday and eight (8) hours for a "work Friday" not to exceed the total number of days covered under the CBA.
- (11) The number of employees scheduled on either track ("A" or "B") at any time will be determined based on operational requirements. Initial selection of employees will be by volunteers by seniority. Once an employee is assigned to a track, the Company will not reassign to another track without mutual agreement, provided that operational needs are satisfied.
- (12) The following procedure shall apply in the transfer of employees between schedules and tracks:
  - i) Employees may submit a written request to transfer from one schedule/track to another schedule/track once each 12 months in accordance with operational requirements. However, the Company will not be obligated to transfer any employee between schedules/tracks.
  - ii) Any employee transferring in accordance with this provision shall have "Holiday" hours adjusted in order to prevent any loss in negotiated "Holiday" hours resulting from a transfer. Adjustments to paid holiday hours will be made to the employee's vacation account. If an employee changes work schedules or 9/80 tracks, the effective date of the change will be at mid-shift Friday.
- (13) Exemptions from the 9/80 schedule or variances may be approved on an individual basis by the cognizant manager as operational requirements allow to accommodate certain hardships such as those related to personal health, medical care, daycare, and transportation. An employee who is denied may file a grievance at Step 2.
- (14) It is not the Company's intent to utilize the 9/80 to circumvent the overtime provisions of the CBA not covered by this letter.
- (15) The provisions of this agreement apply only while a 9/80-work schedule is in force and effect. Should a 5/40-work schedule need to be implemented by the Company for any reason, the provisions of the current labor agreement will apply. Should this be necessary, the Company would give the Union and the employees at least 30 days advance notice, unless operational requirements require more immediate implementation.
- (16) A Friday attendance infraction can only count as one infraction.

### WORKWEEK SCHEDULE

Workweek	M	T	W	TH	F	M	T	W	TH	F	Total Work Week
First Week (Hours)	9	9	9	9	4						40
Second Week (Hours)					4	9	9	9	9	Off	40

# Lockheed Martin Space Systems Company

## 9/80 WORKWEEK

- Friday mid-shift to Friday mid-shift
- Mid-shift is four hours after regularly scheduled start time

## PAY GUIDELINES Monday - Thursday

0 – 9 Hours	1 x (Straight Time)
9 – 12 Hours	1 ½ x (Time and One-Half)
Over 12 Hours	2 x (Double Time)

## Scheduled Work Fridays

0 – 8 Hours	1 x (Straight Time)
8 – 12 Hours	1 ½ x (Time and One-Half)
Over 12 Hours	2 x (Double Time)

## “Off” Fridays and Saturdays

0 – 12 Hours	1 ½ x (Time and One-Half)
Over 12 Hours	2 x (Double Time)

## Sunday

All Hours	2 x (Double Time)
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## Paid Holidays

Applicable Holiday Hours	1 x (Straight Time)
<i>Plus: All Hours (if worked)</i>	2 x (Double Time)

- Vacation
- Paid 9 hours, Monday – Thursday
- Paid 8 hours for “work” Fridays
- Accrual same as current policy
  
- Holidays
- Paid 9 hours, Monday – Thursday
- Paid 8 hours for “work” Fridays

## FOR THE UNION

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M. Goddard  
Grand Lodge Representative  
Western Territory, IAM&AW

Date

## FOR THE COMPANY

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E.P. Lombardi  
Labor Relations Lead  
LMSSC

Date