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Title: **Lockheed Martin Corporation and International Association of Machinists and Aerospace Workers (IAM) Aerospace/Defense Industry Related District Lodge 725 (2002)**

K#: **4080**

Employer Name: **Lockheed Martin Corporation**

Location: **CA Palmdale**

Union: **International Association of Machinists and Aerospace Workers (IAM), AFL-CIO**

Local: **725**

SIC: **3721**

NAICS: **336411**

Sector: **P**

Number of Workers: **1300**

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K # 4080

1300 see

AGREEMENT

between

***Lockheed Martin Aeronautics Company
Palmdale, California***

A Division of Lockheed Martin Corporation

218 BP

and

***Aerospace/Defense Industry Related
District Lodge 725, IAM***

*International Association of
Machinists and Aerospace Workers*

Effective Date: March 2, 2002
Anniversary Date: March 1, 2005

5113/04

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PREAMBLE

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This Agreement entered into by and between the Lockheed Martin Corporation for its Division, the Lockheed Martin Aeronautics Company, Palmdale, California (hereinafter called "the Company," the term "Company" as used throughout this Agreement referring only to those plants of the Lockheed Martin Aeronautics Company, Palmdale, California defined in subsection A of Section 1, Article I hereof, which are the plants covered by this Agreement) and the Aerospace/Defense Industry Related District Lodge 725, IAM and the International Association of Machinists and Aerospace Workers (hereinafter called "the Union"), a nonprofit organization, evidences the desire of the parties hereto to promote and maintain harmonious relations between the Company and its employees, as they are defined in subsections A and B of Section 1, Article I of this Agreement, and the Union as their representative.

1
2
3 **ARTICLE I**
4 **GENERAL CONDITIONS OF THE CONTRACT**

5
6 **Section 1, Recognition and**
7 **Exclusive Representation**
8

9 A. **Definition of Bargaining Unit and Employees Covered by**
10 **This Agreement:**

11
12 For the period of this Agreement, the Company recognizes
13 and accepts the Union as the exclusive representative of the
14 hereinafter defined employees of the Company for purposes
15 of collective bargaining in respect to rates of pay, wages,
16 hours of employment or other conditions of employment.
17 The words "employee" or "employees" as used in this
18 Agreement mean all employees of the Company, except
19 those described in subsection B of this Section 1, employed
20 to work in the job classifications listed in Supplement "A"
21 and in new jobs established pursuant to the provisions of
22 Article VIII, Section 1, subsection A of this Agreement at
23 its plant or plants which are (and so long as they are)
24 engaged in the manufacture of aircraft, missiles, spacecraft
25 or items necessary to the functions of aircraft, missiles,
26 spacecraft, antisubmarine warfare and ocean systems and
27 related products which are operated by the Company within
28 Los Angeles, Kern, Ventura, San Bernardino and Orange
29 Counties of the State of California, as of the effective date
30 of this Agreement, including any new plant or plants which
31 the Company may hereafter establish or acquire and operate
32 for the manufacture of aircraft, missiles, spacecraft or items
33 necessary to the functions of aircraft, missiles, spacecraft,
34 antisubmarine warfare and ocean systems and related
35 products within Los Angeles, Kern, Ventura, San
36 Bernardino and Orange Counties of the State of California,
37 except where another collective bargaining agent has
38 established collective bargaining rights in such new plant.
39

ART. I, SEC. 1

B. Employees Excluded From Bargaining Unit:

Personnel in the Security and Fire Protection organizations employed by the Company to work in the job classifications listed in Supplement "A" shall not be "employees" within this Agreement, except those assigned to the Document Destruction Worker, Firefighter, Identification Specialist and Locksmith, Senior classifications. This exclusion from the bargaining unit shall not apply to any employee performing a different function or activity within the Company which, subsequent to the effective date of this Agreement, is transferred to the Security and Fire Protection organizations.

C. Recognition at Newly-Established or Acquired Plants:

In the event that the Lockheed Martin Aeronautics Company, Palmdale, California, a Division of Lockheed Martin Corporation, during the period of this Agreement establishes or acquires and operates a new plant which is located outside Los Angeles, Kern, Ventura, San Bernardino and Orange Counties, but within the State of California, and which is engaged in the manufacture of aircraft, missiles, spacecraft or items necessary to the functions of aircraft, missiles, spacecraft, antisubmarine warfare and ocean systems and related products, Aerospace/Defense Industry Related District Lodge 725, IAM and the International Association of Machinists and Aerospace Workers will claim the bargaining rights for nonexempt personnel employed at such new plant to work in the job classifications listed in Supplement "A" of this Agreement, and the Lockheed Martin Aeronautics Company, Palmdale, California, a Division of Lockheed Martin Corporation, will recognize Aerospace/Defense Industry Related District Lodge 725, IAM and the International Association of Machinists and Aerospace Workers and the separately chartered local lodge, referred to below, as the exclusive representative for purposes of collective bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment for such personnel at such new plant, except where another

ART. I, SEC. 1

1 collective bargaining agent has established collective
2 bargaining rights in such new plant. Aerospace/Defense
3 Industry Related District Lodge 725, IAM and the
4 International Association of Machinists and Aerospace
5 Workers agree in such event to charter a separate local
6 lodge for each such new plant. Subject to the above and
7 upon written notification to the Lockheed Martin
8 Aeronautics Company, Palmdale, California, a Division of
9 Lockheed Martin Corporation, that such separate local
10 lodge has been duly chartered, all of the terms of this
11 Agreement, as it may be amended and in effect at the time
12 such new plant is established, shall then become the terms
13 of a separate agreement for such newly established plant,
14 except as to the matters provided for in the following
15 Articles and Sections of this Agreement:
16

- 17 1. Preamble and Article I, Section 1, subsection A -- to
18 the extent necessary to correctly describe the new plant
19 location, parties, and determine which job
20 classifications in Supplement "A" shall apply at such
21 new plant;
22
- 23 2. Article I, Section 1, subsections B and C;
24
- 25 3. Article I, Section 6;
26
- 27 4. Article IV, Sections 3, 4, 8, 9, 10, 11 and 12;
28
- 29 5. Article IX.
30

31 The provisions of items 1 through 5 above will be
32 negotiated locally with the International Association of
33 Machinists and Aerospace Workers and Aerospace/Defense
34 Industry Related District Lodge 725, IAM and the
35 separately chartered lodge at the newly established plant and
36 will become effective when final agreement on all such
37 provisions is reached.

ART. I, SEC. 1

**D. Salaried Employees Performing Bargaining
Unit Work:**

It is the intent of the Company that salaried personnel shall not perform work performed by employees in the bargaining unit except in the following types of situations:

1. In the instruction or training of employees;
2. In emergency conditions where immediate action is required in order to prevent injury to employees or damage to Company or customer property or equipment;
3. In circumstances where technical or scientific personnel perform duties that relate to or are a part of the procedures they must follow to accomplish their assignments.

The Company will use its best efforts to ensure that the terms of this provision are understood and applied throughout the Company in keeping with the intent herein.

Complaints involving repeat violations of this provision shall be subject to review at a meeting with the appropriate Branch Head, Labor Relations, the Union President and Business Representative. Such meetings shall be held at mutually agreed-to times at the request of either party.

Section 2, Period of Agreement

This Agreement shall remain in full force and effect from the effective date provided in Article IX, Section 1 hereof, until and including March 1, 2005 and thereafter from year to year, unless one party or the other gives notice in writing during the period from 12:01 a.m., December 18, 2004 through midnight, January 1, 2005, or during a like period in subsequent years, proposing modifications or amendments. Such notice shall specify the modifications or amendments desired. The parties agree to commence negotiations within 15 days after the giving of such

ART. I, SEC. 2

1 notice, and it is the intent of the parties to confine negotiations to
2 such modifications or amendments as are specified in such
3 notice. In the event of a failure of the parties to reach an
4 agreement upon such modifications or amendments by March 1,
5 2005 or March 1st of any subsequent yearly period for which
6 this Agreement remains in full force and effect, either party, at
7 any time thereafter, may terminate this Agreement upon five
8 days' written notice to the other.

9
10 In the event of instructions from the Federal Government to alter
11 or change the working schedule now in effect, the Company
12 may, upon 15 days' written notice, reopen negotiations with the
13 Union to the end of amending such Sections of this Agreement
14 as pertain to hours of work and/or overtime payment for the sole
15 purpose of considering objectives required by the Government.

16
17 Any notice given under this Section shall be deemed to be served
18 when mailed postage prepaid, registered or certified mail, return
19 receipt requested, to the Director of People and Organization
20 Services, Lockheed Martin Aeronautics Company, a Division of
21 Lockheed Martin Corporation, 1011 Lockheed Way, Palmdale,
22 California 93599 for service upon the Company, and when
23 similarly mailed to the President/Directing Business
24 Representative, Aerospace/Defense Industry Related District
25 Lodge 725, IAM, 39047 10th Street East, Palmdale, California
26 93550 for service upon the Union. The date of receipt shown on
27 this registered or certified mail return receipt shall be the
28 controlling date for all purposes under this Agreement.

29
30 The committee representing the Union for the purpose of
31 negotiating any modifications or amendments proposed,
32 pursuant to this Article I, Section 2, shall be composed of not to
33 exceed eight members who are employees of the Company, not
34 to exceed two additional members who are representatives of
35 Aerospace/Defense Industry Related District Lodge 725, IAM,
36 and not to exceed one additional member who shall be a
37 representative designated by and for the International
38 Association of Machinists and Aerospace Workers, except that
39 one additional technical or specialist representing the
40 International Association of Machinists and Aerospace Workers

ART. I, SEC. 2

1 may serve with the committee from time to time as needed in
2 matters regarding technical or special items being considered.

3
4 The committee representing the Company for the purpose of
5 negotiating any modifications or amendments proposed,
6 pursuant to this Article I, Section 2, shall not exceed 11
7 members.

8
9 **Section 3, Performance Required**

10
11 The Company and the Union agree that they will administer this
12 Agreement in accordance with the true intent of its terms and
13 provisions and will give each other fullest cooperation to the end
14 that harmonious relations may be maintained in the interest of
15 both the Company and the Union. It shall be the duty of the
16 Company and its representatives and of the Union and its
17 representatives to comply with and abide by all the provisions of
18 this Agreement.

19
20 Either party hereto shall be entitled to require performance of the
21 provisions of this Agreement. Time is of the essence in this
22 Agreement.

23
24 The waiver of any breach or condition of this Agreement by
25 either party shall not constitute a precedent for any further
26 waiver of such breach or condition.

27
28 **Section 4, Successors and Assigns**

29
30 This Agreement shall be binding upon and inure to the benefit of
31 any successor or assignee of all or substantially all of the
32 Company's business or assets unless prohibited by law or
33 regulation; however, this Agreement is not otherwise assignable
34 without the mutual consent of the parties.

35
36 **Section 5, Right to Manage Plant**

37
38 The Company has and will retain the right and power to manage
39 the plant and direct the working forces, including the right to
40 hire, discipline, suspend or discharge for just cause, promote,
41 demote and transfer its employees, subject to the provisions of

ART. I, SEC. 5

1 this Agreement. Any claim that the Company has exercised such
2 right and power contrary to the provisions of this Agreement
3 may be taken up as a grievance.
4

5 (See Supplement "F", Letter 2002-4)
6

7 **Section 6, Apprenticeship Agreement**
8

9 The Company shall maintain an apprenticeship agreement which
10 shall be the subject of a separate agreement between the
11 Company and the Union and the California State Apprenticeship
12 Council.
13

14 **Section 7, Strikes and Lockouts**
15

16 For the duration of this Agreement, the Union agrees that it shall
17 not cause or engage in any strike, slowdown or stoppage of
18 work, and the Company agrees that it shall not cause or engage
19 in any lockout. Either party hereto shall be relieved of this
20 obligation in the event of failure of the other party to comply
21 with an arbitration award made within the authority of this
22 Agreement.
23

24 **Section 8, Union Responsibility**
25

26 The Union agrees with the objective of achieving the highest
27 level of employee performance and efficiency consistent with
28 safety, good health and sustained effort, and will not take,
29 authorize or condone any action that interferes with the
30 attainment of such objective.
31

32 In the event of a breach by the Union of the provisions of Article
33 I, Section 7 of this Agreement, the Company may abrogate this
34 entire Agreement. Any action by a Union Steward that is not
35 authorized, concurred in or supported by the Union, will not
36 constitute a breach of this Agreement on the part of the Union
37 for purposes of this paragraph.
38

Section 9, Union Security

A. Conditions of Employment:

1. An employee in the bargaining unit on the effective date of this Agreement who is a member of the Union shall be required, as a condition of continued employment, to continue membership in the Union for the duration of this Agreement to the extent of tendering the membership dues uniformly required as a condition of retaining membership in the Union.
2. An employee in the bargaining unit who is not a member of the Union on the effective date of this Agreement shall be required, as a condition of continued employment, to become a member of the Union on the 31st day following the effective date of this Agreement and shall remain a member of the Union to the extent of tendering an initiation/reinstatement fee where required and the membership dues normally required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement.
3. Employees entering the bargaining unit after the effective date of this Agreement shall be required, as a condition of continued employment, to become and remain members of the Union to the extent of tendering an initiation/ reinstatement fee where required and membership dues normally required as a condition of acquiring or retaining membership in the Union for the duration of this Agreement on the 31st day following such entry into the bargaining unit.
4. Membership in the Union, when used in this Agreement, is satisfied by the tender either through a check-off authorization or directly to the Union, of uniformly-required initiation or reinstatement fees and monthly dues.

ART. I, SEC. 9

1 5. Any employee who fails to satisfy the conditions
2 outlined above or fails to continue his or her
3 membership in good standing, as required by this
4 Agreement, shall be given a 15-calendar day notice of
5 his or her failure to comply with the above paragraphs
6 with a copy to the Company. If the condition is not
7 corrected within the specified period of calendar days,
8 the Company will terminate such employee within
9 three working days after receipt of written notice from
10 the Union.

11
12 B. The Company will deduct from the employee's wages and
13 turn over to the Union, the Union membership dues of each
14 employee who individually and voluntarily authorizes the
15 Company in writing to make such deductions. The term
16 "Union membership dues" as used herein shall include
17 Union initiation or reinstatement fees of employees rehired
18 by the Company, with or without seniority, when such
19 employees are reinstated or rejoin the Union. Such
20 deductions shall be made in accordance with the following
21 provisions:

22
23 1. Such deductions shall be made only in accordance with
24 instructions upon authorization cards, which shall be in
25 a form mutually agreed to between the Company and
26 the Union. In order to be effective, such authorization
27 cards shall be delivered by the Union to the Payroll
28 Department of the Company. Such authorizations may
29 not be revoked for a period of more than one year from
30 their effective date or beyond the termination date of
31 this Agreement, whichever occurs sooner.

32
33 2. Deductions for that portion of the Union membership
34 dues consisting of Union initiation fees or
35 reinstatement fees, as provided above, shall be made
36 from the employee's paycheck for the first pay period
37 ending in each month in the amount and from the
38 number of such checks as authorized by the employee
39 on the authorization card.

40 3. Deductions for other Union membership dues shall be
41 made from the employee's paycheck for the first pay

ART. I, SEC. 9

1 period ending in each month in the amount authorized
2 by the employee on the authorization card. In the event
3 a deduction for such dues is not made on one or more
4 consecutive regular payroll deduction dates due to lack
5 of earnings or insufficient earnings by the employee,
6 then on the next regular payroll deduction date that the
7 employee has sufficient earnings, one double deduction
8 shall be made.
9

10 4. Such payroll deductions shall begin within two weeks
11 subsequent to receipt by the Payroll Department of the
12 Company of the authorization cards provided for in
13 paragraph 1 above.
14

15 5. The Company's obligation to make such deductions
16 shall terminate in the event the employee shall cease to
17 be an employee, as defined in Article I, Section 1 of
18 this Agreement, or upon receipt by the Company of
19 written revocation by the employee of such
20 authorization card.
21

22 C. Both the Union and the Company shall have the right to
23 notify employees of the provisions of this Section.
24

25 D. If a dispute arises in connection with the application of this
26 Section and a settlement is not reached between the Labor
27 Relations Department of the Company and the Union, such
28 dispute shall be referred to arbitration without pursuing
29 intervening steps in the grievance procedure and determined
30 in accordance with the provisions of Article III, Section 6 of
31 this Agreement.
32

33 E. Consistent with recognition of the Union as exclusive
34 bargaining agent of employees under this Agreement, the
35 Company on the first day of employment shall give each
36 new employee a copy of this Agreement.
37

Section 10, Separability

1
2
3 Should any part hereof or any provision herein contained be
4 rendered or declared invalid by reason of any existing or
5 subsequently enacted legislation or by a decree of a court of
6 competent jurisdiction, such invalidation of such part or portion
7 of this Agreement shall not invalidate the remaining portions
8 hereof, and they shall remain in full force and effect.
9

Section 11, Security Regulations

10
11
12 The Union recognizes that the Company has certain obligations
13 in its contracts with the Government pertaining to security, and
14 agrees that nothing contained in this Agreement is intended to
15 place the Company in violation of its security agreements with
16 the Government.
17

18 Therefore, in the event that the U. S. Air Force, U. S. Navy or
19 other Government Agency duly concerned with Lockheed
20 Martin Corporation security regulations advises the Company in
21 writing that any employee in the Union bargaining unit is
22 restricted from work on or access to classified information and
23 material, the Union will not contest such action as the Company
24 may take pursuant to such advice to comply with its security
25 obligations to the Government.
26

27 In the event such Government Agency, following the taking of
28 such action, advises the Company in writing that such employee
29 is no longer restricted for work on or access to classified
30 information and material, the Company shall, promptly after
31 receipt of such written advice from such Government Agency,
32 reinstate with seniority and subject to the provisions of Article
33 IV such an employee, if the employee promptly applies for such
34 reinstatement, to the same job classification and rate of pay such
35 employee held at the time such action was taken, and will join
36 such employee and/or the Union, at such employee's request, in
37 an application to such Government Agency for restoration by the
38 Government of lost pay.

Section 12, Nondiscrimination in Employment

Union membership or legitimate Union activity will not jeopardize an employee's standing with the Company or opportunity for advancement.

It is the intent of the Company and the Union to provide employees with a working environment that is free from all forms of discrimination which is or which may become unlawful during the period of this Agreement. To this end, the parties agree to comply with all applicable laws, statutes, and regulations concerning nondiscrimination in employment based upon such factors as age, race, religion, sex, national origin, disability, medical condition, veteran status, or other category for which statutory protection is provided.

Section 13, Subcontracting

The Company agrees that it will not subcontract maintenance work (as distinguished from new construction or major modification or rehabilitation work) to be performed on Company premises when the work operations involved have normally been performed by employees in the bargaining unit, except in the following instances:

- A. Where peculiar skills or specialized equipment are involved which are not available within the Company;
- B. Where short-term or peak requirements necessitate the need for additional assistance because of an insufficient number of employees then available possessing the necessary maintenance skills to perform such work operations within the time required;
- C. Where unusual or one-shot jobs are required which are not usually performed by the Company;
- D. Where the volume of work on any particular job precludes the possibility of its completion within scheduled time limits.

ART. I, SEC. 13

1 It is not the intent of the Company to use on-site contractors for
2 the purpose of reducing or transferring work ordinarily
3 performed by maintenance employees in the bargaining unit.

4 **Section 14, Reports and Other Information**
5 **to be Furnished to the Union**
6

7 The Union may request the following reports, which are to be
8 furnished as soon as possible; such requests shall be made only
9 by the President or the Financial Secretary of the Union:

10
11 A. The Company shall certify to the Union the number of
12 employees who are in the various occupational
13 classifications recognized by this Agreement. Such
14 information shall be made available to Union Stewards.

15
16 B. The Company shall furnish the Union with lists of
17 employees in their respective departments, showing rates,
18 classifications, date of hire and shifts. Such lists of
19 employees shall be coded in a manner which will indicate
20 employees who have since the last previous such list:

- 21
22 1. Received a promotion within the same department;
- 23
24 2. Received a promotion other than 1 above;
- 25
26 3. Received a lateral reclassification in lieu of layoff;
- 27
28 4. Received a lateral reclassification other than 3 above;
- 29
30 5. Been downgraded other than in lieu of layoff;
- 31
32 6. Been recalled from layoff or from downgrade in lieu of
33 layoff;
- 34
35 7. Been downgraded in lieu of layoff;
- 36
37 8. Been the subject of a Change of Status correcting and
38 superseding prior reclassification, downgrade or
39 promotion.
40

ART. I, SEC. 14

- 1 C. Upon hiring an employee, the Company shall mail a copy of
2 the hiring notice to the main Union office at 39047 10th
3 Street East, Palmdale, California 93550 within 24 hours of
4 the commencement of employment.
5
- 6 D. On a General Layoff, the Company will furnish the
7 following:
8
- 9 1. At the time of the application of the General Layoff, a
10 copy of the seniority roster used by the Company in
11 applying such General Layoff; such seniority roster
12 will list employees in order of their seniority;
13
 - 14 2. Seniority roster by classification of all laid-off
15 employees as of a date immediately after the
16 application of the General Layoff;
17
 - 18 3. Insofar as is practical prior to the date of the layoff, the
19 anticipated date, the approximate size and the probable
20 occupations affected. Such information will only be
21 furnished when it is reasonably certain that a surplus in
22 a department or departments will result in a layoff.
23
- 24 E. On an Emergency Reduction of the Working Force, the
25 Company will furnish the Union the following after
26 adjustments have been made in accordance with the General
27 Layoff Procedure:
28
- 29 1. Seniority roster by classification of employees in the
30 service of the Company in the classifications affected
31 as of a date immediately preceding the adjustments;
32
 - 33 2. Seniority roster by classification of employees in the
34 service of the Company in the classifications affected
35 as of a date immediately after the adjustments;
36
 - 37 3. Seniority roster by classification of all laid-off
38 employees as of a date immediately after the
39 application of the General Layoff Procedure.
40

ART. I, SEC. 14

- 1 F. The Company will furnish the Union a monthly list of
2 employees dropped from Lists D, 2 and E, 3 by reason of
3 loss of seniority.
4
- 5 G. The Company will, upon request from a Senior Steward to
6 such Steward's Department Head, make available to such
7 Senior Steward relevant information (such as information
8 from the employee's file, Change of Status notice, reviews
9 and Employee Performance Notice or their equivalent)
10 concerning a complaint or grievance regarding attendance,
11 discipline, rate or classification. Disputes arising out of the
12 furnishing of such information will be referred to the Labor
13 Relations Department.
14
- 15 H. The Company will furnish the Union a periodic report
16 showing all open employee requisitions by classification.
17
- 18 I. The Company will notify the Union by letter of the name,
19 seniority date, classification and department of a salaried
20 employee returned to the bargaining unit within 15 working
21 days.
22
- 23 J. The Company will furnish the Union with two copies of a
24 report of employees by classification on recall status.
25

26 **Section 15, Quarterly Meetings**

27
28 At the request of either party, quarterly meetings between Union
29 and Company management will be held to discuss matters of
30 mutual concern.

1
2 **ARTICLE II**
3 **UNION-COMPANY RELATIONS**

4
5 **Section 1, Union Stewards**
6 **(Group and Senior)**

7
8 **A. Eligibility Requirements, Selections and Status of Union**
9 **Stewards:**

- 10
11 1. A Senior Steward or Group Steward shall be an employee
12 other than a Lead who is regularly assigned to work in
13 one of the departments and on one of the shifts of the
14 employees such Steward represents.
15
16 2. The Company shall recognize those Union Stewards who
17 are elected as a result of a regular or interim election.
18 Such recognition shall be effective the next day at the
19 beginning of the regular shift, following the date the
20 Labor Relations Office receives written notice in the form
21 of a complete list of such Union Stewards from the
22 Union. Not more often than once each year at a time
23 mutually agreed upon, the Company shall permit all
24 employees to vote on Company property and during
25 working hours for Union Stewards. The voting shall be
26 conducted under the rules and regulations agreed to
27 between the parties.
28
29 3. The Union may appoint a temporary Steward to represent
30 a group of employees who will be assigned to other than
31 their regular work area for a period in excess of five
32 working days. Such temporary appointment shall be
33 applied to situations where the regular Steward could not
34 effectively serve and shall be made from among the
35 group of employees being reassigned.
36
37 4. A Union Steward of whose status as Union Steward the
38 Company has had written notice as provided above in
39 paragraph 2:
40

ART. II, SEC. 1

1 a. Shall not be transferred or loaned from one
2 department to another or from one shift to another or
3 put on an odd workweek, except with the consent of
4 the individual Union Steward concerned, provided the
5 Steward is competent to perform the work remaining
6 within such Steward's classification on the shift in the
7 department;

8
9 b. May exercise either alternative below in the event the
10 Union Steward becomes surplus as the result of such
11 Steward's classification being eliminated within such
12 Steward's department and shift:

13
14 (1) Placement in accordance with Article IV, Section
15 3 (Layoffs); or

16
17 (2) Placement in the Union Steward's present
18 department and shift in a classification to which
19 such Steward has rights on the basis of such
20 Steward's normal Company seniority under
21 Article IV, Section 3 (Layoffs), providing such
22 classification exists within such Steward's
23 department and shift at that time.

24
25 B. Number of Union Stewards:

26
27 1. As designated by the Union there shall be Stewards for
28 each shift in each department in accordance with the
29 following:

30	31	32	33
	Number of	Number of	Stewards
	Employees	Group	Senior
34	1-5*	0	1
35	6-50	0	1
36	51-74	1	1
37	75-124	2	1
38	125-174	3	1
39	175-224	4	1
40	225-274	5	1
41	275-324	6	1

ART. II, SEC. 1

1 etc.

2
3 * The Union may elect to place these employees in
4 another department for purposes of Union
5 representation.

6
7 The parties may also adjust by mutual agreement the
8 required number and location of Union Stewards,
9 particularly in cases of outlying plants or departments
10 covering more than one central location.

11
12 2. In the event there are more Union Stewards in a group or
13 department than are provided for in this Section, the
14 Company shall furnish to the Union a list of all Stewards
15 in the locations where the surplus exists. The Union shall
16 promptly designate the Stewards who are to remain in
17 that capacity provided, however, that if the Company has
18 not received written notification of such designation from
19 the Union within seven working days subsequent to the
20 Company's notification, the Group Stewards in the
21 locations where the surplus exists, who have the most
22 seniority, automatically shall retain their seniority status
23 as Stewards, and the remaining Group Stewards shall lose
24 their status as Stewards.

25
26 3. In the event of a merger of two or more departments
27 which results in an excess of Union Stewards, the Union
28 will designate which Stewards are to remain when the
29 merger is effected, provided the Union has received a
30 minimum of seven working days' notice. If such seven
31 working days' notice has not been received by the Union
32 prior to the merger, the Union shall have seven working
33 days' following notification to designate which Stewards
34 are to remain.

35
36 C. Time Off From Work:

37
38 1. Union Stewards will be permitted to take the necessary
39 time off from work without loss of pay for discussion
40 with the Department Head of complaints or grievances of
41 employees. Union Stewards will be permitted to take

ART. II, SEC. 1

1 additional time off as required for Union business after
2 notification to their supervision.

3
4 2. Senior Stewards and Group Stewards will be permitted to
5 take necessary time off from work without loss of pay for
6 the following Company-Union business:

7
8 a. For so much of one-half hour of the shift at a time
9 mutually agreed upon by the Senior Steward and the
10 Department Manager (normally the last half hour of
11 the shift) as is required for Group Stewards and
12 Senior Stewards to contact each other and for
13 Stewards to contact employees who have complaints
14 or grievances.

15
16 b. For discussion within the department with an
17 authorized Business Representative of the Union
18 when the latter finds it necessary to contact the
19 Stewards on employee complaints or grievances or on
20 matters arising out of the application of this
21 Agreement.

22
23 3. It is agreed that each Union Steward has assigned work to
24 perform in the plant and that the contacts on Company
25 time, which are provided for in this Section, will be no
26 more frequent and no longer than the matter for
27 discussion reasonably requires. Where necessary, the
28 Steward's work schedule or assignment will be adjusted
29 insofar as is practical to compensate for the time required
30 under this Section. Union Stewards who find it necessary
31 to leave their immediate work area shall first request
32 permission from their immediate full-time supervision.
33 Such requests shall not unreasonably be denied.

34
35 D. Union Representation on an Overtime Day:

36
37 In the event a group of employees in the same department is
38 required to work on the sixth or seventh day of their
39 workweek or on one of the holidays recognized in Article VI,
40 Section 3 of this Agreement, the Senior Steward may
41 designate one of the employees within that group as an

ART. II, SEC. 1

1 alternate Senior Steward by so notifying the Department
2 Head. Such alternate Senior Steward will be permitted to
3 take the necessary time off from work without loss of pay for
4 discussion with the Department Head of employee
5 complaints or to contact employees who have complaints
6 which are of such emergency nature that they cannot
7 properly await discussion by the regular Group or Senior
8 Steward.

9
10 It is the intent that the Company give prompt notice to the
11 Senior Steward of those employees who will be assigned to
12 work on the sixth or seventh workday or on holidays
13 recognized by this Agreement.

14
15 **Section 2, Business Representatives**
16 **and Union Officials**

17
18 Business Representatives of the Union shall have access to the
19 Company's plants, or to the departments of the Company's plants
20 to which they are assigned, for the purpose of contacting Union
21 Stewards concerning employee complaints or grievances or
22 matters arising out of the application of this Agreement. Such
23 visits shall be subject to such regulations as may be made from
24 time to time by the Company, the U.S. Army, the U.S. Navy, and
25 the U.S. Air Force. The Company shall not impose regulations
26 which will exclude the Business Representative from the plants
27 or render ineffective the intent of this provision. In each case
28 before entering the Company's plants for the above purpose, the
29 Business Representative shall notify the Labor Relations
30 Department of the date and time such Business Representative
31 will be in the plant and the organizational unit(s) in which such
32 Business Representative will contact the Union Steward(s).

33
34 No full-time Union official or Business Representative shall
35 discuss any problem with supervision of any department or with
36 employees (other than Stewards), except on the employee's free
37 time.

Section 3, Cooperation

The Union and its members agree to report to the Company any acts of sabotage, subversive activities, theft, damage to or taking of any employee's, Company's and/or Government's property or work in process, or materials, or any known threat of sabotage, subversive activities or damage to or taking of such property, and the Union further agrees if any such acts occur to use its best efforts in assisting the Company and the Government to determine and apprehend the guilty party or parties.

Section 4, Bulletin Boards and Posting Notices

The Company shall furnish bulletin boards to be used for official Union business. The Union shall furnish the Company with appropriate identifying headers for such boards. The Company shall provide space on Company property at locations agreed upon and install and maintain such Union bulletin boards for the posting of the following types of notices:

- A. Notices of Union recreational, social and welfare activities;
- B. Notices of Union elections;
- C. Notices of Union appointments and results of Union elections;
- D. Notices of Union meetings;
- E. Such other notices as may be mutually agreed upon by the Union and the Company.

The Union shall not distribute or post, nor authorize its members to distribute or post, any material anywhere on the Company's property except as herein provided. The Company may remove such bulletin boards in the event of repeated violation of this Section or for reasons such as alterations in plant facilities, etc., and will inform the Union whenever the Company removes such bulletin boards.

Section 5, Weekly Meetings

1
2
3 In addition to the meetings between the Department Head and
4 the Senior Steward provided for in Article III for the purpose of
5 adjusting complaints and grievances, the Department Head and
6 the Senior Steward shall, except when mutually agreed
7 otherwise, meet once each week at a mutually convenient time
8 and place for the purpose of discussing such matters relating to
9 employees represented by the Senior Steward. The discussions
10 shall include surplus activity and temporary promotions. The
11 Senior Steward may invite a Group Steward to the weekly
12 meeting in which case the Department Head may invite a
13 Supervisor. No such Group Steward or Supervisor may be
14 invited more frequently than every six weeks.

1
2 **ARTICLE III**
3 **GRIEVANCE PROCEDURE AND ARBITRATION**
4

5 **Section 1, Oral Complaints**
6

7 Oral complaints arising out of employment or grievances shall
8 be discussed within the department by the cooperation of the
9 Senior Steward, the Department Head or such Department
10 Head's authorized representative and the Personnel
11 Representative acting as an advisor. In order to accomplish this
12 cooperative action, the Department Head shall discuss with the
13 Senior Steward an employee's oral complaint or grievance.
14

15 **Section 2, Definition of Terms and**
16 **General Conditions**
17

18 The term "grievance" as it is used throughout this Agreement,
19 except for the term "Union grievance" in Section 4 of this
20 Article, shall mean a written claim by an employee that the
21 Company has violated a specific provision of this Agreement by
22 action, or failure to take action, which, at the time such written
23 claim is filed, denies to such employee a right given to such
24 employee under such specific provision of this Agreement. Such
25 written claim should state the specific provision of this
26 Agreement claimed to have been so violated. The grievance
27 shall be on a form to be mutually agreed upon by the Union and
28 the Company which shall be dated and signed by the employee
29 and shall set forth a complete statement of the grievance, the
30 facts on which it is based, the time of their occurrence and the
31 remedy or correction desired.
32

33 An employee grievance arising out of the application of job
34 descriptions is defined as a written claim by an employee that a
35 job classification, other than such employee's assigned job
36 classification, is more appropriate for the work such employee
37 performs in accomplishing regularly assigned duties. If the
38 grievance involves a job classification matter, the employee is
39 required to submit a written statement of the specific duties on
40 which the complaint or grievance is based, and without such
41 written statement the grievance is considered unsuitable for

ART. III, SEC. 2

1 processing to Step 2. Failure to provide such written statement
2 will result in the grievance being returned to the grievant until
3 such information is provided.

4
5 "Working days" as used in this Article III shall mean Monday,
6 Tuesday, Wednesday, Thursday and Friday, except where one of
7 those days is one of the holidays referred to in Article VI,
8 Section 3, subsection A, and shall not include Saturday, Sunday
9 or such holiday even if worked.

10
11 The Company shall not confer with an employee with respect to
12 the grievance filed by such employee unless the employee's
13 Senior Steward has been notified and given an opportunity to be
14 present. Failure of the Union to proceed within any time limit
15 set forth in the procedure hereinafter stated shall constitute a
16 waiver of the grievance.

17
18 Failure of the Company to act within the time limit set forth in
19 any step shall entitle the Union to proceed to the next step. The
20 Company and the Union may mutually agree to extend the time
21 limits in a particular case where legitimate circumstances for
22 doing so exist.

23
24 If a retroactive adjustment is involved in an employee's
25 grievance based upon a change in such employee's job
26 classification, such retroactivity shall not exceed nine working
27 days prior to the date the employee's written grievance was
28 presented to the Department Head, unless extended by mutual
29 agreement of the Company and the Union.

30
31 **Section 3, Method of Handling Grievances**

32
33 An employee may first present a grievance to such employee's
34 Department Head, either in person or through such employee's
35 Union Steward. However, if the employee so desires, such
36 employee may deliver the grievance to the Union Steward and
37 proceed in accordance with Step 1 of the grievance procedure.

38
39 A. The procedure on employee grievances, except on
40 grievances arising out of termination, layoff and recall as

ART. III, SEC. 3

1 defined in Article III, Section 3, subsection B, shall be as
2 follows:

3
4 Step 1. The employee's Senior Steward shall deliver such
5 grievance to the Department Head. Unless such
6 grievance, signed by the employee, has been
7 delivered to the Department Head within 23
8 working days after the occurrence upon which the
9 grievance is founded, the grievance shall be
10 deemed to be waived.

11
12 If the grievance is based upon action which
13 occurred at a time when the employee was in a
14 different department than such employee is in at
15 the time the grievance is filed, and does not also
16 involve action in such employee's present
17 department, such grievance shall be transferred by
18 the Personnel Representative to the Department
19 Head of the employee's former department where
20 such action occurred for further processing under
21 this Section by such Department Head and the
22 Senior Steward for such department. It is
23 recognized that in order to adequately consider
24 this type of case it will sometimes be necessary
25 that the grieving employee be called in by the
26 Department Head and the Senior Steward. The
27 Company will cooperate in this matter in
28 permitting the grieving employee to attend
29 necessary meetings in the former department.

30
31 The Department Head and the Senior Steward
32 shall meet at a mutually convenient time and shall
33 use their best efforts to settle the grievance. The
34 Senior Steward may, when desired, ask one of the
35 Group Stewards to be present at this meeting.
36 Within five working days after receipt of the
37 written grievance, the Department Head, after
38 discussion with the Senior Steward, shall deliver
39 the answer to the Senior Steward. Any settlement
40 reached shall not create a precedent for either
41 party. If a settlement has not been reached and the

ART. III, SEC. 3

1 Union desires to proceed further with the
2 grievance, the Union, within seven working days
3 after receipt of the Department Head's answer,
4 shall proceed in accordance with Step 2.
5

6 Step 2. The Union shall deliver to the Labor Relations
7 Office a copy of the written grievance. After an
8 investigation by the Labor Relations Office, a
9 representative of the Union and the Labor
10 Relations Office shall meet and use their best
11 efforts to reach a settlement. Within nine working
12 days after receipt of such grievance, the Labor
13 Relations Office shall deliver to the Union its
14 answer in writing. If a settlement has not been
15 reached and the Union desires to proceed further
16 with the grievance, the Union, within seven
17 working days after receipt of such answer, shall
18 proceed in accordance with
19 Step 3.
20

21 Should a representative of the Union or the
22 Company request a meeting at one level above
23 department head, such meeting will be scheduled
24 as soon as feasible.
25

26 Step 3. The Union shall deliver to the Labor Relations
27 Office written notice that it desires to present the
28 grievance to the Labor Relations Committee as
29 hereinafter set forth. Unless the Union, within 21
30 working days after receipt by the Labor Relations
31 Office of said written notice, schedules the
32 grievance for hearing and decision by the Labor
33 Relations Committee, such grievance shall be
34 deemed to be waived. If that committee fails to
35 settle the grievance, either party may proceed in
36 accordance with Section 6 of this Article.
37

ART. III, SEC. 3

1 B. The procedure on grievances arising out of termination,
2 layoff or rehiring shall be as follows:

3
4 The employee shall deliver the signed grievance to the
5 Union, which may deliver such written grievance to the
6 Labor Relations Office and proceed as set forth in Step 2 of
7 this Section. Unless the written grievance, signed by the
8 employee, has been delivered to the Labor Relations Office
9 within nine working days after the termination, layoff or
10 recall complained of, the grievance shall be deemed to be
11 waived.

12
13 **Section 4, Union Grievances**

14
15 A Union grievance is defined as any written grievance which the
16 Union may have with the Company with respect to the
17 application or interpretation of any of the terms or provisions of
18 Article I (except Sections 1 and 5), Article II, Article V (except
19 Section 1), Section 5 of Article VI, and Section 1 of Article VIII
20 (including the Supplement entitled "Joint Statement of Policy for
21 Application of Job Descriptions" where its interpretation is
22 involved with the application of a job description which is the
23 subject of a Union grievance) of this Agreement.

24
25 Such Union grievance, in the form of a letter from the Business
26 Representative to the Manager of the Labor Relations
27 Department, shall be delivered to the Labor Relations Office and
28 shall first be discussed by the Union and the Labor Relations
29 Office. Unless such grievance has been delivered to the Labor
30 Relations Office within 23 working days after the occurrence
31 upon which such grievance is founded, the grievance shall be
32 deemed to be waived.

33
34 The Company and the Union may mutually agree to extend the
35 time limits in a particular case where legitimate circumstances
36 for so doing exist.

37
38 After receipt by the Labor Relations Office of such Union
39 grievance, the same time limits and conditions shall apply as do
40 to an employee grievance after the employee grievance is
41 received by the Labor Relations Office.

ART. III, SEC. 5

Section 5, Labor Relations Committee

1
2
3 There shall be established a Labor Relations Committee which
4 shall consist of representatives of the Union and the Company.
5 The representatives of the Union shall consist of a board
6 composed of not more than eight employees of the Company, the
7 President (or authorized representative) and another official of
8 the Union. The representatives of the Company shall consist of a
9 board composed of not more than ten members selected by the
10 Company. This Labor Relations Committee, by mutual
11 agreement, may establish subcommittees on a permanent or
12 temporary basis.

13
14 The Labor Relations Committee shall review and attempt to
15 settle all grievances which shall remain unsettled after the
16 procedure set forth in Sections 3 and 4 of this Article has been
17 followed.

18
19 The decisions of the Labor Relations Committee shall be
20 considered as final if a majority of the Union representatives and
21 a majority of the Company representatives concur.

22
23 A meeting of this committee may be called by the Union or the
24 Company to be held at a mutually agreeable date upon not less
25 than three days' written notice served upon the other provided,
26 however, that such meeting shall be held within one week from
27 receipt of such notice and that, except by mutual consent, no
28 more than one meeting per week shall be held. Such notice shall
29 specify the matters desired to be discussed at the meeting.

30
31 **Section 6, Arbitration**

32
33 A. Any grievance which has not been settled pursuant to
34 Sections 2, 3, 4 and 5 of this Article and which involves the
35 interpretation or application of this Agreement may be
36 referred to arbitration. Unless the party seeking to have the
37 grievance referred to arbitration has delivered to the other
38 written notice to that effect within seven working days after
39 the Labor Relations Committee has rendered its decision,
40 such grievance shall be deemed to be waived. Unless the
41 party giving such notice of referral to arbitration proceeds to

ART. III, SEC. 6

1 arbitration of such grievance within a period of 14 working
2 days from the date of giving such written notice, such party
3 shall be deemed to have waived its position on such
4 grievance.
5

6 B. The parties shall by mutual agreement select an arbitrator.
7 If the Company and the Union fail to agree upon an
8 arbitrator, one shall be selected from the Master Working
9 List as hereinafter described. Each party will submit the
10 names of five arbitrators who shall be registered with the
11 Federal Mediation and Conciliation Service. The parties
12 shall also request from the Federal Mediation and
13 Conciliation Service an additional list of ten arbitrators from
14 the Southern California area. The combined lists of 20
15 arbitrators will constitute the Master Working List of
16 arbitrators. When the parties desire to select an arbitrator,
17 seven names shall be drawn at random from the Master
18 Working List of arbitrators. From the list of seven
19 arbitrators, the parties shall alternately strike one name until
20 only one name remains (the right to strike the first name
21 having been determined by lot) and that person shall be the
22 arbitrator.
23

24 If for any reason an arbitrator becomes permanently
25 unavailable, the party who submitted the arbitrator's name
26 will submit another name, or if the arbitrator was submitted
27 by the Federal Mediation and Conciliation Service, the
28 parties will request an alternate name from the Service.
29

30 During the month of October 2002, and each October
31 thereafter, either party may request to repeat the above
32 selection procedure. The new panel will be effective on
33 November 1st of that year or upon receipt of the list from
34 the Federal Mediation and Conciliation Service, whichever
35 is later.
36

37 C. The parties shall execute a submission agreement. If the
38 parties fail to agree upon a joint submission, each party
39 shall submit a separate submission and the arbitrator shall
40 determine the issue or issues to be heard, provided that said
41 issue or issues are arbitrable in accordance with this

ART. III, SEC. 6

1 Section. The joint or the separate submission shall state the
2 issue or issues and the specific clause or clauses of this
3 Agreement, which the arbitrator is to interpret or apply.
4 Decision on the issue or issues to be heard shall be made by
5 the arbitrator before either party may proceed with the
6 merits of the case.
7

8 D. The arbitrator shall have the authority to interpret and apply
9 the provisions of this Agreement, including the authority to
10 determine under Article VIII, Section 1, subsection A, a
11 basic rate of pay for a modified or newly established job.
12 The arbitrator shall not have the authority to amend or
13 modify this Agreement or to establish new terms and
14 conditions of this Agreement.
15

16 There shall be no stoppage of work on account of any
17 controversy that may be made the subject of arbitration, and
18 the decision of the arbitrator shall be final and binding on
19 the Company, the Union and the employee.
20

21 E. The arbitrator shall be paid by the parties hereto. The
22 compensation and expenses of the arbitrator and the
23 arbitration shall be divided equally provided, however, that
24 each party shall bear the expense in respect to its own
25 witnesses and that the cost of any report or transcript shall
26 be divided equally only if furnished by mutual consent.
27 Each party shall pay one-half of the aggrieved employee's
28 time lost from work for appearance at the arbitration
29 proceedings

ARTICLE IV
SENIORITY

Section 1, Basis for Seniority

Seniority shall be the relative status of employees in respect to length of service with the Company, subject to the following qualifications:

A. Retransfers From Other Plants:

An employee who is transferred by the Company for regular employment to a plant of the Lockheed Martin Aeronautics Company, Palmdale, California, a Division of Lockheed Martin Corporation, not covered by this Agreement, and who thereafter is transferred back from any such plants to immediate employment with the Company, shall have seniority dating from such employee's original hire or rehire by the Company.

Such transferred employee covered by this subsection A shall not be placed in a classification covered by this Agreement unless such employee possesses greater seniority than the employee such employee displaces or the most-senior qualified employee on the recall list for such classification where ability, skill and efficiency are substantially equal. Subject to the above conditions, such an employee, with less than six years of accumulated seniority, may be placed in the highest-rated classification previously held covered by this Agreement and such an employee with a seniority date prior to October 2, 1977, with six or more years of accumulated seniority, may be placed in the highest-rated classification for which such employee is qualified, subject to the requirements as to qualifications set forth in Section 3, subsection C, paragraph 2, subparagraph d under Article IV of this Agreement.

B. Return From Salary:

An employee who has acquired seniority under Section 2 hereof, heretofore or hereafter transferred from a

ART. IV, SEC. 1

1 classification covered by this Agreement to a salaried
2 classification within the Lockheed Martin Aeronautics
3 Company, Palmdale, California, a Division of Lockheed
4 Martin Corporation, shall continue to accumulate seniority
5 and, in case of placement in a classification covered by this
6 Agreement, such seniority shall apply. An employee who
7 does not continue to accumulate seniority under the
8 preceding sentence, but who acquired seniority under
9 Section 2 of Article IV of this Agreement prior to July 1,
10 1958, and who prior to such date transferred from a
11 classification covered by this Agreement to a salaried
12 classification within Lockheed Martin Corporation or a
13 subsidiary corporation of the Lockheed Martin Corporation
14 shall continue to accumulate seniority and, in case of
15 placement in a classification covered by this Agreement,
16 such seniority shall apply.

17
18 A salaried employee shall not be placed in a classification
19 covered by this Agreement unless such employee possesses
20 greater seniority than the employee such employee
21 displaces, or the most-senior qualified employee on the
22 recall list for such classification, or when filling an available
23 opening, the most-senior qualified employee eligible for
24 promotion where ability, skill and efficiency are
25 substantially equal.

26
27 Subject to the above conditions, such a salaried employee
28 with one but less than six years of accumulated seniority
29 may be placed in the highest-rated classification previously
30 held covered by this Agreement, and such an employee with
31 a seniority date prior to October 2, 1977, with six or more
32 years of accumulated seniority, may be placed in
33 previously-held or lateral or lower-rated classifications
34 subject to the requirements as to qualifications set forth in
35 Section 3, subsection C, paragraph 2, subparagraph d under
36 Article IV of this Agreement.

37
38 A salaried employee being returned to the bargaining unit
39 may be considered for placement in a Lead opening,
40 together with employees covered by the provisions of
41 subsection A and subject to the standards set forth in

ART. IV, SEC. 1

1 subsection C of Section 8, Article IV of this Agreement,
2 provided such employee has been assigned to the
3 department for at least 30 days.

4
5 If such salaried employee has been laid off, such employee's
6 right to placement in a classification covered by this
7 Agreement shall be subject to the same provisions as are set
8 forth in Section 7 of this Article.

9
10 **C. Transfers From Hourly Classifications in Other Bargaining**
11 **Units:**

12
13 An employee hired within an hourly classification, which at
14 the time of hire was represented by another bargaining
15 agent for Company employees, who heretofore or hereafter
16 transferred into a classification covered by this Agreement
17 shall have seniority from the date of such transfer, except
18 that seniority of such an employee shall be from the date of
19 original hire or rehire in cases where the Agreement
20 between the Company and such other bargaining agent
21 contains, at the time of the effective date of this Agreement
22 and at the time of such transfer, a like provision dating
23 seniority from the date of original hire or rehire for
24 employees covered by this Agreement who heretofore or
25 hereafter transferred into a classification covered by the
26 Agreement of such other bargaining agent.

27
28 An employee hired within an hourly classification not
29 represented by a bargaining agent who heretofore or
30 hereafter transferred into a classification covered by this
31 Agreement shall have seniority from the date of original
32 hire or rehire by the Company.

33
34 **D. Accumulation of Seniority of Employees Transferred Out of**
35 **the Bargaining Unit:**

36
37 An employee transferred from a classification covered by
38 this Agreement to an hourly classification represented by
39 another bargaining agent for Company employees shall
40 continue to accumulate seniority and, in case of placement
41 in a classification covered by this Agreement, such seniority

ART. IV, SEC. 1

1 shall apply, provided the Agreement between the Company
2 and such other bargaining agent contains, at the time of the
3 effective date of this Agreement and at the time of such
4 placement, a like provision dating seniority from the date of
5 original hire or rehire for employees covered by this
6 Agreement who transferred into a classification covered by
7 the Agreement of such other bargaining agent.
8

9 An employee transferred from a classification covered by
10 this Agreement to a nonrepresented hourly classification
11 shall continue to accumulate seniority and, in case of
12 placement in a classification covered by this Agreement,
13 such seniority shall apply.
14

15 Such other bargaining unit employee or nonrepresented
16 hourly employee covered by this subsection D shall not be
17 placed in a classification covered by this Agreement, unless
18 such employee possesses greater seniority than the
19 employee being displaced or the most-senior qualified
20 employee on the recall list for such classification where
21 ability, skill and efficiency are substantially equal. Subject
22 to the above conditions, such other bargaining unit
23 employee or nonrepresented hourly employee, with less
24 than six years of accumulated seniority, may be placed in
25 the highest-rated classification previously held covered by
26 this Agreement, and such an employee with a seniority date
27 prior to October 2, 1977, with six or more years of
28 accumulated seniority, may be placed in the highest-rated
29 classification for which such employee is qualified, subject
30 to the requirements as to qualifications set forth in Section
31 3, subsection C, paragraph 2, subparagraph d under Article
32 IV of this Agreement.
33

34 E. Retransfers From Another Bargaining Unit:

35
36 *An employee transferred from a classification covered by*
37 *this Agreement to an hourly classification represented by*
38 *another bargaining agent for Company employees, and*
39 *thereafter transferred to a classification covered by this*
40 *Agreement, shall have the seniority that such employee had*

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1 accumulated on the date of transfer to such other unit except
2 as provided in subsection D of this Section 1.

3
4 F. Classifications Which Become Represented by Another
5 Bargaining Agent:

6
7 The matter of seniority for purposes of this Agreement for
8 employees transferred from a classification which after the
9 effective date of this Agreement becomes represented by
10 another collective bargaining agent shall, at the time they
11 become so represented, be negotiated between the Company
12 and the Union and any seniority of such employees for
13 purposes of this Agreement shall be subject to the
14 agreement reached after such negotiation.

15
16 G. Part-Time Employees:

17
18 A part-time employee shall be entitled to credit for length of
19 service in the same proportion that time regularly worked
20 by such part-time employee bears to the time regularly
21 worked by a full-time employee.

22
23 For purposes of layoff, part-time employees shall not be
24 considered to have acquired seniority except for those who
25 are attending educational institutions.

26
27 H. Code "H" Rehires:

28
29 An employee who voluntarily terminates or is laid off after
30 having accumulated two or more years of seniority since
31 1950 at any plant or subsidiary of Lockheed Martin
32 Corporation, and who after the effective date of this
33 Agreement is hired by the Company, shall be designated a
34 Code "H" rehire and receive the following benefits:

- 35
36 1. Such employee shall be entitled to group insurance
37 coverage without serving a waiting period;
38
39 2. Such employee shall be eligible for participation in the
40 Savings Plan without serving a waiting period.

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1 I. Code "D" Hires From Other Plants, Divisions or
2 Subsidiaries:
3

4 An employee who is hired by the Company and begins
5 work at the Company within a period of 30 calendar days,
6 beginning with the next day following the day said
7 employee was terminated from employment at a plant of a
8 subsidiary corporation of Lockheed Martin Corporation or a
9 plant of Lockheed Martin Corporation not covered by this
10 Agreement, and is not entitled to seniority pursuant to the
11 above paragraphs of Section 1, Article IV of this
12 Agreement, or begins work at the Company during the
13 period such employee is eligible for recall in the event such
14 employee was laid off by such subsidiary corporation or by
15 another division of Lockheed Martin Corporation and has
16 maintained recall rights, shall acquire seniority on the same
17 basis as a newly-hired employee, except that such
18 employee's years of seniority for the purpose of determining
19 the length of vacation with pay (and not for determining
20 "vacation eligibility date") to which said employee shall be
21 entitled under Article VI, Section 1, subsection B of this
22 Agreement and for the purpose of determining such
23 employee's eligibility for additional group life insurance as
24 provided by the Lockheed Martin Group Insurance Plan,
25 shall be determined on the basis of the seniority date such
26 employee had at the time of termination or layoff at such
27 subsidiary corporation or plant.
28

29 J. Transfer of Work to Noncovered Plant:
30

31 In the event work performed at the Company is transferred
32 to a plant of the Lockheed Martin Aeronautics Company -
33 Palmdale, operating within the State of California but
34 outside the scope of this Agreement, the Company and the
35 Union shall at that time negotiate with respect to which
36 employees shall be permitted to transfer to such plant.
37 Employees so permitted to transfer shall do so with all
38 employee rights and benefits except where another
39 collective bargaining agent has established collective
40 bargaining rights at such plant. All such employee rights
41 shall continue unless and except as restricted by a

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1 subsequent collective bargaining agreement negotiated with
2 the collective bargaining agent representing such employees
3 at the new plant.
4

5 **Section 2, Establishment of Seniority**
6

7 Ninety calendar days after an employee starts to work, such
8 employee shall acquire seniority rights and such employee's
9 seniority shall be retroactive to his or her starting date. During
10 the first 90 calendar days of employment, the employee shall be
11 considered probationary and retention as an employee shall be
12 entirely within the discretion of the Company. On matters other
13 than discharge or layoff, such employee shall be entitled to the
14 same representation as other employees as set forth in Article I,
15 Section 1.
16

17 If an employee is laid off during his or her probationary period
18 and subsequently rehired, any seniority accumulated during the
19 12 months immediately preceding such employee's rehire date
20 shall be counted toward his or her probationary period. If such
21 service is not continuous, the employee's seniority date shall be
22 established as of a date 90 calendar days prior to the completion
23 of the probationary period.
24

25 The Company and the Union may mutually agree to restore
26 seniority to an employee terminated under specified conditions,
27 provided the employee presents the request in writing to the
28 Labor Relations Manager within 15 working days from date of
29 entrance to a classification covered by this Agreement. Such
30 request shall be considered only at Step 2 of Article III, Section
31 3, subsection A of this Agreement.
32

33 **Section 3, Layoffs**
34

35 **A. Definition of Terms:**
36

37 A "surplus employee" refers to an employee who because of
38 a reduction in the number of employees in a particular unit
39 will, by application of the provisions of this Article IV,
40 either be moved to another unit or job classification or be
41 laid off.

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1
2 The word "layoff" refers to the termination of an employee
3 from the active payroll of the Company as a result of a
4 reduction of the total number of people within a
5 classification in the Company.

6
7 The word "Lead" does not designate a classification but
8 merely describes a person leading a classification and a
9 Lead shall be deemed to be in the classification which
10 describes the duties which the Lead performs other than the
11 Lead duties.

12
13 "Downgrading" refers to a movement from one
14 classification to a lower-rated classification such as
15 Machinist - General to Machinist - Lathe.

16
17 A classification shall be considered to have been
18 "previously held" only when it shows on Company records
19 that the employee has been classified in the classification
20 for a minimum of 20 working days and such work was
21 performed during the period since the employee's last
22 established seniority date with the Company.

23
24 Employees placed in classifications not previously held on
25 an "available opening" basis must be able to perform the
26 distinguishing duties of such classifications without a
27 training or learning period if such classifications have recall
28 lists.

29
30 B. The General Layoff and Temporary Layoff Procedures shall
31 be applied in accordance with the following principles and
32 conditions:

33
34 1. A surplus employee with less than one year of seniority
35 may be placed in a lateral or lower-rated classification
36 for which such employee is qualified if there is an
37 available opening in such classification.

38
39 A surplus employee with one or more years of seniority
40 will be placed in a lateral or lower-rated classification

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- 1 for which such employee is qualified if there is an
2 available opening in such classification.
3
- 4 2. Each employee shall have a seniority date of the first of
5 the month in which such employee was hired for
6 determining the right of one employee to displace
7 another employee within the same, lateral or lower
8 classification in a different department.
9
- 10 3. Where a surplus employee under the General Layoff
11 Procedure is qualified and entitled to be placed in more
12 than one classification, such employee shall be placed
13 in the classification carrying the highest rate of pay. If
14 such classifications are in the same labor grade, the
15 employee shall displace in the classification occupied
16 by the least-senior employee.
17
- 18 4. A surplus employee shall have the option of taking
19 layoff instead of being placed in lieu of layoff in a
20 lateral or lower-rated classification.
21
- 22 5. An employee who has acquired seniority in accordance
23 with Article IV, Section 2 shall not be laid off under
24 the General Layoff provisions of subsection C below,
25 unless all employees in his or her particular occupation
26 who have not acquired seniority rights in accordance
27 with Article IV, Section 2 have been or are laid off.
28
- 29 6. Where ability, skill and efficiency are substantially
30 equal, employees within the surplus group shall
31 displace as provided in this Section.
32
- 33 (See Supplement "F", Letters 2002-2 and 2002-13.)
34
- 35 7. Employees having the same seniority date will be
36 surplused in the inverse order in which they appear on
37 the most recently issued classification tape prior to the
38 effective date of the surplus.
39

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C. General Layoff Procedure:

1. Employees with 90 days of seniority or more:
 - a. Employees within the classification and department where the surplus exists shall displace the least-senior of any less-senior employees within the classification in the Company.
 - b. The least-senior employee within the classification in the Company shall be laid off.
 - c. Where there are no less-senior employees within a surplus employee's classification, such employee shall displace any probationary employee in a previously held classification.
2. Employees with one or more years of seniority:
 - a. Where there are no less-senior employees within a surplus employee's classification, such employee shall displace the least-senior employee within a lateral or lower-rated classification previously held, unless in such lateral or lower-rated classification there is no less-senior employee whose work such employee is qualified to perform.
 - b. In the event there is no less-senior employee whose work the employee is qualified to perform in a previously held lateral or lower-rated classification, the employee at the time of surplus may file a written request for placement in a lower-rated classification than that which the employee previously held, either in the same functional line of the job family as such previously-held classification or in the same functional line of the job family as such employee's current classification. Such requests must be submitted to Hourly Placement no later than 9:00 a.m. on the date of surplus. Such employee shall displace the

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1 least-senior of any less-senior employees in the
2 requested classification in the Company provided:

3
4 (1) The employee is qualified on the basis of
5 prior training and/or experience to perform
6 the duties set forth in the job description for
7 such lower-rated classification which
8 distinguishes such classification from other
9 classifications; and

10
11 (2) Be able to perform such duties with only a
12 familiarization period and such orientation as
13 normally provided employees displacing in
14 the classification not previously held.

15
16 c. Where there are no less-senior employees within a
17 surplus employee's classification and such
18 employee has not previously held a lower-rated
19 classification with the Company, such employee at
20 the time of surplus may file a written request for
21 placement in a lower-rated classification in the
22 same functional line of the job family as such
23 employee's current classification. Such requests
24 must be submitted to Hourly Placement no later
25 than 9:00 a.m. on the date of surplus. Such
26 employee shall displace the least-senior of any
27 less-senior employees in the requested
28 classification in the Company provided:

29
30 (1) The employee is qualified on the basis of
31 prior training and/or experience to perform
32 the duties set forth in the job description for
33 such lower-rated classification which
34 distinguishes such classification from other
35 classifications; and

36
37 (2) Be able to perform such duties without a
38 training or learning period; however, such
39 employee will be given orientation normally
40 provided employees displacing in the
41 classification not previously held.

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1 d. Placement rights of a surplus employee with a
2 seniority date prior to October 2, 1977, shall be as
3 follows:
4

5 (1) In a lateral or lower-rated classification
6 previously held by such employee; or
7

8 (2) In a lateral or lower-rated classification not
9 previously held, provided such employee
10 meets the following requirements. The
11 employee must:
12

13 (a) Be senior to the least- senior
14 employee in such classification; .
15

16 (b) Be qualified on the basis of prior
17 training and/or experience to perform
18 the duties set forth in the job
19 description for such lateral or
20 lower-rated classification which
21 distinguishes such classification
22 from other classifications;
23

24 (c) Be able to perform such duties
25 without a training or learning period;
26 however, such employee will be
27 given orientation normally provided
28 employees displacing in the classifi-
29 cation not previously held;
30

31 (d) Have on file with the Company full
32 and factual information substantiating
33 such employee's qualifications for
34 such lateral or lower-rated classifica-
35 tion. Employees may have up to
36 three requests for displacement to
37 classifica- tions not previously held.
38 Such requests must be submitted to
39 Hourly Placement no later than 9:00
40 a.m. on the date of surplus.

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- 1 3. An employee who has successfully completed the
2 Lockheed Martin Apprenticeship Program shall have
3 placement rights in any lateral or lower-rated
4 classification, provided such employee is qualified to
5 perform the work of the least-senior or any less-senior
6 employee in such classification or such employee will
7 be placed in any classification for which qualified if
8 there is an available opening in such classification.
9
- 10 4. In the event a Lead becomes a surplus employee, the
11 demotion shall be made from among the Leads
12 reporting to the first full-time Supervisor under whom
13 the surplus occurs. Where ability, skill and efficiency
14 are substantially equal, the least-senior Lead leading
15 the same classifications as the surplus Lead shall be
16 demoted.
17
- 18 5. The Company shall have three working days in which
19 to correct, without liability, any layoff out of seniority
20 which results from employees who were surplus and
21 scheduled to displace other employees elsewhere under
22 the layoff procedure after having first accepted such
23 displacement and then declining such displacement
24 within 24 hours prior to the effective date such
25 employees were scheduled to displace such other
26 employees.
27
- 28 6. The Company shall make the placements provided for
29 in subsection C as rapidly as possible. It is recognized,
30 however, that circumstances may occur, particularly in
31 layoffs involving more than 1.5% of the employees in
32 the bargaining unit, which will make it necessary for
33 the Company to lay off such employees for not longer
34 than five working days until placement can be effected.
35
- 36 7. Insofar as is practical, the senior employees will be
37 placed first and such placement will not be affected by
38 the terms of the recall procedure.
39

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1 D. Temporary Layoff Procedure:

2
3 Temporary layoffs may be made for periods of not
4 exceeding 15 working days. Such layoffs shall be made in
5 order of Company-wide seniority applied by classification
6 within the particular unit of organization, work unit or
7 project affected where ability, skill and efficiency are
8 substantially equal.

9
10 E. Emergency Reduction of the Working Force:

11
12 Step 1. When an Emergency Reduction of the Working
13 Force which involves the layoff of 5% or more of
14 the employees in the bargaining unit is necessary,
15 the first step in the Emergency Reduction of the
16 Working Force shall be the layoff of employees
17 affected; without regard to the General Layoff
18 Procedure, for the period of time necessary to put
19 into effect Step 2.

20
21 Step 2. The second step of the Emergency Reduction of
22 the Working Force shall be the carrying out of the
23 General Layoff Procedure. Such assignments
24 shall not be governed by the rehiring procedure
25 and shall be made as promptly as is reasonably
26 possible.

27
28 F. Top Seniority for Purposes of Layoff:

29
30 For the purpose of applying the Temporary and General
31 Layoff Procedures, the following employees shall be
32 deemed to have top seniority:

33
34 Senior Stewards with one or more years of seniority and
35 Group Stewards with 18 or more months of seniority as
36 defined and recognized, as provided in Article II, Section 1,
37 subsection A.

38
39 During the period of a temporary layoff, the number of
40 Group Stewards shall not be reduced below the number
41 allowed under the provisions of Article II, Section 1 as

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1 applied to the number of employees remaining. A Senior
2 Steward shall not be laid off on a temporary layoff provided
3 such Senior Steward is able and willing to perform the work
4 remaining within the department and shift in the labor grade
5 in which such Steward's classification falls or in a lower
6 labor grade. During a temporary layoff and during the
7 period between the first and second steps in an Emergency
8 Reduction of the Working Force, the terms of office of
9 laid-off Union Stewards shall continue. If a department
10 and/or shift is shut down for a period not to exceed 120
11 days, the Senior Steward in such department and/or shift
12 shall upon its reopening have top seniority in his or her
13 classification and shift for purposes of recall.

14
15 **G. Top Seniority for Purposes of Shift Assignment:**

16
17 Local Lodge Presidents, Local Lodge Vice Presidents,
18 District Lodge 725 Delegates, Treasurers, Local Lodge
19 Financial Secretaries, Recording Secretaries and members
20 of the Labor Relations Committee shall be deemed to have
21 top seniority for purposes of shift assignment in the
22 application of the Temporary and General Layoff
23 Procedures. Such top seniority shall be for the sole purpose
24 of allowing them to remain on the same shift during their
25 term of office.

26
27 **Section 4, Recall**

28
29 Laid-off employees shall be rehired from the recall list in order
30 of seniority applied by classification within the Company where
31 ability, skill and efficiency are substantially equal.

32
33 The recall list shall include:

- 34
35 A. Employees on layoff from the classification.
36
37 B. Employees on the active payroll who in lieu of layoff within
38 the preceding five years:
39
40 1. Were downgraded from the classification; or
41

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- 1 2. Were downgraded from a higher classification in the
2 same functional line of the job family; or
3
4 3. Were placed in a lateral classification, provided the
5 employee has filed with the Company a written request
6 for recall to the classification at least seven calendar
7 days prior to the date of recall.
8
9 C. Employees who in lieu of layoff accepted placement in a
10 lateral classification or downgrade from such classification
11 and who were subsequently laid off.
12
13 D. Employees on recall who at the time of surplus had
14 displacement rights in accordance with Section 3 of Article
15 IV, but were unable to displace because of seniority, and
16 who have filed with the Company a written request for
17 recall to the classification at least seven calendar days prior
18 to the date the employees' seniority date was first reached
19 on that list.
20
21 E. Employees on layoff from a higher-rated classification who
22 at the time of layoff had completed the probationary period,
23 possessed less than one year of seniority and previously
24 held the classification.
25
26 Employees on layoff who have maintained their recall rights
27 shall be considered for rehire in order of seniority to openings in
28 classifications for which they are qualified, provided the
29 Company is on an "open hire" basis and provided they have
30 notified the Company in writing of their desire to accept such
31 rehire. An employee may not designate more than three
32 classifications for which such employee desires consideration for
33 rehire. The provisions of this paragraph shall not be subject to
34 the grievance procedure. However, any complaint arising out of
35 the application of this paragraph may be discussed in the Labor
36 Relations Office between a Business Representative of the Union
37 and a Labor Relations Representative of the Company. If
38 unresolved it may be discussed as an informal complaint before
39 the Labor Relations Committee.
40

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1 If a laid-off employee fails to report for an interview for work by
2 the second day after the date on which the Company shall have
3 sent a notice by wire, or on the third day if notice is by registered
4 or certified mail, to such employee at the last address filed with
5 the Company, or at such other date thereafter as the Company
6 may designate, the employee shall not be entitled to the job but
7 shall be entitled to hold such employee's place on the seniority
8 list and to be considered for the next vacancy for which eligible
9 provided, within one week after notification, such employee
10 gives to the Company a reasonable excuse for failure to report
11 for such interview.

12
13 An employee who is considered eligible for recall may by
14 written notice to Hourly Placement, submitted seven days in
15 advance of any notice of recall, suspend his or her right of recall.
16 During the period of suspension of recall rights, the employee
17 shall not be obligated to accept rehire and the Company shall not
18 be obligated to notify the employee of available openings.
19 Employees may reinstate their recall rights by written notice to
20 the Company canceling the prior notice of suspension at any
21 time after the expiration of one month from the date the notice of
22 suspension is received in Hourly Placement.

23
24 The Company shall have not more than five working days in
25 which to correct, without liability, any recall of a downgraded
26 employee out of seniority order, provided such employee is
27 recalled on or before the expiration of the sixth working day.

28
29 An employee who refuses recall will be removed from the recall
30 lists of that classification and all lower-rated classifications,
31 unless the employee indicates in writing within ten working days
32 on an approved form provided at the time so notified of recall. A
33 request to retain recall rights is to be forwarded to Hourly
34 Placement stating the employee's desire to remain on such
35 lower-rated recall lists.

36
37 (See Supplement "F", Letter 2002-15.)
38

Section 5, Occupational Injury or Illness

1
2
3 An employee who becomes physically handicapped as a result of
4 an injury or illness incurred in the course of employment with
5 the Company, and determined by the Industrial Accident
6 Commission or the Company to be occupational, shall be
7 retained or reinstated in a classification where work is available
8 and such employee is qualified to perform such work, provided
9 such employee applies for reinstatement within 30 calendar days
10 after being qualified to perform such work, regardless of the
11 seniority principles stated in this Article, except as provided in
12 Section 6 hereof. Such retention or reinstatement shall be on the
13 principle of placing the employee in a classification such
14 employee is capable of performing at a rate within the
15 classification applicable to the type of work to which assigned.
16 Such employee shall be retained out of seniority order only until
17 such time as the employee's compensation case has been settled
18 or he or she has been released by the Company Medical
19 Department or as may be mutually agreed to between the
20 Company and the Union.

21
22 (See Supplement "F", Letter 2002-29.)
23

Section 6, Employees Entering Armed Forces

24
25
26 Those employees who have left the employment of the Company
27 on or subsequent to June 24, 1948 for the purpose of entering the
28 Armed Forces of the United States shall be reemployed by the
29 Company in accordance with the provisions of the Selective
30 Service Act of 1948, as amended by the Universal Military
31 Training and Service Act of 1951, and as such Act may be
32 amended. Employees who shall have left the employment of the
33 Company for the purpose of entering the Armed Forces of the
34 United States or of the State of California shall be reemployed
35 by the Company in accordance with the provisions of any
36 applicable statute of the State of California.

37
38 It is understood and agreed that no liability for the violation of
39 any provision of this Agreement shall be predicated on any act
40 done or omitted in good faith under the aforesaid Acts or
41 statutes, if such action or omission was in accord with any then

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1 in-effect regulation, order, ruling, court decision or
2 administrative interpretation issued by any authorized person or
3 agency or court of competent jurisdiction.
4

5 Any employee ordered by selective service to report for a
6 preinduction physical or any employee ordered by the Military
7 Reserve to report for a physical examination preparatory to and
8 in connection with being ordered to military training and service,
9 and thereby required to be absent from work, shall be granted
10 pay for lost time, which pay shall not exceed pay at the regular
11 rate for eight hours, provided:
12

- 13 A. The day of absence from work is necessary to enable the
14 employee to report to the Selective Service Board or
15 Military Reserve station as ordered;
16
- 17 B. The absence falls within the employee's regular work shift
18 period;
19
- 20 C. The absence is to be temporary, following which the
21 employee will return to work;
22
- 23 D. The absence does not involve an overtime day.
24

25 **Section 7, Loss of Seniority**
26

27 The seniority of an employee shall be lost upon the happening of
28 any one of the following events:
29

- 30 A. Resignation (a five-day unreported absence on scheduled
31 workdays without a reasonable explanation shall be
32 considered a resignation);
33
- 34 B. Discharge for just cause;
35
- 36 C. If after a layoff the employee is notified to report for an
37 interview for work by registered or certified mail, return
38 receipt requested, addressed to the last address filed by such
39 employee with the Company, and fails within one week
40 after notification or such additional time as the Company

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1
2 It is the responsibility of the employee to file a written
3 request indicating the desired classification, plant,
4 department, shift and other information requested on the
5 form if such employee wishes to be considered for
6 promotion or transfer outside his or her own department.
7 The Company shall consider the employee's written request
8 upon the basis which the employee has indicated. The
9 written request referred to in this Section and Section 10
10 (Transfers) shall be prepared by the employee on a form
11 provided by the Company. When filed with the Company,
12 the employee shall be given a signed receipt setting forth
13 the date the request was received by the appropriate Human
14 Resources department and showing the job classification
15 requested. Such request shall remain active until the
16 employee is placed in the classification or department
17 requested, until withdrawn by the employee, or until the
18 employee refuses to accept the requested promotion or
19 lateral placement, but in no event for more than 12 months
20 unless renewed in writing by the employee.

21
22 (See Supplement "F", Letters 2002-11 and 2002-15.)
23

24 An employee who has not acquired seniority rights,
25 pursuant to the provisions of Article IV, Section 2 of this
26 Agreement, shall not be permitted to file Placement
27 Requests for promotions. An employee shall not be
28 permitted to have on file Placement Requests for more than
29 five jobs at any one time; such maximum of five jobs
30 applies to both promotional and lateral (see Article IV,
31 Section 10) requests but does not apply to requests for shift
32 reassignments within a department. Acceptance of a
33 promotion shall automatically cancel any Placement
34 Requests for that classification and any lower-rated
35 classifications. An employee who has been promoted shall
36 not be permitted to file a written Placement Request for a
37 further promotion during the first four months following his
38 or her promotion. Refusal by an employee to accept a
39 promotion for which such employee has filed a written
40 Placement Request under this Article IV, Section 8 shall
41 automatically cancel such request.

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C. In selecting an employee for such promotion to an available opening, the following standards shall apply:

1. Availability for Release: Operational requirements will be considered insofar as they pertain to the release of an employee from his or her present job. The Company will not unreasonably deny an employee a release for promotion.
2. Where ability, skill and efficiency are substantially equal, preference shall be given to the next senior qualified employee within the applicable unit. As between employees who have not acquired seniority rights, pursuant to the provisions of Article IV, Section 2 of this Agreement, where ability, skill and efficiency are substantially equal, preference shall be given to the employee in the department in which the promotion is made who has the longest service with the Company.

D. An employee selected for promotion in accordance with the procedures and standards set forth in subsections B and C above, and having a higher claim for the available opening, will not be retained for a period in excess of five working days after an employee with a lower claim has been promoted to the same classification in the department where the opening exists.

(See Supplement "F", Letters 2002-11 and 2002-15.)

**Section 9, Priority in Filling
Available Openings**

Available openings in a job classification, subject to the exceptions stated in subsections D, E and F below, shall be filled by employees in the following categories in the order stated:

- A. 1. Employees who in lieu of layoff are either being downgraded from a higher-rated classification or are being transferred to a classification in the same labor

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- 1 grade and are eligible for placement in the job
2 classification for which the opening exists;
3
- 4 2. Employees on the recall list of the classification in
5 which the opening exists;
6
- 7 3. The names of the employees in the two groups shall be
8 combined and preference shall be given to the
9 most-senior qualified employee where ability, skill and
10 efficiency are substantially equal.
11
- 12 B. 1. Employees eligible for promotion as provided in
13 Article IV, Section 8;
14
- 15 2. A lateral transfer (transfer from one classification to
16 another classification in the same labor grade);
17
- 18 3. The names of the employees in the two groups shall be
19 combined and preference shall be given to the
20 most-senior qualified employee where ability, skill and
21 efficiency are substantially equal. •
22
- 23 C. New hires.
24
- 25 D. A lateral transfer (transfer within a classification) may be
26 made without reference to the priority above stated in this
27 Section 9.
28
- 29 E. Downgrading into classifications that have a recall list may
30 be made upon mutual agreement of the Company and the
31 Union for the following groups of employees, provided
32 such employees have greater seniority than any employee
33 on the recall list for such lower classification:
34
- 35 1. Physically-limited employees who are unable to do the
36 work of their current classification but are able to do
37 the work in a lower-rated classification;
38
- 39 2. Employees who are unable to remain in a job
40 classification because of substantial personal hardship;
41

ART. IV, SEC. 9

1 3. Employees who after normal instruction are trying to
2 perform their job assignments but are unable to do so
3 and whose work records indicate that they would be
4 satisfactory employees in a lower-rated job
5 classification;

6
7 4. In the event no job opening exists, an employee
8 included in one of the groups specified in 1, 2 or 3
9 above may, upon mutual agreement of the Company
10 and the Union, displace the least-senior of any
11 less-senior employees in a lower classification if such
12 employee is qualified to perform the work in such
13 lower classification.

14
15 F. Downgrading into classifications which do not have a recall
16 list will be considered by the Company upon written request
17 of the employee for legitimate reasons and may be made
18 without reference to the priority above stated in this Section
19 9, subsection B. The Company will give notice of the
20 downgrade action as it occurs or as soon thereafter as is
21 reasonable.

22
23 (See Supplement "F", Letters 2002-11 and 2002-12.)

24
25 **Section 10, Transfers**

26
27 On transfers to vacancies, consideration will be given on the
28 basis of seniority to employees who have filed written requests
29 with the Company and who are competent to fill the vacancy.
30 All transfers will be subject to and made on the basis of
31 operational requirements of the Company. Consideration will be
32 given first to such employees within a department, then within
33 the division, then within the Company, with the following
34 exception: A surplus employee scheduled for placement in the
35 classification in the department where the vacancy exists will be
36 considered on the basis of seniority with such employees in the
37 department. The word "transfer" as used herein does not apply
38 to promotion to higher-rated jobs or to downgrading to
39 lower-rated jobs. Refusal by an employee to accept a transfer for
40 which such employee has filed a written Placement Request

ART. IV, SEC. 10

1 under this Article IV, Section 10 shall automatically cancel such
2 request.

3
4 (See Supplement "F", Letters 2002-9, 2002-11, 2002-15 and
5 2002-18.)

6
7 **Section 11, Special Seniority Applications**

8
9 For the purpose of applying the provisions of this Section, the
10 plants of the Company covered by this Agreement shall be
11 hereinafter referred to as "Palmdale area plants" for those plants
12 located in Palmdale, California, and "Helendale area plants" for
13 those plants located in Helendale, California.

14
15 A. For the purpose of applying Article IV, Section 3 of this
16 Agreement, interarea placement rights for employees shall
17 be governed by the following:

- 18
19 1. A surplus employee with less than six years of seniority
20 shall have no displacement rights in other than his or
21 her own area;
- 22
23 2. A surplus employee with six or more years of seniority
24 shall have placement rights in the following order of
25 priority:
- 26
27 a. The employee shall displace the least-senior of any
28 less-senior employees in his or her own
29 classification and own area;
- 30
31 b. If the employee has no displacement rights under
32 "a" above, such employee may accept layoff or
33 other placement for which such employee is
34 eligible under the General Layoff Procedure in his
35 or her own area or in another area of his or her
36 choice. A surplus employee will displace in a
37 lateral or lower classification in his or her own area
38 before displacing to equivalent levels in a different
39 area.
- 40

ART. IV, SEC. 11

1 B. The provisions of Sections 8 (Promotion) and 9 (Priority in
2 Filling Available Openings) of this Article IV shall be
3 applied to employees assigned to work at the plant of one
4 area as a unit separate from employees assigned to work at a
5 plant of a different area of the Company, with the exception
6 of Section 9,A,2 (pertaining to recall in the priority in filling
7 available openings, employees are to be considered from the
8 Company-wide recall list).

9
10 After such application of the provisions of Sections 8 and 9,
11 as provided in paragraph 1 above, where an available
12 opening in a job classification at one plant area cannot be
13 filled by employees of a plant in that area or by a laid-off
14 employee from the recall list, the Company shall consider
15 qualified employees at the plant of the other area who have
16 filed a written Placement Request with the Hourly
17 Placement in Palmdale for an opening at the plant in the
18 area where the opening exists before hiring a new employee
19 for such opening. If such a qualified employee does not
20 accept such opening within a period of five working days
21 from the date it is determined by the Company the opening
22 cannot be filled by the employee at the plant in the area
23 where the opening exists, such opening may be filled by
24 hiring a new employee.

25
26 C. Employees at one area who become employees of another
27 area as a result of the application of Article IV, Section 3
28 shall have all recall rights at the area from which surplusd,
29 unless at the time of surplus the employees notify Hourly
30 Placement in writing that their recall rights are to be
31 transferred with them. Such employees may redesignate
32 their area recall rights one time following such transfer.
33 Employees may have recall rights in only one area.

34
35 D. Notwithstanding the provisions of this Section 11, the
36 Company may assign employees from the plant of one area
37 to work at the plant of a different area on prototype,
38 experimental or test aircraft, and the Company may loan
39 employees from the plant of one area to the plant of a
40 different area for a period of unusual workloads, or for

ART. IV, SEC. 11

1 purposes of training, or where special knowledge or
2 experience is needed,

3
4 E. In the event the Company moves a major assembly or
5 segment of work from the plant in one area to the plant in
6 another area, the Company may transfer employees
7 assigned to work on such assembly or segment of work,
8 subject to conditions that any employee who is transferred
9 to such other area shall:

- 10
11 1. Voluntarily agree to the transfer;
12
13 2. Have greater seniority than the most-senior employee
14 on the recall list of such employee's classification.

15
16 (See Supplement "F", Letters 2002-11 and 2002-15.)

1
2 **ARTICLE V**
3 **EMPLOYMENT CONDITIONS**

4
5 **Section 1, Sanitary, Safety and**
6 **Health Conditions**

7
8 The Company agrees to maintain sanitary, safe and healthful
9 *conditions in all its plants and working establishments in*
10 accordance with the laws of the state, county and city of its place
11 of operation. Proper and modern safety devices shall be
12 provided for all employees working on hazardous and unsanitary
13 work.

14
15 The Company will continue to furnish protective clothing in
16 particular situations where it is now the practice to do so unless
17 circumstances in such situations change, making the use of such
18 clothing unnecessary. In the event it is found that protective
19 clothing and other safety items required for protection of the
20 employees against bodily injury are needed for employees in
21 other classifications, the Company will furnish such clothing or
22 safety items.

23
24 At intervals established by the Company, physical examinations
25 will be provided including, but not limited to, such items as
26 X-rays and blood tests for classifications where the Company
27 deems it advisable such as, but not limited to, painters,
28 sandblasters, and tank sealers. The extent of such examinations
29 will not exceed that essential to properly guard the employee's
30 health in accordance with generally accepted medical practice.
31 No employee shall be discharged or otherwise disciplined for
32 refusing to work on a job not made reasonably safe, sanitary or
33 that might unduly endanger such employee's health.

34
35 In the event an employee becomes ill while at work and the
36 Company doctor advises that the employee should not drive his
37 or her own car home, use public carriers or wait for his or her
38 usual ride, the Company shall arrange for suitable transportation
39 to the hospital or the employee's home.

40
41 (See Supplement "F", Letter 2002-30.)

ART. VI, SEC. 1

Section 2, Educational Facilities

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The Company shall continue to cooperate with the Union's Educational Committee to make certain educational facilities available to its employees in order that they may receive training to qualify them for work in more than one department in the plants, if they so desire.

A Joint Company-Union Advisory Training Committee shall be established which will meet on an agreed-upon schedule beginning with the effective date of this Agreement. The parties will jointly review the committee's activity after one year of its operation and continue it at their discretion. The committee will consist of three members representing the Company and three members representing the Union.

The committee will review Company manpower needs, determine jobs for which training will be appropriate, establish subcommittees, recommend training programs, review counseling methods, review established upgrading and training efforts, consider placement problems of employees completing training, review funding for training programs, and consider other training matters as may be agreed upon.

An employee satisfactorily completing an outside training course which has been approved in writing by the Company prior to the employee beginning such course will be reimbursed by the Company in an amount equal to 100% of the approved tuition fee paid by the employee.

(See Supplement "F", Letter 2002-26.)

ARTICLE VI
EMPLOYEE PRIVILEGES

Section 1, Vacations

A. Definitions:

1. The term "seniority" as used in this Section shall be the seniority to which an employee is entitled under the provisions of Article IV and Article VI, Section 4 of this Agreement, except that for purposes of Sections 1 and 2 of this Article, an employee's seniority shall be deemed to date from the first day of the month in which the employee's seniority began.
2. The term "service time" as used in this Section shall be those days worked by an employee, including holidays and regular days off during weeks worked, days on paid vacation and on sick leave. Service time shall also include days off work due to occupational injury or occupational illness if the employee returns upon recovery to the active payroll of the Company, provided that such days off shall not exceed six consecutive months. With respect to an employee who is terminated, laid off, on leave of absence or entered the Armed Forces pursuant to Article IV, Section 6 of this Agreement, the above time worked up to the time of such termination, entry in the Armed Forces, layoff or leave of absence shall count as service time provided:
 - a. The employee returns to work for the Company after the period of such termination, entry in the Armed Forces, layoff or leave of absence;
 - b. The employee retains his or her seniority rights with the Company during such period.

Service time shall not include days when an employee is severed from the active payroll due to termination, entry

ART. VI, SEC. 1

1 in the Armed Forces, layoff or prolonged leave of
2 absence.

3 3. An employee's vacation begins to accrue on the first day
4 of hire. Vacations will be accrued at the monthly rate
5 shown below for any calendar month or partial calendar
6 month. Employees' vacation balances will be credited
7 with the preceding months vacation accrual on the first
8 workday of the month following the month of accrual.

9
10 4. Pay for each week of vacation for a full-time employee
11 means pay for 40 hours at the employee's regular base
12 rate of pay and shall include the amount of bonus
13 premiums as discussed in Supplement "E". An
14 employee's regular base rate of pay does not include
15 overtime. Pay for each week of vacation for an employee
16 who is a part-time employee shall be proportionately
17 reduced. A "full-time" employee means an employee
18 who is regularly scheduled to work five or more standard
19 daily shifts per week and all other employees shall be
20 deemed to be part-time employees. An employee who is
21 above the maximum vacation accrual allowance must
22 take all of his or her excess days by year-end. All excess
23 accruals will be paid off at the end of the year. Pay for
24 each week of accrued (deferred) vacation shall be based
25 on the employee's base rate as defined in this subsection
26 A, paragraph 4.

27
28 (See Supplement "E".)
29

30 B. Vacation Benefits for an employee on the active payroll of
31 the Company, terminated or entering the Armed Forces
32 pursuant to Article IV, Section 6 of the Agreement.

33
34 1. An employee with less than ten years of seniority and
35 who is on the active payroll on shall be entitled to two
36 weeks of vacation with pay.

37
38 2. An employee with ten years or more seniority and who is
39 on the active payroll shall be entitled to three weeks of
40 vacation with pay.
41

ART. VI, SEC. 1

- 1 3. An employee with 20 years or more seniority and who is
2 on the active payroll shall be entitled to four weeks of
3 vacation with pay.
4

5 **Vacation Accrual Schedule for**
6 **Full-Time Employees**

Completed Years of Seniority or Continuous Service	Vacation Accrual
Less than 10 years	1/12 of 80 hours
10 years to 19 years	1/12 of 120 hours
20 years or more	1/12 of 160 hours

- 7
8 C. Vacation benefits for an employee who terminates, or is
9 terminated for any reason (excluding those employees on
10 Prolonged Absence), or who enters the Armed Forces
11 pursuant to Article IV, Section 6 of this Agreement.
12

13 An employee who has become entitled to a vacation with
14 pay which has not been used at the time such employee
15 terminates shall receive such pay for such unused vacation as
16 the employee is entitled to under the provisions of
17 subsections A, B and D, paragraph 1 of this Section
18

- 19 D. Scheduling of Vacations:
20

21 1. Each employee shall be required to take at least one week
22 of earned vacation by the end of each service year.
23 Earned vacation may be taken in consecutive weeks or in
24 one-week increments. In addition, with at least 24 hours
25 prior approval, vacations may be taken in four or eight
26 hour increments. Vacations to be scheduled on the day
27 preceding or following a holiday must be requested at
28 least ten working days in advance. An employee may
29 accumulate (defer) all but one week of vacation earned in
30 an eligibility year, to a maximum of two years'
31 accumulation not to exceed 400 hours.
32

33 2. Vacations shall be taken when they interfere least with
34 production. So far as is practical, vacation time

ART. VI, SEC. 1

1 preference will be given to employees with the greatest
2 seniority.

3
4 (See Supplement "F", Letter 2002-23.)

5
6 **Section 2, Sick and Injury Leave**

7
8 **A. Definitions:**

- 9
10 1. The terms "seniority," "service time," "full-time
11 employee" and "part-time employee" as used in this
12 Section shall have the meaning defined in subsection A of
13 Section 1 of this Article.
14
15 2. Pay for sick and injury leave means pay at the employee's
16 regular base rate of pay at the time sick and injury leave
17 is used. Except as provided in paragraph 2 of subsection
18 B of this Section 2, an employee's regular base rate of pay
19 for purposes of this Section 2 shall be deemed to include
20 the amount of cost-of-living adjustment, shift bonus, lead
21 bonus, A&P bonus and odd workweek bonus, if any.
22

23 **B. Sick and Injury Leave Benefits for an Employee on the**
24 **Active Payroll of the Company:**

- 25
26 1. In the event of an employee's absence from work because
27 of occupational or non-occupational sickness or injury, or
28 in the event of an employee's absence from work because
29 of death in his or her immediate family, an employee
30 shall be entitled to:
31
32 a. Forty-eight hours of sick and injury leave with
33 pay
34 during each year of service time.
35

36 Effective July 1, 1999, sick and injury leave may be taken
37 in one-hour increments.
38

- 39
40 b. An employee shall be entitled to those hours of sick
41 and injury leave with pay to which the employee was

ART. VI, SEC. 2

1 entitled under Article VI, Section 2, subsection (A),
2 paragraph (1), subparagraph (b) of the Agreement
3 which became effective as of December 14, 1953
4 which have not been used as of the effective date of
5 this Agreement of March 2, 1999.
6

7 In no event, however, shall an employee be entitled to
8 use more than a total of 96 hours of such accumulated
9 sick and injury leave in any one year of service time,
10 except as described below.
11

- 12 2. At the end of each year of service time occurring after the
13 effective date of this Agreement, each employee shall be
14 entitled to pay for the hours of sick and injury leave to
15 which the employee becomes entitled under subparagraph
16 "a" above which remain unused at the end of each year of
17 service. Pay for such hours of unused sick and injury
18 leave shall be at the employee's regular base rate of pay at
19 the end of such year of service time and shall include the
20 amount of cost-of-living adjustment, shift bonus, lead
21 bonus, A&P bonus and odd workweek bonus in existence
22 at such time. Except for the cost-of-living adjustment,
23 shift bonus, lead bonus, A&P bonus and odd workweek
24 bonus stated above, when computing pay for unused sick
25 and injury leave, an employee's regular base rate of pay
26 does not include overtime or any other premium.
27
- 28 3. Upon the employee's request, any remaining sick or
29 injury leave hours from the employee's previous year's
30 eligibility may be rolled into a bank for future use, up to a
31 maximum of 96 hours.
32
- 33 4. Effective July 1, 1999, sick and injury leave may be taken
34 in one-hour increments. An employee shall not be
35 entitled to pay for any hours for sick and injury leave
36 until after the employee has completed 12 weeks of
37 continuous service time from the date of hire or rehire
38 without seniority.
39
- 40 5. An employee will receive less than full day sick and
41 injury leave payments from banked days in coordination

ART. VI, SEC. 2

1 with payments received from California State Disability
2 Insurance. The coordination of benefits option shall in no
3 event entitle an employee to receive more than the
4 number of hours of sick and injury leave accumulated, up
5 to a maximum of 96 hours.
6

7 6. Pay for all banked sick and injury leave that has not been
8 used may be taken at any time. Partial pay for time
9 banked may not be taken. Pay for all banked sick and
10 injury leave that has not been used will be paid to the
11 employee when he or she leaves the payroll. Pay will be
12 calculated at the employee's rate at the time of layoff as
13 described in subsection 2 above.
14

15 7. An employee starting a new service year immediately
16 following return from layoff shall not be credited with
17 any sick leave which accrued in and remained unused
18 from the service year in which the employee was laid off,
19 and such new year of service, together with prior years of
20 service, shall in no event entitle an employee to a total of
21 more than 48 hours of sick and injury leave within any
22 period of 12 calendar months of service.
23

24 C. Verification and Notification:

25
26 All sick and injury leave is subject to verification by the
27 Company's Medical Department. An employee shall notify
28 the Company within 24 hours of his or her illness or injury
29 or death in his or her immediate family, requiring such
30 employee's absence from work, or furnish a reasonable
31 excuse for failure to notify the Company.
32

33 D. Prolonged Disability:

34
35 An employee shall not be terminated by the Company
36 because of a prolonged continuous illness or injury, provided
37 the period of disability is not longer than 24 months, and
38 shall either be (1) reinstated within five working days from
39 the date such employee is pronounced physically and
40 mentally fit by the Company to the same or substantially
41 equivalent job, if such job is available to the employee in

ART. VI, SEC. 2

1 accordance with his or her seniority rights, or (2) placed on
2 the recall list, and such employee's recall rights shall be
3 established at the date such employee would have been
4 surplused had they remained on the active payroll. The
5 Company will effect such placement in the shortest period of
6 time possible and make every effort to reinstate the
7 employee with all promptness, except that there will be no
8 such reinstatements after the last Monday immediately
9 preceding the Christmas holidays. Except as to the length of
10 the period of disability, the provisions of this subsection D
11 shall be subject to the grievance procedure.

12
13 **Section 3, Holidays**

14
15 A. The Company recognizes the following holiday schedule
16 during the period of this Agreement:
17

18 **2002 May through December**

19				
20	May 27	Mon.	-	Memorial Day
21	July 4	Thur.	-	Independence Day
22	July 5	Fri.	-	Day after Independence Day
23	Sept. 2	Mon.	-	Labor Day
24	Nov. 28	Thur.	-	Thanksgiving Day
25	Nov. 29	Fri.	-	Day after Thanksgiving Day
26	Dec. 24	Tues.	-	Christmas-New Year Holiday
27	Dec. 25	Wed.	-	Christmas-New Year Holiday
28	Dec. 26	Thur.	-	Christmas-New Year Holiday
29	Dec. 27	Fri.	-	Christmas-New Year Holiday
30	Dec. 30	Mon.	-	Christmas-New Year Holiday
31	Dec. 31	Tues.	-	Christmas-New Year Holiday

ART. VI, SEC. 3

1 **2003 January through December**
2
3 Jan. 1 Wed - Christmas-New Year Holiday
4 May 26 Mon. - Memorial Day
5 July 4 Fri. - Independence Day
6 Sept.1 Mon. - Labor Day
7 Nov. 27 Thur. - Thanksgiving Day
8 Nov. 28 Fri. - Day after Thanksgiving Day
9 Dec. 24 Wed. - Christmas-New Year Holiday
10 Dec. 25 Thur. - Christmas-New Year Holiday
11 Dec. 26 Fri. - Christmas-New Year Holiday
12 Dec. 29 Mon. - Christmas-New Year Holiday
13 Dec. 30 Tues. - Christmas-New Year Holiday
14 Dec. 31 Wed. - Christmas-New Year Holiday

15
16 **2004 January through December**
17
18 Jan. 1 Thur. - Christmas-New Year Holiday
19 Jan. 2 Fri. - Christmas-New Year Holiday
20 May 31 Mon. - Memorial Day
21 July 5 Mon. - Day before Independence Day
22 Sept. 6 Mon. - Labor Day
23 Nov. 25 Thur. - Thanksgiving Day
24 Nov. 26 Fri. - Day after Thanksgiving Day
25 Dec. 24 Fri. - Christmas-New Year Holiday
26 Dec. 27 Mon. - Christmas-New Year Holiday
27 Dec. 28 Tues. - Christmas-New Year Holiday
28 Dec. 29 Wed. - Christmas-New Year Holiday
29 Dec. 30 Thur. - Christmas-New Year Holiday
30 Dec. 31 Fri. - Christmas-New Year Holiday
31

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- 1 B. Full pay (eight hours at the employee's regular base rate of
2 pay, including the amount of cost-of-living adjustment, shift
3 bonus, lead bonus, A&P bonus and odd workweek bonus, if
4 any, shall be paid to employees for each of these holidays
5 regardless of the day of the week upon which the holiday
6 falls. In addition, two times the regular rate of the employee
7 shall be paid for hours worked on holidays. Work by an
8 employee on a holiday shall be voluntary, except for
9 employees who may be required to work on functions
10 necessary for the protection of the plant and equipment.
11
- 12 C. In order to be eligible for holiday pay, an employee must
13 have worked or have been on a vacation or a paid leave
14 (other than paid sick leave) or on a bona fide Union call out
15 on the last workday before or the first workday after the
16 holiday, except that when the holiday falls on the day before
17 employment or the day after termination or during an
18 employee's leave, no pay under this Section shall be granted.
19
- 20 D. Should a holiday fall upon the sixth or seventh day of the
21 workweek of an employee assigned to an odd workweek, the
22 preceding or the following day, respectively, shall be
23 considered a holiday for such employee.
24
- 25 E. An additional day of pay (eight hours at the employee's
26 regular base rate of pay which shall include the amount of
27 cost-of-living adjustment, shift bonus, lead bonus, A&P
28 bonus and odd workweek bonus, if any, but not including
29 any other premium) shall be granted to an employee on
30 vacation if a holiday for which the employee would have
31 been paid, had such employee been working, falls during his
32 or her vacation. In lieu of such additional day of pay, the
33 employee will upon request be granted an additional day of
34 vacation.
35

Section 4, Leaves Without Pay

36
37
38 Leaves of absence without pay may be granted employees for a
39 period not to exceed 20 working days during the year. If such
40 request is not granted, the Department Manager shall give the
41 employee written notice why such request is denied. In the event

ART. VI, SEC. 4

1 the employee protests the Department Manager's refusal to grant
2 such a leave of absence, the matter will be referred to
3 supervision or one level above Department Manager for final
4 determination. For good and sufficient reason, the Company
5 may extend the period of the leave. The leave of absence shall
6 not in any way jeopardize the employee's standing with the
7 Company. Requests for leaves of absence for a period longer
8 than 20 working days will require the approval of the Labor
9 Relations Manager.

10
11 On all leaves of absence of 90 calendar days or less, an
12 employee shall accumulate seniority. On leaves of absence
13 exceeding 90 calendar days, seniority shall accumulate after 90
14 days only if specified by the terms of the leave provided,
15 however, that on leaves of absence heretofore or hereafter
16 granted for Union Business, the employee shall accumulate
17 seniority during such leaves.

18
19 The Union may request, and the Company will grant, leaves of
20 absence of three days or more without pay to Union members for
21 Union business of Lodge 725 and excused absences of less than
22 three days without pay to Union members for Union business of
23 Lodge 725. All such leaves and excused absences will be
24 requested only in reasonable numbers and at reasonable times
25 upon 24 hours written notice to the Company, except when such
26 notice is waived by mutual agreement. Except as may be
27 mutually agreed in specific instances, the number of employees
28 on such leaves and excused absences shall not at any one time
29 exceed in number, one employee from a department consisting
30 of less than ten employees, or two employees from a department
31 consisting of ten or more employees, and the total of all
32 employees in the Company on such leaves and excused absences
33 shall not, at any one time, exceed 100 employees.

34
35 Leaves of absence for a period not to exceed six months will be
36 granted to not more than two employees for business of the IAM
37 & AW other than Lodge 725, except that by mutual agreement of
38 the Union and the Company leaves of absence for a longer
39 period or for additional employees may be permitted.
40

Section 5, Rest Periods

1
2
3 Each employee shall be given a ten-minute rest period during
4 each half of the standard day and night shifts, as such shifts are
5 provided for in Article VII, Section 4 of this Agreement, at such
6 times as are designated by the Company. Whenever an
7 employee is called to work two or more hours prior to the
8 beginning of his or her shift or will be working two or more
9 hours beyond the end of his or her regular shift, the employee
10 shall normally be given a ten-minute rest period before starting
11 his or her regular shift or prior to starting such work if the
12 employee is working at the end of their regular shift. Exceptions
13 may be made with respect to when such rest periods will be
14 taken where work operations, including the handling and
15 operation of equipment and machines, are of such a nature that
16 the work needs to be continued without interruption. Under
17 these conditions, supervision should allow an employee a ten-
18 minute rest period during the period of extended work. There
19 shall be no rest period on the graveyard shift.
20

Section 6, Jury Duty

21
22
23 When an employee is absent from work in order to serve as a
24 juror in response to a jury summons, the employee shall be
25 granted pay for those hours for which the employee is for such
26 reason absent from work during a regular eight-hour day or
27 regular five-day workweek. Pay for such work time lost shall in
28 no event exceed, for any one employee, a total of 20 regular
29 eight-hour workdays in any one calendar year with respect to
30 such jury duty. Pay for such work time lost shall be computed at
31 the employee's regular base rate of pay at the time of such
32 absence, including swing shift bonus, lead bonus, A&P bonus
33 and any cost-of-living adjustment in existence at that time, but
34 excluding any overtime, graveyard shift bonus or any other
35 premium. In no case will payment be made for jury duty
36 performed on the sixth or seventh day of an employee's regular
37 assigned workweek or for hours in excess of the employee's
38 regular eight-hour workday.
39

40 If an employee assigned to the night shift or graveyard shift is
41 absent from work on such shift on the calendar day the employee

ART. VI, SEC. 6

1 serves as a juror, such absence shall be deemed to be an absence
2 from work in order to serve as a juror.

3
4 Pay for work time lost by employees who must report for jury
5 examination or to qualify as a juror will only be paid when they
6 cannot report for such examination or qualification on their own
7 time, and such pay will only be made when the employees leave
8 the plant at 1:30 p.m. or after, except that when the official
9 notice sets a specific hour for appearance which would not
10 provide the employee with a sufficient interval of time to appear
11 as required by leaving the plant at 1:30 p.m. or after, the
12 employee will be paid for the necessary time off to a maximum
13 of one and one-half hours before and two and one-half hours
14 after the hour of appearance specified on the official notice.

15 To receive pay for work time lost, an employee must promptly
16 notify his or her Department Head of any notice the employee
17 receives to report for jury examination, to qualify as a juror, or to
18 report for jury duty, and must provide the Company with a
19 statement filed by an official of the court certifying as to the
20 employee's service as a juror or appearance in court for that
21 purpose and the dates of attendance.

22
23 When an employee is absent from work in order to serve as a
24 witness in a case in a court of law to which such employee is not
25 a party, either directly or as a member of a class, and where such
26 absence is in response to a legally valid subpoena, the employee
27 shall be granted pay for those hours for which the employee is
28 for such reason absent from work during his or her regular eight-
29 hour day or regular five-day workweek. Such employee may be
30 required to submit evidence of such service as a witness to the
31 Company in order to qualify for such payment. Pay for absence
32 due to service as a witness shall be computed in the same manner
33 as pay for absence due to jury duty as provided above.

34
35 Pay for work time lost for jury duty or service as a witness as
36 provided above shall together not exceed, for any one employee,
37 a total of 20 regular eight-hour days in any one calendar year
38 with respect to such jury duty or service as a witness.

39

**Section 7, Employees' Group Insurance
Plan and Medical Plan of Benefits**

The benefits provided by the Lockheed Martin Employees' Group Insurance Plan, the Lockheed Martin Medical Benefit Plan and the Dental Plan, as currently in effect, shall continue to be made available to employees covered by this Agreement either by presently provided means or by other means. The schedule of benefits in effect since June 13, 1993, as amended and approved March 10, 2002, shall continue to be made available to employees covered by this Agreement.

Interpretation or application of the Plans shall not be subject to the provisions of Article III of this Agreement.

Section 8, Aviation Insurance

The Company shall provide for employees an aviation accident death benefit insurance policy providing a benefit in the amount of \$25,000 for accidental death of an employee incurred in the course of his or her employment on a flight, arising out of an accident attributable to the flight of an aircraft.

Interpretations or applications of the insurance benefits provided in this Section shall not be subject to the provisions of Article III of this Agreement.

Section 9, Military Reserve Training Leave

An employee on the active payroll of the Company who is required to engage annually in two consecutive weeks (up to 14 consecutive days) of Military Reserve training, including National Guard, and who has at least 12 months of Military Reserve service credit immediately prior to commencement of the training period, shall, upon the employee's request, be granted a leave of absence for the period of training and shall be paid the difference between the pay received for the training period (excluding subsistence, travel and quarters allowance) and the amount of wages the employee would have received during the training period had the employee worked his or her normal work schedule (excluding overtime) during the training period.

ART. VI, SEC. 9

1 The "amount of wages" shall be determined on the basis of a 40-
2 hour weekly work schedule (32-1/2 hours if the employee's
3 normal work schedule was on graveyard shift) at the employee's
4 regular rate in effect on the last day worked immediately
5 preceding the date the training leave commences. The "regular
6 rate" for purposes of this provision shall include the employee's
7 base rate plus shift bonus, odd workweek bonus, lead bonus,
8 A&P bonus and cost-of-living adjustment, to the extent such
9 bonuses or premiums would have been applicable had the
10 employee worked the same shift and weekly work schedule to
11 which he or she was assigned during the last payroll period
12 ending immediately preceding the date the training leave
13 commences. To obtain payment under this provision, the
14 employee shall submit certification satisfactory to the Company
15 of participation in the training period and of the amount of pay
16 received for the training period.

ARTICLE VII
PAY PROVISIONS

Section 1, Promotions, Demotions and
Periodic Increases in Pay Rates

A. Each employee on the active payroll shall receive an increase in such employee's base rate of pay of \$.25 per hour (or such lesser amount as is necessary to bring such employee's base rate to the maximum of the employee's classification) on the second Saturday in January, May and September until the maximum of the employee's classification will be reached.

B. The Company may, at its discretion, effect an increase in an employee's rate in amounts greater or at times other than provided in paragraph A, including 30 days following promotion or hire.

An adjustment in the employee's rate of pay may be made if warranted by such employee's performance during such 30-day period.

C. An employee, upon promotion to a job classification in a higher-rated labor grade, shall be paid a rate of pay consistent with such employee's proven performance on the new assignment and consistent with the rates paid other employees of comparable proven performance in the same job classification in the group.

In determining an employee's rate of pay on such promotion, the following general principles shall be used as a guide:

1. An employee promoted to a job classification which the employee has not previously held shall be given his or her then current rate of pay or the minimum rate of pay for the new job classification, whichever is the higher of the two. An employee promoted to a job classification previously held shall be given the same in-grade position

ART. VII, SEC. 1

1 as the employee held when last previously in that job
2 classification, but such rate of pay shall not be in excess
3 of the rates paid other employees in that job
4 classification of comparable proven performance.
5

6 2. An employee promoted to a job classification which is
7 similar to or in a lower-rated grade than one previously
8 held shall be given a rate of pay equal to that paid to
9 other employees in such job classification of comparable
10 proven performance.
11

12 D. Except as provided in subsection E below, an employee
13 downgraded to a job classification in a lower-rated labor
14 grade shall normally be paid at the maximum rate for such
15 job classification in such lower-rated labor grade.
16

17 E. An employee downgraded to a job classification in a lower
18 labor grade shall have his or her base rate in the downgraded
19 classification established as follows:
20

21 1. An employee downgraded through application of the
22 Layoff Procedure as set forth in Article IV, Section 3
23 shall have such employee's base rate reduced as follows:
24

25 Effective date of downgrade -
26 Up to \$.10 reduction;
27

28 Three weeks subsequent to downgrade -
29 Up to an additional \$.10 reduction;
30

31 Six weeks subsequent to downgrade -
32 Up to an additional \$.10 reduction;
33

34 Nine weeks subsequent to downgrade -
35 Up to an additional \$.10 reduction;
36

37 Twelve weeks subsequent to downgrade -
38 Up to an additional \$.10 reduction;
39

40 Fifteen weeks subsequent to downgrade -
41 Any additional amount required to reach the

ART. VII, SEC. 1

1 maximum of the classification to which the
2 employee is being downgraded.

3 F. An employee with seniority prior to October 2, 1983 will
4 not be placed below the minimum of the rate structure in
5 effect on September 29, 1983 for the affected classification
6 as a result of any subsequent application of any other
7 provisions of this Agreement.

8
9 G. An employee (including Lead) who changes to a job paying
10 a different rate on a day other than the first day of the week
11 shall be paid the rate for each job held for the day or days in
12 such week the employee held such job.

13
14 **Section 2, Temporary Promotions**

15
16 An employee assigned as a Lead or to a job classification in a
17 higher-rated labor grade to replace another employee absent, on
18 vacation, or for a temporary period, shall be paid the same rate of
19 pay, but not to exceed the maximum of the higher-rated job
20 classification as that held by the absent employee who is being
21 replaced temporarily. The provisions of this Section 2 shall
22 apply only to cases where an employee is away from work for a
23 short period of time due to vacation, illness or similar reason and
24 shall not apply to cases where higher-rated work becomes
25 available for other reasons.

26
27 Such temporary assignment shall not be considered an upgrade
28 within the meaning of Article IV, Section 8 of this Agreement,
29 and upon reassignment of such employee to the previously held
30 job classification at the end of the temporary period, such
31 employee shall not be considered as a downgraded employee for
32 purposes of Article IV, Section 3 of this Agreement.
33 Consideration will be given to seniority in cases of temporary
34 promotion to Lead and higher-rated labor grades.

35
36 **Section 3, Overtime Pay**

37
38 Hours worked in excess of eight hours, but not in excess of 12
39 hours, in any one workday of an employee's workweek shall be
40 paid for at one and one-half times the regular rate of the
41 employee.

ART. VII, SEC. 3

1
2 Hours worked in excess of 12 hours in any one workday of an
3 employee's workweek shall be paid for at two times the regular
4 rate of the employee.

5
6 Hours worked on the sixth workday of an employee's workweek
7 shall be paid for at one and one-half times the regular rate of the
8 employee.

9
10 Hours worked on the seventh workday of an employee's
11 workweek shall be paid for at two times the regular rate of the
12 employee.

13
14 (See Supplement "F", Letter 2002-7.)

15
16 **Section 4, Hours and Days of Work**

17
18 A. A workweek consists of 168 consecutive hours.

- 19
20 1. For all employees the standard workweek extends from
21 12:30 a.m., Monday to 12:30 a.m., the following
22 Monday and an odd workweek extends from 12:30 a.m.
23 of any day other than Monday to 12:30 a.m. of the same
24 day of the following week.

25
26 (See Supplement "F", Letter 2002-6.)

- 27
28 2. The normal work schedule is the first five consecutive
29 workdays of the standard workweek, unless or until the
30 Company is instructed by the Federal Government to
31 alter or change the work schedule now in effect.

32
33 (See Supplement "F", Letter 2002-6.)

34
35 B. A workday consists of 24 consecutive hours.

36
37 For all employees, the standard workday extends from 12:00
38 a.m. of one day to 12:00 a.m., the following day.

39
40 C. A shift consists of eight hours work performed within a
41 period of nine consecutive hours, except for graveyard shift

ART. VII, SEC. 4

1 which shall be six and a half hours of work performed
2 within a period of seven hours.

3
4 1. Standard day shift hours:

5
6 All employees: 7:00 a.m. to 3:30 p.m.; 7:30 a.m. to 4:15
7 p.m.; or, 8:00 a.m. to 4:45 p.m.

8
9 2. Standard night shift hours:

10
11 All employees: 4:00 p.m. to 12:30 a.m.

12
13 3. Standard graveyard shift hours:

14
15 All employees: 12:00 a.m. to 7:00 a.m.

16
17 4. Odd shift hours:

18
19 All deviations from the standard shift hours shall be
20 cleared with the Union and mutually agreed upon. The
21 Union will not unreasonably refuse to agree to a
22 deviation due to operational requirements and will use
23 its best efforts to secure the cooperation of the affected
24 employee. It shall not be a deviation from standard shift
25 hours for an employee to begin or end his or her work
26 assignment at times other than those set forth in
27 subsection C of this Section when the hours worked or
28 scheduled to be worked by such employee either include
29 the hours of his or her assigned work shift, constitute
30 "call-back" time, or represent premium pay hours.

31
32 (See Supplement "F", Letter 2002-6.)

33
34 D. An employee's shift bonus, if any, for consecutive time
35 worked, without regard to workday, shall be determined by
36 the starting time of such consecutive time worked. When an
37 employee's starting time is between the hours of 4:00 a.m.
38 and 10:59 a.m., inclusive, such employee shall be
39 considered to be on the day shift; between the hours of
40 11:00 a.m. and 8:29 p.m., inclusive, such employee shall be
41 considered to be on the night shift; and between the hours of

ART. VII, SEC. 4

1 8:30 p.m. and 3:59 a.m., inclusive, such employee shall be
2 considered to be on the graveyard shift.

3
4 E. "Overtime" - It is the intent of the Company, where
5 practical, to divide overtime equally among affected
6 employees. It shall be the uniform practice to maintain
7 overtime records in each department of the Company and
8 such records will be made available for informational
9 purposes to an employee in his or her department at his or
10 her request.

11
12 (See Supplement "F", Letters 2002-8.)

13
14 **Section 5, Premium for Hours and Days of Work**

- 15
16 A. Night shift employees shall receive a bonus of \$.40 an hour.
17
18 B. Graveyard shift employees shall receive eight hours pay
19 plus an \$.08 an hour bonus for working six and one-half
20 hours.
21
22 C. All employees working other than the standard workweek
23 shall receive a premium of \$.20 an hour in addition to other
24 bonuses.

25
26 **Section 6, Payroll Deductions -**
27 **Company Reimbursement**

28
29 Payroll deductions may be made to reimburse the Company as
30 follows:

- 31
32 A. All costs of tools and equipment issued to an employee, but
33 not returned by the employee, such cost to be subject to
34 wear of the tools. An employee so charged shall be
35 reimbursed by the Company in the event of the subsequent
36 return of such tools and equipment to the Company,
37 provided such tools and equipment may be properly
38 identified and are in the same condition as when issued to
39 the employee;

ART. VII, SEC. 6

- 1 B. For money paid by the Company to a creditor or officer of
2 the law for an indebtedness of an employee, provided
3 demand is made upon the Company according to law;
4
5 C. For any indebtedness due to the Company covering
6 purchases made by any employee through the Company;
7
8 D. For any loans or advances made to the employee by the
9 Company;

10
11 **Section 7, Report Time and Call-Back Time**

12
13 A. Report Time:

14
15 An employee who enters the plant and who reports for work
16 as scheduled without previously having been notified not to
17 report, and who works less than four consecutive hours
18 without regard to workday, shall be paid a minimum of four
19 hours pay provided, however, that if work reasonably within
20 the employee's capacity to perform is available, such
21 employee will be required to perform such work to qualify
22 for the four hours pay. Such pay shall include the
23 appropriate workweek and shift bonus, if any, and the
24 appropriate premium rate when such work is performed on
25 the employee's sixth or seventh day of the workweek or on
26 one of the holidays set forth in Article VI, Section 3. No
27 pay shall be granted under this Section where work is not
28 available by such reasons as, including, but not limited
29 thereto, an act of God, fire, flood or power failure.

30
31 Failure on the part of an employee to keep the Company
32 informed of his or her correct address and telephone
33 number, if any, relieves the Company of the responsibility
34 of any notification required by this Agreement.

35
36 (See Supplement "F", Letter 2002-5.)

37
38 B. Call-back Time:

39
40 An employee who is called back to work from home at the
41 request of the Company, who enters the plant to work

ART. VII, SEC. 7

1 during hours other than such employee's assigned work
2 shift, and who also clocks out of the plant prior to the start
3 of his or her next regular shift, shall be paid for all
4 consecutive time worked, without regard to workday, as
5 follows:
6

- 7 1. An employee commencing such a work assignment
8 during any of the first five workdays of the workweek
9 shall receive a minimum of four hours straight-time pay
10 or one and one-half times the straight-time rate of pay
11 for all such consecutive work time actually performed,
12 whichever is the greater, except that in the event such an
13 employee has worked less, or works less than eight
14 hours (or less than six and one-half hours on the
15 graveyard shift) during the regular work shift within the
16 workday such call-back assignment commences, the
17 employee shall be paid at a rate determined in
18 combination with all other hours worked in the same
19 workday. Such rate of pay shall include the appropriate
20 workweek and shift bonus, if any.
21
- 22 2. An employee commencing such a work assignment
23 during the sixth or seventh day of the workweek shall
24 receive a minimum of four hours straight-time pay or
25 pay (at the overtime rate provided in Article VII, Section
26 3) for work time actually performed, whichever is
27 greater. Such rate of pay shall include the appropriate
28 workweek and shift bonus, if any.
29
- 30 3. An employee commencing such a work assignment
31 during one of the holidays set forth in Article VI,
32 Section 3 shall receive a minimum of four hours
33 straight-time or premium pay (at the rate provided in
34 Article VI, Section 3, subsection B) for work time
35 actually performed, whichever is greater. Such rate of
36 pay shall include the appropriate workweek or shift
37 bonus, if any.
38
39
40
41

Section 8, Pay Period

Paychecks to employees shall be issued within eight days after the end of the pay period and shall represent the earnings of the employee from Saturday to, and including, Friday of such pay period.

Section 9, Lost Time

Deductions for time off, whether due to tardiness or other causes, shall be at the rate of one-tenth of an hour of pay for each tenth of an hour or fraction thereof lost from work.

Section 10, Lead

A. Rate of Pay:

Leads shall be paid at a rate of \$.50 an hour above the maximum of the highest classification, including the Lead's own classification, of an employee who remains within the group led for not less than a major portion of a given pay period. For example, a Machinist - General appointed to Lead over a group of Mechanics - Maintenance would receive a rate of pay based upon the classification of Machinist - General even though the Lead is the only one in the group holding such a classification. A Lead leading a group in which more than one classification is represented shall be classified in the classification covering the job duties the employee will normally perform. For example, a Mechanic - Maintenance appointed to Lead over a group which includes a Machinist - General would be classified as a Mechanic - Maintenance - Lead.

The classification of a higher-classified employee, who because of unusual circumstances is temporarily assigned under a Lead to perform the same type of work as done by the group led, shall not be used to determine the Lead's rate of pay.

B. "On-the-Job" Training:

ART. VII, SEC. 10

1 In instances where the current work force of Supervisors
2 and Leads, due to other responsibilities and assignments, is
3 unable to provide desired training to employees newly hired
4 or newly upgraded, a more experienced employee may be
5 assigned to the job of training and guidance of a number of
6 less experienced employees. An employee assigned to
7 perform such "on-the-job" training shall be classified as
8 Lead and shall be selected in accordance with the provisions
9 of subsection A of Section 8 of Article IV of this
10 Agreement. Upon the completion of such an on-the-job
11 training assignment, the employee shall be returned to his or
12 her last previously held position or assignment and such
13 return shall not be considered a downgrade for purposes of
14 Article IV, Section 3, subsection C, paragraph 4 of this
15 Agreement. It is understood that the provisions of this
16 Section for such on-the-job training do not modify those
17 provisions of the Joint Company-Union Statement of Policy
18 for the Application of Job Descriptions, providing that any
19 employee may assist in the training of another employee by
20 giving assistance to another employee on work operations or
21 giving guidance and instruction to any employee and do not
22 provide for classifying as a Lead employee so assisting in
23 training, work operations, giving guidance or instruction.
24

Section 11, Field Duty Pay

- 25
26
- 27 A. The definitions of workday and workweek as set forth in
28 Section 4 of this Article VII are to be applied respectively to
29 the terms "day" and "week" as they appear in this Section
30 11.
31
 - 32 B. In selecting an employee for field duty, consideration will
33 be given to those employees who have informed their
34 department manager that they wish to be considered when
35 selections for field duty are to be made and will be based on
36 such factors as seniority, ability to do the job, and
37 adaptability to field duty.
38
 - 39 C. An employee shall be considered on field duty when sent by
40 the Company, on a temporary basis, to other places within
41 the continental limits of the United States than the plant or

ART. VII, SEC. 11

1 office to which the employee is permanently assigned, when
2 such temporary assignment is at such a distance that it
3 requires that the employee obtain lodging other than his or
4 her established residence.

5
6 D. While an employee assigned to such field duty is traveling
7 to that field duty assignment, or returning to his or her
8 regular work station from such assignment, or is traveling
9 between field duty stations, such employee shall be paid as
10 follows:

11
12 1. With respect to the day of departure and the day of
13 arrival, if no work is performed on such day, the
14 employee shall be paid eight hours pay at the
15 straight-time rate for such day when such travel occurs
16 on any of the first five days of the workweek, and when
17 such day of departure and/or arrival is on the sixth or
18 seventh day of the workweek, such employee shall be
19 paid for the actual hours of travel time at the overtime
20 premium rate for such day, but in no event shall this
21 amount to less than four hours or more than eight hours
22 at such overtime rates.

23
24 2. With respect to the day of departure and the day of
25 arrival, if such employee works during such day either
26 prior to departure or after arrival, the employee shall be
27 paid for such hours worked on such day and, in addition,
28 for such hours of travel time on such day which fall
29 within the hours of his or her assigned shift, but in no
30 event less than a total of eight hours pay for such day.

31
32 3. With respect to the day of departure and the day of
33 arrival, if such employee works during such day both
34 immediately prior to departure and immediately after
35 arrival, the employee shall be paid for such hours
36 worked on such day and, in addition, for such hours of
37 travel time on such day, but in no event less than a total
38 of eight hours pay for such day.

39
40 4. With respect to days such employee is traveling, other
41 than the day of departure or the day of arrival, the

ART. VII, SEC. 11

- 1 employee shall be paid eight hours straight-time rate, or
2 at his or her overtime premium rate if such day of travel
3 is on the sixth or seventh day of the normal workweek.
4
- 5 5. Deviation from the standard shift hours on the day of
6 departure and the day of arrival may be made without
7 obtaining the agreement referred to under the provisions
8 of Article VII, Section 4 of this Agreement.
9
- 10 E. The provisions of Articles VII and VIII of this Agreement
11 for shift, odd workweek and overtime premiums, as well as
12 Lead bonus and A&P bonus, shall apply in the same manner
13 as at the employee's regular workstation.
14
- 15 F. An employee assigned to field duty shall receive a per diem
16 (which is defined as an allowance for each full day the
17 employee is on field duty assignment) in accordance with
18 the following schedule effective March 2, 2002.
19
- 20 1. For the first 90 days of such field duty, \$50.00 per day;
21
22 2. For all days after 90 of such field duty, \$45.00 per day.
23
- 24 In field duty locations of inordinately high residence cost,
25 and where advanced Company approval has been obtained,
26 any expenses for room cost that exceed one-half the
27 specified per diem shall be an allowable addition to such per
28 diem. Such per diem may include cost of meals, lodging,
29 laundry, valet services and expenses connected with
30 obtaining hotel reservations.
31
- 32 If by advanced arrangement of the Company, such as at
33 military bases and aboard ship, etc., room and/or board are
34 furnished to the employee in whole or in substantial part, the
35 per diem shall be proportionately reduced. In no such
36 instance will the per diem be less than \$2.50.
37
- 38 G. Except as set forth in subsection H below, effective March
39 2, 2002, an employee required to use his or her own
40 automobile for travel on such field duty assignment or on
41 occasional travel for authorized Company business shall be

ART. VII, SEC. 11

1 reimbursed at the current IRS rate for mileage necessary to
2 the performance of such work.

3
4 The Company will also provide, for such an employee on
5 such occasions, personal liability insurance coverage with
6 respect to liability, if any, to other employees who are
7 passengers engaged in such above referred-to travel for such
8 purpose, except that such insurance coverage shall apply
9 only after such employee's own personal liability insurance
10 has been first applied, in the amount of \$50,000 maximum
11 per person or \$300,000 maximum per accident.

12
13 An employee who is not on field duty, as defined above in
14 this Section 11, but who is on an assignment away from his
15 or her regularly assigned plant which delays the return to
16 such employee's residential area and deprives the employee
17 of having dinner at home at a normal hour, shall be
18 reimbursed for actual reasonable dinner expense incurred.

- 19
20 H. An employee assigned to field duty who requests and is
21 granted permission to use other means of transportation than
22 that offered by the Company shall be reimbursed in an
23 amount equal to but not in excess of the fare of the provided
24 or offered transportation. Such employee shall receive no
25 more total per diem allowance and travel time pay than that
26 allowed employees using Company provided or offered
27 transportation.

28
29 **Section 12, Flight Pay Bonus**

- 30
31 A. Flight in a propeller driven aircraft:

32
33 An employee assigned to flight duties in a propeller driven
34 aircraft will be paid a bonus of \$3.00 per hour in addition to
35 such employee's regular wages. A minimum of one hour of
36 flight pay shall be paid for the first ascension on any
37 calendar day. For additional flights on the same calendar
38 day, flight pay at the rate of \$3.00 per hour computed to the
39 nearest fifth of an hour shall be paid. Flight time shall mean
40 the time from take-off to the time of landing.

41

ART. VII, SEC. 12

1 B. Flight in a jet-propelled aircraft:
2

3 An employee assigned to flight duties in a jet-propelled
4 aircraft will be paid a bonus of \$5.00 per hour in addition to
5 his or her regular wages. A minimum of one hour of flight
6 pay shall be paid for the first ascension on any calendar day.
7 For additional flights on the same calendar day, flight pay at
8 the rate of \$5.00 per hour computed to the nearest fifth of an
9 hour shall be paid. Flight time shall mean the time from the
10 take-off to the time of landing.

11

12

Section 13, Bonus for A&P Certificate

13

14 The Company will pay a bonus, outside of the rate structure set
15 forth in Article VIII, Section 3 of the Agreement, in the amount
16 of twenty cents (\$.20) per hour to those employees who possess
17 a valid FAA Airframe & Power Plant Certificate. The bonus
18 will be paid to employees when assigned to one of the following
19 classifications: General Flight Mechanic (Code 4156), Inspector
20 General Flight (Code 6236) or General Flight Instrumentation
21 and Electrical Technician (Code 4146). To be paid the bonus,
22 employees must present the original certificate for verification to
23 Hourly Placement.

ARTICLE VIII
PAY RATES

Section 1, Job Classifications

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- A. In the event that a new job or position is established as the result of introduction of new work of a nature comparable to that covered by the job descriptions referred to in Section 2 of this Article VIII, or as the result of the combination of work covered by such job descriptions, or if after the effective date provided in Article IX, Section 1, there occurs a substantial change in the duties or requirements of an established job, the Company shall develop an appropriate job description and place such job in one of the labor grades set forth in Section 3 of this Article. The Company shall furnish the Union with the new job description and shall submit for its approval the placement of such job in one of such labor grades. In the event that agreement is not reached within seven calendar days from the date of such submission or within such additional time as may be mutually agreed upon, the Company may place the new job description and rate, as determined by placement in such labor grade in effect, subject to continued negotiations of such placement. If the proper labor grade is not reached within 15 calendar days, either party may refer the matter to arbitration in accordance with provisions of Article III, Section 6 of this Agreement. The arbitrator shall have the authority to determine in which of such labor grades the new or amended classification shall be placed on the sole basis of the relationship the new or amended job classification bears to the other job classifications in such labor grade structure. Any change in the established rate resulting from the negotiations shall be retroactive to the date when such rate was placed in effect.
- B. Each employee shall be placed in the job classification proper for the work such employee performs and job descriptions shall be applied in accordance with the Supplement attached hereto and entitled "Joint Statement of Policy for Application of Job Descriptions."

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Section 2, Job Descriptions

The job descriptions for each of the Factory and for each of the Office and Technical job classifications which were in effect on the date of execution of this Agreement, or which are placed in effect pursuant to subsection A of Section 1 of Article VIII, shall be a part of this Agreement. The rate ranges and the basic rates of pay for each such job classification shall be in accordance with the rates set forth in Section 3 of this Article for the labor grade in which a job classification is placed as shown in Supplement "A" attached hereto and made a part hereof.

Section 3, Rate Ranges for Labor Grades

The Factory and Office and Technical rate ranges will be in accordance with the following schedules, except for those employees with a Guaranteed Personal Rate (GPR) described in Article VIII, Section 4:

A. Factory Rate Ranges:

**MARCH 2, 2002
RATE RANGES**

<u>LABOR GRADE</u>	<u>MIN.</u>	<u>MAX.</u>
18	16.11	24.53
17	15.69	24.19
16	15.26	23.71
15	14.85	23.33
14	14.43	22.97
13	14.01	22.61
12	11.99	21.60
11	11.53	21.28
10	11.26	20.96
9	10.94	20.64
8	10.75	20.34
7	10.49	20.05

ART. VIII, SEC. 3

A. Factory Rate Ranges Continued:

	<u>LABOR</u>		
	<u>GRADE</u>	<u>MIN.</u>	<u>MAX.</u>
6	6	10.30	17.12
7	5	10.12	16.59
8	4	10.00	16.07
9	3	8.35	15.54
10	2	8.21	15.00
11	1	8.12	14.47

B. Office and Technical Rate Ranges:

**MARCH 2, 2002
RATE RANGE**

	<u>LABOR</u>		
	<u>GRADE</u>	<u>MIN.</u>	<u>MAX.</u>
21	18	15.09	25.06
22	17	14.70	24.10
23	16	14.30	23.42
24	15	13.90	22.98
25	14	13.51	21.67
26	13	13.11	21.51
27	12	12.04	18.70
28	11	11.60	18.27
29	10	11.26	17.84
30	9	10.99	17.38
31	8	10.75	16.93
32	7	10.49	16.70
33	6	10.29	16.20
34	5	8.54	15.70
35	4	8.44	15.19
36	3	8.30	14.72
37	2	8.15	14.21
38	1	8.12	13.71

ART. VIII, SEC. 4

Section 4, Guaranteed Personal Rate

A. Eligibility:

All individuals with bargaining unit rights on the active payroll or approved leave of absence on March 2, 1993 or employees on layoff on June 14, 1993 and who are recalled to the active payroll shall be eligible for a Guaranteed Personal Rate (GPR) while assigned to Labor Grades 1 through 12.

B. General Provisions:

1. Employees eligible for a GPR as described in Subsection A above, and whose base rate is below the GPR maximum of the Labor Grade to which assigned, shall progress to the respective GPR maximum in accordance with Article VII, Section 1, A.
2. Employees eligible for a GPR as described in Subsection A above, and whose base rate exceeds the GPR maximum for the Labor Grade to which assigned, shall regress to the respective GPR maximum in accordance with Article VII, Section 1, E.
3. Employees with a GPR who are promoted to a Labor Grade for which a GPR maximum has been established will progress to the higher labor grade's GPR maximum in accordance with Article VII, Section 1, A, provided that such employee's rate does not exceed the GPR maximum of the new classification.
4. Employees with a GPR, or employees who are eligible for a GPR described in subsection A above, who are downgraded by application of Article IV, Section 3 layoff procedure to a Labor Grade for which a GPR maximum has been established, shall regress to the GPR maximum of the Labor Grade in accordance with Article VII, Section 1, E if such employee's rate exceeds the lower classification's GPR maximum.

ART. VIII, SEC. 4

- 1 5. Employees eligible for a GPR who are recalled to a
2 classification previously held which is in a GPR labor
3 grade shall have their rate established at the same cents
4 per hour below the GPR maximum as when last in the
5 classification or when last on the payroll, whichever is
6 greater, not to exceed the GPR maximum.
7
8 6. Employees with a GPR who are Leads shall be paid at a
9 rate \$.50 an hour above the maximum, or GPR
10 maximum where applicable, of the rate range for the
11 highest classification led or \$.50 an hour above such a
12 Lead employee's own GPR maximum, whichever is
13 greater.
14

**GPR MAXIMUMS
March 2, 2002**

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<u>LABOR GRADE</u>	<u>FACTORY</u>	<u>OFFICE & TECHNICAL</u>
12	\$22.37	\$21.27
11	22.19	21.10
10	21.47	20.93
9	21.30	20.79
8	21.16	20.62
7	21.00	19.87
6	19.70	19.70
5	19.55	19.55
4	19.44	19.44
3	19.35	19.35
2	19.25	19.25
1	19.09	19.09

33
34 **Section 5, Cost-of-Living Adjustment**

- 35
36 A. In addition to the base rate of pay of each employee, a Cost-
37 of-Living Adjustment (COLA) shall be paid to each
38 employee in accordance with the provisions of this section.
39
40 1. Effective January 4, 2003, the current cumulative COLA
41 payable on that date (including the amount effective on

ART. VIII, SEC. 5

1 that date) shall be added to the maximums of the rate
2 ranges in Article VIII, Section 3, and the GPR
3 maximums in Article VIII, Section 4.

4
5 2. Effective January 3, 2004, the difference between the
6 current cumulative Cost-of-Living Adjustment and such
7 previous adjustment as set forth in subsection 1, if any,
8 payable on that date (including the amount effective on
9 that date) shall be added to the maximums of the rate
10 ranges in Article VIII, Section 3, and the GPR
11 maximums in Article VIII, Section 4.

12
13 3. Effective January 1, 2005, the difference between the
14 current cumulative Cost-of-Living Adjustment and such
15 previous adjustment as set forth in subsection 2, if any,
16 payable on that date (including the amount effective on
17 that date) shall be added to the maximums of the rate
18 ranges in Article VIII, Section 3, and the GPR
19 maximums in Article VIII, Section 4:

20
21 On each of the above dates, the employee's base rate will
22 increase by the amount of COLA being received by that
23 employee on that date.

24
25 Employees hired after the date upon which the COLA is folded
26 into the base rate shall be eligible for only that COLA which
27 becomes effective after their date of hire.

28
29 B. The Cost-of-Living Adjustment, if any, shall be determined
30 in accordance with changes in the Consumer Price Index for
31 Urban Wage Earners and Clerical Workers, (CPI-W),
32 (United States City Average - All Items, 1982-1984 = 100),
33 revised by the Bureau of Labor Statistics based on the 1982-
34 1984 Survey of Consumer Expenditures, and published
35 monthly by the Bureau of Labor Statistics, U.S. Department
36 of Labor, and hereinafter referred to as the "Price Index."

ART. VIII, SEC. 5

1 C. During the period of the Agreement, Cost-of-Living
2 Adjustments shall be made at the following times:
3

4	Effective Date of	Based Upon Three-Month
5	Adjustment – Pay Period	Average of the
6	<u>Commencing on:</u>	<u>Price Indexes for:</u>
7		
8	July 6,2002	Mar, Apr, May
9	October 5, 2002	June, July, Aug
10	January 4, 2003	Sept, Oct, Nov
11	April 5, 2003	Dec, Jan 2003, Feb
12	July 5, 2003	Mar, Apr, May
13	October 4, 2003	June, July, Aug
14	January 3, 2004	Sept, Oct, Nov
15	April 3, 2004	Dec, Jan 2004, Feb
16	July 3, 2004	Mar, Apr, May
17	October 2, 2004	June, July, Aug
18	January 1, 2005	Sept, Oct, Nov

19
20 In determining the three-month average of the Indexes for
21 each specified period, the computed average shall be
22 rounded to the nearest 0.1 Index Point.
23

24 D. Effective the payroll period commencing on July 6, 2002,
25 the COLA factor shall be determined in accordance with the
26 following table.

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**ARTICLE IX
EFFECTIVE DATES AND CERTAIN
WAGE INCREASES**

Section 1, Effective Date of Agreement

Subject to the acceptance of this Agreement in its entirety by those members of the Union who are employees of the Company and by the Board of Directors of the Company, this Agreement shall, except as otherwise specifically provided in this Agreement, become effective as of March 2, 2002.

Section 2, Effective Date for Rate Ranges

The minimums and the maximums of the Factory Labor Grades and the Office and Technical Labor Grades as set forth in Section 3 of Article VIII of this Agreement shall be effective as of March 2, 2002.

Section 3, Ingrade Adjustments

The base rate of pay of each employee who on March 2, 2002 is on the active payroll of the Company, on approved leave of absence, military leave or prolonged absence on March 2, 2002, and who on such date is in a job classification which is placed in a higher labor grade pursuant to the provisions of Article VIII, Section 2 of this Agreement, shall be at that rate in the rate range for the higher labor grade which is the same number of cents per hour below the maximum of such higher labor grade as was the rate which the employee held in the lower labor grade on March 2, 2002. Such adjustment in rate, if any, shall be effective March 2, 2002.

Section 4, General Wage Increase (GWI)

A general wage increase in the amount of 4.0% will be paid on or before March 23, 2002 to each bargaining unit employee on the active payroll or approved leave of absence as defined in

ART. IX, SEC. 4

1 Article IX, subsection 6 of this Agreement, or military leave who
2 has completed the probationary period.

3 Effective March 2, 2003, a general wage increase in the amount
4 of 3.0% will be paid to each bargaining unit employee on the
5 active payroll, or approved leave of absence as defined in Article
6 IX, subsection 6 of this Agreement, or military leave, who has
7 completed the probationary period.

8
9 Effective March 2, 2004, a general wage increase in the amount
10 of 3.0% will be paid to each bargaining unit employee on the
11 active payroll, or approved leave of absence as defined in Article
12 IX, subsection 6 of this Agreement, or military leave, who has
13 completed the probationary period.

14
15 **Section 5, Cost-of-Living Supplement**

16
17 In each year of the three years of Cost-of-Living Supplements,
18 employees will be given the option to put the supplement into
19 their 401K Plan if he or she so wishes. The Company will
20 provide the necessary form to employees no later than 30 days
21 prior to supplement distribution.

22
23 On or before December 20, 2002, a supplemental Cost-of-Living
24 payment in the amount of \$600 will be paid to each employee on
25 the active payroll or approved leave of absence as defined in
26 Article IX, subsection 6 of this Agreement, or military leave on
27 November 30, 2002 who has completed the probationary period.

28
29 On or before December 19, 2003, a supplemental Cost-of-Living
30 payment in the amount of \$600 will be paid to each employee on
31 the active payroll or approved leave of absence as defined in
32 Article IX, subsection 6 of this Agreement, or military leave on
33 November 29, 2003 who has completed the probationary period.

34
35 On or before December 17, 2004, a supplemental Cost-of-Living
36 payment in the amount of \$600 will be paid to each employee on
37 the active payroll or approved leave of absence as defined in
38 Article IX, subsection 6 of this Agreement, or military leave on
39 November 27, 2004 who has completed the probationary period.
40

ART. IX, SEC. 5

1 Cost-of-Living supplements may be deferred to the Hourly
2 Savings Plan Plus upon completion of the appropriate form.

3 **Section 6, Leave of Absence Definition**

4
5 For purposes of General Wage Increases and Cost-of-Living
6 Supplements, an approved "leave of absence" is defined as a
7 leave of absence of less than one year.

8

Section 7, Ratification Bonus

A \$1,000 ratification bonus will be paid within 21 days of the
March 10, 2002 ratification date to all employees on the payroll
as of March 1, 2002. Payment may be deferred to the Hourly
Savings Plan Plus (401K) upon completion of the appropriate
form

SUPPLEMENT "A"

**FACTORY JOB CLASSIFICATIONS
AND LABOR GRADES**

ALPHABETICAL

<u>Code</u>	<u>Classification Title</u>	<u>Labor Grade</u>
5173	Abrasiveblasting Equipment Operator	7
3564	ADP Laboratory Mechanic.....	13
3563	ADP Laboratory Mechanic, Senior	18
3503	Air Conditioning Mechanic, Senior.....	17
5424	Assembler - Installer Worker.....	5
5425	Assembler- Installer.....	7
3693	Bonding Assembler, Senior	10
5483	Cabin Trimmer, Senior	15
5929	Chemical Dispensing/Accumulation Attendant.....	8
4163	Communications Systems Technician	18
5723	Composites Trainee	3
4872	Composites Fabricator and Assembler	5
4879	Composites Fabricator and Assembler, Senior.....	10
4883	Composites Fabricator- Developmental.....	14
4889	Composites Fabricator-Developmental, Senior	16
3813	Controls Development Mechanic	16
3833	Crane Rigger and Operator	11
4389	Custodian	1
3844	Data Acquisition Laboratory Technician.....	18
3914	Document Destruction Worker.....	7
3965	Electrical and Electronic Bench Mechanic/Installer.....	10
3953	Electrical and Electronics Development Mechanic	16
3993	Electrical Checkout Mechanic	14
5064	Electronic Systems Mechanic.....	13
5063	Electronic Systems Technician - Flight	18
4003	Electronics Maintenance Technician.....	18
4039	Electroplater	7
5973	Engineering Range Technician.....	18
4054	Engineering Research Shops - Trainee.....	7
5093	Engineering Research Technician	18
5083	Engineering Research Technician -	

SUPPLEMENT "A" - FACTORY

<u>Code</u>	<u>Classification Title</u>	<u>Labor Grade</u>
	Electrical/Electronics.....	18
5019	Fabrication and Processing Helper	3
4073	Fabrication and Structures Development Mechanic.....	16
4909	Fabrication Equipment Operator, Senior.....	11
4929	Fabrication Equipment Operator	9
5529	Factory Transportation Operator, General.....	9
6009	Firefighter	11
6413	Flight Safety and Survival Equipment Technician.....	18
4143	Flight Test Instrumentation Technician.....	17
4373	Fuel Tank Sealer and Tester	15
5594	Furniture and Equipment Mover	5
4124	General Flight Electrical & Instrument Mechanic.....	17
4156	General Flight Mechanic	17
3741	General Maintenance Person, Senior.....	17
3742	General Maintenance Person	10
5419	General Modification Mechanic	12
5583	General Utility Person	4
4343	Graphics Layout Maker - Tooling	18
4216	Grinder - Precision Parts/Tool & Cutter	17
5919	Hazardous Waste Worker	13
4218	Heat Treater	14
4303	Hydraulic and Plumbing Development Mechanic.....	16
6023	Inspector - Computerized Coordinate Measuring Machines	17
6226	Inspector - Electronic Systems/Research Laboratory	18
6039	Inspector-Experimental	16
6049	Inspector - Fabrication.....	12
6228	Inspector - General Assembly.....	14
6236	Inspector - General Flight.....	17
6139	Inspector - Nondestructive Test - Specialist	16
6149	Inspector - Nondestructive Test - Specialist, Senior.....	18
6163	Inspector - Plastic Parts Developmental/Production	14
6029	Inspector - Precision	17
6249	Inspector - Shipping and Receiving.....	14
4403	Jig and Fixture Builder, Senior.....	18
4443	Locksmith, Senior.....	16
4619	Machines Mechanic - Maintenance, Senior.....	18
4835	Machine Tool Operator, Senior	12
4503	Machinist - General	18

SUPPLEMENT "A" - FACTORY

<u>Code</u>	<u>Classification Title</u>	<u>Labor Grade</u>
4526	Machinist - Jig Borer/Horizontal Boring Mill.....	16
4543	Machinist - Lathe.....	16
4559	Machinist - Milling Machine	16
4519	Machinist - Numerically Controlled Milling Machine..	16
4614	Manufacturing Research Laboratory Mechanic, Senior	18
4625	Material Applicator.....	11
4624	Material Applicator, Senior.....	15
4639	Mechanic - Automotive.....	7
4633	Mechanic - Automotive, Senior.....	16
4665	Metal Worker/Fitter, Senior.....	13
4703	Model Builder - Wind Tunnel, Senior.....	18
4596	Multiple Axis-Laser Cutting/Etching Machine Operator.....	17
4713	Nonmetallic Tool Builder, Senior.....	17
4734	Numerically Controlled Machine Tools Set-Up Person.....	16
4815	Painter - Master.....	14
4803	Painter, Senior.....	9
4606	Plant Maintenance Worker.....	6
4903	Portable Tool and Equipment Repairer, Senior.....	12
6314	Quality Assurance Trainee.....	10
5773	Rebuild/Overhaul Mechanic.....	13
5224	Service Technician – Electronic Computer Systems.....	18
3629	Shop Hand.....	7
5977	Shipping and Storage Container Builder.....	10
5303	Sign Painter, Senior.....	13
5793	Spot Welder - General.....	11
4293	Systems Checkout Mechanic.....	14
5034	Test Equipment Development Mechanic.....	16
5453	Tool and Die Maker, Senior.....	18
5146	Tool Maker.....	16
5493	Truck Crane Operator.....	12
5503	Truck Driver - Highway Transportation.....	15
5505	Truck Driver - Light.....	6
5504	Truck Driver - Utility.....	12
5519	Tube Mechanic, Senior.....	13

SUPPLEMENT "A" - FACTORY

	Labor Grade
<u>Code</u>	<u>Classification Title</u>

NUMERICAL

3503	Air Conditioning Mechanic, Senior.....	17
3563	ADP Laboratory Mechanic, Senior	18
3564	ADP Laboratory Mechanic.....	13
3629	Shop Hand	7
3693	Bonding Assembler, Senior.....	10
3741	General Maintenance Person, Sr.....	17
3742	General Maintenance Person	10
3813	Controls Development Mechanic	16
3833	Crane Rigger and Operator	11
3844	Data Acquisition Laboratory Technician.....	18
3914	Document Destruction Worker.....	7
3953	Electrical and Electronics Development Mechanic	16
3965	Electrical and Electronics Bench Mechanic/Installer	10
3993	Electrical Checkout Mechanic	14
4003	Electronics Maintenance Technician.....	18
4039	Electroplater.....	7
4054	Engineering Research Shops - Trainee.....	7
4073	Fabrication and Structures Development Mechanic	16
4124	General Flight Electrical & Instrument Mechanic.....	17
4143	Flight Test Instrumentation Technician.....	17
4156	General Flight Mechanic	17
4163	Communications Systems Technician.....	18
4216	Grinder - Precision Parts/Tool & Cutter	17
4218	Heat Treater	14
4293	Systems Checkout Mechanic.....	14
4303	Hydraulic and Plumbing Development Mechanic.....	16
4343	Graphics Layout Maker - Tooling	18
4373	Fuel Tank Sealer and Tester	15
4389	Custodian.....	1
4403	Jig and Fixture Builder, Senior.....	18
4443	Locksmith, Senior.....	16
4503	Machinist - General	18
4519	Machinist - Numerically Controlled Milling Machine..	16
4526	Machinist - Jig Borer/Horizontal Boring Mill	16
4543	Machinist - Lathe.....	16
1 4559	Machinist-Milling Machine.....	16
2 4596	Multiple Axis-Laser Cutting/Etching Machine Operator	17

1	4606	Plant Maintenance Worker	6
2	4614	Manufacturing Research Laboratory Mechanic, Senior	18
3	4619	Machines Mechanic - Maintenance, Senior.....	18
4	4624	Material Applicator, Senior	15
5	4625	Material Applicator.....	11
6	4633	Mechanic - Automotive, Senior.....	16
7	4639	Mechanic - Automotive	7
8	4665	Metal Worker/Fitter, Sr.	13
9	4703	Model Builder - Wind Tunnel, Senior.....	18
10	4713	Nonmetallic Tool Builder, Senior.....	17
11	4734	Numerically Controlled Machine Tools Set-up Person	16
12	4803	Painter, Senior	9
13	4815	Painter - Master.....	14
14	4835	Machine Tool Operator, Senior	12
15	4872	Composites Fabricator and Assembler	5
16	4879	Composites Fabricator and Assembler, Senior.....	10
17	4883	Composites Fabricator- Developmental	14
18	4889	Composites Fabricator- Developmental, Senior	16
19	4903	Portable Tool and Equipment Repairer, Senior	12
20	4909	Fabrication Equipment Operator, Senior	11
21	4929	Fabrication Equipment Operator	9
22	5019	Fabrication and Processing Helper	3
23	5034	Test Equipment Development Mechanic.....	16
24	5063	Electronic Systems Technician - Flight.....	18
25	5064	Electronic Systems Mechanic.....	13
26	5083	Engineering Research Tech. - Electrical/Electronics	18
27	5093	Engineering Research Technician	18
28	5146	Tool Maker	16
29	5173	Abrasive blasting Equipment Operator	7
30	5224	Service Technician - Electronic Computer Systems.....	18
31	5303	Sign Painter, Senior	13
32	5419	General Modification Mechanic	12
33	5424	Assembler - Installer Worker.....	5
34	5425	Assembler - Installer.....	7
35	5453	Tool and Die Maker, Senior	18
36	5483	Cabin Trimmer, Senior	15
37	5493	Truck Crane Operator	12
38	5503	Truck Driver - Highway Transportation.....	15
39	5504	Truck Driver - Utility	12
40	5505	Truck Driver - Light	6
41	5519	Tube Mechanic, Senior.....	13
42	5529	Factory Transportation Operator, General.....	9

1	5583	General Utility Person	4
2	5594	Furniture and Equipment Mover	5
3	5723	Composites Trainee	3
4	5773	Rebuild/Overhaul Mechanic	13
5	5793	Spot Welder - General	11
6	5919	Hazardous Waste Worker	13
7	5929	Chemical Dispensing/Accumulation Attendant.....	8
8	5973	Engineering Range Technician.....	18
9	5977	Shipping and Storage Container Builder	10
10	6009	Firefighter	11
11	6023	Inspector - Computerized Coordinate	
12		Measuring Machines	17
13	6029	Inspector - Precision	17
14	6039	Inspector - Experimental.....	16
15	6049	Inspector - Fabrication	12
16	6139	Inspector - Nondestructive Test Specialist.....	16
17	6149	Inspector - Nondestructive Test - Specialist, Senior.....	18
18	6163	Inspector - Plastic Parts Developmental/Production	14
19	6226	Inspector - Electronic Systems/Research Laboratory	18
20	6228	Inspector - General Assembly	14
21	6236	Inspector - General Flight.....	17
22	6249	Inspector - Shipping and Receiving.....	14
23	6314	Quality Assurance Trainee	10
24	6413	Flight Safety and Survival Equipment Technician.....	18

25

26 **Field Duty Assignment Code:**

27

28 For the period during which an employee is assigned to field
 29 duty, such employee's base rate shall be adjusted upward in the
 30 amount of \$.45 per hour starting the eighth day. Upon the
 31 employee's return from such assignment his or her normal base
 32 rate shall be reestablished.

33

34 **SUPPLEMENT "A"**

35

36 **OFFICE AND TECHNICAL JOB CLASSIFICATIONS**
 37 **AND LABOR GRADES**

38

39 **ALPHABETICAL**

40

41

42

	<u>Code</u>	<u>Classification Title</u>	<u>Labor</u>
			<u>Grade</u>

1			
2	6707	Administrative Aide, Specialist.....	7
3	6702	Administrative and Inventory Control Aide.....	2
4	6519	Aircraft Delivery Person.....	11
5	8379	Blueprint Control Clerk.....	6
6	7659	Crib Control Attendant.....	8
7	8579	Identification/Visitor Control Specialist.....	9
8	7383	Material Procurement Person – Maintenance.....	11
9	7399	Material Reclamation Processor.....	11
10	8413	Material Review Board Investigator.....	14
11	6829	Material Specialist.....	12
12	7929	Material Technician, Senior.....	9
13	7939	Material Technician.....	7
14	7557	Order Writing and Material Records Clerk.....	9
15	7543	Packaging Technician.....	11
16	7639	Payroll Processor.....	8
17	7449	Photographic Imaging Specialist.....	17
18	8293	Planner - Machined Parts.....	18
19	8273	Planner - Structures, Fabrication, and Functional.....	18
20	8169	Precision Camera Operator.....	15
21	7723	Production Control/Planning Clerk-Trainee.....	3
22	6909	Reproduction Processor.....	8
23	8423	Senior Technical Illustrator.....	17
24	8513	Spares Processor.....	11
25	7749	Standards Laboratory Technician -	
26		Electrical/Electronics.....	18
27	5734	Standards Laboratory Technician - Control Systems....	18
28	5726	Standards Laboratory Technician - Physical Systems...	18
29	8219	Tool Dispatcher.....	9
30	7519	Transportation Dispatcher.....	11
31	8644	U.S. Mail Clerk.....	7
32			

1 **SUPPLEMENT "A" - O&T**

2
3
4 **Field Duty Assignment Code:**

5
6 For the period during which an employee is assigned to field
7 duty, such employee's base rate shall be adjusted upward in the
8 amount of \$.45 per hour starting the eighth day. Upon the
9 employee's return from such assignment his or her normal base
10 rate shall be reestablished.

11 **SUPPLEMENT "B"**

12
13 **JOINT STATEMENT OF POLICY FOR APPLICATION**
14 **OF JOB DESCRIPTIONS**

15
16 The following basic principles governed the preparation of these
17 descriptions; these same principles are to govern their use:

- 18
19 1. The title selected for a classification is that which most
20 clearly identifies the type of work performed.
21
22 2. The Occupational Summary (where included) is a brief
23 description of the classification as a whole; the purpose of
24 which is to set it forth in separation from other
25 classifications.
26
27 3. The job description sets forth typical distinguishing and
28 related requirements. The distinguishing requirements
29 illustrate a level of difficulty of work and are not intended to
30 list or describe all work operations or tasks done within the
31 classification. These requirements may not fit all specific
32 individual work assignments, as the description when written
33 was stated so as to be broad enough to include all variations
34 of work in the classification as it existed throughout the
35 Company.
36
37 4. The work operations, duties and other distinguishing
38 characteristics described in a job description are those
39 which are performed under guidance or instruction which
40 are considered usual and normal for the work described.
41

- 1 5. The descriptions were prepared on the basis:
2
3 a. That as a part of promotional procedure a worker
4 occasionally performs some of the work of higher-rated
5 jobs under close guidance and instructions in order to
6 qualify for advancement;
7
8 b. That a worker performs the work of lower-rated jobs
9 when required;
10
11 c. That the normal duties of any worker may include
12 assistance to other workers on work operations; and
13
14 d. That normal job relationships between workers include
15 giving guidance and instruction to each other, as long
16 as such guidance and instruction is not extended to
17 conflict with the duties of a Lead.
18
- 19 6. The job description is written to define and illustrate the job
20 standard to be established and as such shall be interpreted
21 and applied in its entirety as a composite picture of the job
22 requirements. This means that (where included) the
23 occupational summary, work performed, typical materials,
24 tools and equipment used, and knowledge and ability
25 required, all must be considered in arriving at the proper
26 classifications.
27
- 28 In order to secure or hold the classification, the employee
29 must be assigned regularly and consistently to that work
30 which distinguishes the classification from other
31 classifications.
32
- 33 An employee's classification shall be determined in the light
34 of the highest requirements for knowledge, ability and skill
35 necessary to perform his or her regular assigned duties. In
36 making this determination, duties that are performed
37 infrequently or rarely shall not be considered or made the
38 basis of granting the higher classification. This would not
39 be applicable, however, to intermittent duties of a higher
40 level to which the employee is specifically assigned in an
41 area where the prevailing day-to-day routine may fall in

1 lower-level requirements. If the employee on such
2 assignment is expected to possess and apply the knowledge,
3 skill and ability necessary for performance of the
4 higher-level work, such employee is entitled to the higher
5 classification even though the majority of such employee's
6 work time may be spent on the lower-level work. In such
7 case the employee is assigned to bring to the job the higher
8 skills which such employee is expected to use as
9 requirements demand.

10 To cite examples:

- 11
- 12 a. An employee in a jig, where Structures Assemblers are
13 working, is assigned the responsibility and is retained
14 in the group for the specific purpose of working off
15 difficult M.C.N.'s and difficult reworks. The
16 employee's other daily activities are no different from
17 that of the remaining employees on the assembly. The
18 employee has had only three difficult rework jobs in
19 three weeks and four difficult M.C.N.'s in the last
20 month. This employee is properly classified as an
21 Assembler - Installer, Senior due to such employee's
22 assigned responsibility of performing, as requirements
23 demanded, difficult structures work on the assembly.
24
- 25 b. At a production rate of one ship every two weeks,
26 assume that the ship's hydraulic system requires two
27 days for checkout. Assignment to this work would
28 require classification as a Systems Checkout Mechanic.
29
- 30 7. The job descriptions herein referred to are of a composite
31 nature and do not thereby require an individual employee to
32 perform all of the work therein mentioned, except where the
33 job description indicates otherwise.
34
- 35 8. The job descriptions are not intended for, and should not be
36 confused with operation sheets, work instructions or work
37 assignment sheets, etc.
38

39 (See Supplement "F", Letter 2002-1.)

40 **SUPPLEMENT "C"**

41
42 **A GLOSSARY OF TERMS AND PHRASES AS USED**

1 **IN THE JOB DESCRIPTIONS FOR FACTORY**
2 **CLASSIFICATIONS**

3

4 In preparation of the job descriptions, the following terms and
5 words are given definition and meaning to clearly indicate the
6 common and consistent interpretation to be placed in them by all
7 persons using the descriptions. The meaning of words and
8 phrases not included in this glossary shall be as defined in
9 Webster's Collegiate Dictionary.

10

11 **ADAPTS:**

12

13 Means to utilize for other purposes than originally intended.

14

15 **ANGLE, COMPOUND:**

16

17 Means the angle between the two noncoinciding sides of two
18 oblique angles which are in different planes and have a vertex
19 and one side in common. Making a compound angle usually
20 presents a coordinating tolerance problem since it results from
21 the holding within tolerances of two adjoining component
22 angles.

23

24 **AS REQUIRED:**

25

26 Means performance of work operations if and when such are
27 necessary, as long as they are within the level of difficulty
28 described.

29

30 **AUTHORIZED DOCUMENT:**

31

32 Means any type of document that is used by the Company to
33 transmit to the worker what is to be done, how it is to be done,
34 and/or what specifications or requirements are applicable to the
35 work.

36

- 1 **BASIC COMPUTER OPERATIONS:**
2
3 The ability to perform the fundamental, basic process of
4 manipulating a computer to store, retrieve, and process data.
5
6 **BLUEPRINTS, ASSEMBLY AND INSTALLATION:**
7
8 Are blueprints that provide information for the installation and/or
9 assembly of fabricated and accessory parts into an assembly.
10
11 **BLUEPRINTS, DETAIL:**
12
13 Are any class of blueprints which give necessary detailed
14 information for fabricating one or more parts.
15
16 **BLUEPRINTS, DETAIL ASSEMBLY:**
17
18 Are blueprints that provide information for assembling parts
19 together with the necessary information for making some or all
20 of the individual parts.
21
22 **CHECKS, FUNCTIONAL:**
23
24 Means to determine or ascertain whether a unit of or portion of a
25 system performs the function for which it is intended and
26 whether rework or alteration is required.
27
28 **CHECKS OUT, OPERATIONAL:**
29
30 Means making a complete check of an entire completed
31 independent system to determine if rework or alteration is
32 necessary.
33
34 **COMPUTER LITERACY:**
35
36 A knowledge of or training in programmable electronic devices
37 and the ability to read and respond to typical computer jargon.
38

1 **CONTOUR:**

2

3 Means a curved surface having radii of different lengths, all of
4 which lie in parallel planes or the same plane, such planes being
5 perpendicular to the curved surface, or a curved line having radii
6 of different lengths all of which are in the same plane. The
7 surface of a cone or section thereon, a typical airfoil surface, the
8 curved edge of a profiled plate and the curved layout line
9 guiding the making of a router block are examples. Contour
10 surfaces composed of sections of cylinders and edges whose
11 profile is a section of a circle are excluded since the radii are the
12 same length.

13

14 **CONTOUR, COMPOUND:**

15

16 Means a curved surface having radii of different lengths that lie
17 in nonparallel planes.

18

19 **CONTOUR, REVERSE:**

20

21 Means a contour that reverses its curvature so that it has both
22 concave and convex portions.

23

24 **COORDINATED TOLERANCES, COORDINATED**
25 **DIMENSIONS:**

26

27 These expressions are used only when exacting tolerances are
28 implied. It should be understood that the mere location of a
29 point by two or more reference dimensions does not in itself
30 mean that the dimensions themselves are coordinated. An
31 example of truly coordinate dimensions is shown in the
32 following: The precision dimensions between two holes must be
33 held while at the same time the precision dimensions locating
34 each of the holes must also be held with respect to another
35 reference point or line.

36

37 **DETAIL BENCH ASSEMBLY:**

38

39 Detail Bench Assembly is that type and size of assembly work
40 where size of parts, jigs and fixtures allows their being worked
41 on a bench. Floor type jigs of similar size are included.

42

1 **DEVELOPS; DEVELOPMENT:**

2

3 Means to develop information and/or build or make new parts,
4 assemblies and installations or patterns and tooling where
5 exercise of a thorough knowledge of the shop theory involved is
6 necessary and further is a recognizably difficult assignment
7 which is characterized by requiring ingenuity (skill in devising)
8 and originality (creative in doing) to accomplish the assignment
9 satisfactorily.

10

11 **FABRICATES COMPLETELY:**

12

13 Means to perform all necessary fabrication operations required to
14 produce a finished article ready for use in an assembly, airplane
15 or the plant.

16

17 **FIXTURES:**

18

19 Refers to holding, production or established fixtures, or standard
20 tooling designed to hold, align or coordinate work piece for
21 machining, fabrication, installation, assembly, layout or other
22 work operation.

23

24 **HAND TOOLS:**

25

26 Includes those portable tools used by hand by the employee in
27 the normal performance of duties and tasks of the occupation in
28 which such employee works.

29

30 **HELPS:**

31

32 Means to assist or aid an employee in the performance of such
33 employee's duties as set up in the particular job description
34 where the phrase exists. The assisting worker is not expected to
35 work wholly independent but rather cooperatively and, further, is
36 entitled to and should receive the guidance and instructions
37 considered usual and normal under these circumstances.

38

1 **IMPROVISES:**

2

3 Means to contrive or make use of makeshift tooling and/or
4 methods to meet immediate needs or requirements.

5

6 **IMPROVISES SHOP AIDS, ETC., TO FACILITATE**
7 **FABRICATION, ASSEMBLY AND/OR INSTALLATION**
8 **AS REQUIRED:**

9

10 This does not mean to go into a tool-making program or to
11 conflict with the duties of those engaged in tool-making
12 occupations.

13

14 **KNOWLEDGE, COMPLETE:**

15

16 Means full understanding of and ability to apply all facts that
17 must normally be known by the worker in the occupation.

18

19 **KNOWLEDGE, ELEMENTARY:**

20

21 Means that the employee is not expected to carry out the
22 technical functions of such employee's classification completely
23 without guidance from supervision or more-senior fellow
24 employees.

25

26 **KNOWLEDGE OF:**

27

28 Means knowledge of the inherent elements or details of a job
29 that must be known by a worker to do his or her work
30 satisfactorily.

31

32 **LAYOUT:**

33

34 Means the marking of points and lines which will determine the
35 exact location and/or dimensions of the part, tool or assembly.

36

37 **MAY:**

38

39 When used as the first word of a sentence or phrase, means that
40 the function is performed by some of the personnel holding the
41 classification or that the function is occasionally performed, but
42 is not a requisite for the classification.

1
2 **MAY FURNISH INFORMATION TO AUTHORIZED**
3 **LIAISON PERSONNEL REGARDING DEFECTIVE**
4 **PARTS, TOOLING OR ASSEMBLIES OR INCORRECT**
5 **ASSEMBLY SEQUENCE:**

6
7 This phrase starting with the word "may" (see definition above)
8 is merely recognition that on some job details a worker is in a
9 better position to give information than anyone else. Such
10 information should be given only at the request of the employee's
11 supervision.

12
13 **MAY SUGGEST CHANGES IN INSTALLATION TO**
14 **ENGINEERS OR OTHERS AND ASSIST THEM IN**
15 **INTERPRETING AND APPLYING CUSTOMER**
16 **SPECIFICATIONS RELATING TO ARMAMENT:**

17
18 "May suggest" when used in a statement of this type is not
19 compulsory but of an optional nature.

20
21 **POINTS OUT NEED FOR TOOLING, PART OR**
22 **INSTALLATION CORRECTIONS:**

23
24 1. This phrase is intended to cover suggestions by the
25 employee to the Lead or Supervisor as to how to do the job
26 better, easier or quicker, and is optional and not compulsory; or

27
28 2. This phrase is intended to cover the worker's
29 responsibility to show or give information as to faulty parts,
30 tools or practices. The worker is expected to report these
31 instances to supervision.

32
33 **PROCESSING:**

34
35 (Airplane Components or Assemblies) - An inclusive term
36 covering various finishes, etc., such as: anodizing, cadmium
37 plating, etching, painting, oiling, passivating, fabric doping,
38 chromodizing, pickling, plating, degreasing, sandblasting and
39 similar operations which do not change the basic structure of the
40 materials processed.

41

1 **PRODUCTION ILLUSTRATIONS:**

2

3 Are blueprints or sketches that are used as an aid in visualizing
4 parts and/or their assembly and are usually isometric, perspective
5 pictorial or third-angle projection drawings or photographs.

6

7 **REMOVAL AND REWORK OF AIRCRAFT POWER**
8 **PLANTS:**

9

10 This means to remove and undress the power plant, to rework the
11 removed parts and reinstall such as carburetors, governors, fuel,
12 oil and injection pumps, starters, generators, manifold pressure
13 regulators, ignition harnesses, spark plugs, etc. It does not mean
14 the reworking of the engine.

15

16 **REWORK:**

17

18 Means that type and kind of work, including pickup, involving
19 disassembly, modification, repair and/or rebuilding of any parts,
20 assembly or installation, as set forth and described in the "work
21 performed" section of the job description within the limits of the
22 occupation or classification in which the rework is to be
23 performed.

24

25 **SETUP; SETS UP:**

26

27 Includes the various necessary physical work operations or steps
28 (other than layout) that must be accomplished before actual
29 fabrication can proceed. Setup of machines or equipment might
30 include such operations as selecting and aligning proper tooling,
31 positioning and securing material and setting speeds, feeds,
32 stroke, travel, pressure, flow, etc. In most assembly operations
33 setup (e.g., positioning parts, obtaining parts) is so closely
34 intermingled with fitting and joining together that setup is not
35 customarily designated as such. This is generally true of
36 operations where machine operation is not the primary job
37 factor.

38

1 **SHOP MATHEMATICS:**

2

3 Is that form of mathematics normally used by shop workers in
4 the performance of the duties of the occupation in which they
5 work.

6

7 **SHOP MATHEMATICS, INCLUDING**
8 **TRIGONOMETRY:**

9

10 Means the use of trigonometry to solve any problem that may
11 arise in the work to which assigned.

12

13 **SHOP PRACTICE:**

14

15 Means the generally-accepted method of performing a basic,
16 common or usual operation under specified conditions. It covers
17 the knowledge which is common to the occupation itself and to
18 most manufacturing shops using the operation under
19 consideration. Besides knowledge and ability to use required
20 hand tools and equipment, it includes knowledge of general
21 safety practices, conduct, rules of cleanliness, neatness, good
22 housekeeping and care of equipment. When used in the phrase
23 "shop practices and procedure," practice need not imply other
24 than practice or methods learned or acquired at the Company.

25

26 **SHOP THEORY:**

27

28 Implies a knowledge of "why" as well as "how" a given task
29 should be done. It implies a real understanding of the diversity
30 of work in an occupation, of the capacities and limitations of
31 machines used, and of the skills involved. It is acquired by a
32 combination of observation, experience and schooling.

33

34 **TOLERANCES, CLOSE:**

35

36 Means those tolerances that are held by the machine, operator
37 and/or fixture without great or special care, effort or skill on the
38 part of the worker. This term expresses a level of difficulty
39 rather than preciseness of linear, angular or other measurement.

1 **TOLERANCES, EXACTING:**

2

3 Means those tolerances that require special care and attention on
4 the part of a skilled worker to obtain or hold. These tolerances
5 would be difficult, if not impossible, for a semiskilled or
6 unskilled worker to hold consistently at a good production rate.
7 This term expresses a level of difficulty rather than a preciseness
8 of linear, angular or other measurement.

9

10 **WHEN SO ASSIGNED:**

11

12 Means that the work operation, function or job duty is usually
13 and normally performed after or as a direct result of an order,
14 work assignment or request from recognized supervisory
15 personnel. Means an occasional or incidental job requirement.

16

17 **WHERE COMPLETE INFORMATION IS NOT**
18 **READILY AVAILABLE:**

19

20 1. This phrase is not to be interpreted as requiring the
21 worker to develop his or her own information, except for
22 such information that falls into the category of
23 acceptable shop practice.

24

25 2. Where this phrase is used in a job description, it is
26 understood that all workers in the classification will
27 work under these conditions as required.

28

29 **WITH OR WITHOUT THE AID OF TOOLING:**

30

31 Means that in some cases where tooling does not exist or is
32 faulty, the worker may be required to work around such a
33 condition. At times when this condition does not exist, the
34 worker may still hold the classification, provided other
35 qualifying factors of the classification are present in the job.

36

1 **WORKS FROM PRODUCTION, PRELEASE, CHECK,**
2 **DETAIL, ASSEMBLY AND INSTALLATION**
3 **LUEPRINTS, D.A.T.'s, SKETCHES OR OTHER**
4 **AUTHORIZED DOCUMENTS:**
5

6 This statement when used in a job description does not mean that
7 a worker must have a complete knowledge of all the
8 above-mentioned documents, but only to the extent of the
9 difficulty described in the description where used.

10
11 **WORKS WITH AUTHORIZED LIAISON PERSONNEL**
12 **AS NECESSARY (OR WHEN REQUIRED):**
13

14 1. This phrase is intended to cover situations such as when
15 trouble develops on a job, the worker goes to his or her Lead
16 or Supervisor who in turn may call in a liaison person, and
17 then the worker, being more familiar with the job, will
18 cooperate with the liaison person to straighten out the
19 trouble.

20
21 2. Under this phrase it is not intended that workers are to
22 contact or be contacted by liaison persons, except through
23 their supervision.
24

25 It is understood that all statements used in specific job
26 descriptions are to be interpreted on the basis of the level of
27 difficulty contained in the respective descriptions.

28 **SUPPLEMENT "D"**
29

30 **A GLOSSARY OF TERMS AND PHRASES AS USED IN**
31 **THE JOB DESCRIPTIONS**
32 **FOR OFFICE AND TECHNICAL**
33 **CLASSIFICATIONS**
34

35 In preparation of the job descriptions, the following terms and
36 words are given definition and meaning to clearly indicate the
37 common and consistent interpretation to be placed in them by all
38 persons using the description. The meaning of words and
39 phrases not included in this glossary shall be as defined by
40 Webster's Collegiate Dictionary.
41

42 **AS REQUIRED:**

1
2 Means performance of work operations if and when such are
3 necessary, as long as they are within the level of difficulty
4 described.

5
6 **ASSISTS (HELPS):**

7
8 Means to assist or aid an employee in the performance of such
9 employee's duties as set up in the particular job description
10 where the phrase exists. The assisting worker is not expected to
11 work wholly independent but rather cooperatively and, further, is
12 entitled to and should receive the guidance and instructions
13 considered usual and normal under these circumstances.

14
15 **BASIC COMPUTER OPERATIONS:**

16
17 The ability to perform the fundamental, basic process of
18 manipulating a computer to store, retrieve, and process data.

19
20 **BASIC KNOWLEDGE:**

21
22 To know the fundamental principles and operations of a specific
23 job or function, but does not require the ability to apply such
24 knowledge.

CHECKS:

A clerical function of examining and comparing facts, figures or other data to determine completeness and accuracy.

COMPUTER LITERACY:

A knowledge of or training in programmable electronic devices and the ability to read and respond to typical computer jargon.

DETERMINES:

Chooses, judges or decides; selects pertinent data or information from documents, records, etc.

INITIATES:

Introduces by a first act; originates; begins.

KNOWLEDGE:

To know and understand the principles, operations and procedures required of a specific job or function and ability to apply such knowledge to the performance of the specific job.

KNOWLEDGE, COMPLETE:

Means full understanding of and ability to apply all facts that must normally be known by the worker in the occupation.

LIAISON:

The act of investigating problems, coordinating activities and contacting personnel with a view to arriving at mutually acceptable agreements, changes, etc.

MATERIAL:

Used to designate raw stock or purchased items which must be subjected to process of manufacture before use in an airplane.

MAY:

When used as the first word of a sentence or phrase, means that the function is performed by some of the personnel holding the classification or that the function is occasionally performed, but is not a requisite for the classification.

PROCESSES:

Receives forms or documents, checks to determine that necessary information is shown, makes records from or adds any required data to document, and sends to next destination.

RECONCILES:

Brings into agreement; checks (as facts, figures, accounts, etc.) one against another and makes, or arranges for, adjustments necessary to bring the two into balance or agreement.

SURVEYS:

Examines, selects and checks data, and determines the accuracy and/or adequacy of the information contained.

WHEN ASSIGNED:

Means that the work operation, functions or job duties are usually and normally performed after, or as a direct result of an order, work assignment or request from recognized supervisory personnel.

WORKING KNOWLEDGE:

To know or understand the fundamental principles and operations of a specific job or function and the ability to apply that knowledge as a minimum requirement for the performance of the given job.

SUPPLEMENT "E"

BONUS AND PREMIUM CHART

The following table reflects the agreed-upon practice of including or excluding bonus items in computing the payment of benefits:

	<u>Lead</u>	<u>A&P Bonus</u>	<u>Shift Bonus</u>	<u>Odd WW</u>	<u>Cost of Living</u>	<u>Retirement Hours</u>
Holiday Pay	Incl	Incl	Incl	Incl	Incl	Incl
Holiday During Vacation	Incl	Incl	Incl	Incl	Incl	Incl
Sick Leave	Incl	Incl	Incl	Incl	Incl	Incl
Payment in Lieu of Sick Leave ¹	Incl	Incl	Incl	Incl	Incl	Excl
Vacation	Incl	Incl	Incl	Incl	Incl	Incl
Jury Duty Pay, Witness Pay	Incl	Incl	Incl*	Excl	Incl	Incl
Jury Examination or Impanelment	Incl	Incl	Incl	Incl	Incl	Incl
Selective Service Examination	Incl	Incl	Incl	Incl	Incl	Excl
Overtime Premium	Incl	Incl	Incl	Incl	Incl	--

¹ Subject to tax, including State Disability Insurance and Federal Insurance Contributions Act.

*Graveyard shift bonus excluded.

SUPPLEMENT "F"

LETTERS OF PROCEDURE AND UNDERSTANDING

<u>Code</u>	<u>Subject</u>
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- 2002-1 Application of Job Descriptions of Hydraulic and Controls Installer and Electrical and Electronic Installer
- 2002-2 Layoff and Downgrade of Certain Classifications
- 2002-3 Trainees Not Qualifying for Promotion
- 2002-4 Oral Criticisms
- 2002-5 Inclement Weather (Including Weather Information)
- 2002-6 Establishment of Workweek and Workday for Certain Payroll Accounting and Computer Operations Employees
- 2002-7 Computation of Overtime Payment in Particular Situations
- 2002-8 Distribution and Maintenance of Overtime Records
- 2002-9 Shift Transfers
- 2002-10 Advance Notice of Layoff
- 2002-11 Bypassing Placement Requests
- 2002-12 Voluntary Downgrades
- 2002-13 Field Duty Displacement
- 2002-14 Automatic Rate Progression Schedule Adjustment
- 2002-15 Procedure for Renewal of Placement Requests
- 1
2 2002-16 Administration of Sick Leave in Relation to
3 Attendance
- 4
- 5 2002-17 Transfer of Persons to a Foreign Division or
6 Subsidiary
- 7
- 8 2002-18 Operationally-Required Lateral Transfers

1		
2	2002-19	Voluntary Layoff
3		
4	2002-20	Standards Laboratory Technician -
5		Electrical/Electronics
6		
7		Standards Laboratory Technician -
8		Control Systems
9		
10	2002-21	Use of Toolmaking and Factory Production
11		Personnel from Outside Sources
12		
13	2002-22	Highway Transportation Subcontracting -
14		Garage/Traffic
15		
16	2002-23	Miscellaneous Understandings
17		
18	2002-24	Temporary Assignment of Loaned Employees
19		
20	2002-25	Skills Retention Program
21		
22	2002-26	Occupational Preparation Program
23		
24	2002-27	Steward Representation During and Following
25		Discipline
26		
27	2002-28	Maintenance Subcontracting Review System
28		
29	2002-29	Occupational Injury or Illness (Article IV, Section 5)
30		
31	2002-30	Safety Committees and General Safety Rules
32	2002-31	New Technology
33		
34	2002-32	Company-Union Education and Training
35		Subcommittee
36		
37	2002-33	Dual Machine Tool Operation
38		
39		March 2, 2002
40		
41		

1 Mr. Gary W. Holt
2 President and Directing Business Representative
3 Aerospace/Defense Industry Related
4 District Lodge 725, IAM
5 39047 10th Street East
6 Palmdale, CA 93550

7

8 Dear Mr. Holt:

9

10 **APPLICATION OF JOB DESCRIPTIONS OF**
11 **HYDRAULIC AND CONTROLS INSTALLER AND**
12 **ELECTRICAL AND ELECTRONICS INSTALLER**

13

14 The application by the Company of the above job descriptions
15 has been discussed by the parties on several occasions. The
16 Company has made a thorough investigation into all phases of
17 these jobs and the many and varied work sequences encountered
18 on the different models being manufactured by the Company.

19

20 It is the intent of the Company, as expressed during negotiations,
21 to apply these job descriptions in the following manner:

22

23 1. Structures work performed will be incidental to the
24 particular phase of installation work covered by the
25 classification of the individual employees.

26

27 2. The employee will be expected to satisfactorily perform
28 any function of the Assembler - Installer classification in
29 such employee's functional line. In addition, the employee
30 will be expected to satisfactorily perform Assembler -
31 Installer work in other than his or her particular functional
32 line when such work is incidental to and performed in
33 conjunction with his or her regular and normal functional
34 job assignment.

35

36 As discussed with the Union on previous occasions, the adoption
37 of the two items above could result in the temporary layoff of
38 employees in these classifications due to any number of causes,
39 including revisions in the workload.

40

1 It is the opinion of the Company that the above condition should
2 satisfactorily resolve this problem.

3

4

Very truly yours,

5

6

LOCKHEED MARTIN
AERONAUTICS COMPANY

7

8

9

/s/P. M. Meehan
Sr. Manager, Human Resources

10

11

12 CONCUR:

13

14

/s/Gary W. Holt

15

President and Directing Business Representative

16

Aerospace/Defense Industry Related

17

District Lodge 725, IAM

18

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2
3
4 March 2, 2002
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7
8

9 Mr. Gary W. Holt
10 President and Directing Business Representative
11 Aerospace/Defense Industry Related
12 District Lodge 725, IAM
13 39047 10th Street East
14 Palmdale, CA 93550
15

16 Dear Mr. Holt:
17

18 **LAYOFF AND DOWNGRADE OF CERTAIN**
19 **CLASSIFICATIONS**
20

21 This letter confirms the understanding reached between the
22 Company and the Union during contract negotiations relative to
23 the pairs of classifications that are hereinafter listed.
24

25 The parties mutually agreed that, in the application of Article IV,
26 Sections 3 and 11 of the Company-Union Agreement, employees
27 classified in the higher-rated classification of each pair and who,
28 as of the date indicated, were on the active payroll of the
29 Company or were on layoff, military leave or prolonged absence
30 shall not be:
31

- 32 1. Laid off unless all employees classified in the lower-rated
33 classification of each pair have been or are laid off;
34
- 35 2. Downgraded in lieu of layoff to the lower-rated
36 classification upon becoming vulnerable to layoff in the
37 higher-rated classification.
38

1
2
3 March 2, 2002
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5
6
7

8 Mr. Gary W. Holt
9 President and Directing Business Representative
10 Aerospace/Defense Industry Related
11 District Lodge 725, IAM
12 39047 10th Street East
13 Palmdale, CA 93550
14

15 Dear Mr. Holt:

16
17 **TRAINEES NOT QUALIFYING FOR PROMOTION**
18

19 Employees, after completing the maximum length of time in a
20 trainee classification and deemed not qualified by promotional
21 testing, will be offered displacement rights to their prior
22 classification(s), based on seniority.
23

24 Very truly yours,

25
26 LOCKHEED MARTIN
27 AERONAUTICS COMPANY
28

29 /s/P. M. Meehan
30 Sr. Manager, Human Resources
31

32 CONCUR:

33
34 /s/Gary W. Holt
35 President and Directing Business Representative
36 Aerospace/Defense Industry Related
37 District Lodge 725, IAM

1 March 2, 2002

2
3 Mr. Gary W. Holt
4 President and Directing Business Representative
5 Aerospace/Defense Industry Related
6 District Lodge 725, IAM
7 39047 10th Street East
8 Palmdale, CA 93550
9

10 Dear Mr. Holt:

11
12 **ORAL CRITICISMS**

13
14 The Company shall notify the employee when written notations
15 of oral criticisms are recorded on the personnel records
16 maintained in his or her department files. Henceforth, as agreed,
17 supervision of all departments will prepare a memorandum in the
18 form of a written document which will be delivered to
19 employees receiving oral reprimands or criticisms which will be
20 recorded in their file. This should not be construed to mean that
21 all oral criticisms would be recorded; as in the past, supervision
22 may continue to issue oral criticisms as necessary which are not
23 recorded on personnel records. The document issued to an
24 employee should only state, "This is to notify you that a posting
25 has been made to your file regarding a discussion on
26 (SUBJECT)."
27

28 Very truly yours,

29
30 LOCKHEED MARTIN
31 AERONAUTICS COMPANY

32
33 /s/P. M. Meehan
34 Sr. Manager, Human Resources
35

36 CONCUR:

37
38 /s/Gary W. Holt
39 President and Directing Business Representative
40 Aerospace/Defense Industry Related
41 District Lodge 725, IAM

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2
3 March 2, 2002
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5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550

12
13 Dear Mr. Holt:

14
15 **INCLEMENT WEATHER**
16 **(INCLUDING WEATHER INFORMATION)**
17

18 When inclement weather prevails at the start of an employee's
19 shift, the Company may send the employee home at that time. If
20 sent home, the employee is to receive four hours pay.

21
22 When inclement weather prevails at the start of an employee's
23 shift and the employee is required to work, such employee will
24 be retained for the entire shift. This also applies when inclement
25 weather sets in subsequent to the start of an employee's assigned
26 shift.

27
28 Exceptions will be made for the Lockheed Martin Aeronautics
29 Company, Palmdale, California employees who must travel
30 Highway 14 (between Palmdale and Burbank) due to
31 possible Highway 14 pass closure. In such cases, the
32 employees will be paid for the time actually worked.
33

34 When severe weather prevails, notice will be given to radio
35 stations KAVL-610 AM (Lancaster), KTPI-103.1 FM
36 (Palmdale), KFI-630 AM (Los Angeles), and KNX-1070 AM
37 (Inland Empire) as to plant closures, starting at 5:00 a.m. and
38 continuing on each half-hour until 10:30 p.m. Radio station
39 KTPI (Palmdale) will

1 give out weather information to employees if they will call (661)
2 274-1031. The Company will not be responsible for failure of
3 the radio stations to broadcast the announcements.
4

5 The intent of the above is to consolidate letters formerly known
6 as 1986-10 and 1986-11 without changing their meaning.
7

8 Very truly yours,

9
10 LOCKHEED MARTIN
11 AERONAUTICS COMPANY

12
13 /s/P. M. Meehan
14 Sr. Manager, Human Resources
15

16 CONCUR:

17
18 /s/Gary W. Holt
19 President and Directing Business Representative
20 Aerospace/Defense Industry Related
21 District Lodge 725, IAM

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March 2, 2002

Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

**ESTABLISHMENT OF WORKWEEK AND
WORKDAY FOR CERTAIN PAYROLL ACCOUNTING
AND COMPUTER OPERATIONS EMPLOYEES**

The purpose of this letter is to set forth the understanding reached by the Company and the Union relative to the workday and workweek hereby established for certain employees assigned to the Payroll Accounting and Computer Operations Departments.

It is understood that for those time checkers who are assigned to an odd shift, the standard workweek extends from 12:00 Noon, Monday to 12:00 Noon the following Monday and that the standard workday extends from 12:00 Noon of one day to 12:00 Noon the following day.

1 The Company reserves the right to establish an odd workweek
2 for Payroll Accounting and Computer Operations employees in
3 the following classifications:
4

5 Payroll Processor
6 Precision Camera Operator
7 Service Technician – Electronic Computer Systems
8

9

10 Very truly yours,

11

12 LOCKHEED MARTIN
13 AERONAUTICS COMPANY

14

15 /s/P. M. Meehan
16 Sr. Manager, Human Resources

17

18 CONCUR:

19

20 /s/Gary W. Holt
21 President and Directing Business Representative
22 Aerospace/Defense Industry Related
23 District Lodge 725, IAM
24

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March 2, 2002

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10

11 Mr. Gary W. Holt

12 President and Directing Business Representative

13 Aerospace/Defense Industry Related

14 District Lodge 725, IAM

15 39047 10th Street East

16 Palmdale, CA 93550

17

18 Dear Mr. Holt:

19

20

**COMPUTATION OF OVERTIME PAYMENT
IN PARTICULAR SITUATIONS**

21

22

23

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37

The purpose of this letter is to set forth the understanding between the Company and the Union with respect to the manner of computing overtime pay for employees in the set of circumstances described herein.

It is understood and agreed that in the event an employee works eight or more consecutive hours (or six and one-half or more if on the graveyard shift), the consecutive hours worked which are in excess of eight or six and one-half, as the case may be, will be paid for at the rate of time and one-half even though such hours worked began in one workday and ended in the following workday, as workday is defined in the Agreement. An exception to this, however, will be made with respect to any hours worked during the seventh day of an employee's workweek or consecutive

1 hours worked in excess of 12 which shall be paid at the
2 double-time rate, rather than time and one-half.

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18

Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

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March 2, 2002

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9

10 Mr. Gary W. Holt
11 President and Directing Business Representative
12 Aerospace/Defense Industry Related
13 District Lodge 725, IAM
14 39047 10th Street East
15 Palmdale, CA 93550

16

17 Dear Mr. Holt:

18

19 DISTRIBUTION AND MAINTENANCE OF
20 OVERTIME RECORDS

21

22 This letter confirms the understanding reached by the Company
23 and Union members of the Joint Overtime Committee regarding
24 the maintenance of overtime records.

25

- 26 1. "Affected groups" shall be by employee classification, by
27 shift, and by department, except when a different affected
28 group may be established because of operating requirements
29 by agreement with the Senior Steward, Department
30 Manager, Business Representative and Labor Relations
31 Representa- tive. The Union or Company will not
32 unreasonably refuse to change the affected group within a
33 shift in a department.

34

35 Employees who have been on loan for ten or more working days
36 will be considered as members of the "affected group"
37 for purposes of equitable distribution of overtime, and
38 will be given equal opportunity for overtime in
39 accordance with Article VII, Section 4 of the
40 Agreement. An employee loaned for less than ten

1 working days may only be offered overtime when any
2 of the following conditions exist:

- 3
- 4 a. All of the affected employees of the home department/
5 shift are requested to work overtime.
- 6
- 7 b. The borrowed employee possesses special skills
8 necessary to perform the overtime assignment, and
9 none of the affected employees of the department is
10 qualified to perform the work.
- 11
- 12 c. Continuity of work operations requires the borrowed
13 employee to follow through on overtime on work
14 started during regular working hours. When this
15 condition exists to the point that operational
16 requirements would be adversely affected, the
17 employee on temporary loan may be assigned to the
18 overtime work.

19

20 Additions to an affected group shall be given a starting total
21 of the average hours of the group as of the first day of the
22 week they join the affected group. Additions shall include
23 employees returning from field duty of over 30 days,
24 transfers, new hires, shift changes, promotions or other
25 reclassifications.

- 26
- 27 2. Overtime hours for an affected group will be "zeroed out"
28 only by agreement with the Senior Steward, Department
29 Manager, Business Representative and Labor Relations
30 Representative.

31

32 Reduction of hours in an affected group may be made by
33 using a common factor.

34

35 Example: All employees in an affected group have more
36 than 100 accumulated hours; thereby, all may be
37 reduced by 100 resulting in no relative changes
38 in the status of the group.

- 39
- 40 3. Overtime records shall be maintained on either Form #6832
41 or #6832A, or on a form or a system that provides the same

- 1 information as is shown on the referenced forms and which
2 accurately reflects each employee's overtime status.
3
- 4 4. An employee returning from an absence of more than one
5 week (vacation, union business or jury duty excluded) shall
6 be given the average number of hours worked by his or her
7 group during the employee's absence, except as noted below:
8
- 9 Exceptions:
10
- 11 (1) Employees assigned to field duty for less than 30 calendar
12 days who remain on the roster of their regular department shall be
13 charged with the actual overtime hours worked on such field duty
14 assignments or double the average number of overtime hours
15 worked by the group during their absence, whichever is the lesser.
16
- 17 (2) Overtime hours worked by an employee on loan will
18 become a permanent part of the employee's overtime record.
19
- 20 5. Employees will be charged twice the number of hours
21 worked on the seventh day or on a holiday.
22
- 23 6. Subject to operating requirements, overtime may be refused
24 without the employee being charged for refusal if
25 the overtime is on the sixth or seventh workday immediately
26 preceding such employee's vacation, or if the employee has
27 been released for Union business and the Company properly
28 notified in advance.
29
- 30 7. Employees asked after the lunch break on Friday to work
31 weekend overtime will not be charged for refusal.
32
- 33 8. Employees will not be offered overtime on the sixth or
34 seventh day of the workweek immediately preceding and/or
35 following vacation unless they request in writing to be
36 considered three working days or more prior to the overtime
37 day.
38
- 39 9. Employees may request in writing that they do not wish to
40 be considered for overtime. Such request will continue until
41 such time as a written request is received to again be
42 considered. At the time the employee again wants to be

- 1 considered for overtime in the same affected group, the
2 employee will receive the average of his or her affected
3 group or his or her previous overtime hours, whichever is
4 higher.
5
- 6 10. The Company will give notice to the Senior Steward and the
7 employees by Thursday for scheduled weekend overtime
8 and as early as possible on in-week overtime. It must be
9 recognized that there may be some exceptions because of
10 last-minute emergencies or schedule changes.
11
- 12 11. Overtime will be posted on a daily basis where practical, but
13 in no event more than three working days from the date the
14 overtime is performed, unless the Senior Steward and the
15 Department Manager agree otherwise. Following the
16 posting of weekend overtime, a copy of the current overtime
17 record will be provided to the Senior Steward.
18
- 19 12. When it is contemplated that an employee will be loaned to
20 another department for three or more consecutive working
21 days, copies of the loan paperwork will be given both to the
22 Senior Steward of the employee's regular department and of
23 the department to which loaned.
24
- 25 13. Swing and graveyard shifts will be given overtime
26 assignments in relative proportion to the day shift work
27 force, operational requirements permitting.
28
- 29 14. Employees who agree to work overtime will be charged
30 triple the number of hours for which they did not report or
31 did not work.
32
- 33 15. Employees will not be charged for in-week overtime missed
34 if a paid sick or previously approved vacation day(s) is used.
35

1 16. Should unforeseen problems arise in any of the above items,
2 such item may be reopened for revision.

3

4

Very truly yours,

5

6

LOCKHEED MARTIN

7

AERONAUTICS COMPANY

8

9

/s/P. M. Meehan

10

Sr. Manager, Human Resources

11

12

CONCUR:

13

14

/s/Gary W. Holt

15

President and Directing Business Representative

16

Aerospace/Defense Industry Related

17

District Lodge 725, IAM

18

1
2 March 2, 2002
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5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **SHIFT TRANSFERS**
16

17 This letter confirms the understanding reached by the Company
18 and the Union during Contract negotiations regarding shift
19 transfers.
20

- 21 1. In the event it becomes necessary to transfer an employee
22 from one shift to another to fill a vacancy for which no
23 requests are on file, as provided for in Article IV, Section
24 11 of this Agreement, the following conditions and method
25 of selection will apply:
26
- 27 a. The Company shall first offer the available opening to
28 those qualified employees within the same
29 classification in the department in which the opening
30 exists, in order of seniority.
 - 31 b. If an insufficient number of employees accept the
32 transfer as provided in paragraph "a" above, the
33 Company may then transfer the required number of
34 qualified employees in inverse order of seniority from
35 the classification and from within the department where
36 the vacancy exists, and such employees shall be
37 required to accept such transfer.
38
- 39 2. It is recognized that exceptions to the basic rule set forth in
40 item 1 above may occur where specific skills are needed on
41 a particular shift. This requirement may result in an

- 1 employee being retained or transferred out of sequence to
2 the degree necessary to obtain or retain persons of
3 specialized skills not possessed by the affected employees.
4
- 5 3. Employees transferred to another shift for a temporary
6 period shall be returned to their former shift upon
7 completion of their assignment. The Company will discuss
8 with the employees involved and the appropriate Union
9 Steward the reasons for such temporary assignment.
10
- 11 4. Consistent with the need for maintaining skills on swing
12 and graveyard shifts, available openings on day shift will be
13 filled by transfer of swing or graveyard shift personnel who
14 request such transfers.
15
- 16 5. Transfer requests wherein an employee has been
17 involuntarily placed on a shift, or in cases of personal
18 hardship, will be given special consideration. Requested
19 transfers will be made at the earliest practicable date.
20

21 Very truly yours,

22
23 LOCKHEED MARTIN
24 AERONAUTICS COMPANY

25
26 /s/P. M. Meehan
27 Sr. Manager, Human Resources
28

29 CONCUR:

30
31 /s/Gary W. Holt
32 President and Directing Business Representative
33 Aerospace/Defense Industry Related
34 District Lodge 725, IAM
35

1 March 2, 2002

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4

5 Mr. Gary W. Holt
6 President, Directing Business Representative
7 Aerospace/Defense Industry Related
8 District Lodge 725, IAM
9 39047 10th Street East
10 Palmdale, CA 93550

11

12 Dear Mr. Holt:

13

14

ADVANCE NOTICE OF LAYOFF

15

16 This will confirm the understanding reached by the Company
17 and the Union during Contract negotiations regarding the above
18 subject.

19

20 The Company will give, whenever possible, an employee and the
21 Steward five days advance notice of layoff. It is recognized that
22 the size and timing of a surplus and the number of displacements
23 and options involved will have impact upon the amount of
24 advance notice that can be given.

25

26

Very truly yours,

27

28

LOCKHEED MARTIN
AERONAUTICS COMPANY

29

30

31

/s/P. M. Meehan
Sr. Manager, Human Resources

32

33

34

CONCUR:

35

36

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

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March 2, 2002

Mr. Gary W. Holt
President, Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

BYPASSING PLACEMENT REQUESTS

This will confirm the understanding between the Company and the Union regarding the above subject.

Employees will be given a personalized answer setting forth the reasons for their being considered not qualified. This letter will not be used by either the Company or the Union in any subsequent grievance action.

The employee may request and will be granted an interview with either the Personnel Representative or supervision with respect to his or her qualifications and counseling, if appropriate, regarding suggested areas of improvement.

The Joint Educational and Training Committee provided for in Article V will have the responsibility of reviewing and making recommendations for improvement in Hourly Placement in

1 Palmdale for the handling of Placement Requests and
2 suggestions for the implementation of their recommendations.

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Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

1
2 March 2, 2002
3
4

5 Mr. Gary W. Holt
6 Area Director President and Directing Business Representative
7 /Defense Industry Related
8 District Lodge 725, IAM
9 39047 10th Street East
10 Palmdale, CA 93550
11

12 Dear Mr. Holt:

13
14 **VOLUNTARY DOWNGRADES**
15

16 This will confirm the understanding reached between the
17 Company and the Union during Contract negotiations
18 concerning the intent and application of Article IV, Section 9,
19 subsection F (Priority in Filling Available Openings) of the
20 collective bargaining Agreement.
21

22 It was mutually agreed by the parties that voluntary downgrades,
23 under this clause of the Agreement, to avoid layoff would not be
24 considered legitimate. However, downgrades into available
25 openings may be permitted under certain conditions as follows:
26

- 27 1. All downgrades are to be on a voluntary basis.
28 2. Such voluntary downgrades may be permitted only for
29 legitimate reasons. Legitimate reasons may include such
30 circumstances as:
31
32 a. An employee wishing to get into a different line of
33 progression or into a different job family in order to be
34 in a better position for promotional possibilities.
35
36 b. In order to better utilize special training or knowledge
37 which an employee possesses and which is not being
38 properly utilized in the classification the employee is in
39 at that time.
40

- 1 c. An employee who, for reasons of substantial personal
2 hardship or bona fide reasons of serious personal
3 inconvenience, desires to transfer to a different shift
4 and is unable to do so in a lateral or higher
5 classification.
6
- 7 d. An employee who has become unable to successfully
8 perform work which is regular and normal for the
9 classification to which the employee is assigned but
10 which such employee is unable to do.
11

12 Employees who find themselves in circumstances similar to
13 those described above may, if they so desire, file Placement
14 Requests for downgrades. These requests for downgrade will be
15 accepted and processed by the Company on the same basis as
16 employees requesting lateral transfers and promotions.
17

18 It is recognized by the Company and the Union that
19 circumstances set forth in this letter of confirmation are typical
20 and normal of the situations wherein an employee could be
21 allowed to request downgrades in the application of Article IV,
22 Section 9. However, they are not all-inclusive and situations
23 could occur other than those described herein. In such event, the
24 parties may by mutual agreement allow employees to downgrade
25 on a voluntary basis.
26

27 Very truly yours,

28
29 LOCKHEED MARTIN
30 AERONAUTICS COMPANY
31

32 /s/P. M. Meehan
33 Sr. Manager, Human Resources
34

35 CONCUR:

36
37 /s/Gary W. Holt
38 President and Directing Business Representative
39 Aerospace/Defense Industry Related
40 District Lodge 725, IAM
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March 2, 2002

Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

FIELD DUTY DISPLACEMENT

In the application of Article IV, Section 3 (Layoffs) in cases where the employee vulnerable to displacement is on field duty and has 90 working days or less remaining, the procedure shall be as follows:

1. The surplus employee (not the one on field duty) shall displace the least-senior of any less-senior employees in his or her classification.
2. In the event there are no less-senior employees in his or her classification who are not on field duty, the surplus employee shall be placed in the next lateral or lower-rated

1 classification to which the employee is entitled under the
2 Agreement.

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Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

12 CONCUR:

13
14
15
16
17

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

18
19

March 2, 2002

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Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

30
31

Dear Mr. Holt:

32
33
34
35

**AUTOMATIC RATE PROGRESSION
SCHEDULE ADJUSTMENT**

36
37
38
39
40

In order to carry out the intent of the Agreement, employees recalled at less than the maximum rate of the classification are to receive credit in their rate of pay for only the time worked beyond their last automatic rate progression.

1 The following adjustment schedule will be used and the amounts
 2 shown will be added to the employee's last previous rate in the
 3 classification at the time the next scheduled ARP is paid.

4
 5 **Employees in Labor Grades 1 through 18**

6	7	8	9
	Number of Weeks	Amount of	
	<u>Since Last ARP</u>	<u>Increase</u>	
10	2 - 4	\$.05	
11	5 - 9	\$.10	
12	10 - 13	\$.15	
13	14 - 16	\$.20	
14	17	\$.25	

15
 16 If the above amount places the employee within \$.01 or \$.02 of
 17 the top, such employee is to be taken to the maximum for his or
 18 her classification.

19
 20 Very truly yours,

21
 22 LOCKHEED MARTIN
 23 AERONAUTICS COMPANY

24
 25 /s/P. M. Meehan
 26 Sr. Manager, Human Resources

27
 28 CONCUR:

29
 30 /s/Gary W. Holt
 31 President and Directing Business Representative
 32 Aerospace/Defense Industry Related
 33 District Lodge 725, IAM
 34

1
2 March 2, 2002
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5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **PROCEDURE FOR RENEWAL OF**
16 **PLACEMENT REQUESTS**
17

18 This letter confirms the agreement reached in negotiations for
19 revision of the procedure for renewing Placement Requests. All
20 employees will be required to file a new Placement Request form
21 when their old Placement Requests expire should they desire a
22 renewal.
23

24 The Company will provide a revised Placement Request form
25 which will include a copy to be retained by the employee.
26

27 Very truly yours,
28

29 LOCKHEED MARTIN
30 AERONAUTICS COMPANY
31

32 /s/P. M. Meehan
33 Sr. Manager, Human Resources
34

35 CONCUR:
36

37 /s/Gary W. Holt
38 President and Directing Business Representative
39 Aerospace/Defense Industry Related
40 District Lodge 725, IAM

March 2, 2002

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Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

**ADMINISTRATION OF SICK LEAVE
IN RELATION TO ATTENDANCE**

This letter will confirm the understanding reached between the Company and the Union in Contract negotiations regarding the above subject.

The first six days that an employee is absent because of illness will not be considered attendance irregularities.

Written criticisms for attendance shall not be issued arbitrarily but will be based upon review of the employee's attendance record and consideration of the individual circumstances.

Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

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4 March 2, 2002
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9 Mr. Gary W. Holt
10 President and Directing Business Representative
11 Aerospace/Defense Industry Related
12 District Lodge 725, IAM
13 39047 10th Street East
14 Palmdale, CA 93550
15

16 Dear Mr. Holt:
17

18 **TRANSFER OF PERSONS TO A FOREIGN**
19 **DIVISION OR SUBSIDIARY**
20

21 This letter confirms the agreement reached in negotiations
22 relative to a person who is transferred by the Company to work
23 on Lockheed Martin Aeronautics Company, Palmdale, California
24 products or articles outside the continental limits of the United
25 States for a period not to exceed 26 consecutive months, and
26 assigned to a foreign division or subsidiary of Lockheed Martin,
27 and thereafter is reassigned to the Lockheed Martin Aeronautics
28 Company, Palmdale, California.
29

30 Notwithstanding any provisions in the Agreement to the
31 contrary, such persons shall not continue to accumulate seniority,
32 but will not forfeit acquired seniority while assigned to a foreign
33 division or subsidiary. The period of time while on the foreign
34 assignment, computed to the nearest full month, will not be
35 counted in case of subsequent placement in a classification
36 covered by the

1 Agreement. The Company will notify the Union of persons sent
2 on such assignment.

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Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

1
2 March 2, 2002
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5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **OPERATIONALLY-REQUIRED**
16 **LATERAL TRANSFERS**
17

18 *This confirms the understanding reached between the Company*
19 *and the Union regarding the above subject.*
20

21 Operationally-required lateral transfers from one department to
22 another in the same plant area may be made without reference to
23 the priority set forth in Article IV, Section 10 of the Agreement.
24 Such lateral transfer will not change the employee's shift or
25 classification. Furthermore, during the first 90 days after an
26 operationally-required transfer, the employee will be considered
27 to be assigned to the department from which last transferred, in
28 addition to the current department, for purposes of promotional
29 consideration to Lead and to higher rated jobs.
30

31 The operational requirements upon which such transfers are
32 made will be limited to the introduction or phase out of a model,
33 program or project, or at times when an increase or decrease in a
34 production schedule is being made, or if the employee agrees, at
35 which time preference will be given to the most-senior qualified
36 employee by classification and shift and who has a valid
37 Placement Request on file. When operationally-required
38 transfers are required, the number, classification and seniority
39 range having been determined by the Company, a committee
40 consisting of the affected Branch Head, a representative from
41 Labor Relations, the President of District Lodge 725 and a Union

1 representative of their choice will meet at least 14 days prior to
2 any such transfers. Employees to be transferred will be chosen
3 by mutual agreement from among those within the selected
4 seniority range. Any selections not mutually agreed upon within
5 five working days following such meeting will be made in
6 inverse seniority order within the selected seniority range.

7
8 If the number of employees to be transferred is ten or less, the
9 seniority range shall consist of double the number of employees
10 to be transferred. Where the number to be transferred is 11 or
11 more, the seniority range shall consist of an additional ten
12 employees or one and one-half times the number to be
13 transferred, whichever is greater.

14
15 Any claim that an operationally-required transfer was not based
16 on the conditions specified above may be taken up as a
17 grievance.

18
19 Very truly yours,

20
21 LOCKHEED MARTIN
22 AERONAUTICS COMPANY

23
24 /s/P. M. Meehan
25 Sr. Manager, Human Resources

26
27 CONCUR:

28
29 /s/Gary W. Holt
30 President and Directing Business Representative
31 Aerospace/Defense Industry Related
32 District Lodge 725, IAM

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March 2, 2002

Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

VOLUNTARY LAYOFF

This will confirm the agreement reached between the parties to extend the terms of the prior agreement on the subject of Voluntary Layoffs in accordance with the following.

A member of the bargaining unit will be granted layoff under the following conditions:

1. A surplus or bumping condition exists within the employee's division and in the employee's classification; and
2. The election of voluntary layoff will save a less-senior employee from layoff; and
3. One level above the Department Head approves the voluntary layoff (the manager's decision not to approve a request for voluntary layoff will be subject to the same appeal process as provided for in Article VI, Section 4 of the Company-Union Agreement, except that the employee protest will be referred to the branch head for final determination); and
4. The employee signs the voluntary layoff form that will be provided by the Company.

1 An employee who has been notified that he or she is surplus or
2 subject to layoff through operation of Article IV of the
3 Company-Union Agreement may elect voluntary layoff so long
4 as the surplus condition exists.

5
6 For purposes of the Basic Benefit Plan and Hourly Employees'
7 Savings Plan Plus, the Company will treat the voluntary layoff
8 the same as the General Layoff referenced in the current
9 collective bargaining Agreement between the parties.

10
11 The recall rights of an employee who elects voluntary layoff will
12 automatically be suspended for a period of six months (such six
13 months to be part of the five-year recall period referenced in
14 Article IV, Section 4 of the Company-Union Agreement).
15 Therefore, employee recall rights may be reactivated through the
16 procedure established by contract.

17
18 NOTE: Determination of eligibility for Unemployment
19 Insurance Benefits (UIB) is determined by the State of
20 California. While the Company will furnish accurate
21 information to the State as required by law and
22 regulation, it will not contest the application for UIB of
23 an employee who elects voluntary layoff. Generally
24 speaking, voluntary separation from employment
25 would make a person ineligible for UIB.

26
27 Very truly yours,

28
29 LOCKHEED MARTIN
30 AERONAUTICS COMPANY

31
32 /s/P. M. Meehan
33 Sr. Manager, Human Resources

34
35 CONCUR:

36
37 /s/Gary W. Holt
38 President and Directing Business Representative
39 Aerospace/Defense Industry Related
40 District Lodge 725, IAM

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March 2, 2002

Mr. Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM
39047 10th Street East
Palmdale, CA 93550

Dear Mr. Holt:

**STANDARDS LABORATORY TECHNICIAN
ELECTRICAL/ELECTRONICS**

**STANDARDS LABORATORY TECHNICIAN
CONTROL SYSTEMS**

This letter confirms the understanding reached between the Company and the Union during Contract negotiations relative to the above classifications.

Prior to July 29, 1968 the above classifications were covered by the Standards Laboratory Technician -Electro Mechanical.

The two parties mutually agreed that in the application of Sections 3 and 11 of Article IV of the Agreement, employees who as of July 24, 1968 were on the active payroll of the Company or on layoff, military leave or prolonged absence in the classification of Standards Laboratory Technician - Electro Mechanical would be considered to have displacement rights in accordance with their

1 seniority in either of the above two Standards Laboratory
2 Technician classifications, provided they could perform the
3 work.

4

5

6

Very truly yours,

7

8

LOCKHEED MARTIN
AERONAUTICS COMPANY

9

10

11

/s/P. M. Meehan

12

Sr. Manager, Human Resources

13

14

CONCUR:

15

16

/s/Gary W. Holt

17

President and Directing Business Representative

18

Aerospace/Defense Industry Related

19

District Lodge 725, IAM

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2
3 March 2, 2002
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6

7 Mr. Gary W. Holt
8 President and Directing Business Representative
9 Aerospace/Defense Industry Related
10 District Lodge 725, IAM
11 39047 10th Street East
12 Palmdale, CA 93550
13

14 Dear Mr. Holt:
15

16 **USE OF TOOLMAKING AND FACTORY**
17 **PRODUCTION PERSONNEL FROM**
18 **OUTSIDE SOURCES**
19

20 This letter is to confirm the understanding reached between the
21 Company and the Union concerning the above subject.
22

23 The Company agrees to use all reasonable efforts to avoid the
24 utilization of tooling and/or factory production personnel from
25 other companies. However, if the work force is insufficient, the
26 Company may utilize such outside personnel subject to meeting
27 the following conditions:
28

- 29 1. Outside personnel will not be offered overtime unless all
30 employees in the same classification and department have
31 been offered the overtime.
- 32 2. All employees have been recalled to the classification
33 within which the work is to be performed.
34
- 35 3. All employees qualified, in accordance with Article IV,
36 Section 8, for promotion to the specific classification
37 involved have been promoted.
38
- 39 4. The Company is unable to hire sufficient numbers of
40 employees to fill its immediate needs.

1 5. The Company has reviewed with the Union the
2 circumstances requiring such action.

3

4

Very truly yours,

5

6

LOCKHEED MARTIN
AERONAUTICS COMPANY

7

8

9

/s/P. M. Meehan
Sr. Manager, Human Resources

10

11

12 CONCUR:

13

14

/s/Gary W. Holt

15

President and Directing Business Representative

16

Aerospace/Defense Industry Related

17

District Lodge 725, IAM

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3 March 2, 2002
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8 Mr. Gary W. Holt
9 President and Directing Business Representative
10 Aerospace/Defense Industry Related
11 District Lodge 725, IAM
12 39047 10th Street East
13 Palmdate, CA 93550
14

15 Dear Mr. Holt:
16

17 **HIGHWAY TRANSPORTATION**
18 **SUBCONTRACTING - GARAGE/TRAFFIC**
19

20 This will confirm the understanding reached between the
21 Company and the Union on the above subject.
22

23 The management of the Garage will supply a copy of the Special
24 Transportation Log to the Senior Steward on a weekly basis. In
25 addition, a review will be held weekly, or as mutually agreed to,
26 by the Manager and Senior Steward for the purpose of reviewing
27 jobs that have been subcontracted by the Traffic Department.
28 When garage mechanic work is to be performed by contract
29 employees, a form (the purchase order) will be filed in a special
30 cabinet after discussion and initialing by the Senior Steward.
31 This special cabinet will be accessible to the Senior Steward at
32 any time during normal working hours.
33

34 Any problems not resolved may be referred to the next level of
35 management by either Labor Relations or the Union.
36

1 None of the above prejudices the right of any employee to file a
2 grievance under the Company-Union Agreement.

3

4

Very truly yours, .

5

6

LOCKHEED MARTIN
AERONAUTICS COMPANY

7

8

9

/s/P. M. Meehan
Sr. Manager, Human Resources

10

11

12

CONCUR:

13

14

/s/Gary W. Holt

15

President and Directing Business Representative

16

Aerospace/Defense Industry Related

17

District Lodge 725, IAM

1
2 March 2, 2002
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5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:

14
15 **MISCELLANEOUS UNDERSTANDINGS**
16

17 This will confirm the understanding reached between the
18 Company and the Union on the above subject.
19

- 20 1. In the event there is a conflict in vacation scheduling which
21 cannot be settled by a mutually satisfactory agreement
22 between supervision and the employees involved,
23 preference will be given on the basis of seniority.
24

25 When a vacation has been approved and signed by the
26 Department Head, all reasonable efforts will be made not to
27 change it.
28

29 A vacation schedule committee will be established. This
30 committee will be composed of the Labor Relations
31 Manager and a Labor Relations Representative for the
32 Company, and the Business Representative and the
33 appropriate Senior Steward for the Union. The committee
34 will meet at the request of either party for the purpose of
35 settling disputes in vacation scheduling.
36

- 37 2. The Company agrees to allow the Union to select a
38 representative from among those people on temporary
39 foreign tour assignment for purposes of advice to employees
40 on problems relating to job assignments.
41

- 1 3. It is the intent of the Company to utilize Graphic Arts
2 Department personnel prior to vending out work wherever
3 practicable. In addition, the Graphic Arts Department will
4 review future subcontracting work with the Senior Steward
5 on a periodic basis when circumstances reasonably permit
6 prior to sending work out. Consideration will be given to
7 recalling laid off or downgraded employees where the work
8 is of sufficient duration, except in bona fide emergencies.
9
- 10 4. It is not the intent of the Company to normally transfer an
11 employee from one shift to another in-week. However,
12 employees required to transfer from swing shift to day shift,
13 in-week, will be granted two hours time off with pay at the
14 end of their last shift prior to such transfer.
15
- 16 5. It is the intent of the Company to normally use its
17 employees on field duty assignment and to review joint
18 ventures to ensure that bargaining unit employees perform
19 bargaining unit work where feasible.
20
- 21 6. One year or later, following the issuance of a written
22 criticism, an employee may request in writing of his or her
23 Department Manager to have it removed. If the employee,
24 during the intervening period of time, has demonstrated
25 sufficient improvement and the ability to maintain an
26 acceptable and satisfactory record, the Department Manager
27 will remove the written criticism. The decision of the
28 Department Manager will not be subject to the grievance
29 procedure.
30
- 31 If improvement of employee performance or conduct is
32 observed, this may be noted by issuance of a memorandum
33 or Award of Achievement; the original given to the
34 employee and a copy for his or her personnel record. The
35 issuance of a commendation will be noted in the employee's
36 file.
37
- 38 7. It is the intent of the Company to utilize photo, reproduction
39 and microfilm personnel prior to vending out work, subject
40 to schedule requirements and equipment availability, where
41 such work operations involved have normally been

1 performed by employees in the bargaining unit. In addition,
2 the Manager of the Multi-Media Photographic Imaging
3 Departments 017S and 017T will review subcontracting
4 production reports with the Senior Steward on a quarterly
5 basis. At that time, consideration will be given to recalling
6 laid-off or downgraded employees where the work is of
7 sufficient duration, except in bona fide emergencies.
8

- 9 8. Within ten working days following the completion of a
10 temporary assignment to work in a lateral or lower-rated
11 classification not previously held, an employee may request
12 that an ANVO confirming such assignment be placed in
13 such employee's Company personnel folder. Upon receipt
14 of such request, the cognizant Department Manager will
15 issue an ANVO outlining the duties performed and duration
16 of such assignment.
17

18 Very truly yours,

19
20 LOCKHEED MARTIN
21 AERONAUTICS COMPANY
22

23 /s/P. M. Meehan
24 Sr. Manager, Human Resources
25

26 CONCUR:

27
28 /s/Gary W. Holt
29 President and Directing Business Representative
30 Aerospace/Defense Industry Related
31 District Lodge 725, IAM
32

1 March 2, 2002

2
3 Mr. Gary W. Holt
4 President and Directing Business Representative
5 Aerospace/Defense Industry Related
6 District Lodge 725, IAM
7 39047 10th Street East
8 Palmdale, CA 93550
9

10 Dear Mr. Holt:

11
12 **TEMPORARY ASSIGNMENT OF**
13 **LOANED EMPLOYEES**
14

15 The Company and the Union mutually agree that when it is
16 anticipated, or the total number of days that an employee is to be
17 loaned into a department is for a period exceeding 15 working
18 days, employees in the department who have shift change
19 requests on file will be offered the shift change based on
20 seniority for the period of the loan. The period may be extended
21 an additional five days by mutual agreement between the
22 department head and the senior steward.
23

24 At the conclusion of such loan, said employee shall be returned
25 to their regular assigned shift. All such shift changes will be
26 subject to and made on the basis of operational requirements.
27

28 Very truly yours,

29
30 LOCKHEED MARTIN
31 AERONAUTICS COMPANY
32

33 /s/P. M. Meehan
34 Sr. Manager, Human Resources
35

36 CONCUR:

37
38 /s/Gary W. Holt
39 President and Directing Business Representative
40 Aerospace/Defense Industry Related
41 District Lodge 725, IAM

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4 March 2, 2002
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7

8 Mr. Gary W. Holt
9 President and Directing Business Representative
10 Aerospace/Defense Industry Related
11 District Lodge 725, IAM
12 39047 10th Street East
13 Palmdale, CA 93550
14

15 Dear Mr. Holt:
16

17 **SKILLS RETENTION PROGRAM**
18

19 This letter will confirm the understanding reached between the
20 Company and the Union during Contract negotiations with
21 respect to the above program.
22

23 It is recognized by the parties that under certain conditions it
24 may be mutually advantageous to the Company, to the Union,
25 and to the employees to loan the services of employees to other
26 companies either within or outside the Lockheed Martin
27 Corporation. It is also recognized that in such circumstances the
28 receiver of such loaned services expects and requires certain
29 assurance of the continued availability of the loaned employee.
30

31 The customer establishes the requirements and qualifications for
32 the employees whose services such customer is contracting for
33 and makes the final determinations as to which ones will be
34 selected. The Company will, however, submit for selection
35 larger numbers of employees than are required and will endeavor
36 to send only those employees who are willing to go on such an
37 assignment.
38

39 The normal period for the loan of an employee's services will be
40 three months or less unless extended by mutual agreement
41 between the Company and the Union. Other conditions of the

1 assignment will be subject to mutual agreement between the
2 Company and the Union and will be fully explained to the
3 employee. The terms of the collective bargaining Agreement in
4 effect shall be applied to employees while on such assignment,
5 except as follows:

- 6
- 7 1. The employees shall not be subject to displacement through
8 application of the layoff procedure.
9
- 10 2. In the application of the surplus procedure where the
11 employee vulnerable to displacement is on loan, the surplus
12 employee (not the one on loan) shall displace the
13 least-senior of any less-senior employees in his or her
14 classification who is not on loan.
15
- 16 3. In the event there are no less-senior employees in his or her
17 classification who are not on loan, the surplus employee
18 shall be placed in the next lateral or lower-rated
19 classification to which entitled under the Agreement.
20
- 21 4. Upon reassignment to his or her home plant, an employee
22 who has been on loan shall be entitled to placement in
23 accordance with his or her seniority.
24

25 Very truly yours,

26
27 LOCKHEED MARTIN
28 AERONAUTICS COMPANY

29
30 /s/P. M. Meehan
31 Sr. Manager, Human Resources

32
33 CONCUR:

34
35 /s/Gary W. Holt
36 President and Directing Business Representative
37 Aerospace/Defense Industry Related
38 District Lodge 725, IAM
39

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2
3 March 2, 2002
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6

7 Mr. Gary W. Holt
8 President and Directing Business Representative
9 Aerospace/Defense Industry Related
10 District Lodge 725, IAM
11 39047 10th Street East
12 Palmdale, CA 93550
13

14 Dear Mr. Holt:
15

16 **OCCUPATIONAL PREPARATION PROGRAM**
17

18 The Company and the Union are mutually desirous of
19 cooperating and participating in a program of "Occupational
20 Preparation" for disadvantaged persons whereby their
21 opportunities for profitable employment may be increased.
22 Therefore, it has been mutually agreed between the Company
23 and the Union during Contract negotiations as follows:
24

- 25 1. A Job Skills Trainee classification for factory work will be
26 established to be used for the preparation of individuals
27 qualifying for the program to enter other bargaining unit
28 classifications.
29
- 30 2. The rate range for this classification will be established by
31 mutual agreement at the time the classification is activated.
32
- 33 3. The maximum period an employee will remain in the Job
34 Skills Training Program will be 12 weeks.
35
- 36 4. Upon satisfactory completion of the Occupational
37 Preparation Program, the Job Skills Trainee shall be placed
38 in the classification for which trained.
39
- 40 5. Time spent by an employee in the classification of Job
41 Skills Trainee shall not apply toward the completion of the

1 probationary period set forth in Article IV, Section 2 of the
2 Company-Union Agreement.

3
4 Upon completion of the Job Skills Training Program and upon
5 being placed in a currently-existing classification within the
6 bargaining unit, an employee shall begin his or her probationary
7 period. Upon the completion of his or her probationary period,
8 the employee's seniority shall be established as of the date of
9 being hired into the Job Skills Trainee classification.

10

11

Very truly yours,

12

13

LOCKHEED MARTIN
AERONAUTICS COMPANY

14

15

16

/s/P. M. Meehan

17

Sr. Manager, Human Resources

18

19

CONCUR:

20

21

/s/Gary W. Holt

22

President and Directing Business Representative

23

Aerospace/Defense Industry Related

24

District Lodge 725, IAM

25

1
2 March 2, 2002
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4
5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **STEWARD REPRESENTATION DURING AND**
16 **FOLLOWING DISCIPLINE**
17 **(WEINGARTEN RULING)**
18

19 This will confirm the agreement reached during negotiations.
20

21 During investigatory interviews in which there is a reasonable
22 expectation, or the employee reasonably believes, or has
23 reasonable fear that it may result in disciplinary action, the
24 employee, at his or her option, is entitled to request his or her
25 Senior Steward or alternate be present at such interview as his or
26 her Union representative and has the right to prior consultation
27 with said Steward. However, the Company has no duty to
28 bargain with the Union representative present at the interview. It
29 is understood that if such a request is made, the management, at
30 its option, may terminate the interview.
31

32 Immediately following disciplinary action involving suspension
33 or discharge, an employee is entitled to and will be allowed,
34 before leaving the plant, the opportunity to confer with his or her
35 Senior Steward or alternate, where such discipline has not
36 created an inflammatory situation.
37

38 In disciplinary cases involving the issuance of an Employee
39 Performance Notice, suspension or discharge, the employee, at
40 his or her option, may request the Senior Steward or alternate be

1 present at such meeting as a witness if more than one member of
2 management is also in attendance at such meeting.

3
4 If the Senior Steward is not available, the employee designated
5 to replace the absent Steward will be the alternate.

6

7

Very truly yours,

8

9

LOCKHEED MARTIN
AERONAUTICS COMPANY

10

11

12

/s/P. M. Meehan

13

Sr. Manager, Human Resources

14

15

CONCUR:

16

17

/s/Gary W. Holt

18

President and Directing Business Representative

19

Aerospace/Defense Industry Related

20

District Lodge 725, IAM

21

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3 March 2, 2002
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7

8 Mr. Gary W. Holt
9 President and Directing Business Representative
10 Aerospace/Defense Industry Related
11 District Lodge 725, IAM
12 39047 10th Street East
13 Palmdale, CA 93550
14

15 Dear Mr. Holt:
16

17 **MAINTENANCE SUBCONTRACTING**
18 **REVIEW SYSTEM**
19

20 This will confirm the understanding reached between the
21 Company and the Union on the above subject.
22

23 Each job being subcontracted is subject to review and approval
24 by the Plant Engineering Manager or designee. A new electronic
25 form has been developed to replace the Request for Purchase
26 Request and will be used for each subcontracted job. At the time
27 of management approval for release of the purchase request to
28 Procurement, the form will be available electronically for Senior
29 Steward review.
30

31 The Plant Engineering Manager or designee will hold a monthly
32 meeting (first Monday of each month) for the purpose of
33 discussing subcontract work and any problem-solving, if
34 necessary. The Senior Stewards and Plant Engineering Manager
35 or designee will attend the meeting. Any problems not resolved
36 may be referred to the next level of management by either Labor
37 Relations or the Union.
38

1 It is understood that the above review systems will in no way
2 prejudice the right of any employee to file a grievance under the
3 Company-Union Agreement.

4

5

Very truly yours,

6

7

LOCKHEED MARTIN
AERONAUTICS COMPANY

8

9

10

/s/P. M. Meehan

11

Sr. Manager, Human Resources

12

13

CONCUR:

14

15

/s/Gary W. Holt

16

President and Directing Business Representative

17

Aerospace/Defense Industry Related

18

District Lodge 725, IAM

1 March 2, 2002

2
3 Mr. Gary W. Holt
4 President and Directing Business Representative
5 Aerospace/Defense Industry Related
6 District Lodge 725, IAM
7 39047 10th Street East
8 Palmdale, CA 93550
9

10 Dear Mr. Holt:

11
12 **OCCUPATIONAL INJURY OR ILLNESS**
13 **(ARTICLE IV, SECTION 5)**
14

15 *This will confirm the understanding between the Company and*
16 *Union regarding the above subject.*
17

18 *In an arbitration opinion on the above provision, the arbitrator*
19 *noted that the parties did not intend that an employee be retained*
20 *out of seniority for an indefinite period, automatically and*
21 *without exception. He suggests that some investigation and/or*
22 *examination is appropriate to determine whether employees*
23 *should, in fact, be retained out of seniority. Advance guidelines*
24 *to determine the conditions under which an employee will be*
25 *retained on the payroll at the expense of a more-senior employee*
26 *must therefore be established. First, it must be recognized that*
27 *the thrust of the provision's intent is to preference the "physically*
28 *handicapped" which shall hereinafter be referred to as physically*
29 *impaired employee undergoing active treatment. It must also be*
30 *recognized that there is no intent to provide automatic permanent*
31 *employment to any employee nor to preference an employee not*
32 *physically impaired. The arbitrator tells us in his opinion and*
33 *award that a physically impaired employee whose case has not*
34 *been settled by the Workers' Compensation Appeals Board will*
35 *be retained out of seniority until such time as the employee is no*
36 *longer physically impaired, or the compensation case has been*
37 *settled, whichever occurs first. It must therefore be our*
38 *interpretation that physically impaired employees cannot*
39 *perform the regular duties of their classification or they would*
40 *not be physically impaired.*

1 For the purpose of applying the arbitrator's award, the term
2 "physically impaired" shall mean that the employee is receiving
3 active treatment for an injury or illness incurred in the course of
4 his or her employment with the Company, and determined by the
5 Workers' Compensation Insurance Appeal Board or the
6 Company to be occupational, and cannot as a result of such
7 injury perform the normal duties of his or her classification.
8 Further, such treatment shall be administered by that physician to
9 whom the insurance carrier and/or the Company refers the
10 employee or as authorized by the Division of Industrial
11 Accidents. Active treatment does not include periodic
12 observation.

13
14 Very truly yours,

15
16 LOCKHEED MARTIN
17 AERONAUTICS COMPANY

18
19 /s/P. M. Meehan
20 Sr. Manager, Human Resources

21
22 CONCUR:

23
24 /s/Gary W. Holt
25 President and Directing Business Representative
26 Aerospace/Defense Industry Related
27 District Lodge 725, IAM
28

1 March 2, 2002

2
3 Mr. Gary W. Holt
4 President and Directing Business Representative
5 Aerospace/Defense Industry Related
6 District Lodge 725, IAM
7 39047 10th Street East
8 Palmdale, CA 93550
9

10 Dear Mr. Holt:

11
12 **SAFETY COMMITTEES AND**
13 **GENERAL SAFETY RULES**
14

15 This letter will confirm the understanding reached between the
16 Company and the Union during the current Contract
17 negotiations.
18

- 19 1. Union Safety Coordinator: The District President shall
20 appoint one safety coordinator. The coordinator shall be a
21 Business Representative of District Lodge 725 or their
22 designee. The coordinator shall:
23
24 a. Have the responsibility to appoint Union representatives
25 to serve on the General Safety Committee.
26 Appointments to and removals from the committee by
27 the Union shall be in writing to Labor Relations and to
28 Environmental Safety and Health and shall be effective
29 on the day following receipt. Those employees
30 appointed to the safety committee shall cover assigned
31 areas for which they have clearance and access.
32
33 b. Be the primary Union safety spokesperson for the
34 General Safety Committee and shall meet with
35 appropriate governmental and Company spokespersons.
36
37 c. Receive copies of all Company Environmental Safety
38 and Health Department publications such as bulletins,
39 committee minutes, reminders and the monthly safety
40 report. They shall have access to Company reference

1 materials (books, reports, documents) pertaining to
2 occupational safety and health.

- 3
4 d. Be notified in writing of area exposure to potentially
5 toxic materials or harmful physical agents. The
6 coordinator may also have access to individual
7 employee records provided that written permission is
8 first obtained from the affected employee(s).
9
10 e. Have the right to request that special tests be
11 accomplished by the Company, with designated Union
12 representatives to witness these tests, where there is
13 reason to believe a safety or health hazard may exist.
14 The coordinator shall be briefed by the Company
15 concerning calibration, sampling and analysis of the
16 particular test. Results are to be furnished to the Union
17 in writing.
18
19 f. Be notified immediately prior to all OSHA inspections.
20
21 g. Be notified within 24 hours of any industrial death or
22 injury to employees requiring in-patient hospitalization
23 for a period in excess of 24 hours for other than medical
24 observation.

25
26 The coordinator may meet monthly with Company
27 Environmental Safety and Health Department personnel
28 for the purpose of cross-training, briefings and other
29 discussions.
30

- 31 2. Company Safety Committee: The Union shall fully
32 participate in the deliberations of the Company's General
33 Safety Committee and committee members, whether
34 appointed by the Company or the Union shall not be absent
35 from a meeting more than two times a year. If in excess of
36 that number, they may be removed by the person who
37 appointed them.
38

39
40 The Union will participate in the deliberations of the
41 General Safety Committee as follows:

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41
- a. The Union will appoint representatives to serve on the General Safety Committee for the area plant at which they are employed. A side letter of agreement specifying location and numbers shall be a part of this letter. The Company and the Union will notify each other in writing when either makes appointments to or removals from the committee.
- (1) These members shall attend and participate in the work of this committee.
 - (2) No more than one Union member may be appointed from one Company-established department structure, except by mutual agreement.
 - (3) After appointment, the Union representatives shall receive Company training which provides an overview of all relevant health and safety issues.
 - (4) These members shall inspect and monitor safety performance at the departmental level for their assigned areas.
 - (5) These members shall have the right to bring safety hazards to the attention of the Company for appropriate corrective action. Prior to the monthly General Safety Committee meetings, the Union representatives will have a review meeting with one level above department manager of their assigned area.
 - (6) Attend Company-sponsored, semi- annual safety training seminars of up to four hours in duration. The seminars may include technical lectures, OSHA standards updates, on-site inspections and Lockheed Martin safety policy review.
 - (7) Receive copies of all Company Environmental Safety and Health Department publications such as bulletins, committee minutes, reminders and the

1 monthly safety report. They shall have access to
2 Company reference materials (books, reports,
3 documents) pertaining to occupational safety and
4 health.

5
6 (8) Have the right to request that special tests be
7 accomplished by the Company, with designated
8 Union representatives to witness these tests, where
9 there is reason to believe a safety or health hazard
10 may exist. The appropriate General Safety
11 Committee representative shall be briefed by the
12 Company concerning the calibration, sampling and
13 analysis of the particular test. Results are to be
14 furnished to the Union in writing.

15
16 3. Employee Safety Rules: The following general rules shall
17 apply to all employees:

18
19 a. All employees will be instructed as required in general
20 safety work practices and specific instructions with
21 respect to hazards unique to the employee's job
22 assignment.

23
24 b. All employees exposed, without regard to personal
25 protective equipment, to toxic materials or hazardous
26 physical agents in concentration levels exceeding those
27 prescribed by law will be notified and informed of
28 corrective action being taken.

29
30 c. Where there is reason to believe a safety or health
31 hazard may exist, the employees shall have the right to
32 request that appropriate special tests be accomplished
33 by the Company. The employees shall be informed of
34 test results.

35
36 d. Each employee shall receive up to 30 minutes in
37 duration of safety instruction by his/her Supervisor
38 monthly. The training shall include specific job safety,
39 as well as general plant rules.
40

- 1 e. Each employee required to use personal protective
- 2 equipment shall be trained in its use.
- 3
- 4 4. Medical: At established intervals, the Company will
- 5 provide physical examinations, as is current practice, to
- 6 employees who have been exposed, without regard to
- 7 personal protective equipment, to potentially toxic materials
- 8 or harmful physical agents. Employees exposed, without
- 9 regard to personal protective equipment, to toxic
- 10 materials or hazardous physical agents in concentrations
- 11 exceeding those prescribed by law will be informed.

12
13 Very truly yours,

14
15 LOCKHEED MARTIN
16 AERONAUTICS COMPANY

17
18 /s/P. M. Meehan
19 Sr. Manager, Human Resources

20
21 CONCUR: ..

22
23 /s/Gary W. Holt
24 President and Directing Business Representative
25 Aerospace/Defense Industry Related
26 District Lodge 725, IAM
27

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**SIDE LETTER TO LETTER OF
AGREEMENT 2002-30**

General Safety Committee: The Union will appoint one representative to serve on the day shift General Safety Committee for the area plant at which he or she is employed as follows:

Plant 9	Building 637/637a
Building 601	Building 646
Building 602	Site 2
Building 636	Site 7
Site 8	

Where populated, the Union may appoint one representative to serve on the swing shift General Safety Committee for the above area plant at which he/she is employed.

Very truly yours,

**LOCKHEED MARTIN
AERONAUTICS COMPANY**

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

1
2 March 2, 2002
3
4
5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **NEW TECHNOLOGY**
16

- 17 1. The Union and the Company agree that employee job
18 security may be affected from the Company's introduction
19 and utilization of new machinery and equipment such as
20 automated machines and robots. It is further agreed that the
21 utilization of the safest and most efficient machines,
22 processes, methods and materials is to the mutual benefit of
23 the Union, the Company and employees.
24
- 25 2. The term "new technology" shall be defined as the
26 installation or introduction of automated manufacturing
27 machines, robots and computer-aided manufacturing systems
28 that cause the direct elimination of work which has been
29 performed manually by an hourly-represented employee.
30
- 31 3. Technological advances such as those referred to in
32 paragraph 2 (new technology) above necessitate changes that
33 could affect jobs and the employees assigned thereto. In
34 recognition of the Union's expressed concerns, the Company
35 will establish a committee which will deal with the
36 introduction of new machinery and equipment with the goal
37 of assuring that the employees, whose jobs are directly
38 eliminated by the introduction of new machinery and
39 equipment, will be offered retraining in the event that
40 equivalent job opportunities are not available. Normally, this
41 training will be accomplished on the employee's own time

1 and is intended to provide equal or better job opportunities
2 than would have existed had the new machinery or
3 equipment installation not occurred. Such training will only
4 be for a job for which the Company foresees a requirement.

- 5
6 4. The committee will be made up of the Vice President of
7 Human Resources, Director of Quality Assurance and will be
8 chaired by the Vice President of Operations. Quarterly
9 meetings will be held with the Union Senior Negotiating
10 Committee to acquaint them with substantive developments
11 in this area, including timely advice to the Union regarding
12 Company plans to introduce new technology as defined in
13 paragraph 2 above.
14
15 5. Any new job classifications created as the result of
16 technological changes will be reviewed in advance with the
17 Union.

18
19 Very truly yours,

20
21 LOCKHEED MARTIN
22 AERONAUTICS COMPANY

23
24 /s/P. M. Meehan
25 Sr. Manager, Human Resources
26

27 CONCUR:

28
29 /s/Gary W. Holt
30 President and Directing Business Representative
31 Aerospace/Defense Industry Related
32 District Lodge 725, IAM

1
2 March 2, 2002
3
4
5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **COMPANY-UNION EDUCATION AND**
16 **TRAINING SUBCOMMITTEE**
17

18 The joint Company-Union Education and Training
19 Subcommittee has established the following areas of agreement:
20

- 21 1. The Company and the Union consider training as a key
22 element in a quality work force and a prime ingredient for
23 job security.
24
- 25 2. The Company-Union Training Committee must be a viable
26 governing committee empowered to effectively determine
27 and facilitate training in areas of job combinations, skill
28 upgrades, retraining, new career development and new
29 technology.
30
- 31 3. Expansion of the committee with outside assistance may be
32 necessary.
33
- 34 4. The Company-Union Training Committee must monitor
35 compliance and ensure enforcement.
36
- 37 5. Cooperative funding provisions are necessary for the
38 accomplishment of the wide breadth of training needed.
39
- 40 6. The Company and the Union will give serious consideration
41 to the resolution of collateral areas.

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7. The Company, Union and joint Company-Union Training Committee will use media at their disposal to encourage employees to avail themselves of training offered.

Very truly yours,

LOCKHEED MARTIN
AERONAUTICS COMPANY

/s/P. M. Meehan
Sr. Manager, Human Resources

CONCUR:

/s/Gary W. Holt
President and Directing Business Representative
Aerospace/Defense Industry Related
District Lodge 725, IAM

1
2
3 March 2, 2002
4
5

6 Mr. Gary W. Holt
7 President and Directing Business Representative
8 Aerospace/Defense Industry Related
9 District Lodge 725, IAM
10 39047 10th Street East
11 Palmdale, CA 93550
12

13 Dear Mr. Holt:
14

15 **DUAL MACHINE TOOL OPERATION**
16

17 This letter will confirm the understanding reached by the Labor
18 Relations Committee on April 6, 1978 regarding assignment and
19 payment of employees who operate more than one machine tool
20 concurrently.
21

22 A. Scope of Agreement
23

24 (1) It is understood that the scope of this agreement extends
25 to assignments on specialized machine tools in four
26 categories, i.e., tape controlled (except Skin Mills),
27 console operated, computer controlled, and semi-
28 automatic machine tools (except Rivet Headers and Saw
29 Sharpeners). The agreement does not include
30 conventional machine tools, and employees will not be
31 assigned to operate more than one conventional machine
32 tool concurrently.
33

34 (2) No employee will be required to operate concurrently
35 more than two specialized machine tools as described
36 above.
37

1 B. Dual Machine Assignment Criteria

2
3 The decision to have an employee operate more than one
4 machine will be reviewed by area supervision, Safety
5 Engineering, and the member of the Workers Safety
6 Committee in the department where such assignment is
7 contemplated. An employee assigned to operate more than
8 one machine tool concurrently may discuss questions
9 regarding safety with such employee's immediate
10 supervisor. The supervisor will review the operation and
11 determine if corrective action is required. Further review
12 will be made by the affected department manager if the
13 employee so requests.

14
15 The Company will evaluate dual machine assignment against
16 the following criteria:

- 17
- 18 • Daily safety check of the machines by
 - 19 the operator
 - 20 • Primary and secondary guarding
 - 21 • Geographic relationship of machines
 - 22 with normal route condition
 - 23 • Proofed operational programs which
 - 24 includes program setups
 - 25 • Compatibility of jobs to be worked
 - 26 • Capability of employees to operate more
 - 27 than one machine.

28
29 C. Payment for Dual Machine Operation

30
31 When an employee is assigned to operate more than
32 one machine tool concurrently, such employee will be
33 paid a bonus of two dollars (\$2.00) per hour for a
34 minimum of four hours for any one day. When the
35 actual time worked on two machines exceeds four hours
36 per day, such employee will be paid the bonus for eight
37 hours or actual time worked, whichever is greater.
38 Time worked for this purpose includes setup of the job
39 and machine as well as operation.
40

1 D.Six months after this agreement is in effect, the parties
 2 will review conditions A and B, and the Company will
 3 consider any changes the Union may suggest.
 4

5 Very truly yours,
 6

7 LOCKHEED MARTIN
 8 AERONAUTICS COMPANY
 9

10 /s/P. M. Meehan
 11 Sr. Manager, Human Resources
 12

13 CONCUR:

14
 15 /s/Gary W. Holt
 16 President and Directing Business Representative
 17 Aerospace/Defense Industry Related
 18 District Lodge 725, IAM

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Three Month Average BLS Consumer Price Index	COLA Factor
173.2 and below	0
173.3 – 173.5	\$.01 per hour
173.6 – 173.8	.02 per hour
173.9 – 174.1	.03 per hour
174.2 – 174.4	.04 per hour
174.5 – 174.7	.05 per hour
174.8 – 175.0	.06 per hour
175.1 – 175.3	.07 per hour
175.4 – 175.6	.08 per hour
175.7 – 175.9	.09 per hour
176.0 – 176.2	.10 per hour

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

- E. 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.
- F. In the event that the Bureau of Labor Statistics (BLS), United States Department of Labor, discontinues publication of the Price Index described in subsection B 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 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.

- G. 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 subsection C, any adjustment in the COLA required by such appropriate Indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.

- H. 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 subsection C.