

MEMORANDUM OF UNDERSTANDING

CALIFORNIA JURISDICTIONAL CLARIFICATION

The purpose of this understanding is to memorialize the agreement reached between the undersigned parties with respect to the following mutual agreements.

- 1) This agreement is applicable only between Lockheed Martin Aeronautics (the “Company”) and the International Association of Machinists, District Lodge 725 (the “Union”). This agreement does not apply nor is it transferable to any other Lockheed Martin business area or successor, including, but not limited to Lockheed Martin Space Systems Company nor is it applicable to any other local of the IAM or the IAM International itself.
- 2) Contingent upon the requirements set forth in this agreement, the Company agrees to remain neutral in any officially sanctioned organizing attempt by the Union provided that the Union give the Company in writing at least sixty (60) days’ notice of its intent to formally seek to represent certain Company employees.
- 3) This agreement shall only apply to the Union’s officially sanctioned organizing attempts with respect to the Company’s nonexempt employees engaged in the manufacturing of aircraft assemblies. It does not apply to either exempt or nonexempt employees in any other job duties or responsibilities. To the extent that the Union seeks to represent a bargaining unit of employees that perform manufacturing of aircraft assemblies combined with employees that do not perform such work, then the terms of this agreement shall no longer remain in effect and shall be null and void.
- 4) The geographic scope of this agreement shall only be applicable to the following California counties: Los Angeles, Kern, Ventura, San Bernardino and Orange. To the extent that that the Union seeks to organize the Company’s employees outside of these counties than the terms of the agreement shall no longer remain in effect and shall be null and void.
- 5) Unless otherwise stated above, the term of this agreement shall coincide with the term of the existing collective bargaining agreement between the Company and the Union currently scheduled to expire on March 11, 2023. This agreement shall likewise expire on March 11, 2023 and may only be renewed in writing by the mutual agreement of the undersigned parties.
- 6) The parties further agree that to the extent the Union is able to demonstrate that a majority of employees engaged in the manufacturing of aircraft assemblies in accordance with this agreement desire to be represented by the Union, through a demonstration of majority support which support shall be verified through an independent third party mutually chosen by the Company and the Union, than the Company shall voluntarily recognize the Union as the collective bargaining representative for such employees. If the Union is able to demonstrate majority support as provided herein, the parties agree to engage in collective bargaining negotiations for a new collective bargaining agreement, that any new collective bargaining agreement shall be separate and independent from any other existing collective

bargaining agreement between the Company and the Union and such new agreement shall not be an accretion to an existing bargaining unit.