

Proposing to modify the following letter of procedure and understanding between the parties:

Letter 60 – New Business

MEMORANDUM OF UNDERSTANDING

ACQUISITION OF NEW BUSINESS

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

In order to facilitate this joint collaboration, upon mutual agreement, the parties ~~may~~ mutually agree to enter into “position to win” ~~discussions~~ **negotiations** when a new business venture is identified by the Company. These discussions could include, **but are not limited to**, wage and benefit economic targets and operational modifications that would need to be achieved in order to submit a proposal for new business. ~~Provided the membership votes and ratifies any modified operational agreements previously discussed,~~ The parties agree to open the Collective Bargaining Agreement (CBA) subject to a new program confirmation by the Company for the purpose of ~~integrating~~ **bargaining** the new program work into the existing contractual provisions of the CBA, and any modified operational agreements previously agreed to in order to enact the wage and benefit agreements achieved in the “position to win” discussions.

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counterproposals in any area of the Agreement opened by the Union.