

ARTICLE THREE
JOB CLASSIFICATIONS AND WAGE RATES

Section 4-A. By ~~12 22~~ **22** May, ~~2006~~ **2009**, each employee who was on the active payroll or on an authorized leave of absence of less than ~~three (3)~~ **six (6)** months (for other than union business) on ~~09 19~~ **19** April ~~2006~~ **2009** shall receive a Ratification Bonus of ~~two five thousand~~ **three thousand five hundred** dollars (~~\$2000.00~~) (~~\$5000.00~~) (**\$3500.00**) provided that the Proposal for Conclusion of ~~2006~~ **2009** Negotiations dated ~~7 17~~ **17** April ~~2006~~ **2009** is ratified no later than ~~9 19~~ **19** April ~~2006~~ **2009**; otherwise, this Section 4-A shall be void.

Section 4-B-(1). Effective ~~10 20~~ **20** April ~~2006~~ **2009**, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or approved leave of absence shall be increased by ~~four eight~~ **six and one half** percent (~~4%~~) (~~8%~~) (**6½%**) computed to the nearest one cent (1¢) increment.

Section 4-B-(2). Effective ~~10 20~~ **20** April ~~2006~~ **2009**, and after the application of Section 4-B-(1), the minimums of factory labor grades one (1) through three (3) and technical and office labor grades one (1) through three (3) will be increased by ~~three six~~ **five** dollars (~~\$3.00~~) (~~\$6.00~~) (**\$5.00**) per hour, the minimums of factory labor grades four (4) through ~~fourteen~~ **fifteen** (~~14~~) (**15**) and technical and office labor grades four (4) through fourteen (14) will be increased by ~~two six~~ **five** dollars (~~\$2.00~~) (~~\$6.00~~) (**\$5.00**).

Section 4-C. Effective ~~09 19~~ **19** April ~~2007~~ **2010**, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or approved leave of absence shall be increased by ~~three six~~ **five and one half** percent (~~3%~~) (~~6%~~) (**5½%**) computed to the nearest one cent (1¢) increment.

Section 4-D. Effective ~~07 18~~ **18** April ~~2008~~ **2011**, the minimums and maximums of factory labor grades one (1) through fifteen (15) and the minimums and maximums of technical and office labor grades one (1) through fourteen (14) and the base rate of each employee on the active payroll or approved leave of absence shall be increased by ~~three six~~ **five and one half** percent (~~3%~~) (~~6%~~) (**5½%**) computed to the nearest one cent (1¢) increment.

Section 5-A. Effective ~~10 20~~ **20** April ~~2006~~ **2009** the following factory and technical and office labor grade structure shall be placed in effect for employees on the payroll.

Factory and Technical and Office Labor Grade Structure

UPDATE SCHEDULE: Page 15: Lines 13 thru 31

Factory Beginners' Rates

Section 6-A. The rate for beginners without previous training or related factory experience will be computed as being 90% of the then prevailing minimum base rate of labor grade ~~15~~ **14**. The rate for a beginner will be increased ~~eleven~~ **twenty-two** cents (~~11¢~~) (**22¢**) per hour after each interval of two (2) weeks employment until the minimum working rate of labor grade ~~15~~ **14** has been attained.

Section 6-B. A beginner shall be assigned to an established job classification and receive the applicable minimum rate not later than ~~eight~~ **four** (~~8~~) (**4**) weeks after his employment.

Section 6-C. Employees assigned to job duties described for any job grade "A" occupation in labor grade ~~15~~ **14** shall, immediately upon assuming such duties, be paid the minimum working rate of labor grade ~~15~~ **14**.

Technical and Office Beginners' Rates

Section 7-A. The rate for beginners without previous training or related technical and office experience will be computed as being 90% of the then prevailing minimum base rate of labor grade 14. The rate for a beginner will be increased ~~eleven~~ **twenty-two** cents (~~11¢~~) (**22¢**) per hour after each interval of two (2) weeks employment until the minimum working rate of labor grade 14 has been attained.

Section 7-B. A beginner shall be assigned to an established job classification and receive the applicable minimum rate not later than ~~eight~~ (~~8~~) **four** (**4**) weeks after his employment.

Section 7-C. Employees assigned to job duties described for any job grade "A" occupation in labor grade 14 shall, immediately upon assuming such duties, be paid the minimum working rate of labor grade 14.

Section 8. The base rate of each hourly employee (which rate does not include any cost-of-living adjustment) shall be subject to periodic adjustments based upon changes in the cost-of-living in accordance with the provisions of this Section.

1. Cost-of-living adjustments, in accordance with the following provisions, will be determined in accordance with changes in the Consumer Price Index, United States City Average for Urban Wage Earners and Clerical Workers, (CPI-W), (United States City Average, all items, 1982-1984=100) as now published monthly by the Bureau of Labor Statistics, United States Department of Labor, and hereinafter referred to as the BLS Index.
2. Cost-of-living Adjustment Formula and Effective Dates.

The first cost-of-living adjustment shall be effective ~~10~~ **20** July ~~2006~~ **2009** and shall apply to employees on the active payroll on that date. Employees hired subsequent to that date will be

entitled to only those additional cost-of-living amounts which become effective subsequent to their date of hire.

The amount of this adjustment and subsequent adjustments (which shall be applied as per the following paragraphs) shall be one cent (1¢) for each ~~0.3~~ **0.1** point increase of the average of the BLS Consumer Price Indices for the three (3) month periods stated below at each effective date of adjustment over the BLS Index of ~~196.1~~ **200.0** provided, however, that in no event shall there be a pyramiding of cost-of-living adjustments as a result of the computations.

<u>Effective Dates of Adjustments</u>	<u>Based Upon Average of the Three-month BLS Consumer Price Index for:</u>
20 April 2009	November, December 2008, January 2009
10 06 July 2006 2009	February, March, April 2006 2009
09 05 October 2006 2009	May, June, July 2006 2009
08 04 January 2007 2010	August, September, October 2006 2009
09 05 April 2007 2010	November, December 2006 2009, January 2007 2010
09 05 July 2007-2010	February, March, April 2007 2010
08 04 October 2007 2010	May, June, July 2007 2010
07-03 January 2008 2011	August, September, October 2007 2010
07 04 April 2008 2011	November, December 2007 2010, January 2008 2011
07 04 July 2008 2011	February, March, April 2008 2011
06 03 October 2008 2011	May, June, July 2008 2011
05 02 January 2009 2012	August, September, October 2008 2011
02 April 2012	November, December 2012, January 2013

3. "COLA float" refers to the net cost of living adjustment not previously incorporated into the rate range structure or, in the case of an individual, into a base rate. All cost-of-living adjustments shall be carried as a COLA float except as hereinafter provided:
- (a) Effective ~~09 19 April 2007 2010~~, and after the application of the action prescribed in Section 4-C, the COLA float (if any) accumulated after ~~09 19 April 2006 2009~~ shall be added to the minimums and maximums of the rate ranges set forth in this Article Three, Section 5-A.
 - (b) Effective ~~07 04 April 2008 2010~~, and after the application of the action prescribed in Section 4-D, the COLA float (if any) accumulated after ~~09 05 April 2007 2010~~ shall be added to the minimums and maximums of the rate ranges set forth in this Article Three, Section 5-A.
 - (c) Effective ~~16 13 February 2009 2012~~, the COLA float (if any) accumulated after ~~07 04 April 2008 2011~~ shall be added to the minimums and maximums of the rate ranges set forth in this Article Three, Section 5-A.

- (d) Effective ~~09 12 April 2007~~ **2010**, and after the application of the action prescribed in Section 4-C, for each employee on the active payroll, their individual COLA float (if any) accumulated after ~~09 19 April 2006~~ **2009** shall be incorporated into their base wage rate.
 - (e) Effective ~~07 04 April 2008~~ **2011**, and after the application of the action prescribed in Section 4-D, for each employee on the active payroll, their individual COLA float (if any) accumulated after ~~09 19 April 2007~~ **2010** shall be incorporated into their base wage rate.
 - (f) Effective ~~16 13 February 2009~~ **2012**, for each employee on the active payroll, their COLA float (if any) accumulated after ~~07 04 April 2008~~ **2011** shall be incorporated into their base wage rate.
 - (g) Effective 02 April 2012 for each employee on the active payroll, their COLA float (if any) accumulated after 03 April 2013 shall be incorporated into their base wage rate.**
4. The amount of any cost-of-living adjustment applied during the period this Section is in effect shall be added to the rate of each hourly employee and shall be applied in determining currently effective pay rates for the following purposes subject to the applicable provisions of this Agreement:
- (a) Overtime Pay
 - (b) Holiday Pay
 - (c) Vacation Pay
 - (d) Sick Leave Pay
 - (e) Jury Duty Pay
 - (f) Grand Jury Duty Pay
 - (g) Bereavement Pay
 - (h) Military Leave
5. In the event that any BLS Index referred to herein is not officially published on or before the Wednesday immediately preceding the effective date on which a cost-of-living adjustment would otherwise be made, such adjustment will be made effective the Monday following the first Wednesday such BLS Index is officially available.
6. No adjustment retroactive or otherwise shall be made because of any revision which may later be made in the published figures of the BLS Index.
7. In the event the Bureau of Labor Statistics, United States Department of Labor, changes the form and/or method of calculation of the BLS Index and publishes a new monthly index which differs from that defined in paragraph one (1) of this Section, but continues to publish the BLS Index used in this Section by converting the new monthly index or by other means, such BLS Index shall continue to be used in applying paragraph two (2) of this Section. In the event the Bureau of Labor Statistics publishes a new monthly index but discontinues

publication of the BLS Index, the Company and the Union shall enter into negotiations with respect to a substitute cost-of-living index. The purpose of the negotiations shall be to ensure that the cost-of-living payments to be made under this Section will be as intended by the parties and shall be no less than that which would have occurred had the BLS Index continued. In the event the parties are unable to agree on a substitute index within sixty (60) days of the discontinuance of the BLS Index, the Union may file a "priority" grievance to be heard by the permanent arbitrator.

8. By ~~8 7~~ December ~~2006~~ **2009**, each employee who was on the active payroll or on an authorized leave of absence of less than ~~three (3)~~ **six (6)** months (for other than union business) in this bargaining unit on ~~27~~ **30** November ~~2006~~ **2009** shall receive a supplemental cost-of-living payment of ~~seven hundred one thousand~~ **nine hundred fifty** dollars (~~\$700~~) (~~\$1,000~~) **(\$950.00)**.
9. By ~~7 6~~ December ~~2007~~ **2010**, each employee who was on the active payroll or on an authorized leave of absence of less than ~~three (3)~~ **six (6)** months (for other than union business) in this bargaining unit on ~~26~~ **29** November ~~2007~~ **2010** shall receive a supplemental cost-of-living payment of ~~seven hundred one thousand~~ **nine hundred fifty** dollars (~~\$700~~) (~~\$1,000~~) **(\$950.00)**.
10. By 5 December ~~2008~~ **2011**, each employee who was on the active payroll or on an authorized leave of absence of less than ~~three (3)~~ **six (6)** months (for other than union business) in this bargaining unit on ~~24~~ **28** November ~~2008~~ **2011** shall receive a supplemental cost-of-living payment of ~~seven hundred one thousand~~ **nine hundred fifty** dollars (~~\$700~~) (~~\$1,000~~) **(\$950.00)**.
11. The payments in Section 8, paragraphs 8, 9, and 10, may be deferred, without Company matching contribution, to the Hourly Savings Plan Plus (401K) upon completion of the appropriate election form which is available at the Payroll office, and must be returned to the Payroll office no later than sixty days prior to the specified payment dates. A deferral election will remain active for the duration of this agreement unless cancelled by the employee.

Section 9. Each classified employee shall receive at least the minimum hourly wage rate for the labor grade to which his/her job is assigned.

Section 10. Based upon the labor grade structures set forth in this Article, the basic rate range for each of the job classifications covered by this Agreement is set forth in Appendix "A" hereof and made a part of this Agreement.

Personal Rates

Section 11. In any case where the employee's basic wage rate established in the application of this Agreement is in excess of the maximum rate for the labor grade of the employee's then proper job classification, as such rates are set out in this Agreement, such rate shall be designated as the employee's "personal rate" and shall not be changed unless the employee, in accordance

with the provisions of this Agreement, is subsequently assigned to job duties covered by a different job classification. If an employee holding a "personal rate" is classified to job duties covered by a different job classification, and, within thirty-five (35) days, that is, five (5) work weeks thereafter, is reclassified to the job duties covered by the job classification under which he/she formerly received a "personal rate," he/she shall have such "personal rate" restored effective upon the payroll period nearest to the date of such reassignment. Assignment of an employee to job duties covered by a different job classification shall not be made for the purpose of avoiding the payment of the "personal rate." The Company shall endeavor, whenever practicable, to find jobs in higher rated job classifications for employees with "personal rates."

Progression within Rate Ranges*

Section 12-A. All employees in Factory and Technical and Office Labor Grades 01 through 15 shall receive wage increases of ~~twenty cents (20¢)~~ **forty-five cents (45¢)** per hour each ~~sixteen (16)~~ **twelve (12)** weeks after the "effective date" of assignment to a particular job classification to the maximum base rate of such job classification. If the last automatic increase takes an employee's rate to a point within four cents (4¢) of the maximum rate of his job classification, he/she shall be granted such additional increase.

* See also, Appendix I, No. 2

Section 12-B. Changes in rate provided in the paragraph above shall become effective on the first Monday following the completion of the ~~sixteen (16)~~ **twelve (12)** week period.

Section 12-C. Absences of three (3) or more continuous calendar work weeks not covered by authorized vacation, sick leave, jury duty, Grand Jury duty or bereavement leave with pay shall not be counted toward the accumulated time necessary for automatic increases.

Section 13. The second shift shall receive ~~thirty-five cents (35¢)~~ **one dollar (\$1.00)** per hour above the regular rate of pay. The third shift shall receive ~~ten cents (10¢)~~ **fifty cents (50¢)** per hour above the regular hourly rate of pay for eight (8) hours, but shall work only six (6) hours and thirty (30) minutes for "eight (8)" hours' pay.

ARTICLE FOUR HOURS OF WORK AND OVERTIME

Section 3. For pay purposes only, the shift-starting time at which an employee is directed to report for work on a Monday (Tuesday when Monday is a holiday) shall establish 1) the employee's shift starting time for the week in which the Monday falls and 2) the "standard day" for the employee's regular work week for the purpose of determining overtime within each standard day. However, nothing in this Section shall preclude a change in the employee's shift

and/or starting time during the week. ~~Where an employee is assigned to hours other than those of an established shift, the employee will be considered to be on the shift in which the bulk of his/her first eight hours falls.~~

ARTICLE FIVE
HOLIDAYS

Paid Holidays

Section 1. The purpose of this Article (except as specifically provided in Section 8) is that no employee shall suffer loss of wages due to the fact that one (1) of the holidays listed below falls on a regularly scheduled work day for which such employee would have received straight time pay had such day not been observed as a holiday.

Section 2. For purposes of this Agreement, the following dates are designated as holidays:

<u>Holiday</u>	<u>Date</u>	<u>Day</u>
<u>2009</u>		
Memorial Day	May 25	Monday
Independence Day	July 3	Friday
Labor Day	September 7	Monday
Thanksgiving Day	November 26	Thursday
Day after Thanksgiving	November 27	Friday
Christmas Holidays	December 23	Wednesday
	December 24	Thursday
	December 25	Friday
	December 28	Monday
	December 29	Tuesday
	December 30	Wednesday
	December 31	Thursday
<u>2010</u>		
New Years Day	January 1	Friday
Martin Luther King, Jr. Day	January 18	Monday
Memorial Day	May 31	Monday
Independence Day	July 5	Monday
Labor Day	September 6	Monday
Thanksgiving Day	November 25	Thursday
Day after Thanksgiving	November 26	Friday
Christmas Holidays	December 23	Thursday
	December 24	Friday

<u>2010</u>	December 27	Monday
	December 28	Tuesday
	December 29	Wednesday
	December 30	Thursday
	December 31	Friday
<u>2011</u>		
Martin Luther King, Jr. Day	January 17	Monday
Memorial Day	May 30	Monday
Independence Day	July 4	Monday
Day after Independence Day	July 5	Tuesday
Labor Day	September 5	Monday
Thanksgiving Day	November 24	Thursday
Day after Thanksgiving	November 25	Friday
Christmas Holidays	December 23	Friday
	December 26	Monday
	December 27	Tuesday
	December 28	Wednesday
	December 29	Thursday
	December 30	Friday
<u>2012</u>		
Martin Luther King, Jr. Day	January 16	Monday
Day after New Years Day	January 2	Monday

ARTICLE SIX

VACATION, SICK LEAVE AND BEREAVEMENT LEAVE

Vacations

Section 4. Vacation accruals are based on completed years of ~~continuous~~ **benefit** service **at the Lockheed Martin Aeronautics Company, Fort Worth** and become effective on an employee's next vacation eligibility date.

<u>Completed Years of</u> <u>Continuous Benefit Service</u>	<u>Vacation Accrual</u>
0 to 8 years	6.67 hours per month
9 years to 18 years	10 hours per month
19 to 28 years	13.34 hours per month
29 years plus	16.67 hours per month

For each employee, when ~~continuous~~ **benefit** service, and after reaching the next vacation eligibility date, results in the next greater level of vacation accrual during a calendar month, the

greater accrual will be effective beginning the month following the month of the next vacation eligibility date.

Sick Leave

Section 13-B. Sick leave begins to accrue for each employee on the first day of hire. Sick leave will accrue at the monthly rate of ~~four (4)~~ **five (5)** hours per calendar month or partial calendar month. The sick leave balance for each employee will be credited with the preceding month's sick leave accrual no later than the first workday of the month following the month of accrual except that a probationary employee shall not receive any sick leave credit until the successful completion of the probationary period. An employee's sick leave balance will be available for use immediately upon being credited but no later than the first day following the month of accrual. Time lost, not to exceed ninety (90) days, due to occupational illness or occupational injury shall be counted for the purpose of sick leave accrual if the employee returns to the active payroll of the Company.

Section 13-C. The maximum sick leave accrual is ~~forty-eight (48)~~ **sixty (60)** hours. However, each employee may continue to accrue sick leave hours in excess of ~~forty-eight (48)~~ **sixty (60)** hours, and at the end of the year accrued hours in excess of ~~forty-eight (48)~~ **sixty (60)** hours will be paid out (thereby, reducing the accrued balance to ~~forty-eight (48)~~ **sixty (60)** hours to begin the new year). Payments for excess sick leave hours will be distributed as early as practicable in the new year, which will normally be on or before the third full pay period of the new calendar year. Any sick leave time taken between the last accrual process run for the year and the payout of excess hours will be deducted from the balance prior to the payout.

Bereavement Leave

Section 14-A. An employee shall be eligible for ~~three (3)~~ **five (5)** days bereavement leave with pay upon a death in his/her immediate family. To receive bereavement pay the leave must be taken not later than seven (7) days after date of the funeral. Bereavement pay will not be granted for Saturday, Sunday, and holidays or any day which the employee will otherwise be compensated by the Company. For purposes of this Section, immediate family shall mean: Mother, Father, Brother, Sister, Children, Spouse, Mother-in-law, Father-in-law, Brother-in-law, Sister-in-law, Stepmother, Stepfather, Stepbrother, Stepsister, Stepchildren, Half-brother, Half-sister, Grandparents, Grandchildren.

ARTICLE TWENTY FLIGHT PAY

Section 1. All hourly paid employees shall be compensated for all time spent in flying required in the performance of the duties of adjusting, recording or operating equipment during test flights at the rate of (1) ~~five ten~~ **five** dollars (~~\$5.00~~) (~~\$10.00~~) (**\$5.00**) per hour for propeller-driven aircraft or combination propeller-driven and jet-powered aircraft and (2) ~~eight sixteen~~ **eight** dollars (~~\$8.00~~) (~~\$16.00~~) (**\$8.00**) per hour for all jet-powered aircraft, in addition to their regular

wages. A minimum of one (1) hour's flight pay will be paid for the first ascension on any calendar day. For additional ascensions on the same calendar day, flight pay shall be at the rate specified above computed to the actual minute worked

ARTICLE TWENTY-THREE
PER DIEM, TRAVEL AND MILEAGE ALLOWANCE

No Change

ARTICLE TWENTY-FIVE
GROUP INSURANCE AND HEALTH EXPENSE BENEFITS

Submitted on separate proposal

ARTICLE TWENTY-SIX
RETIREMENT PLAN

Pages 109 – 110

No Change

ARTICLE TWENTY-SEVEN
LOCKHEED MARTIN CORPORATION
HOURLY EMPLOYEE SAVINGS PLAN PLUS AND
LOCKHEED MARTIN CORPORATION
HOURLY EMPLOYEE BASIC BENEFIT PLAN

A. HOURLY EMPLOYEE SAVINGS PLAN PLUS

6. Effective 1 January ~~2007~~ **2009**, all employees who are (or become) eligible to make contributions to the Plan may elect the following:

a. Employee Basic (Matched) Contributions

Employees may elect to contribute up to ~~\$49~~ ~~\$64~~ **\$60** weekly in \$1 increments. Contributions may be in 401 (a) and/or 401 (k) or a combination of both.

b. Employee Supplemental (Unmatched) Contributions

Employees may elect to contribute up to ~~\$100~~ **\$175** weekly in \$1 increments. Contributions may be in 401 (a) and/or 401 (k) or a combination of both.

c. Company Matching Contributions

Each dollar of Basic (Matched) Contributions will be matched by the Company at ~~60%~~ **70%** in cash.

ARTICLE TWENTY-EIGHT
EMPLOYEES ON TRAVEL STATUS

No Change

ARTICLE TWENTY-NINE
PERMANENT OFF-SITE ASSIGNMENTS

The Company and the Union agree that the provisions of the Company-Union Agreement shall apply to employees within the bargaining unit set forth in the Recognition Article of said Agreement who are permanently transferred to or hired for the Company's Off-Site Base at Edwards Air Force Base, California, or any other domestic off-site base outside of Tarrant County, Texas, that may be established for the ~~F-111 Flight Test Program~~, the F-16 Flight Test Program, ~~A-12 Flight Test Program~~, the YF-22 Flight Test Program, **the F-35 Flight Test Program**, or NASP Flight Test Program **including any and all other programs** for which Lockheed Martin Aeronautics Company – Fort Worth is responsible to which employees are permanently transferred under this Agreement, except as modified by the following provisions.

II. Article Three – Job Classifications and Wage Rates

- A. An employee assigned to a classification in Factory Labor Grade 01 through ~~15~~ **14** and Technical and Office Labor Grades 01 through 14 at an off-site base under the provisions of this Agreement will receive a field rate of ~~75¢~~ ~~\$1.50~~ **\$1.25** per hour above his/her regular hourly rate of pay while assigned to and working at the off-site base. This field rate shall become effective the first Monday following his/her acquiring a residence at the off-site base. This field rate shall cease the first Monday following the first day of travel upon temporary assignment away from the base, (and begin again the first Monday following return to the base), the first Monday following the first day of travel upon permanent assignment to another base and shall cease upon the first Monday following the first day of travel on permanent transfer to the Fort Worth, Texas, facility.

V. Travel and Expense Allowance--Permanent Off-Site Assignment

Employees permanently transferred to an off-site base will be reimbursed for transportation and relocation expense under the provisions of this Section V.

A. Definitions

1. Permanent Travel Assignment-An assignment to Edwards Air Force Base, California or any other domestic off-site base outside of Tarrant County, Texas, that may be

established for the ~~F-111~~ **F-35** Flight Test Program or the F-16 Flight Test Program **including any and all other programs** to which employees are permanently transferred under this Agreement, which is expected to exceed eleven (11) calendar months.

**ARTICLE THIRTY
DURATION**

Section 1. This Agreement shall become effective on the ~~10th~~ **20th** day of April ~~2006~~ **2009**, and shall remain in force until 11:59 p.m. on the ~~19th~~ **15th** day of April ~~2009~~ **2012**, and at the end of each year period thereafter, this Agreement shall be renewed automatically for periods of one (1) year unless either party gives written notice of desire to terminate or amend same at least sixty (60) days prior to the renewal date.

Section 5. This Agreement supersedes and renders void all previous agreements, including the Agreement effective ~~28 09~~ April ~~2003~~ **2006** until ~~09 19~~ April ~~2006~~ **2009**, whether written or oral, between the parties hereto.

APPENDIX "A"

Part I – Factory Classifications	Job Study
Part II – Technical & Office Classifications	Job Study

APPENDIX "B"

PART 1

RETIREMENT PLAN FOR HOURLY EMPLOYEES

A. RETIREMENT BENEFIT:

1. The monthly normal retirement benefit of an employee who retires or terminates with a vested benefit on or after 1 January ~~2006~~ **2009** will be equal to ~~sixty-eight~~ **ninety** dollars (~~\$68.00~~) (**\$90.00**) a month per year of credited service to date of retirement or termination.

B. DISABILITY BENEFIT: The monthly disability benefit of an employee who qualifies for a disability retirement on or after 1 January ~~2006~~ **2009** shall be equal to the normal retirement benefit earned to the date of disability based on credited service and benefits at such disability retirement date in accordance with Sections A and F of this Appendix B.

F. BRIDGING OR PRIOR CREDITED SERVICE FOR PENSION:

Employees actively at work on the first day of this Agreement with one (1) or more years of continuous service or on the completion of one (1) year of continuous service will be eligible for bridging of lost credited service subject to the following rules:

1. Break in service occurred prior to 1 January 1976.
2. Benefit level for restored credited service will be equal to ~~twenty-six~~ ~~thirty-five~~ **thirty-two** dollars (~~\$26.00~~) (~~\$35.00~~) (**\$32.00**) a month per year of restored credited service.

APPENDIX "B"

PART 2

ACTIVE EMPLOYMENT AFTER THE ATTAINMENT OF AGE 65

No Change

APPENDIX "C"

GROUP INSURANCE AND HEALTH EXPENSE BENEFITS

Submitted under separate proposal

APPENDIX D

APPLICATION AGREEMENT

Change dates and update accordingly

APPENDIX F

REGRESSION GROUPS

Job Study – Update

APPENDIX "H"

PROMOTION – FABRICATION AND INSPECTION –
ASSEMBLY OCCUPATIONS

PART 1
FABRICATIONS OCCUPATIONS

Job Study

PART 2
PROMOTION – INSPECTION ASSEMBLY FAMILY

Job Study

April 10, 2009
Union Proposal
Economics #2

APPENDIX "I"
MUTUAL AGREEMENTS

Open – Modify

APPENDIX J
SAFETY AND SANITATION

Proposal submitted 02/26/09

Update Calendars

For the Union

Date: _____

For the Company

Date: _____

The Union reserves the right to change, modify, delete from or add to this economic proposal at anytime during these negotiations.