

**AGREEMENT BETWEEN THE IAMAW AND LOCKHEED MARTIN CORPORATION
SUBJECT: MACHINIST CUSTOM CHOICES WORKSITE BENEFITS PROGRAM**

This agreement acknowledges that Lockheed Martin has agreed to allow the International Association of Machinists and Aerospace Workers to offer the Machinists Custom Choices Worksite Benefits program to its members in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). It is understood that all policyholder service will be provided by the underwriter and EBS without cost to Lockheed Martin. This service will begin as soon as practicable. It is understood that the Company is not the plan sponsor and is not responsible for plan administration, enrollment, or communication.

It is further agreed as a condition of offering this payroll deduction service that EBS will comply with Company Payroll administration and procedures that will include the following basic requirements:

- Each participating employee will complete a Deduction Authorization card that contains the employee's name, social security number, deduction name(s) or type(s), employee signature, and date.
- Information affecting account activity, including, but not limited to enrollment, policy cancellations, deduction changes, premium rate changes, and other changes affecting the employee deduction amount will be made weekly. All changes received by Lockheed Martin payroll by Noon on Friday will appear in the next week's paycheck.
- Any deduction amount not collected due to lack of earnings will be the responsibility of EBS. Lockheed Martin payroll will not collect amounts in arrears or provide an account reconciliation service.
- Deductions will be made from the employee's paycheck each week.
- This program will be made available as soon as administratively possible.