

**International Association of Machinists and Aerospace Workers
Coordinated Proposal**

February 21, 2018
Union Coordinated Economic Proposal #2 :

| Proposal # EU- Union EC- Company | Topic | Summary/Union Proposal | Company Proposal/Counter Bold – Updated Prop Language Strike – Previous Prop Language |
|--|-------------------------------------|-------------------------------|---|
| E-0 | Active Medical and New Hires | | <p>Probationary Period – 120 Calendar Days (See local negotiations) T/A</p> <p>New Hires- New Hires will be eligible for benefits on date of hire. T/A</p> <p>Legacy Health Care Plan: 85%/15% For all years of CBA</p> <p>LM HealthWorks Plan. The LM HealthWorks medical plan currently offered as an option for all employees will be discontinued and no longer available as an option after December 31, 2018. For employees hired March 5, 2018 through December 31, 2018, the Company will credit the LM HealthWorks Health Fund account in the amount of \$250 for Employee Only coverage and \$500 for Employee plus one or more coverage for employees who are enrolled in the LM HealthWorks medical plan.</p> <p>High Deductible Health Plans. Effective January 1, 2019, offered to all employees. For employees hired or rehired on or after March 3, 2014, the High Deductible Health Plans will be the only option available.</p> <p>HSA Contribution: See EU-12</p> <p>Union to agree to withdraw remainder of proposal on Active Medical coverage.</p> |

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.

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| EU-1 | Pension | Increase to \$115 per month per year of Corporate service (past and future) and retroactive to Jan 1, 2018 | <p>The Union Counters the company's proposal as follows:</p> <p>Article XX BENEFITS Section 8. RETIREMENT AND SAVINGS PLANS</p> <p>A. Lockheed Martin Retirement Plan for Certain Hourly Employees (Retirement Plan). The Retirement Plan provisions as stated in the applicable Plan Documents will govern except where modified herein.</p> <p>a. Eligibility. Employees hired or rehired on or before March 6, 2011 will be eligible to participate in the Retirement Plan. Employees hired on or after March 7, 2011 will not be eligible to participate in the Retirement Plan.</p> <p>b. Retirement Plan Monthly Rates:</p> <ol style="list-style-type: none"> 1) Employees who commence retirement on or after January 1, 2018 will receive one hundred fifteen (\$115) per month for each year of credited service. 2) An employee who commences retirement and begins receiving a monthly benefit on or after January 1, 2011 under Sections 4.05 (A)(2), 4.05(A)(3), and 6.01(B) of the Retirement Plan will receive a benefit of forty dollars (\$40) per year of credited service. |
| EU-2 | HCAP | Increase HCAP contributions to \$700 per quarter. | <p>The Union Counters the company's proposal as follows:</p> <p>Effective March 5, 2018: \$420 \$700 per quarter contribution for the life of the CBA</p> |
| EU-3 | HSP (401K) | Matched contribution up to \$90 and increase company match to 75% . | <p>The Company counters the Union's proposal as follows:</p> <p>Company match: 75% up to \$90</p> <ul style="list-style-type: none"> • Up to Maximum IRS Allowable |

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| EU-4 | Basic Benefit Plan | Increase \$100/qtr. Employees hired after 3/1/05 increase to \$160/qtr. | Maintain Current Position |
| EU-10 | Holidays | Coordinated Proposal | Maintain Veteran's Day as an unpaid Holiday and MLK Day as a paid Holiday. |
| EU-11 | Bereavement | 3 days paid bereavement leave per occurrence | Maintain Current Position |
| EU- 12 | Medical & Healthcare Coverage (HMO) (% premiums) (deductibles & out of pocket max) | Maintain cost share of current premium for medical premiums for the life of the agreement. HSA contribution for employee only at \$2500 and employee plus one or more at \$5000 | The Union Counters the company's proposal as follows: See E-0 Legacy Health Care Plan: 2019 Company premium cost - Maintain current premiums split of 85% for the company and 15% for the employee for the life of the agreement. High Deductible Health Plans: HSA Contribution: split of 87% for the company and 13% for the employee for the life of the agreement. Employee only: \$2500 per year Employee plus one: \$5000 per year |

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| EU-13 | Medical & Healthcare Coverage (Dental and Vision) | Dental and Vision Plans | <p>The Union proposes as follows:</p> <p>Dental: a) Effective January 1, 2019, the Company will pay 100% of the premium cost of the Dental Plan Core or the Dental Plan HMO, if selected with option to buy up to Enhance Plan...</p> <p>Vision: a) Effective January 1, 2019, the Company will pay 100% of the premium cost of the Vision Plan Core, if selected with option to buy up to Enhance Plan...</p> |
| EU-14 | Medical & Healthcare Coverage Post 65 (MERMP Lifetime Max) (MERMP Contribution) | MERMP/VIA Contribution | <p>The Union counters the Company's proposal as follows:</p> <p>MERMP: \$75,000 for all future and past retirees eligible</p> <p>Company HRA Subsidy for Via Benefits: \$3,000 annually (\$250 per month) per enrolled retiree \$3,000 annually (\$250 per month) per enrolled spouse.</p> |

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| EU-15 | Medical & Healthcare Coverage (STD) | \$500 per week benefit up to 27 weeks unless provided by State SDI. | The Union counters the company's proposal as follows: After July 1, 2018, the maximum will increase to \$500 per week. |
| EU-16 | Medical & Healthcare Coverage (Hearing Aid) | Maximum coverage expenses per hearing aid per ear will be \$2000 annually. | The Union maintains its proposal. |
| EU-17 | Medical & Healthcare Coverage (Life and AD&D) | Increase to \$50,000 | The Union maintains its proposal. |
| EU-18 | Retirement Benefits (Early retiree coverage) | Increase company contribution to \$9,000 annually for single coverage and \$18,000 for family coverage | The Union counters the company's proposal as follows: Retiree-Only: \$9,000 Retiree+Family: \$18,000 |
| EU-25 | GWI (Increases) | | The Union counters the company's proposal as follows: Year 1: 5.0 % General Wage Increase (Upon ratification of the agreement those employees who choose to retire may defer their GWI into a lump sum amount). Year 2: 4.5 % General Wage Increase Year 3: 4.5 % General Wage Increase Year 4: 4.5 % General Wage Increase Year 5: 5.0 % General Wage Increase |
| EU-27 | COLA Supplements | Maintain at \$1200 | Maintain COLA supplements at \$1200. Maintain current COLA quarterly formula. |
| EU-32 C-9 | New Hire Benefits and Probationary Period | Day 1 coverage | T/A |

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| EC-2 | Benefits | Continuation of health benefits Codify current practice Union Counter: coverage for 90 days | The Union maintains its current proposal. |
| EC-4 | Benefits | Group Universal Life | The Company proposes to modify Section 5 of Article XX as follows: T/A – 1-8 times buy up annual earnings. May increase buy up one tier with a waiver of proof of insurability. |
| EC-10 | Voluntary Benefits | Supplemental Insurance | T/A |

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| EC-11 | Ratification | | <p>The Union counters the company's proposal as follows:</p> <p>Article 8 Section 3. Ratification Bonus</p> <p>Provided that the membership ratifies the contract on March 4, 2018 by 3:00 p.m. EST, a \$7500 ratification bonus will be paid within 60 days of ratification to all eligible employees on the active payroll as of March 5, 2018, or employees on an approved leave of absence for less than one year, or on military leave.</p> <p>The entire 2018 ratification bonus may be deferred to the Hourly Savings Plan Plus (401K) upon completion of the appropriate form within fifteen (15) calendar days following ratification. The 2019 bonus may be deferred in five hundred (\$500) dollar increments to the Hourly Savings Plan Plus (401K) and/or the Health Savings Account (HSA) upon completion of the appropriate form by November 15, 2018.</p> |
| EU-33 | EBS | | Add Machinists Custom Choices across all locations. |
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