

AGREEMENT BETWEEN

LOCKHEED MARTIN



**TRAINING SOLUTIONS, INC.
“A LOCKHEED MARTIN COMPANY”**

AND

**INTERNATIONAL ASSOCIATION
OF
MACHINISTS AND AEROSPACE WORKERS**

AEROSPACE



Jobs · Security · Prosperity

**HERCULES LODGE #463
LITTLE ROCK AIR FORCE BASE,**

ARKANSAS

Effective Date: December 27, 2010 – August 25, 2013

MASTER AGREEMENT

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PREAMBLE

This Agreement is effective December 27, 2010, by and between *LOCKHEED MARTIN TRAINING SOLUTIONS, INC.*, hereafter referred to as the "Company", District W2, and Local Lodge 463 of the International Association of Machinists and Aerospace Workers, hereafter referred to as the "Union".

ARTICLE 1 RECOGNITION

The Company recognizes the Union, its designated agents and representatives, its successors and/or assigns, as the sole and exclusive collective bargaining agent on behalf of all of the employees of the Company within the bargaining unit as hereinafter defined, with respect to wages, hours, and all other terms or conditions of employment.

All full-time and regular part-time employees listed in the classifications identified in Article 29 employed by the Company with regard to the C-130 Aircrew Training System (ATS) and the C-130J Maintenance and Aircrew Training System (C-130J MATS) for the United States Air Force located at the Little Rock Air Force Base, Arkansas facility, National Labor Relations Board Case Numbers 26-RC-8022 and 26-UC-195, but excluding all other employees, including office clerical employees, professional employees, guards and supervisors as defined in the National Labor Relations Act, as amended

ARTICLE 2 NON DISCRIMINATION

The Company and the Union separately and jointly recognize their obligation to abide by those state and federal laws relating to equal employment opportunity and nondiscrimination. The Agreement shall be applied fairly and shall not in any way be used to discriminate against employees on account of race, color, religious affiliation, gender, sexual orientation, age, national origin, and veteran or disability status. It is understood in this Agreement that whenever employees or jobs are referred to in the male or female gender, it shall be recognized as referring to both male and female employees.

ARTICLE 3 MANAGEMENT RIGHTS

Except as specifically limited by this Agreement, the management of the Company, and the direction of the work force, including but not limited to the service performed, the location of the work force, the schedules and fair standards of employee performance, the schedules and hours of shifts, the methods, processes, and means of providing services, materials to be purchased, the right to hire, promote, demote and transfer employees, the establishment of reasonable rules of conduct, the discharge or discipline of employees for just cause, and the maintenance of efficiency of employees, are the sole and exclusive rights and responsibilities of the Company.

ARTICLE 4 SUBSTANCE ABUSE POLICY

The Company and the Union are committed to providing employees with a drug-free and alcohol-free workplace. It is our goal to protect the health and safety of employees and to promote a productive workplace, and to protect the reputation of the Company, Union and employees.

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Consistent with these goals, the Company prohibits the use, possession, distribution or sale of drugs, drug paraphernalia or alcohol on Company premises. A program of testing, if necessary to comply with Federal or State regulations, will be instituted upon mutual consent of the Company and the Union.

Pre-employment drug testing is a condition of employment.

The company will administer the substance abuse policy in accordance with CPS 545 - Drug Free Workplace.

ARTICLE 5 CHECK-OFF

Agency Shop: The parties agree that if and when Little Rock AFB is legally determined to be a FEDERAL ENCLAVE, the parties will implement an agency shop. Upon receipt of a signed authorization form from the employee involved, the Company shall deduct from the employee's pay the initiation and/or reinstatement fees and dues payable by him to the Union during the period provided for in said authorization. The amount will be certified by the Financial Secretary of the Local Lodge and dues payable from the first pay of the employee after receipt of the authorization. Deductions shall be made on account of Union dues from the first paycheck of the employee after receipt of the authorization and weekly thereafter.

ARTICLE 6 SHOP STEWARDS

The Company recognizes and will work with accredited Union Representatives to resolve differences that may occur from time to time with respect to the terms and conditions of this Agreement. The Union will provide the Company the names of up to five (5) *primary* Shop Stewards. An additional three (3) alternates may be designated and shall act only in the event a primary Shop Steward is unavailable. The Chief and Primary Stewards shall be the last employees laid off from the CBU within their job classification.

ARTICLE 7 NO STRIKE-NO LOCKOUT CLAUSE

The Union agrees that neither it nor any of the employees in the bargaining unit, covered by this Agreement will collectively or individually engage in or participate in any strike, slowdown or stoppage of work. The Company agrees that during the term of this Agreement it will not lock out any of the employees covered by this Agreement.

ARTICLE 8 SECURITY

The Union recognizes that the Company may now have, or may incur in the future, obligations with respect to the security of information and materials under contract with the Government.

The Union agrees that nothing contained in this agreement shall place the Company in violation of security agreements with the Government.

It is understood by and between the parties hereto that as a necessary condition of continued employment, employees shall be subject to investigation for security clearance or national agency check and/or unescorted entry authorization under regulations

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prescribed by the Department of Defense, or other agencies of the United States Government on government work, and that denial of such clearance and/or unescorted entry authorization by such governmental agency shall be cause for release from the Company due to inability to meet job requirements.

It is understood that there shall be no liability on the part of the Company for any release growing out of the denial of clearance and/or unescorted entry authorization by the United States Government.

The Company will reinstate the seniority of an employee whose denied security clearance is reinstated by the Federal Government. A non-probationary employee who loses his security clearance or site access for any reason will not lose his seniority until final adjudication of his appeal. Any employee whose seniority is reinstated under this provision will be reinstated in his previously held occupational title.

ARTICLE 9 ENTIRE AGREEMENT

This Agreement expresses the complete understanding of the parties on the subject of wages, hours of labor, and conditions of employment. However this Agreement may be amended in writing by mutual agreement at any time. For the purpose of this Agreement the contract includes both the C-130 Aircrew Training System (ATS) and the C130J Maintenance and Aircrew Training System (JMATS).

Due to the critical nature of the C-130 ATS/JMATS mission it is understood and agreed that U.S. Air Force personnel and Company engineering and supervisory personnel will be required to provide operational support in wage rate classification listed in Article 29 "Wage Rate Schedule", as deemed necessary by the Company, in support of the C-130 ATS/JMATS national defense mission. The Company recognizes its obligation not to abuse the normal assignment of regularly scheduled work to the appropriate classifications.

The Union acknowledges the responsibilities of the Company's operation as they are related to the support of the United States Air Force objectives. The parties realize the United States Air Force may, from time to time, make unusual and immediate demands in conjunction with support requirements. Consequently, all personnel may be called upon to perform whatever duties are required for adequate performance of support requirements for the mission and operational capabilities for C-130 ATS/JMATS.

ARTICLE 10 MISCELLANEOUS PROVISIONS

Section 1: Safety

The Company and the Union shall use every effort to assure compliance with established State and Federal safety and health rules. The union will designate its steward(s) as the representative(s) to any safety committees or councils.

Section 2: Change of Address

Employees are responsible for notifying the Company of their proper mailing address and current phone number. Laid off employees are also responsible to notify the Company of their proper mailing address and current phone number to maintain recall rights. The Company shall be entitled to rely upon its records and shall be held harmless for any action that may arise out of said reliance.

Section 3: Availability

The union recognizes that due to the vital National Defense mission of the C-130 ATS/JMATS it is essential that all mission essential personnel report in emergency situations.

Section 4: Flight Insurance

The Company will provide flight insurance of four (4) times base salary not to exceed five hundred thousand (\$500,000) for those employees whose job requires active flying on a military aircraft.

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Section 5: Resignation

Employees are requested to give at least ten (10) working days notice of intent to resign.

Section 6: Short-Term (ECP/CCP) Employees

Any employee hired for ECP/CCP work will be hired for the hours and length of service as specified at the time of their employment offer. This will be utilized as long as there are no employees on lay-off status capable of performing the work and the union will be notified in advance of the number of employees hired, classifications involved, and the duration of employment for each ECP/CCP employee.

Section 7: Part-Time Employees

A part-time employee is defined as an instructor hired to work for a period of no more than eighty (80) hours per month.

Part-time instructors may be utilized at the discretion of the Company.

Part-time employees will be scheduled in advance of working. All overtime will be offered to full time employees before any part-time employees work overtime.

The total of part-time instructors will not exceed ten percent (10%) of the current instructor workforce. This may be exceeded at any time by mutual agreement should the company provide a legitimate business need.

In the event of layoff part-time instructors will be laid off first. Part-time instructors will be offered the option to convert to full-time prior to a lay off occurring provided they have seniority.

Current full time instructors will be given first opportunity, by seniority, for part time positions. Full time instructors that convert to part time instructors will retain all seniority and benefits per Article 27.

Section 8: Bulletin Board The Company will provide six (6) bulletin boards for the posting of Union notices to be located in buildings 253, 620, 624, 1228, 1230A, and 1231. Only notices pertinent to the Union at this facility (notices concerning Union meetings, Union elections, results of Union elections, etc.), which have been authorized by the President or Secretary of the Union, will be posted. Notices must be given to and approved by the Company's Site Manager or his designee prior to posting. Union notices will not be unreasonably denied.

Section 9: Employee Assistance Plan (EAP)

The Company will continue to provide an Employee Assistance Plan Contact information will be provided for posting on the bulletin boards.

Section 10: Performance of Work Supervisors and other non-bargaining unit employees will not normally perform the duties of employees in the bargaining unit, except in emergency situations, for currency, or for the purpose of instructing employees. Supervisors or other non-represented employees are not to perform any bargaining unit work solely to prevent a bargaining unit employee from earning overtime.

Section 11: Physical Examinations Flight physicals, when required, will be provided at no cost to the employees and can be done during company time. Mileage to/from the physician's office will be paid at the standard DOD rate. An employee can use a Company approved physician of his choice that is located within 60 miles of Little Rock, AR.

Section 12: Dress Code

Employees are expected to present a neat and professional appearance at all times. A mustache/beard is permitted as long as it is neatly trimmed and well groomed.

The Company will provide the items listed in the below table.

Position	Item	Frequency
Pilot / Navigator*	Flight Gloves	One (1) Lifetime Issue
Flight Engineer / Loadmaster**	Flight Gloves	One (1) per Year
Flight Engineer / Loadmaster**	Breathable Rain Gear / Cold	One (1) every 18 Months***

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	Weather Gear	
Flight Engineer / Loadmaster**	Boots	One (1) per Year***
Pilot / Navigator / Flight Engineer / Loadmaster	Flashlights	One (1) Lifetime Issue

* For Aircraft Orientation Instructors Only.

**All Loadmasters/Preflight Qualification Flight Engineer Only.

***If item is still serviceable, then as needed. Worn or torn items must be turned into supply.

Section 13: Emergency Leave

Personnel will be afforded up to three (3) days (24 hours) of emergency leave to manage any family emergency without pay.

Section 14: Abnormal Plant Shutdowns The Company will compensate employees, who are sent home, as directed by the Company, for those periods of time when safety stand-downs, government/customer shutdowns, government mandated holidays, periods of national mourning, or inoperable training devices necessitate a partial workday(s) or temporary closing of facilities.

Section 15: Aircraft Flights for Employees (Contract Training Instructors) including Flight Certification Pilot:

Employees that are authorized by the Company to observe on training aircraft flights or pilot training aircraft flights will be paid at 1.5 times their regular straight time rate for the period starting at mission show time and ending at the termination of mission debrief. The Company will provide all special equipment and clothing required for these missions at no cost to the employee. In addition, as a Company incentive, the employee will receive a Flight Incentive Day Off consisting of 8 hours paid at the employee's regular straight time rate. In the event of off-station delays, the Company will reimburse the employee for expenses incurred in accordance with CPS 417 (dated 1/5/2004).

ARTICLE 11 NEW JOBS

When new bargaining unit jobs are required that cannot be properly encompassed within an existing job specialty, the Company will notify the Union of the requirements and will endeavor to discuss with the Union the rate of pay prior to the Company establishing the new classification and rate of pay. The Union shall have thirty (30) days from the date of establishment in which to challenge the rate of pay. If necessary, this matter is subject to the grievance procedure up to and including arbitration.

The Company has the right to determine the job qualifications. Copies of job descriptions and required qualifications shall be retained in the Program Manager's Office and shall be made available to employees upon request. The Union shall be advised, in writing, of any revisions or modifications of job descriptions or qualifications.

ARTICLE 12 TECHNOLOGICAL CHANGE

The Union will be given advance notice of any intended technological changes affecting the work of the bargaining unit. An opportunity will be given to the Union to discuss the impact of such changes with the Company prior to their implementation.

ARTICLE 13 PROMOTIONS

The Company will endeavor to transfer employees to higher paid positions from within the bargaining unit, if available employees have the skill and ability necessary to do the work. If two (2) or more employees are eligible and express an interest, selection will be made on the basis of seniority and qualifications. If two (2) employees are qualified, seniority must be the prime selection factor.

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The Company will notify the Union of any openings to be filled within the Bargaining Unit prior to filling the position.

Promoted employees will be considered on probation in the new position for ninety (90) days after upgrading. During this period, the Company may, at its discretion, reclassify the employees to their former occupations if it is determined by the Program Manager or his designee that the employee is not meeting the qualification for that job classification. Likewise, within ninety (90) days of being assigned to the new job classification, an employee may choose to return to his former job classification without prejudice.

The Company may temporarily promote an employee to perform in a higher paid classification. The employee shall receive the rate of the higher occupation if he works for a minimum of four (4) hours per day in that classification. Employees selected for temporary promotion will be selected on the basis of qualifications as determined by the Company

ARTICLE 14 DISCHARGE AND DISCIPLINARY ACTION

The Company shall have the right to discipline employees for just and proper cause by reprimand, suspension without pay or discharge for violation or infraction of the Company rules. The Company agrees to notify the Union, in writing, of any action taken under this section.

The disciplined employee is entitled to Union representation and will be notified of this right prior to discipline, if possible.

ARTICLE 15 SENIORITY

Probationary Period: Any employee who has been in the employment of the Company for one hundred twenty (120) consecutive calendar days shall be considered a Seniority Employee of the Company. During the probationary period the employee shall be subject to layoff, discipline, or discharge at the sole discretion of the Company, and such action shall not be subject to the grievance procedure.

Definitions:

- a) Seniority is defined as including the whole span of continuous service with the present contractor, or successor, and with predecessor contractors, in the performance of similar work at the same Federal facility.
- b) Using the last 4 digits of the employees SSN will break ties when seniority dates are the same: Larger SSN number is more senior on the list.
- c) Seniority will not be broken for: (1) periods of approved absence with leave, (2) periods of layoff due to lack of work, (3) periods of absence due to injury or illness. Periods of absence set forth in (2) and (3) shall not exceed twenty-four (24) months. In the case of occupational injuries, continuous employment will be for the length of the disability.
- d) Part time employees are not eligible for any contractual seniority rights as specified.
- e) It is recognized that Instructors are/were hired/trained based on customer pre-requisite qualifications specific to airframe and crew position expertise. Accordingly, Instructor seniority based upon seniority date and organized by airframe and crew position would be used for layoff/recalls.
- f) New positions or assignments will be offered to the most senior employee for that position or assignment as outlined in Article 11.

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- g) Additional Qualifications will not be the cause of displacement of other bargaining unit members from their regularly assigned work nor will it be the cause for a reduction in force.

Loss of Seniority: All seniority of any employee shall terminate if the employee:

- (a) Resigns.
- (b) Is discharged for violation of Company Rules.
- (c) Is on layoff status in excess of twenty-four (24) months.
- (d) Is barred by the customer's written order or whose security clearance has been revoked and is not legally reinstated. This paragraph is subject to the conditions noted in the "Security" Article.
- (e) Refuses recall within their classification.

Seniority List: A seniority list will be maintained by the Company and will be made available to the Union semi-annually. The Company will also furnish a list to the Union reflecting new hires or rehires, their classification, their date of hire, and termination or layoff dates.

ARTICLE 16 EMPLOYEES TRANSFERRED OUT OF BARGAINING UNIT

An employee who has established seniority rights within the bargaining unit and who is transferred to a position on the C-130 ATS/JMATS program not covered by this Agreement, shall retain seniority rights for period of ninety (90) days.

An employee who is permanently transferred to a Company facility other than the C-130 ATS/JMATS site, will lose bargaining unit seniority rights.

ARTICLE 17 LAYOFFS AND RECALLS

When it becomes necessary to reduce the number of employees in a classification the employees in the classification shall be laid off in accordance with their seniority. Senior employees will be provided bump rights to equal or lower classifications, within their group, if they meet all of the requirements of the position and are able to demonstrate within ten (10) work days the skills required to perform the job. With mutual agreement the timeframe can be extended an additional ten (10) work days.

Employees exercising bump rights must notify the company in writing within seventy two (72) hours of the layoff notification. Bumped employees must notify the company in writing within seventy two (72) hours of their layoff notification. Employees who fail to demonstrate the skills necessary to perform in that job classification, will be returned to lay off status.

Section 1: Layoff Notice

The Company agrees to give four (4) weeks notice (when possible) to both the Union and employees affected.

Groups
Group I
AMP Pilot/Flight Engineer
AMP Loadmaster
E/H Pilot/Flight Engineer/Navigator

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E/H Loadmaster
CW Quality Control
Librarian
Librarian Technician
Training Analyst
Computer Systems Analyst
Production Specialist
Training Coordinator
Group II
CAD Technician
CBT Specialist
Computer Operator Senior
Computer Systems Analyst
Graphics Artist
Librarian
Librarian Technician
NVG Technician
Production Specialist
Training Analyst
Training Coordinator

Section 2: Recall

Employees laid off will be recalled as follows:

1. Laid off employees will be recalled, by classification in the inverse order of their layoff.
2. The Company will send recall notices by certified mail to employee's last official address. The employee has five (5) working days after receipt of the notice to accept reemployment.
3. If no laid off employees in the classification, who are recalled, accept re-employment, then laid off employees outside the classification, but within the group, who are qualified in the classification, will be recalled as in (1) above.
4. New employees will be hired if no laid off employees in the effected classification, within the group, accept re-employment as outlined in this article.

ARTICLE 18 ADJUSTMENT OF GRIEVANCES

"Grievances" shall mean, and be limited to disputes of difference between the Company and the Union, or employees so represented, with respect to the interpretation or application of any specific provision of this Agreement. Both parties agree to use their best efforts, including informal meetings involving Management, Supervision, Shop Steward, and the Grievant, to resolve matters without resorting to the grievance procedure except that any such meetings shall not extend the time limits set forth in this Article. In the event such informal methods do not resolve the grievance, all grievances shall be reduced to writing and processed in accordance with the following steps:

All grievances beyond Step 1 involving employee claims shall be in writing on grievance forms and shall be signed by all employees claiming rights thereunder.

In an effort to adjust employee grievances by mutual agreement, they shall be presented in the following order and within the

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following time limits;

Step 1: The employee(s), with or without their steward, shall promptly bring a grievance to their supervisor. In the event an employee is unavoidably absent due to illness or injury or unavailable due to vacation or other approved reasons, the employee's Union representative may bring the grievance to the supervisor. If such grievance is not settled within five (5) working days then:

Step 2: A written grievance must be signed by the employee and set forth a statement of grievance and the article or section of the agreement which is claimed to be violated, and taken up by the Shop Steward with the Manager or his designee, and a meeting will be scheduled within five (5) subsequent working days. If no agreement has been reached within ten (10) working days, the Company will reply in writing. If the written reply is not satisfactory, it may be moved to Step 3.

Step 3: The Company Labor Relations Representatives or designee, and the Business Representative of the Union shall meet within fourteen (14) working days after receipt of the grievance into a third step. A written reply from the Company will be given to the Union within fourteen (14) working days after the meeting. If no agreement has been reached within fourteen (14) working days, either party may submit the grievance or dispute to arbitration as covered in the "Arbitration Procedure" Article.

Precedents: A final decision made with respect to any grievance in the first or second step shall apply to that grievance only and shall not become a binding precedent in the case of other grievances, nor a precedent, which shall bind the parties as in interpretation of the Agreement. All settlements must be consistent with the terms and conditions of the Agreement. Time limits may be extended by mutual agreements of both parties.

Any aggrieved employee and Union representative shall have the right to be present at any stage of the grievance procedure in which the grievance is being considered. No employee may leave the job, take up, or settle a grievance without requesting permission from the immediate supervisor. Such permission will be granted provided it does not retard or interfere with operations or create a hazardous condition. If permission cannot be granted, time limits will be waived until permission is granted. Witnesses called by either party may attend the grievance meeting at any step, subject to the same provisions above outlined for attendance of an aggrieved employee.

The Local Union or its authorized representative shall have the right to examine time sheets and other records pertaining to the computation of compensation of any individual or individuals whose pay is in dispute or other records pertaining to a specific grievance. Compensation will be paid for reasonable time spent discussing or investigating grievances during normal work schedules.

ARTICLE 19 ARBITRATION PROCEDURE

The party choosing to arbitrate shall give written notice to the other party setting forth the matter to be arbitrated. If said notice is not served within the fourteen (14) day period specified in Step 3 of the "Adjustments of Grievance" Section, it shall be deemed that the grievance has been satisfactorily adjusted and the right to arbitrate waived.

In the event the Union or the Company submits a grievance to arbitration, a representative selected by the Union shall meet with a representative selected by the Company within five (5) days of receipt of the above notice and attempt to agree on an arbitrator. In the event the parties cannot agree on an arbitrator within (5) working days, the parties will petition with the Federal Mediation and Conciliation Service for a panel of nine (9) arbitrators. In the latter case, the petitioner has the first right to strike a name; the other party shall then strike a name. This procedure shall continue alternately until one (1) name remains.

The decision of the arbitrator shall be final and binding on all parties. However, the arbitrator shall not have jurisdiction or authority to add to, subtract from, modify or in any way change the provisions of this agreement. The expense and fees of the Arbitration Process shall be borne by the losing party.

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ARTICLE 20
HOURS OF WORK

The pay week will begin on Monday and end the following Sunday. The normal workweek for each employee shall consist of five (5) consecutive days per week from Monday through Friday.

The normal workweek will only be altered if the Air Force requires additional operational capability. The Company will inform and discuss with the union any changes to the normal workweek prior to implementation. If the Company is required to utilize an alternate workweek, employees assigned to such workweek will receive seventy five cents (\$0.75) per hour above the employee's regular straight time. This premium will be paid for all hours worked by the employee during the week. Operational requirements permitting, employees will have the option of two consecutive days off when transitioning from alternate workweek to normal workweek schedule. Assignment to alternate workweek will be no less than 30 days except when covering employee absences. The most senior employees will be given first opportunity to accept or refuse any assignment to the alternate work week.

An instructor schedule will be one in which the employee normally works a forty (40) hour, five (5) consecutive days per week schedule. Normally, the instructor schedule will be a continuous shift with an unpaid meal period.

Work schedules other than those outlined above may be arranged by mutual agreement by all parties.

A daily work schedule may begin on one calendar day and end on another.

Three (3) calendar days notice will normally be given for schedule posting and changes. Work schedules or changes to the schedule may be made by mutual agreement of all parties. Instructors will not be scheduled to work within twelve (12) hours of their previous day ending time without their concurrence.

Employees will be permitted, with manager's permission, to flex their normal scheduled hours.

ARTICLE 21
OVERTIME/CALLBACK

Overtime, at one and one-half (1 1/2) times the regular straight time rate, will be paid for time in excess of forty (40) paid hours in a work week.

With the concurrence of the supervisor (or his designee), employees on a regular schedule may alter their daily work schedule to complete forty (40) hours in less than five (5) days.

An employee who is called back by the company to perform work after the end of his shift shall be paid at the straight time rate for the hours actually worked, or shall be paid a minimum of four (4) hours pay, whichever is greater.

Double-time shall be paid for all work performed on the 7th consecutive day of work.

There shall be no duplication or pyramiding of overtime payments.

ARTICLE 22
EXCUSED ABSENCE

Employees may with Company approval, be granted excused absence without pay for a good cause stated in a written request submitted at least one (1) week in advance of said absence except in emergency situations. Continuous service credit and seniority shall accumulate during all leaves of absence described in this section unless otherwise noted.

Military Service, Duty and Payment: Any employee of the Company who is inducted into or recalled to military service of the United States and who by reason of such service is entitled under the law to be regarded as a veteran, shall, upon his discharge and his receipt of a certificate of the satisfactory completion of his military obligation, be accorded all rights of The Uniformed

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Services Employment and Reemployment Rights Act of 1994.

Absence and Payment for Jury Duty: Full-time seniority employees who are required by proper court order or summoned to be absent from work in connection with jury duty will be paid the difference between the gross fee he received from the court and the earnings he would have received for a regular scheduled eight (8) hour shift, had the employee not been required to be absent from work. Employees called for jury duty and released by the court with less than four (4) hours service will be expected to return to work. Payment will be made at the employee's regular straight time wage rate.

Temporary Absence for Disabling Illness, Injury: Full-time seniority employees have ninety (90) days or more of continuous service credit and who are found and certified by a physician to be unable to perform their regular assigned duties with the Company because of disabling illness or injury, shall receive a leave of absence without pay, but with service credit and seniority accumulating while such condition continues. If the disability continues beyond twenty-four (24) months and the employee has not returned to work, the employee's service credit and seniority will be broken and terminated.

Absence for Union Business: Employees accepting full-time positions as union representatives shall be given an automatic leave of absence without pay for the term of their office, or any renewal thereof, without loss of seniority rights and with the privilege of returning to their former position. Likewise, employees shall be granted short-term leaves of absence without pay for the purpose of attending Union conventions, meetings, etc., schedule permitting.

Inclement Weather: In the event of official base closure "mission essential personnel only", due to inclement weather, employees will be granted excused absence with pay.

ARTICLE 23 HOLIDAYS

The following ten (10) holidays will be provided:

New Years Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

When schedule dictates and with supervisory authorization, employees will be allowed to "float" a holiday to another day in the same calendar year. Any employee required to work on a holiday will be paid 1½ times base rate plus holiday pay.

ARTICLE 24 VACATION

Employees shall be eligible for vacation according to the following schedule:

Years of Service	Hours Accrued (Annual)	Hours Accrued (Monthly)
0 – 1	Up to 40/yr	3.333
1 – 4	Up to 80/yr	6.667
5 – 11	Up to 120/yr	10.000
12 – 13	Up to 128/yr	10.666
14	Up to 136/yr	11.333
15+	Up to 160/yr	13.333

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Vacation will be accrued monthly for any month in which the employee receives compensation from the Company. This includes hours lost due to temporary disability under Workmen's Compensation. In addition, if an employee returns from a medical leave, inactive status, within ninety (90) calendar days they will receive an adjustment to their base vacation for any monthly accruals missed up to a maximum equal to three (3) monthly accruals at the rate they would have received. Under no circumstances will an employee receive more than three (3) total monthly accrual adjustments in a calendar year nor more than three (3) per medical leave when the leave takes place during parts of two calendar years. An employee whose medical leave exceeds ninety (90) days will not receive an adjustment for accruals missed, but will begin to accrue vacation upon their return.

The hours will be granted (available to be taken) the following month. Vacation accrual rates are based on the employee's established anniversary date for vacation eligibility.

All vacation hours will be paid at the employee's current base rate of pay including all pay additives (shift premiums, COLA's, etc.). Payment in lieu of vacation will be made only if the Company determines that production requirements prevent time off for vacation. Employees may take vacation in half hour increments. Shift determination is based upon the last day worked prior to taking vacation.

Vacation credits will accumulate in an employee's vacation account up to a maximum of two times their annual accrual rate.

There will be no pay-in-lieu of time off for vacation.

The intent of this provision is to cause each employee to use the vacation credits awarded for time off.

Employees who leave the active payroll of the Company, except for reasons of death, shall be paid for all vacation earned and deferred up to the time of separation.

In the event of an employee's death the accumulated vacation will be paid out into the employee's estate.

New hire employees may take any vacation earned after completion of their 120-day probationary period.

ARTICLE 25 BEREAVEMENT

In the event of death in an employee's immediate family, the employee may be granted up to five (5) days bereavement leave with pay. Two (2) additional days of unpaid leave may be granted if out of town travel is required. Immediate family is defined as follows:

- Parents (your parents, stepparents, or an individual who stood in the place of a parent to you when you were a child).
- Current spouse or current same sex domestic partner.
- Children, stepchildren, and their current spouses.
- Siblings, stepsiblings, half siblings, and their current spouses.
- Grandparents, stepgrandparents, grandchildren, and stepgrandchildren.
- Current spouse's or current same sex domestic partner's parents (same definition as employee's parents), grandparents, stepgrandparents, children, stepchildren, grandchildren, and stepgrandchildren.
- Current spouse's or current same sex domestic partner's siblings, stepsiblings, half siblings and their current spouses.

**MASTER AGREEMENT
ARTICLE 26
SHIFT PREMIUM**

Shift Premium:

Effective December 27, 2010 an employee that is scheduled for a shift that starts between 1:00PM and 6:00AM will receive a shift premium of \$3.50 per hour above the employee's regular straight time rate.

Effective October 3, 2011 an employee that is scheduled for a shift that starts between 3:00PM and 5:00AM will receive a shift premium of \$4.00 per hour above the employee's regular straight time rate.

Effective October 1, 2012 an employee that is scheduled for a shift that starts between 5:00PM and 5:00AM will receive a shift premium of \$4.50 per hour above the employee's regular straight time rate.

**ARTICLE 27
BENEFIT PLANS**

Employees will be offered the option to purchase the benefits offered by the company at the cost incurred by the company.

The costs of family medical coverage will be frozen at the 2011 rates for the remainder of this agreement. For all other medical coverage levels, the employees will pay the cost incurred by the company but yearly increases in costs to the employee will be capped at no more than 10%.

The Company shall provide or make available the benefit plans listed below.

- Medical Plan
- Dental Plan
- Vision Plan
- Basic Life Insurance
- Optional Life Insurance
- Accidental Death & Dismemberment Insurance: Option to purchase coverage for employees and/or eligible dependents.
- Short-Term Disability
- Long-Term Disability
- Flexible Spending Account

Travel Accident Insurance: For applicable Company travel. Company paid.

Performance Sharing Plan (401K):

The Company shall continue the Lockheed Martin Performance Sharing Plan (401K) with a four percent (4%) contribution on behalf of the employees. The total amount of an employees' 401K contribution will not exceed 25% or the established IRS maximum contribution levels.

Educational Assistance:

Employees will be reimbursed according to the Company Educational Assistance Policy.

**ARTICLE 28
SICK LEAVE/PERSONAL TIME**

Upon completion of their probationary period employees shall earn sick leave/personal time credits at the rate of 6.667 hours per month worked not to exceed a maximum of 80 hours.

MASTER AGREEMENT

Use of Sick Leave/Personal Time.

An employee will be allowed to take sick/personal leave credits, not yet accrued, up to the annual maximum referenced above. Payment for sick leave/personal time shall be at the employee's straight time base rate, including pay additives where applicable. In no instance will an employee be allowed to take more than the annual maximum credits allowed nor will an employee be allowed to accumulate credits from year to year.

ARTICLE 29 WAGE RATE SCHEDULE

CBA Job Description	12/27/10 3.00%	Oct-11 3.00%	Oct-12 3.00%
Instructor	\$50.50	\$52.02	\$53.58
Loadmaster Instructor	\$47.39	\$48.81	\$50.28
CAD Technician	\$42.22	\$43.49	\$44.79
CBT Specialist	\$42.22	\$43.49	\$44.79
Computer Operator Senior	\$27.79	\$28.62	\$29.48
Computer Systems Analyst	\$36.75	\$37.85	\$38.99
CW Quality Control	\$32.72	\$33.70	\$34.72
Graphic Artist	\$25.36	\$26.12	\$26.90
Librarian	\$30.35	\$31.26	\$32.20
Librarian Tech	\$20.13	\$20.73	\$21.35
NVG Tech	\$33.04	\$34.03	\$35.05
Production Specialist	\$28.62	\$29.48	\$30.37
Training Analyst	\$32.72	\$33.70	\$34.72
Training Coordinator	\$30.35	\$31.26	\$32.20

ARTICLE 30 EFFECT OF LAW

In the event that now or hereafter there is any State or Federal law or any directive order, rule or regulations made pursuant, thereto, which is in conflict with any provision or provisions of any agreement between the parties, the same shall supersede such provision or provisions and thereafter shall govern and control the relations and conduct of the parties so long as such law, directive, order, rule or regulations shall remain in force and effect. In the event that this or any other agreement existing between the parties hereto, now, or thereafter requires the approval of any Government authority before becoming effective, the same will and shall be subject to such approval. Furthermore, it is mutually agreed that within thirty (30) calendar days after such provision or provisions become unlawful, the parties shall meet to discuss a modification of such provision or provisions to comply with the law. In all other respects the provisions of this Agreement shall continue in full force and effect for the duration of this Agreement.

ARTICLE 31 SUCCESSORS AND ASSIGNS

The Agreement shall be binding upon the successors and assigns of the parties hereto until expiration, or until it is changed by mutual agreement of the parties.

MASTER AGREEMENT
ARTICLE 32
TERM AND NOTICE OF CHANGE OR TERMINATION

This Agreement shall be effective and shall continue in full force and effect through expiration: August 25, 2013 and therefore be automatically renewed from year to year, unless the party desiring termination or modification of the agreement serves written notice, by certified mail, upon the other party at least sixty (60) days prior to the expiration date of the agreement.

MASTER AGREEMENT

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Company and the Union each by its duly authorized representatives, have executed this Memorandum of Agreement on this 14th day of September 2010.

Dated this 14th day of September 2010.

LOCKHEED MARTIN/TSI		INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
SCOTT ISRAEL LM HUMAN RESOURCES		RAY MOFFATT AEROSPACE COORDINATOR
SHANE EVANS C-130J PROGRAM SR MANAGER		LARRY G. BOOTH DIRECTING BUSINESS REP
JASON YOUNG LM HUMAN RESOURCES		VALERIE RODRIGUEZ PRESIDENT
JAMES SCOTTER SITE MANAGER		NEIL TRUSCELLO SECRETARY TREASURER
NELSON MAYHEW PROGRAM MANAGER		MICHAEL LOFTUS COMMITTEE
CHANDA GUTH HR BUSINESS PARTNER		LAYNE JOHNSTON COMMITTEE
		THOMAS EVANOV COMMITTEE
		JERALD REICHENBACH COMMITTEE

MASTER AGREEMENT

Memorandum of Agreement

Machinists Custom Choice Worksite Benefits Program

It is understood and agreed between the parties that the Machinists Custom Choice Worksite Benefits Program of supplemental insurance benefits will be offered to employees in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Members of the bargaining unit will be given an opportunity to spend up to fifteen minutes with an EBS Counselor at the worksite during breaks and lunch times once per year. The Company reserves the right to coordinate the schedule with EBS to prevent conflict with mission requirements. Access to the facility is pending customer review and approval.

The Company will honor payroll deduction requests and remit deductions to the underwriting insurance company designated by EBS on a schedule, which is mutually agreed to by the Company and EBS. The Union will defend, save, and hold harmless and indemnify the Company from any and all claims, demands, suits or any other forms of liability that shall arise out of the execution of this letter by the Company.

The Company agrees to implement the provisions of this letter no later than 1 January 2011 to coincide with the Company's normal benefits enrollment.

The parties agree that the provisions of this Letter of Understanding will be effective for the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended earlier by mutual agreement between the parties.

Scott Israel
Lockheed Martin Human Resources

Valerie Rodriguez
President IAM Local Lodge 463

MASTER AGREEMENT
Memorandum of Agreement

August 18, 2010

C-130 AMP Program

Due to an emerging customer requirement for training in conjunction with the C-130 Aircraft Modernization Program (AMP), the Company and the Union agree that the Initial Cadre of AMP instructors will teach both AMP and C-130 E/H training until such time as the customer requirement for AMP training exceeds the capacity of the initial cadre. At that time, the AMP instructors will no longer work on the C-130 E/H program and will be considered a separate classification for seniority in accordance with Article 15 of the CBA. Current employees transitioning to the AMP program will retain their current seniority when accepting a position to the AMP Program. Each AMP position will be offered to the most senior employee.

Scott Israel
Lockheed Martin Human Resources

Ray Moffatt
IAM Aerospace Coordinator

MASTER AGREEMENT
Memorandum of Agreement

CBA Extension

The Company and the Union agree to extend the current Collective Bargaining Agreement between the IAMAW Local Lodge 463 and Lockheed Martin Training Solutions Inc until December 26, 2010, expiring at 11:59 PM on December 26, 2010. Employees on active payroll as of September 14, 2010 will receive a lump sum wage payment of \$1500 on or before October 31, 2010.

For the Union:

For the Company:

Ray Moffatt, IAM Aerospace Coordinator

Scott Israel, Lockheed Martin

Date: _____

Date: _____