November 30, 2021

MEMORANDUM OF AGREEMENT

The following recites the agreement reached between the Aerospace Corporation ("Corporation") and the Aerospace Professional Staff Association ("APSA"), hereinafter referred to collectively as "the parties," on the terms and conditions of their collective bargaining agreement ("Agreement") covering the period of August 1, 2021, to August 1, 2023. This agreement shall become effective immediately *provided, however*, that the agreement is subject to ratification by APSA's membership. Should APSA's membership decline to ratify this agreement, the parties shall return to the bargaining table immediately.

Where appropriate, specific changes to contractual articles are indicated and, where appropriate, changes in administrative practice under the collective bargaining agreement are specified. In all cases, references to changes relate to the Articles of the parties' collective bargaining agreement covering the period from August 1, 2019, to August 1, 2021.

COVER SHEET

- Replace "August 1, 2019 through August 1, 2021" with "August 1, 2021 to August 1, 2023."

CONTENTS

- Update "Appendix C – Section 7. Exempt Employees – Distribution of Effort" in the Table of Contents with the modified name:

Appendix C – Section 7. Work Hours and Time Recording

- Replace "Appendix C – Section 9. Employees – Distribution of Effort" in the Table of Contents with the modified name:

Appendix C – Section 9. Nonexempt Employees – Distribution of Effort

- The Table of contents shall be updated to add the following section.

Appendix C – Section 25. Disabled Employees - Accommodation

PREAMBLE

- Change the preamble date to August 1, 2021.

ARTICLE II RIGHTS OF MANAGEMENT

- No changes.

ARTICLE III UNION SECURITY

- No changes.

ARTICLE IV APSA COMMUNICATIONS

- No changes.

ARTICLE VI MERIT EMPLOYMENT PROVISIONS

- Modify paragraph 654 as follows.

654 A copy of Appendix B, Nonsupervisory MTS, Section 4, MTS Pay Plan Structure, the Aerospace Professional Career Path booklet, a description of the MTS job role characteristics, and the MTS position code designations shall be maintained in the library, as well as a copy of the current salary distribution percentile curves for the non-supervisory MTS. A copy of the same data shall be maintained by the administrators in all regional facilities for viewing by the MTS. Two (2) paper copies and an electronic Adobe pdf file of the same material shall be provided to APSA no later than December 17, 2021 and December 16, 2022, along with an electronic copy of the current salary distribution tables and percentile curves for the non-supervisory MTS in Excel.

ARTICLE VII NON-DISCRIMINATION

- Add paragraph 707 as follows.

707 No employee will be retaliated against for making a good faith complaint of harassment or bringing inappropriate conduct to the corporation’s attention, for preventing unlawful practices, for participation in an investigation, or because the employee is a family member of a person who has taken such actions.

- Add paragraph 708 as follows.

708 Any employee found to have engaged in retaliation related to a report of harassment will be subject to disciplinary action up to and including immediate termination.

ARTICLE VIII EMPLOYEE BENEFITS

- Modify paragraph 801 to read as follows:

801 The monetary benefits specified within Article VIII, including specific referenced plans with regard to Group Insurance, Retirement and Voluntary Annuity, shall be continued during the term of this Agreement for bargaining unit employees, provided, however, that such benefits may be changed upon notice to and good faith bargaining in an attempt to reach such an agreement. If such bargaining produces an agreement, that agreement shall be reduced to writing. If no agreement is reached, after impasse the Company may implement the change except as defined in paragraph 1623. As additional conditions precedent to such benefit changes, two further provisions apply, i.e., any such reduction in benefits shall also be made applicable to supervisory MTS and be made for reasonable cause.

<u>ARTICLE IX</u> <u>COMPENSATION</u>

- Modify paragraph 901 to read as follows:

901 In Fiscal Years 2022 and 2023, the Corporation shall budget, in accordance with past practice, base merit salary increases and cash merit distributions aggregating 3.0% (2.7% merit and 0.3% cash merit) of the bargaining unit payroll. Budgeted base merit salary increases and cash merit distributions for the MTS who have been employed for less than one year on December 4, 2021 and December 3, 2022, may be prorated at the discretion of management respectively. Individual base merit increases and cash merit distributions, less organizational reserves, shall be administered on a common review date of no later than February 19, 2022 and no later than February 18, 2023 respectively, subject to approval of the Board of Trustees. There shall also be a separate Fiscal Year 2022 and Fiscal Year 2023 discretionary reserve for promotional and special salary increases and other contingencies of up to 1.4% each fiscal year computed on the same basis as above. A description of the compensation process is provided in Section B, Non-supervisory MTS, Section 3, MTS Compensation.

- Modify paragraph 902 to read as follows:

902 During Fiscal Year 2022 and Fiscal Year 2023, the Corporation shall budget, in accordance with past practice, for a Performance Recognition Payment Program. At least 59.7% of the total program funding shall be distributed to the bargaining unit employees each Fiscal Year. Total program funding is the amount actually spent on these payments to all eligible employees up to a maximum of $6,300,000 (approximately 1.0% of the gross payroll) and $6,300,000 (approximately 1.0% of the gross payroll) respectively. A description of the program is provided in Appendix E, Employee Programs, Section 1, Performance Recognition Payment (PRP) Program.

- Modify the current paragraph 903 to read as follows:

903 During Fiscal Year 2022 and Fiscal Year 2023, the Corporation shall budget, in accordance with past practice, a Corporate Awards Program aggregating 0.22% of the bargaining unit payroll as of October 1, 2022 and October 1, 2023 respectively. A description of the program is provided in Appendix E, Employee Programs, Section 4, Corporate Awards Program.

<u>ARTICLE XVI</u> <u>GENERAL PROVISIONS</u>

- Modify the current paragraph 1619 to read as follows:

1619 The Corporation shall provide APSA with a monthly Performance Recognition Payment report in electronic Excel format summarizing all bargaining unit employees by employee identification code (EIC), 2-digit cost center code by Division, the amount of any payment granted, and will note if the payment was granted for non-ceiling work. The monthly report shall include a statement (i.e., quantity and dollar value) of the total payments given to the bargaining unit employees during the fiscal year up to the date of the report. In the event the amount paid to bargaining unit employees is less than $3,761,100 at the end of Fiscal Year 2022 and $3,761,100 at the end of Fiscal Year 2023, the Corporation shall submit to APSA a statement of the total dollar value of the Performance Recognition Payments distributed to all employees throughout the Corporation as an aggregate amount.

- Change paragraph 1620 to read:

1620 The Corporation shall provide APSA respectfully in January 2022 and 2023with a report that shall state the total revenue for FY 2021 and FY2022 non-ceiling work, total fee earned, and total fee pool that was distributed to employees.

- Modify paragraph 1623 to read as follows:

1623 Notwithstanding paragraph 1702, the Corporation may during the term of the agreement reopen Article VIII, Employee Benefits, in relation to health, medical, dental, vision, flexible spending accounts, and retiree medical plans, for calendar year 2022 by notifying the Union of its desire to do so not less than sixty (60) days prior to the effective date of the event giving rise to the re-opener, which such event includes, any healthcare option or coverage offered by the Corporation under this Agreement that becomes insufficient or deficient pursuant to any federal, state or local health care legislation or any other regulation then in effect requiring a modification of the options or coverage, and the Corporation shall have the option to do any of the following:

a. Correct any insufficiency or deficiency without impacting the contribution levels of employees,

b. Cease non-complying coverage options.

.

For other changes not required by law, the Corporation shall provide such changes by September 14, 2022; provided however, the Corporation shall maintain the 77/23 cost sharing arrangement and will not implement the flat dollar subsidy. The Corporation may declare impasse after (60) days of good faith bargaining regarding such proposed changes or on November 14, 2022, whichever occurs first..

ARTICLE XVII DURATION

- Modify paragraph 1701 to read as follows:

1701 This agreement shall be for a term beginning at 12:01 am on August 1, 2021 to and expiring at

12:01 am August 1, 2023.

1704 In the case of notices to the Corporation:

THE AEROSPACE CORPORATION
Attention: Stephanie Collins, Assistant General Counsel
Office of the General Counsel and Secretary
P.O. Box 92957
Los Angeles, California 90009

SIGNATURES

- For the Corporation:
  - S. Collins
  - J. Salcido
  - D. Roberts

For APSA:
- M. Simpson
- S. Dawes
- J. Bockman
- R. Mahoney
- T. Essenpreis
- T. Fong
- C. Wolf
- T. Freeze

The Appendices of the Collective Bargaining Agreement will be modified as follows:

APPENDIX B NONSUPERVISORY MTS

- The terms and conditions of employment shall be modified for bargaining unit employees as described in the attachment entitled "APPENDIX B – SECTION 4 MTS PAY PLAN STRUCTURE."
- The terms and conditions of employment for bargaining unit employees in "APPENDIX B– SECTION 3 MTS COMPENSATION" shall be modified by replacing the fourth paragraph under "GENERAL" with the following paragraph."

The corporation will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions, such as People Operations employees, cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, (c) consistent with the corporation's legal duty to furnish information, or (d) to supervisory employees in order to assist with the management of personnel.

APPENDIX C WORK ENVIRONMENT

- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX C – SECTION 7. WORK HOURS AND TIME RECORDING."
- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX C – SECTION 14.3. PHYSICAL SECURITY."
- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX C – SECTION 25. DISABLED EMPLOYEES ACCOMMODATION."

APPENDIX D WORK ABSENCES

- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX D – SECTION 6 OTHER ABSCENCES."
- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX D – SECTION 8

FAMILY AND MEDICAL LEAVES OF ABSCENCES."

- The terms and conditions of employment shall be modified for bargaining unit employees as descrbed in the attachment entitled "APPENDIX D – SECTION 9 COMPENSATORY TIME OFF."

<u>APPENDIX E</u> **<u>EMPLOYEE PROGRAMS</u>**

- No changes.

<u>APPENDIX F</u> **<u>EMPLOYEE BENEFITS/INSURANCE PLANS</u>**

- The terms and conditions of employment shall be modified for bargaining unit employees as described in the attachment entitled "APPENDIX F – MEDICAL CHANGES FOR CY2022"

<u>APPENDIX G</u> **<u>EMPLOYMENT RELATED PROGRAMS</u>**

- No changes.

<u>INDEX OF SUBJECTS</u>

- No changes.

ADMINISTRATIVE PRACTICES

1. The parties agree that no further changes to the new Agreement will be effective unless otherwise mutually agreed to in writing. The parties further acknowledge that each has had an adequate opportunity to consider and negotiate changes to the final version of the new Agreement.

2. The parties agree to edit and prepare the new Agreement as expeditiously as possible. The Corporation agrees to provide, at its expense, an original single-sided document, an electronic version in MS Word format, and five (5) copies of the Agreement, to APSA.

3. The Corporations shall provide rating data in Excel electronic format with correct data each and every member of the bargaining unit employees as of December 4, 2021 and December 3, 2022 respectively

    Cost center code (first 2 digits)
    Employee Identification Code
    Org Level
    Rating
    Compensation Ratio
    Raise percent for Rating and Compensation Ratio
    Compensation Ratio Calculated at Division or Group
    Age
    Years of experience (MTS years)
    Length of service (Aero years)
    Highest Degree
    Salary
    Ethnicity
    Race Code 1
    Race Code 2
    Race Code 3
    Race Code 4
    Race Code 5
    Race Code 6
    Gender
    Veteran Status

    a. Because more than one race code can apply, please add a column for each race code, and place a “1” in each that applies and a “0” in each that do not.

    b. Please present the data ordered by rating within each rated organization (with the highest-rated individual being first on the list and the lowest-rated individual being last on the list) in order to facilitate APSA's processing of the relevant data. Also, please provide the data both in hard copy form and as a single file on magnetic media. Please provide the date from which the data is pulled. For example, does the data only include MTS who were employees on October 1, 2021 and October 1, 2022 respectively.

c. The supplied data should be applicable to the performance evaluation, rating, and merit salary review of employees that took place at this time (September through November 2021) at the Division level or Subdivision if rated at that level instead. The supplied data should be the detailed rating data for December 4, 2021 and rating data for December 3, 2022 that will be used by each manager to determine the FY 2022 and FY2023 merit salary increases to be given to his/her subordinates.

d. The data shall be supplied to APSA no later than December 17, 2022 and December 16, 2022 respectfully.

4. Appendix F shall be updated with CY2022 domestic partner rates.

5. Appendix B, Section 4, minimum and maximum salaries shall be updated.

6. The Corporation shall include the following communication to employees on how coordination works when the employee is covered by another medical plan as part of open enrollment.

When two or more plans cover the same individual, each plan coordinates benefit payments with the other plan or plans to determine the maximum benefit payable. This is called coordination of benefits. If you plan to enroll in more than one health plan, please review the coordination of benefits rules for your Aerospace health plan. Note that your benefit from the Aerospace plan may be reduced if you are also covered by another plan. Each plan's coordination of benefit rules can be found in the individual Evidence of Coverage (EOC) for that plan. The EOCs for each plan can be found on the benefits home page under the "SPDs and Annual Notices" tab.

7. The Corporation shall update CBA Appendix F, Section 9, and The Aerospace Corporations Health and Welfare Benefit Plan, Plan Document and Summary Plan Description, Short-Term Disability for Non-California Employees (Plan No. 501), and the Hartford Life and Accident – Group No. 402802G contract eligibility so that MTS transferring from California to other locations, and wanting to continue having STD insurance, include automatic coverage through The Hartford effective no later than April 1, 2022.

8. The Corporation shall update Policy P-20, Section 4, and CBA Appendix D, Section 8, to allow Paid Parental Leave to be used in one-hour increments effective no later than April 1, 2022.

9. The Corporation shall update Policy P-19, Section 3, and CBA Appendix D, Section 1, to add Martin Luther King Jr. Day beginning FY22, add Veteran's Day beginning FY23, eliminate the Personal Holiday beginning FY23 effective no later than January 15, 2022.

10. The Corporation shall update Policy P-21, Section 7, and CBA Appendix D, Section 5 to

make the following changes to military leave effective no later 1 April, 2022.

a. Institute faster Payroll processing of Military Reservist's Leave payroll deduction generally within eight weeks after submission, provided the employee has timely submitted all the necessary documentation.
b. Increase supplemental pay from current 10 days to 15 days.
c. Replace senior management approval for requests for additional time with Level 4 management approval.
d. Make both training and drill military leave eligible for supplemental pay.
e. If requested, extend medical benefits for the first 12 months of the deployment for employees who are mobilized.

11. The Corporation shall update Policy P-19, Section 9, and CBA Appendix D, Section 9 to allow compensatory time to be earned or taken through the end of the fiscal year effective no later 1 April, 2022.

12. The Corporation shall update Policy P-19, Section 3, and CBA Appendix D, Section 1 to allow the Personal Holiday to be taken through the end of the fiscal year FY22 no later 1 April, 2022.

13. The Corporation shall include closed captioning/subtitles or a written transcript for unclassified Aerospace produced non-live (non-interactive) training and quarterly All Hands and corporate strategy home page videos starting in January 2023.

14. The Corporation shall update the Retiree Medical Plan Summary Plan Description and CBA Appendix F, Section 5, eligibility making it explicit that employees retiring from active service may defer retiree medical coverage.

15. The Corporation shall provide APSA in accordance with CBA paragraph 654 the MTS Pay Plan Structure for FY2019, FY2020, and FY2021 by February 4, 2022.

16. The Corporation shall provide APSA accurate and complete ratings and salary reports with previously identified errors corrected starting with the Report 022-30 for the end of 1st quarter of FY2022.

17. The Corporation shall provide APSA with the use of its e-mail system and Donna Avila as a trusted agent to conduct an electronic vote of its membership to ratify the contract.

Mark M. Simpson President Aerospace Professional Staff Association	Stephanie Collins Assistant General Counsel Office of the General Counsel and Secretary The Aerospace Corporation

APPENDIX B
SECTION 4. MTS PAY PLAN STRUCTURE

The Aerospace Corporation and the Aerospace Professional Staff Association agree that the MTS Pay Plan will be conducted in conformity with the following description and guidelines:

OBJECTIVE OF PROPOSED STRUCTURE

The objective of the MTS structure is to provide the organization with a structure that reflects internal pay practices and one that is representative of the external marketplace. The proposed structure does both. In addition, it provides a clear, defensible guideline that meets the requirements of our customers and of our auditing agencies.

OVERVIEW OF NEW STRUCTURE

The proposed MTS structure will recognize pay differences related to job roles, that is, by organizational level (levels 1 – 4). Bargaining unit employees will be found in the first three levels, in the same manner that they are currently classified by organizational level. Level 1 will be defined for all EBS increments; however, level 2 will be defined with a "typical entry point" of 8 years, and level 3 will be defined with a "typical entry point" of l2 years. This is consistent with the current published guidelines found in the Aerospace Professional Career Path booklet.

Each of the three bargaining unit organizational levels will be defined by a minimum and a maximum rate of pay. The minimums and maximums reflect market pay for comparable work in competitive organizations.

CURVE DEVELOPMENT

Within organizational levels 1 and 2, five relative percentiles for each year of experience will be identified, P10, P25, P50, P75, P90. For level 3, three relative percentiles for each year of experience will be identified, P25, P50, P75. The relative percentiles will reflect the projected distribution of actual employee salaries by EBS for the effective year. The actual plotted percentile curves will be smoothed.

The relative percentile curves will be updated on an annual basis effective mid-December to reflect the actual population's new distribution. At that time, the minimums and the maximums will be evaluated and adjusted to the extent necessary. Except in exceptional circumstances, the new minimums will not be greater than any individual minimum and the new maximums will not be less than any individual maximum.

USE OF THE PROPOSED STRUCTURE

The proposed structure will be used internally in the following way:

> To provide an administrative guideline for salary determination for newly-hired or recently-promoted employees, to establish minimum and maximum rates of pay as required by our customer(s), and to meet the requirements of external auditing agencies.
>
> The proposed structure will be utilized primarily by the compensation and employment departments and by administrators in the technical groups.

SPECIFIC ADMINISTRATIVE ISSUES

Comparing today's actual internal population with the proposed structure, we see that essentially all of the current population fits within the proposed minimum and maximum rates of pay by organizational level. However, over time, as salaries and job assignments change, that may not be the case. Salaries falling outside the proposed ranges of pay will be addressed in the same manner as they are today. In general, guidelines for such situations are as follows:

a. Promotion for an employee whose current salary is less than the minimum of the new organizational level: If the employee's EBS is at or above the "typical entry point" for the new organizational level, the employee will be automatically moved (i.e., non-budgeted increase) to the minimum of the new organizational level, and then promotional dollars will be applied to bring the salary into an equitable relationship with those of peers. This reflects the current practice for promotions of this type. Instances where an employee's EBS is less than the "typical entry point" will be handled on an exception basis to ensure equity among other employees at or above the "typical entry point."

b. Voluntary demotion for an employee whose higher-level job is eliminated: As per practice HR-2-3, Compensation, when an employee is reclassified to a lower-graded position, the employee's salary should be adjusted to reflect a decrease in responsibility and should not exceed the current maximum of the lower-grade rate range.

c. Salary movement for an employee whose salary falls beneath the minimum of the organizational level after the (annual) structure adjustment takes place: Compensation will continue to notify management whenever this occurs. In almost all instances, a non-budgeted increase is given to bring that employee to the minimum of the new organizational level. However, management maintains the final decision for determining whether an increase to the minimum of the new rate will be given. Instances in which the rate is not adjusted include an employee who entered an organizational level two or three position earlier than at the "typical entry point" OR an individual whose overall level of contribution or utility is ranked very low relative to those of their peers.

d. Salary movement for an employee whose salary is at the maximum of the organizational level: Increases in pay will not occur until the maximum rate for the organizational level increases, which occurs whenever the structure is adjusted (usually on an annual basis). **In cases where a pay increase cannot be granted, a lump sum award may be utilized at management's discretion to recognize the employee's overall performance and contribution to the organization.**

STRUCTURE

The following curves will be available:

a. A smoothed percentile plot of all bargaining unit employees from year 0 to year 43 for current employees as of December 4, 2021and December 3, 2022.

b. A smoothed percentile plot of all LEVEL 1 bargaining unit employees from year 0 to year 43 for current employees as of December 4, 2021and December 3, 2022.

c. A smoothed percentile plot of all LEVEL 2 bargaining unit employees from year 8 to year 43 for current employees as of December 4, 2021and December 3, 2022.

d. A smoothed percentile plot of all LEVEL 3 bargaining unit employees from year 12 to year 43 for current employees as of December 4, 2021and December 3, 2022.

These curves will be updated each year with an effective date of mid-December.

OTHER ISSUES

In the HRMIS/SAP system, the EBS field will be updated to reflect only whole numbers effective October 4, 1993. Employees whose EBS now reflects one-half years will be rounded up to the next whole number, i.e., EBSs will be rounded off to the nearest integer. On December 4, 2021 and on December 3, 2022, all MTS will be credited with an additional year of experience to reflect the end of another year.

The following changes will also be reflected in HRMIS/SAP October 1, 2021 for minimum and maximum salaries:

a. Grade 99, level 0 MTS, will no longer be active. All current MTS in level 0 will be changed to level 1.

b. Level 1 MTS will be classified in grade 81.
Level 2 MTS will be classified in grade 82.
Level 3 MTS will be classified in grade 83.

c. The minimum and maximum for grade 81 will be $1,326 and $3,302 per week.
The minimum and maximum for grade 82 will be $1,1928 and $4,346 per week.
The minimum and maximum for grade 83 will be $2,296 and $5,248 per week.
The minimum and maximum for grade 84 will be $2,728 and $6,225 per week.

APPENDIX C

SECTION 7. WORK HOURS AND TIME RECORDING

POLICY OVERVIEW

The corporation applies good business practices and strict adherence to the requirements of applicable federal and state laws related to work hours and time recording. In addition, the corporation's contracts with the Air Force and other customers require that paid absences and time worked on various tasks be reported accurately for purposes of allocating labor costs to the various contracts and Job Orders (JOs). Management is expected to make meal periods and rest breaks available to their nonexempt employees in accordance with this policy. Likewise, nonexempt employees are expected to take their meal periods and rest breaks in accordance with the guidelines set forth in this policy. Any nonexempt employee, supervisor, or manager who fails to observe meal period and rest break policies will be subject to the terms of either the Corrective Action or Performance Improvement policies.

DEFINITIONS

- **Compensatory Time:** Time off available to regular full-time exempt employees, at management discretion, for working more than 48 hours in a week

- **Regular Day Off (RDO):** Regular day off as part of the Alternate Work Schedule

- **Functional Time Administrator (FTA):** A nonsupervisory employee who has the authority to record or sign an employee's timesheet within his or her designated organizational unit

- **Job Order (JO):** Numbering system of allocating direct costs of work time to a program, project, task, or special, corporate-financed programs

- **Workweek:** For payroll purposes, the workweek is a regularly recurring 168-hour period of 7 consecutive 24-hour workdays.

WORK HOURS

Management establishes regular work schedules for employees.

NONEXEMPT

Schedules and meal periods that vary from the normal start and stop times require management approval.

The Standard Schedule workweek begins on Saturday at 12:01 a.m. and consists of five 8-hour workdays, each beginning between 6:15 a.m. and 8:15 a.m.

The Alternate Work Schedule (AWS) workweek begins on Friday at a designated and consistent start time, on the half-hour, between 5:30 a.m. and 9:30 a.m. (refer to the AWS policy), and consists of a 2-week pattern of 9-hour workdays each Monday through Thursday, an 8-hour workday on the Friday of the first week, and a Friday off (RDO) the second week.

EXEMPT

a) The Standard Schedule workweek begins on Saturday at 12:01 a.m. and ends at midnight Friday.

The Alternate Work Schedule workweek begins at mid-day on Friday and ends mid-day the following Friday.

NONEXEMPT MEAL PERIODS

Meal periods are unpaid, uninterrupted breaks in the workday; required by law for nonexempt employees. Employees are permitted to take an unpaid 45-minute meal period, in which they may leave company property.

With minimal exceptions (specifically identified below), all nonexempt employees who work more than 5 hours on any workday must take a minimum 30-minute unpaid, uninterrupted meal period, which must commence before the end of the 5th hour of work. If an employee works more than 10 hours in a workday, the employee must take a second unpaid, uninterrupted meal break of at least 30 minutes, which must begin before the end of the 10th hour of work.

a) Employees must be relieved of all duties during the minimum 30-minute unpaid meal period. Employees may not perform any work of any kind during the meal period, including, for example, checking work email or answering a work phone.

b) Managers may not pressure or coerce employees to "voluntarily" skip their meal periods. Any employee who feels they have been pressured or coerced into voluntarily skipping a meal period or rest break should immediately report the situation to People Operations.

Except as described below, a nonexempt employee may not voluntarily waive or skip the meal period.

a) An employee may voluntarily waive the right to the first meal period, if and only if, the employee does not work more than 6 hours in a workday and if management agrees to the waiver. A comment to this effect must be made on the timesheet/time collection form.

b) An employee may voluntarily waive the right to the second meal period, if and only if, the employee does not work more than 12 hours in the workday, and if management agrees to the waiver. The employee may not, however, waive the second meal period if the employee has already waived the first meal period.

c) When necessary, and for legitimate business reasons, a manager may direct an employee to work through a meal period, take a short meal period, or take a late meal period. The manager must verify that the employee completes and submits Form 511 when this occurs.

Managers can schedule meal periods for their nonexempt employees, taking into account the department's operational requirements and employee needs. Managers may stagger nonexempt employees' meal periods so that ongoing operational responsibilities are not compromised, as long as the applicable guidelines of this policy are met.

If an employee is not provided with, or is prevented from taking an uninterrupted meal period as described above, the employee should complete a Missed Meal Period/Rest Break Form 511, and submit it to Payroll by the end of the pay period and no later than 10 a.m. on Monday to ensure the employee is compensated properly.

If an employee fails to take and/or record a meal period, takes and/or records less than a 30-minute uninterrupted meal period, or takes and/or records a late meal period but does not submit Form 511, the corporation will assume that the nonexempt employee did not submit the form voluntarily.

NONEXEMPT REST BREAKS

Nonexempt employees are permitted to take one continuous, uninterrupted 10-minute rest break for each 4-hours worked, during which the employee must be relieved of all duties. Whenever practicable, nonexempt employees should take their rest breaks near the middle of each 4-hour work period. The break time is paid time and is not recorded on the timesheet.

Break times are permitted as follows:

a) One rest break when working between 3.5 and 6 hours

b) Two rest breaks when working between 6 and 10 hours

c) Three rest breaks when working between 10 and 14 hours

Rest breaks may not be accumulated or used as a basis for starting work late, leaving work early, or extending a meal period.

Managers can schedule rest breaks for their nonexempt employees, taking into account the department's operational requirements and employee needs. Supervisors may stagger nonexempt employees' rest breaks so that ongoing operational responsibilities are not compromised, as long as the applicable guidelines of this policy are met.

Any nonexempt employee who is not authorized and permitted to take a rest break pursuant to the terms of this policy should complete Form 511 and submit it to his/her manager by the end of the pay period. Form 511 must be received in Payroll not later than 1 a.m. on Monday, otherwise, the corporation will assume the employee either took his/her rest break or voluntarily decided to waive it.

LACTATION ACCOMODATION

The company provides a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child each time the employee has need to express milk. The break time shall, if possible, run concurrently with any break time already provided to the employee. Nonexempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid. For more on our policy for lactation accommodation, refer to Policy P-20 Family and Medical Leaves of Absence.

TIME RECORDING AND PAY RULES

a) Each day, all employees are required to accurately record all time worked plus absences to the appropriate JO (including Overhead JOs) in the EZ Time Collection System or on the Manual Timesheet form that is signed and forwarded to Payroll.

b) Employees must record time either at the end of the workday or by 10 a.m. the following day. Charging direct JOs for mandatory company briefings and training, such as Security, Ethics, Harassment, etc., is permitted. Employees who fail to record all time worked plus absences may be subject to the terms of either the Corrective Action or Performance Improvement policies, up to and including termination.

c) Nonexempt employees record actual start and stop times to the nearest minute for the beginning and end of the shift, and for the beginning and end of meal periods. Employees must not round any start or end times for either the shift or a meal period.

d) Exempt employees record actual time worked in whole-hour increments.

e) Employees should not record time when they voluntarily engage in activities that are not for the benefit of any customer and that were not directed or assigned by management. Examples of such activities that should not be recorded include authoring scientific/engineering papers, conceiving or building new tools or products, and unassigned continuing education. Time spent on such activities may be recorded in the Talent and Learning Center site in the Aerospace University web page as educational time, innovation time etc., but may not be counted as work hours required for an employee's full 40-hour work week, or any portion of a part time employee's full work week, without advance management approval.

f) A paid absence is counted as hours worked for the purpose of computing a 40-hour workweek, for computing overtime hours for nonexempt employees for the week in which the absence occurred, and for computing compensation for exempt employees on Extended Workweek (EWW). Paid absences include holidays, vacation, paid sick, jury duty, emergency shutdown, bereavement leave, other (up to 1 day per year), and legal absence (exempt only and up to 3 days per year).

g) If an employee's weekly pay is insufficient to cover deductions for employee benefits elected by the employee, any shortfall will be deducted from subsequent paychecks.

h) The employee should record an explanatory comment if a correction to an entry is necessary after sign-off. If the employee is not available, the Functional Time Administrator (FTA) making the change must supply the explanatory comment.

Questions regarding matters of payroll, issuance of payroll payments, and timesheet/time collection form submission should be directed to Payroll.

JOB ORDERS (JO)

The corporation's contracts with the Air Force and other customers require that:

a) Full-time exempt employees must account for a minimum of 40 hours per workweek, including both working hours and absences.

b) Part-time exempt employees must account for the minimum scheduled hours of work and absences for their assigned workweek.

c) Exempt employees must account for actual hours worked. Actual hours recorded in excess of 40 hours will be automatically prorated down to 40 and distributed over the multiple JOs charged. Proration of hours is used to accurately allocate labor costs to the appropriate JOs. EWW and absence hours are excluded from the prorating calculations.

d) If an employee does not have sufficient JO to satisfy the number of hours in their scheduled workweek, the difference between the hours recorded and their normal scheduled hours is recorded to a "no charge" JO (998900).

HOLIDAY PAY

For employees eligible for holiday pay, a holiday must be recorded as 8 hours of paid absence for full-time employees, and 4 hours for part-time employees. When a holiday falls on a 9-hour workday (Monday through Thursday), employees on AWS must charge the additional hour to personal floating holiday, vacation, no pay (nonexempt only), or may make up the additional hour in the same workweek. Nonexempt employees require prior management approval to make up time.

If an employee works on a holiday, the employee will be paid holiday pay. In addition, nonexempt employees, excluding casuals and part-time interns, will be paid overtime at the rate of:

a) One and one-half the regular hourly rate for the first 12 hours worked, and

b) Two times the regular hourly rate for hours worked in excess of 12 hours in a workday.

Overtime is not available to an employee who chooses to make up time (to a maximum of 11 hours) on a holiday. The employee will be compensated for make-up hours worked at the regular hourly rate of pay, and this compensation is in addition to holiday pay.

OVERTIME PAY – NONEXEMPT EMPLOYEES

Pay is provided to nonexempt employees for hours worked in excess of defined daily or weekly hours, in compliance with applicable laws. Employees must record all hours worked and will be paid for all overtime. Employees must obtain prior management approval to work overtime, but will be paid for overtime worked even if the overtime is unauthorized. If an employee does not obtain prior management approval, the employee may be subject to corrective action.

Overtime pay is not duplicated for daily and weekly overtime; an employee will be paid overtime for all hours worked in the workweek in excess of the applicable daily maximum or in excess of the applicable weekly maximum, whichever number of hours is greater.

a) For employees on the Standard Schedule, overtime is paid at the rate of:

- One and one-half times the regular hourly rate for hours worked in excess of 40 hours in any workweek.
- One and one-half times the regular hourly rate for hours worked in excess of 8 hours during a workday.
- Two times the regular hourly rate for hours worked in excess of 12 hours in a workday.

b) For employees on the AWS, overtime is paid at the rate of:

- One and one-half times the regular hourly rate for hours worked in excess of 40 hours in any workweek.
- One and one-half times the regular hourly rate for hours worked in excess of 9 hours on Monday through Thursday, or in excess of 8 hours on a Friday they are regularly scheduled to work.
- Two times the regular hourly rate for hours worked in excess of 12 hours in a workday.

If an employee works on each workday of his or her regular schedule, and also works on a nonscheduled day (RDO or any Saturday or Sunday), overtime is paid at a rate of:

a) One and one-half the regular hourly rate for the first 12 hours worked on the nonscheduled day, and

b) Two times the regular hourly rate for hours worked in excess of 12 hours in a workday.

Overtime is paid at the rate of 1.5 the regular hourly rate for the first 8 hours worked on the 7th consecutive day of work in any workweek, and 2 times the regular hourly rate for all hours worked in excess of 8 hours on the 7th day.

SHIFT DIFFERENTIAL PAY – NONEXEMPT EMPLOYEES

Nonexempt employees who work the second or third shift are entitled to differential pay, in addition to base hourly rate, as follows:

a) Second Shift – Six percent of base hourly rate for employees assigned to shifts that begin between 1:30 p.m. and 9:15 p.m.

b) Third Shift – Eleven percent of base hourly rate for employees assigned to shifts that begin between 9:30 p.m. and 5:15 a.m.

Any overtime worked on second or third shift will be calculated at the base hourly rate plus the applicable differential. Paid absences will be paid at the base hourly rate only.

When management requires an employee on second or third shift to work an earlier shift, the employee will receive their normal shift differential. When management requires an employee on first or second shift to work a later shift, the employee will receive differential pay for the shift worked.

ON-CALL PAY – NONEXEMPT EMPLOYEES

An employee will be paid for any hours of on-call time when the employee:

a) Is required to be on corporate premises, or in such proximity that the time cannot be used effectively for personal purposes.

b) Is working away from corporate premises.

c) Is called back to corporate premises. In this case, the employee will be guaranteed compensation for the minimum hours estimated by the authorizing manager, even if actual hours worked are less than the manager's estimate. Additionally, the employee is paid for travel time from the place of contact to The Aerospace Corporation and back to the employee's residence.

If an employee is required to be on call, but only needs to leave word about where they may be reached (or is required to carry an electronic device in order to be reached), but is not required to remain on corporate premises, and is sufficiently unrestricted so that time spent is predominantly for personal purposes, such time is not considered hours worked and is not paid.

MAKE-UP TIME – NONEXEMPT

An employee may voluntarily elect to make up time missed during the workweek because of the employee's personal obligations. Make-up time can only be worked during the same workweek in which the missed time occurred. If a holiday is used for make-up time, the employee will be paid for hours worked at the regular hourly rate of pay in addition to holiday pay. Employees on both the Standard and AWS schedules may work up to a maximum of 11 hours in one workday as make-up time at straight-time pay. When recording make-up time on the timesheet, the employee must attach a written comment requesting make-up time, while the manager electronically signs the timesheet to approve the use of make-up time as recorded. Management should not encourage or request an employee to take personal time off and make up the work hours within the same week.

CALL-IN PAY – NONEXEMPT

Nonexempt employees are paid when management, only when the need is unusual or compelling, requires them to work unscheduled times. Because of the unplanned nature of a call-in, an employee is guaranteed a minimum of 4 hours pay when called back to work after completing a normal workday, or called in on a day for which the employee is not scheduled to work. When called in, the employee is guaranteed 4 hours pay at the base hourly rate or the appropriate overtime rate for the actual hours worked.

TRAVEL- RECORDING OF TIME AND PAY RULES

Travel time on company business is considered to be hours worked for JO charges, and nonexempt compensation purposes. When an employee travels on company business, all travel time must be recorded.

Travel time must be recorded as outlined below:

a) On regularly scheduled workdays (Monday – Friday): Airport commute time (or if traveling in a vehicle, all driving time) in excess of the employee's normal commute time, as well as airport waiting time, and flight time. Travel time stops when the employee has checked into the hotel. On the return date, travel time stops when the employee has returned to the home airport or back to Aerospace.

b) On non-regular workdays (Saturday, Sunday, or RDO): The employee's entire travel time must be recorded. On arrival, the travel time stops when the employee has checked into the hotel. On the return date, the travel time stops when the employee has returned to their residence.

c) When crossing time zones or the International Date Line: Employees record elapsed travel time. As an example, a 5-hour flight from Los Angeles to Washington D.C. is charged as 5 hours, regardless of the 3-hour time zone change.

d) Meal periods, sleeping, or recreation: Employees do not record time.

e) Nonexempt overtime worked while traveling on company business is compensated in accordance with the Overtime section of this policy.

PARTIAL DAY – EXEMPT EMPLOYEES

Applicable to exempt employees only, this pay code is for use in bringing the employee's recorded time to the appropriate scheduled hours for the week, but not over. Exempt employees may record partial day only when all vacation, personal holiday, and compensatory time has been exhausted, and the employee has attendance hours recorded for at least part of each workday, but not sufficient recorded hours to meet their regularly scheduled hours for that week. Exempt employees will be paid for partial day absences.

NO PAY-EXEMPT

After accrued vacation, personal holiday, and compensatory time are exhausted, exempt employees who are absent from work for personal reasons (i.e., vacation, family event, etc.) may record no-pay absence in whole-day increments*. Exempt employees may not charge no pay in partial day increments at any time. For employees in job transition, please see the Job Transition policy.

*If accrued vacation, personal holiday and compensatory time have not yet been exhausted, exempt employees must record no pay only in whole workweek increments.

TIMESHEET/TIME COLLECTION FORM SUBMTTAL

Timesheets/time collection forms must be submitted to Payroll each Monday by 10 a.m.

a) The employee's electronic or manual signature certifies that the employee has accurately recorded all time worked and all absences in the pay period, and that he or she has accurately recorded all time worked to each JO on the date the work was performed.

b) Nonexempt employees in California further certify that during the pay period they have been given the opportunity to take all of the meal period and rest breaks to which they are entitled under California state law. If they have not been given the opportunity to take all of the meal period and rest breaks to which they are entitled, then prior to certifying the timesheet, the employee must report that fact to his or her management and complete and forward Form 511 to Payroll for processing.

c) If an employee is absent, the notation "not available for signature" (NAFS) should be recorded as a comment within the EZ Time Collection System by the FTA authorized to electronically sign the employee's timesheet in their absence.

d) An employee desiring vacation pay in advance must submit a Manual Time Collection Timesheet in accordance with corporate policy.

e) For a terminating employee's last week of pay, management must send an approved manual timesheet to Payroll by 8 a.m., at least 3 workdays prior to the day of termination.

f) Changes in time charges after timesheet/time collection form submittal must be reported on a "Labor Cost Transfer" (Form 3095) and submitted to General Accounting by the following week. Transfer requests should be submitted within a reasonable timeframe. Level 6 approval is required for transfers covering periods more than 60 days prior to the transfer request. To correct previously reported employee labor distribution, Form 3095 requires the approval of the employee's management. The form must also be signed by the employee involved to document concurrence with the transfer. (Individual employee signatures are not required for mass cost transfers.)

VIOLATIONS

Violations of this policy should be reported to any manager, People Operations, or the Ethics hotline. The corporation will not allow any form of retaliation against individuals who report alleged violations of this policy or who cooperate in the company's investigation of such reports. Any form of retaliation in violation of corporate policy will result in disciplinary action, up to and including termination.

APPENDIX C

SECTION 14.3 PHYSICAL SECURITY

POLICY OVERVIEW

The corporation is committed to providing a safe and secure work environment for all employees. Physical barriers, access controls, security officer patrols, inspections, administrative procedures, and court orders are used to prevent unauthorized access. Employees, government personnel, contractors, and visitors are assigned a specific authorization access and are responsible for observing all designated security measures in accordance with that access, and reporting any suspicious activity or security deviations to Security. The Principal Director, Security and Safety, or designee, is the point of contact for review and guidance for *all* offices.

The corporation does not tolerate: (a) threats or violence against persons or property; (b) theft or misuse of corporate, government, or personal property; or (c) possession of illegal substances; or (d) unauthorized weapons on corporate premises. Employees, customers, contractors, and visitors are prohibited from bringing any weapons onto Aerospace-owned or leased property. Law enforcement personnel, armored car personnel, and authorized government personnel are permitted to bring weapons onto Aerospace leased or owned property. Violations will lead to disciplinary action, up to and including termination, and may also result in arrest, prosecution, or other legal action.

THREATS AND VIOLENCE

It is the corporation's intent to provide a secure, violence-free workplace and to protect employees from threats to their safety. Threats, threatening behavior, or acts of violence against employees, visitors, guests, or other individuals by any person on corporate premises will not be tolerated. Violations will lead to disciplinary action, up to and including termination, and may also result in arrest, prosecution, or other legal action.

a) The corporation needs to be informed about individuals who have been ordered by the courts, or other legally constituted entities, to maintain a required distance away from Aerospace company locations and employees. Employees are required to notify Manager, Corporate Investigations-of any situation (e.g., restraining order) that may impact physical and personnel security at any Aerospace facility.

b) The corporation has established a Threat Assessment Committee (TAC) to help assess and minimize any threats or acts of violence. This committee consists of representatives from the Office of the General Counsel, Security and Safety, Enterprise Information Services and People Operations.

PROHIBITED ITEMS

The following items are strictly prohibited in all locations (some exceptions with prior approval in writing from General Manager, Security & Safety or the Chief Velocity Officer):

a) Weapons and explosives

b) Knives with blades longer than 3-1/2”

c) Alcohol and illegal substances

d) Chemical defense sprays

e) Electronic stunning devices

f) Animals (except certified Service Animals)

IDENTIFICATION BADGES AND ACCESS CONTROL

Aerospace issued badges are used to ensure only authorized individuals are on corporate premises. all. Employees located at government or contractor sites must follow the procedures of their host organization.

Aerospace badges and an associated Personal Identification Number (PIN) are issued to individuals as a method of access authorization and authentication. Individuals issued ID badges and/or associated PINs shall not share, transfer, or allow other individuals to use their ID badge and/or PIN. Additionally, it is prohibited to provide access into a facility to any individual who does not have a valid ID badge and/or PIN.

Badge Categories and Composition

Aerospace badges and associated PINs are issued to individuals by Security for eight authorized access categories: Employee, Temporary, Contractor, Consultant, Visitor, Conference, U.S. Government, and Foreign National. The individual retains the badge as long as there is a valid business need and surrenders it when the need no longer exists, when a change in access category occurs, or when the badge has expired.

a) Aerospace badges must be visibly worn between the shoulders and the waist at all times while on corporate premises. Employees located at government or contractor sites must follow the procedures of their host organization.

b) Department of Defense security clearance level is designated on employee and Contractor ID badges by one of four color codes: gray – no clearance, blue – Confidential, green – Secret, red -Top Secret.

c) Only badge photos taken by Aerospace Security are used on identification badges. Badge photos are used for business purposes only.

d) Individuals are required to produce valid government-issued picture identification before Temporary, Visitor, or Conference, or Foreign National badges are issued.

e) All Aerospace offices capable of issuing badges must use this policy to develop directives applicable to their specific locations and circumstances.

f) Failure to comply with this policy or misuse of any Aerospace identification badge may result in the employee or consultant being charged with a security incident and disciplinary actions, up to and including termination; other individuals (includes contractors, government personnel, and visitors) may be subject to immediate removal from Aerospace property.

Badge Procedures

a) <u>Employee Badge</u> -Issued the first day of employment, or when rebadging is necessary, and used until surrendered (see Surrender of ID Badge section below).

b) Temporary Badge or T-Badge - Issued when an employee's regular badge is lost, stolen, damaged for forgotten. The badge is valid only for the date of issuance and is turned in at a Security-staffed lobby at the conclusion of the business day. U.S. government personnel assigned to the corporation are issued T-badges if they forget their government-issued badge. Individuals must present a valid picture ID to the lobby security officer.

c) Contractor and Consultant Picture Badge - Issued to contractors and consultants who require access to Aerospace property. An expiration date is indicated at the top of the badge. The Aerospace point of contact (POC) is responsible for retrieving and returning expired Contractor badges to Security when they expire or when access is no longer needed. Refer to the security website for how to obtain a Contractor picture badge.

d) Visitor Badge - Identifies personnel authorized to visit corporate premises. The badge is valid only for the date of the visit and is turned in at a Security-staffed lobby or gate at the conclusion of the business day. Visitors are required to present a valid government issued ID prior to being issued a Visitor badge. Minors age 13 and older are badged and shall provide a school student body card for identification if available. All minors must always be escorted while on the premises. Visitors are not authorized to bring in minors when attending meetings or conferences. Visitors are issued an "Escort Required" badge or "No Escort" badge.

e) Conference Badge - Issued to a visitor attending a classified or unclassified meeting, conference, or symposium held on corporate premises. A Conference badge must be turned in at a Security-staffed lobby or gate at the conclusion of the business day.

f) Government Badge - Issued to government (military or civilian) employees residing at Aerospace facilities. The badge is programmed with appropriate area access. These individuals must have a visit certification on file with Security which must be renewed annually.

g) Foreign National Badge -Yellow with the words "Escort Required" and issued to all foreign persons and foreign nationals. A Foreign National badge must be turned in at a Security-staffed lobby at the conclusion of the business day. Refer to Policy S-6, Security Requirements for more information about foreign visitors.

Security, or another authorized organization, will process all photos for picture badges. Individuals are prohibited from wearing headgear (e.g., baseball cap, sunglasses, etc.) or other items in photos that may obstruct the visual identification of the individual.

Damaged, Lost, or Stolen ID Badges

Security or Badge and ID is contacted for immediate repair or replacement of damaged badges. Lost or stolen badges are reported immediately to Security or the Security Control Center. A lost or stolen badge is deactivated immediately and a new ID badge is issued after 24 hours from the time of report. After hours, lost badges are reported to the Security Control Center. ID badges found or recovered at a later date must be returned to Security. Three lost badges, within a three-year period, may result in a security incident.

Surrender of ID Badges

ID badges are surrendered to Badge and ID upon suspension; termination of employment; change of a security clearance level; or anticipated absence from the corporation for a period of 90 days or more, except while on corporate business, short-term disability, or maternity leave. I17.2. Summer hires and casual employees are required to turn in their badge to Security at the completion of their assignment. Badges will be reissued upon return to work.

Access Control

a) Access to corporate facilities is controlled by gates, staffed lobbies, turnstiles, and automated (card reader) portals.

b) Visitor processing is performed at Visitor Centers and staffed lobbies.

c) Within the inner perimeter of the Aerospace General Offices (AGO) campus, multiple entries (piggybacking) on a single card reader are authorized, but the individual activating the door or gate is responsible for verifying that others have an authorized badge before allowing them access. Contact the local security representative for guidance at other office locations.*:*

d) Piggybacking is never allowed:

- After hours (Monday – Friday, 5:00 pm to 6:00 am), to include weekends and holidays
- At a Sensitive Compartmented Information Facility (SCIF)
- At a Department of Defense (DOD) Closed Area entrance
- At any perimeter entrance
- At any leased building

e) Coordination for card reader installation, modification, or removal must be made in advance with the Director, Physical Security, or the Regional Security Office POC.

f) Container and vehicle inspections may be performed in accordance with contractual requirements, elevated security posture, or at the discretion of the Principal Director, Security and Safety. Random lobby inspections are conducted in accordance with U.S. Government requirements.

- As a condition of entry onto corporate premises, all employees and non-employees may be required to submit to a spot check or search of all carried receptacles. Searches may occur at the time of entry and/or exit from the premises.
- Inspections detect the unauthorized movement of property, classified, or sensitive unclassified material, and the presence of unauthorized or illegal materials, such as weapons, drugs, and hazardous materials.

g) Regulations are established and enforced to ensure orderly traffic management safety at all Aerospace-owned office locations. Parking lots are for employees, authorized government personnel (military, civilian), and contractors. The corporation assumes no responsibility for loss and/or damage to personal vehicles. Employees located at leased facilities or government or contractor sites must follow the procedures outlined at those locations.

h) Patrols of corporate facilities are established and tracked by Security in accordance with contractual and insurance requirements. Emergency and safety alarm responses are controlled and monitored by the Security Control Center (SCC) and Security.

i) Security and Safety alarm systems report to the SCC or local security system monitoring station. Installation, modification, or removal of alarms must be coordinated with the Director, Physical Security or the Regional Security Office POC.

INVESTIGATIONS

Employees must report any incident that may require a security investigation to line management, Security management or the SCC. Line management shall notify Security and Safety of the received report.

a) Security will initiate investigations related to situations that involve serious breaches of security or have corporate security implication or effect.

- Examples include subversive acts; theft, loss, damage, or misappropriation of property; compromise or suspected compromise of classified or Sensitive but Unclassified material; threatening behavior in the workplace; or possible illegal activity.

- Security maintains cognizance over security investigations and, where appropriate, coordinates the investigation with People Management, the Office of the General Counsel, and Internal Audit, as required.

b) Except for allegations of illegal activity, the accused employee is notified of the allegations and given an opportunity to respond. The employee also receives a written summary of the findings.

c) The Principal Director, Security and Safety, will ensure the proper coordination of activities in situations requiring the correlation of investigative efforts among People Management, Security and Safety, Internal Audit, and the Office of the General Counsel, so that the rights of the employee are properly balanced with the corporation's interests and its responsibility to conduct a fair, impartial, and effective investigation.

d) Security investigations are considered Sensitive but Unclassified and privileged information; access and distribution are kept to a minimum.

CONTROLLED AREAS

In accordance with the Department of Defense (DOD), collateral Restricted and Closed Areas are established within corporate facilities to prevent unauthorized access to collateral classified material.

a) Sensitive Compartmented Information Facility (SCIF): In accordance with Intelligence Community Standards and Directives, SCIFs are required for the protection of Sensitive Compartmented Information against compromising emanation, inadvertent observation and disclosure by unauthorized persons, and detection of authorized entry.

b) Management must contact Security and Safety as soon as it is known a controlled area is required. Construction, accreditation, and management of the area requires advanced planning.

c) Regional offices shall utilize this policy to develop and implement procedures appropriate for their specific locations and requirements.

d) Access to additional sensitive but unclassified work areas may be controlled when necessary for the protection of material or information. Management must provide justification and contact Security to determine the best solution.

PROHIBITED ELECTRONIC DEVICES (PEDS)

Devices/equipment that have recording capabilities, wireless (Wi-Fi), Bluetooth, RF/memory capabilities are not allowed in classified environments, this includes Closed/Restricted areas, Special Access Programs (SAP) or SCIF's. Employees may request a medical exception to bring certain devices into closed areas by contacting the Physical Security Director. If a non-Aerospace location or customer site has more restrictive requirements, Aerospace employees must follow the requirements for the location or customer site.

Immediately report to the Security Control Center if you bring a prohibited device into a Closed/Restricted area, SAP or SCIF. For questions please contact the Security Control Center or Special Programs Security.

PEDs include (but are not limited to and are subject to change):

a) Personally-created CDs/DVDs

b) Cell phones/Smart phones

c) Smart watches

d) Fitness devices

e) Tile (wireless tracking devices)

f) Earbuds w/microphone

g) Two-way pages/radios

h) Cameras

i) Microphones

j) Portable game systems

k) Tablets/Laptops/Kindle-Readers

l) USB Flash drives (including Iron keys)

m) Digital Picture Frames

LOCK AND KEY

Lock and Key provides office equipment and structural lock services for employees located in all corporate facilities. This includes issuing keys, locks, installation, opening and repair, as well as the creation and maintenance of the classified combination program. Lock-related services in corporate facilities, including contractor supplied materials and services must be coordinated through the Manager, Classified Material Services/Lock and Key at AGO or through the Regional Security Office POC.

a) Lock and Key at AGO provides office equipment lock services for employees located on the Los Angeles Air Force Base (LAAFB). The LAAFB locksmith provides structural lock services.

b) Lock-related services at all Aerospace office locations are coordinated through their Regional Security Office.

LOST AND FOUND

Physical Security maintains a lost and found service through the SCC. Articles found should be forwarded to this service.

a) Lost articles may be claimed upon proper description and identification. Items left unclaimed for over 90 days are donated to charity.

b) Lost and found services at all Aerospace office locations are coordinated through their Regional Security Office.

SECURITY CONTROL CENTER (SCC) - EAST AND WEST

The SCC east and west provide services 24 hours a day, 7 days a week, including intrusion alarm monitoring and response, Security and Safety incident reporting, fire alarm monitoring, intrusion detection monitoring and response, 911 notification, public address announcements, AeroElert notifications, after-hours assistance, overnight storage for classified material for late-arriving employees and visitors at AGO, and emergency and non-emergency medical services.

APPENDIX C

SECTION 25. DISABLED EMPLOYEES - ACCOMMODATION

POLICY OVERVIEW

The corporation provides reasonable accommodation(s) to otherwise qualified employees and applicants who are disabled and need assistance to perform the essential functions of their positions. People Management provides guidance, in consultation with the Office of the General Counsel, on the interactive process, and the implementation of reasonable accommodations.

DEFINITIONS

- Disabled: An employee is considered disabled when he or she has a physical condition or a mental or psychological disorder that limits a major life activity, such as walking, seeing, hearing, learning, performing manual tasks, caring for oneself, or working. In addition, employees may be considered disabled due to pregnancy, childbirth, or related medical conditions, provided that the employee's healthcare provider certifies that such accommodation is medically advisable.

- **Interactive Process:** Ongoing dialogue between the employee and appropriate representatives of the corporation about possible options for reasonably accommodating the employee's disability.

REASONABLE ACCOMMODATION

Reasonable accommodation options may include, but are not limited to: modified work schedule, leave of absence, transfer or reassignment, modified equipment, assistive devices, modification of existing facilities, and restructuring the non-essential functions of the job. Upon an employee's return from a disability-related leave of absence (refer to policy P-21 Leaves and P-20 FMLA), reasonable accommodations for an employee's continuing disability also may include a part-time schedule, intermittent use of short-term disability leave, telework, and rotation options. The corporation uses information related to the essential functions of the job, functional limitations, possible accommodations, the reasonableness of possible accommodations, and implementation of a reasonable accommodation to determine what, if any, reasonable accommodation will be made.

The corporation does not need to provide a requested accommodation if doing so would pose an undue hardship; this determination is made on a case-by-case basis. The corporation will comply with the applicable state and federal laws governing the confidentiality of employee medical information.

THE INTERACTIVE PROCESS

An employee starts the interactive process by requesting a reasonable accommodation, that is, a statement that an employee needs a work-related adjustment or change for a reason related to a mental or physical disability. This request may be directed to the employee's manager, Strategic People Partner, or People Management and may be made verbally or in writing by the employee, or by someone on his or her behalf.

The corporation and the disabled employee will participate in an interactive process once the corporation is informed or becomes aware of the need for an accommodation. Participants in the interactive process include the employee, the employee's healthcare provider, and other appropriate corporate representatives. The employee must respond to reasonable requests for information in a timely manner throughout the interactive process.

If an employee's manager becomes aware of an employee's disability and the possible need for an accommodation (e.g., an employee mentions a difficulty in performing work duties due to medical treatment for a health condition), the manager must contact their Strategic People Partner or People Management.

MEDICAL DOCUMENTATION

The employee is responsible for providing medical documentation to confirm the existence of a disability, if necessary, and assist in understanding the employee's functional limitations. The medical documentation must describe the functional limitation as it relates to the employee's job duties, including the anticipated duration of the limitation. The medical documentation should specify any requested or suggested accommodations and describe how those accommodations will assist the employee in performing the essential functions of the job.

a) People Management will provide the employee the appropriate Medical Certification of Disability/Medical Condition form (In CA: Form-4703; Outside CA: Form-4702).

b) The corporation may, when necessary, require that the employee be examined by an Aerospace-appointed, licensed healthcare provider. In such a case, the corporation will pay the costs of any medical examinations requested or required by the corporation.

APPENDIX D

SECTION 6. OTHER ABSENCES

The corporation recognizes that employees are subject to emergencies or family related matters that justify brief absences from work. Depending on the circumstances, it is appropriate for supervisors to approve this time as a paid absence or unpaid absence, and to verify accuracy of timecard data.

Paid absences for active military reserve duty (P-21), holidays (P-19), jury duty (P-21), industrial injury and sick leave (P-21), rehabilitation (P-21 and P-16), and vacation (P-19) are covered in corporate practices. Employees should refer to P-20 for family and medical leave. Employees should refer to P-21 for unpaid personal leaves of absence that will be greater than 2 weeks but less than one year. Supplemental Sick Leave is covered in the Human Resources Occasional Sick Leave Plan (http://info.aero.org/hr/benefits/sickLeave.pdf). A paid absence is counted as hours worked for the purpose of computing a 40-hour workweek and for computing overtime hours for nonexempt employees for the week in which it occurred (P-7). A paid absence is counted as hours worked for the purpose of computing a 40-unit workweek for exempt employees (P-7) and for computing compensation for exempt employees on extended workweek (P-8).

Exempt employees may record no pay for unpaid absences only when vacation, personal holiday, or compensatory time is not available unless no pay is taken in whole workweek increments (P-7). After the listed leave balances are exhausted, exempt full-time employees record no-pay absences in whole-day increments only. Exempt part-time employees record no-pay absences in scheduled whole workday increments. In the event partial days of vacation, personal holiday, or compensatory time exist, partial days of no pay for personal reasons may be used in conjunction with those remaining hours. Nonexempt full- and part-time employees record no pay in tenth-of-an-hour increments. Fractions of an hour are recorded as decimals; e.g., 6 minutes = 0.1 and 30 minutes = 0.5. No-pay hours are recorded as “N” on the timecard.

This practice is subject to applicable federal and state laws. Employee Relations provides assistance and answers employee questions on absences discussed in this practice.

PAID ABSENCES

Bereavement is a paid absence in the event of a death in an employee’s immediate family of up to three workdays. If the employee needs more time to travel to the funeral site, up to five workdays of absence may be approved by management level 4 or above. Such absence is recorded as “D” on the timecard, and the relationship of the deceased is noted.

Immediate family is an employee’s spouse, child, grandchild, brother, sister, parent, grandparent, spouse’s parent or grandparent, or someone who has acted in place of a parent. Immediate family also includes an eligible domestic partner, his or her child, grandchild, parent, grandparent, or someone who has acted in place of either parent.

To establish that a person is an “Eligible Domestic Partner,” one of the following conditions must be met. The employee has filed with the California Secretary of State a Declaration of Domestic Partnership or its equivalent in other states recognizing registered domestic partnerships, and has provided a certified or other appropriately authenticated copy thereof to the Benefits Department. If the state in which the employee is employed does not legally recognize marriage or domestic partnerships between same sex couples, an employee’s same sex domestic partner will qualify as a dependent for purposes of this practice if the employee and the employee’s same sex partner satisfy the conditions set forth in the Aerospace Affidavit of Domestic Partnership form and submit the completed form to the Benefits Department.

Emergency Shutdown is the closure of an Aerospace facility, a corporate-leased building, or a military building that houses corporate employees in the event of an emergency or disaster (see Practice S-21). Employees excused from work by management direction because of an emergency shutdown will receive absence pay and will be directed by management to charge the appropriate amount of "E" time on the timesheet, which should be not more than 8 or 9 hours per day, depending on the employee's work schedule.

If a non-Aerospace facility is closed for a full or partial day, employees should comply with closure instructions as directed by the management of their work location or facility. Aerospace management determines how employees should charge their time and will direct employees to charge the appropriate amount of "E" time.
Employees continuing on vacation, occasional sick, or other approved absences that began prior to the shutdown are not eligible to charge time to emergency shutdown. Employees on vacation, occasional sick, or other approved absences who were scheduled to return to work but were prevented from doing so by an emergency shutdown, receive paid absence by charging to "E" on the timesheet.

Employees may voluntarily "make up" time during the week and reduce the amount of "E" time charged. Nonexempt employees can only work up to eleven hours per day without getting overtime (see Practice P-7).

Delayed Start – A delayed workday start may be directed by the government, contractor or government facility, or Aerospace management. A delayed start assumes the facility is open at the normal time and employees can come to work as conditions allow. This allows for a flexible start time. "E" time is not used in a delayed-start situation.

If the facility is open, the employee has the choice of making up time during the week or charging available vacation, personal holiday, or compensatory time (exempts) if they wish to come in late or leave early.

If a late start or an early release is mandatory and the facility must close, management may authorize the use of "E" time.

Legal is an absence for a legally required court appearance other than jury duty. All employees are entitled to time off to appear in court to comply with a subpoena or other court order as a witness in a judicial proceeding. Employees are also entitled to time off if they are issued a subpoena or are summoned to testify, to assist, or to participate in hearings conducted by federal and state administrative agencies such as the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, and the National Labor Relations Board. Employees must promptly notify management of such absences and provide a copy of the subpoena, summons, or court order from the court or administrative agency.

Nonexempt employees may charge vacation, personal holiday, or no pay for such absences, or may make up time in accordance with corporate practice (P-7).

Exempt employees may charge time to the absence code "L," Legally Required Court Appearance, for up to three workdays in a fiscal year. Absences for
court appearances in excess of three days may be charged to vacation, personal holiday, comp time, or no pay.

Other is a paid absence of up to one workday available to Regular employees, at the discretion of supervision, for each occurrence of other personal emergencies not covered in the foregoing paragraphs. Such absence is reported as "O" on the timecard, and the reasons noted. The Executive Team may approve the temporary use of "O" time for more than one workday when circumstances warrant.

UNPAID ABSENCES

Children's School Activities is an absence for employees to participate in children's school activities if they are parents, guardians, grandparents having custody, or have same-gender domestic partners who are parents, guardians, or grandparents having custody. The employee must use available vacation, compensatory time (exempts), and personal holiday hours prior to the use of no pay. Exempt employees record no pay units in accordance with paragraph 3. No pay absences for children's school activities may not exceed nine hours in any calendar month of the school year or a total of 40 hours per school year. When no pay hours are used, the employee must notify supervision at least one day prior to the planned absence. Management may request the employee to provide documentation from the school as proof of participation.

Domestic Violence Leave is an unpaid absence that allows an employee to take leave from work to undertake activities resulting from an act of domestic violence. At an employee's request, management will allow the employee to take up to three working days of leave in any 12-month period if the employee or a family or household member of an employee is the victim of domestic violence. An employee must exhaust all vacation, compensatory time (exempts), and personal leave, as well as sick leave (if applicable for the employee's medical or mental health care), before seeking domestic violence leave. When possible, the employee should give supervision advance notice of the leave.

An employee may use domestic violence leave to seek an injunction for protection against domestic violence, dating violence, or sexual violence; to obtain medical care or mental health counseling (or both) for the employee or a family or household member to address physical or psychological injuries resulting from an act of domestic violence; to make the employee's home secure from the perpetrator of the domestic violence or to seek new housing to escape the perpetrator; to seek legal assistance to address issues arising from domestic violence or to prepare for and attend court-related proceedings resulting from domestic violence; and to obtain services from a victim-services organization, including, but not limited to, a domestic violence shelter or program or a rape crisis center.

All information relating to the use of domestic violence leave will be kept confidential. The corporation will not discharge, demote, suspend, retaliate, or in any manner discriminate against an employee for exercising their right to domestic violence leave.

If domestic violence leave time is not charged to vacation, personal leave, compensatory time (exempts), or sick leave in accordance with paragraph 20, it should be recorded on the timesheet as no pay.

Holiday Closure is an absence applicable when the corporation closes the facility during a holiday period, such as between Christmas Day and New Year's Day. Holiday closure does not include corporate-paid holidays, such as Christmas Day and New Year's Day. Absences during a holiday closure are charged to either vacation or no pay.

Military Spouse Leave is an unpaid absence allowing an employee up to 10 work days of time off when their spouse or domestic partner is on leave from active military duty. This leave does not run concurrently with family and medical leave.

To be eligible for the 10 days of leave, an employee must work at least 20 hours on average per week; have a spouse or domestic partner in the Armed Forces on leave from deployment to a combat zone, or in the National Guard or Reserves on leave from deployment during a period of military conflict; notify management about their intent to take time off within two days of receiving official notice about their spouse or domestic partner's leave; and must submit documentation, such as a copy of the official notice of the leave, to management to certify that their spouse or domestic partner will be on leave from deployment during their time off.

An employee may elect to use paid vacation time, personal holiday, or compensatory time (exempts) instead of unpaid Military Spouse Leave. Absence should be charged on the timesheet as vacation, personal holiday, compensatory time (exempts), or no pay.

Religious Observance is an absence for religious observance that may be recorded on the timecard as vacation, personal holiday, or no pay.

Unscheduled Absence is an absence when an employee is unable to report to work due to unforeseen circumstances (for example, if detained by a disabled vehicle or an accident en route to work).

The employee notifies supervision as soon as possible after the start of a scheduled work shift. If an employee fails to report to work and fails to call and explain the absence within two hours of the scheduled start time, the supervisor will attempt to contact the employee. If the absence remains unexplained after four hours, the supervisor notifies the next level of management, who will notify Employee Relations.

Depending on the circumstances, unscheduled absence may be reported as vacation, no pay, or other on the timecard, with the approval of management.

APPENDIX D

SECTION 8. FAMILY AND MEDICAL LEAVES OF ABSENCE

POLICY OVERVIEW

This policy covers the following family and medical leave options:

a) Family and Medical Leave Act (FMLA) – The corporation will grant unpaid, job-protected family and medical leave under the Family and Medical Leave Act (FMLA) in accordance with the requirements of applicable state and federal laws in effect at the time the leave is granted. Although the state and federal laws sometimes have different names, the corporation refers to these types of leaves collectively as "FMLA Leave." Leaves that fall under FMLA Leave protection include Bonding Leave, the Employee's Serious Health Condition Leave, Family Care Leave, Military Caregiver Leave, and Military Exigency Leave.

b) Pregnancy Disability Leave (PDL) – PDL is unpaid leave available to employees disabled due to their pregnancy, childbirth, or pregnancy-related medical conditions. PDL runs concurrently with FMLA under federal law, but not with FMLA under California law. Regardless, employees in California and other states will be provided PDL as described in this policy in addition to Bonding Leave.

c) Paid Parental Leave (PPL) - Aerospace's PPL runs concurrently with FMLA and provides up to four weeks paid leave related to the birth, adoption, or foster placement of an employee's child, in accordance with this policy.

DEFINITIONS

- **Bonding Leave:** Unpaid leave under FMLA to care for a child coming into the household through birth, adoption, receipt of legal guardianship, stepchild, or foster care

- **Covered Military Member:** Includes the employee's spouse, domestic partner, child, adopted child, stepchild, or parent on active duty or called to active duty status

- **Covered Veterans:** Those released from the armed forces under conditions other than dishonorable discharge anytime during the five-year period before the first date the employee takes military caregiver leave, to care for a veteran that is undergoing medical treatment, recuperation, or therapy for a serious injury of illness

- **Employee's Serious Health Condition Leave:** Unpaid leave under FMLA for an employee's own serious health condition

- **Family Care Leave:** Unpaid leave under FMLA for an employee to provide assistance to an immediate family member who has a serious health condition that requires the employee's constant assistance

- **Immediate Family Member:** Includes, and is limited to, the employee's spouse, registered domestic partner, parent, child, child of a spouse or domestic partner, stepchild, foster child, adopted child, grandparent, grandchild, or sibling

- **Intermittent FMLA Leave:** Unpaid, discontinuous, or reduced scheduled leave that may be taken intermittently under some circumstances, which means the employee may take leave in blocks of time or by reducing the normal weekly or daily work schedule

- **Military Spouse Leave:** Unpaid absence allowing an employee up to 10 work days of time off when their spouse or domestic partner is on leave from active military duty; this leave does not run concurrently with FMLA

- **Serious Health Condition:** Health condition that requires inpatient care in a medical facility, continuing treatment, or supervision by a healthcare provider

ELIGIBILITY

FMLA

To be eligible for FMLA Leave, an employee must be an active regular full-time or part-time employee who has worked for the corporation for a total of at least 12 months, and at least 1,250 hours during the 12 months immediately preceding commencement of the leave. (Paid leaves during the preceding 12 months, such as vacations, holidays, sick leave, and personal holiday leave days are counted in determining the 1,250 hours for eligibility.)

Once FMLA Leave is taken and the original 12-month period expires, the employee must again meet the above eligibility requirements before another FMLA Leave may be taken. Successive 12-month periods commence on the date of the employee's first use of such leave after the preceding 12-month period has ended.

Pregnancy Disability Leave (PDL)

Employees disabled due to pregnancy, childbirth, or related medical conditions are eligible for PDL. An employee is considered "disabled by pregnancy" if, in the health care provider's opinion, the employee cannot work at all, if the employee is unable to perform one or more essential job functions, or performance of any one or more essential job duties presents undue risk to the employee, the successful completion of the pregnancy, or to other persons. Pregnancy disabilities may include, but are not limited to, certain conditions such as severe morning sickness or situations where an employee needs to take time off from work for prenatal or postnatal care, bed rest, post-partum depression, and the loss or end of pregnancy. In addition, an employee affected by pregnancy may be eligible for a temporary transfer to another job or other reasonable accommodation.

Paid Parental Leave (PPL)

Full- and part-time employees are eligible immediately upon hire, following the birth, adoption, or foster placement of an employee's child (age 17 or younger) that occurs during the employee's employment. Temporary or casual employees are not eligible. PPL is to be used during approved FMLA leave that is taken as Bonding Leave. However, employees in their first year of employment who are not yet eligible for FMLA are eligible for and may use PPL during an approved Personal Leave that is taken for the same purpose as Bonding Leave. All leave taken due to the birth or placement of a child will be counted towards the 12 weeks of available FMLA. Leave taken as an approved Personal Leave during the employee's first year of employment for the purposes of Bonding Leave will be treated as protected leave.

For employees who have given birth, PPL may be used after the short-term disability period. PPL does not run concurrently with short term disability/supplemental sick and is separate from all forms of disability or sick leave.

DURATION OF LEAVE

FMLA

When FMLA Leave is taken for Bonding Leave, the Employee's Serious Health Condition Leave, Family Care Leave, or Military Exigency Leave, the maximum amount of FMLA Leave will be a total of 12 workweeks (480 hours) during a rolling 12-month period measured backwards from the date the leave commences.

Nonexempt employees may take Intermittent FMLA Leave in increments of one minute. Exempt employees may take Intermittent FMLA Leave in increments of no less than one hour.

Bonding Leave

An eligible employee is entitled to 12 weeks of family leave for bonding within one year of the event of the child coming into the household through birth, adoption, receipt of legal guardianship, stepchild, or foster care. This leave is effective for birth mothers once the employee is no longer disabled due to pregnancy following childbirth. During a Bonding Leave, employees may use PPL and/or vacation, as permitted by corporate policies, or any state-sponsored programs like CA Paid Family Leave.

Military Exigency Leave

Military Exigency Leave falls under FMLA as a result of an urgent situation where a covered military member in the National Guard or Reserves is on active duty or called to active duty status in a foreign country, or is a member of the regular Armed Forces on duty while deployed to a foreign country (includes international waters). A covered military member includes the employee's spouse, domestic partner, child, stepchild, adopted child, or parent on active duty or called to active duty status.

a) Military Exigency Leave permits eligible employees who are relatives of a covered military member to take FMLA Leave to address common issues that arise when a covered military member is deployed, such as attending military-sponsored functions, making financial and legal arrangements, short-notice deployment issues, childcare and related activities, attending to post-deployment activities, parental care, and rest and recuperation.

b) An eligible employee may take Military Exigency Leave to do the following for the parent of a covered military service member who is incapable of self-care: arrange for alternative care; provide care on an immediate, urgent need (but not routine or everyday) basis; admit or transfer the parent to a care facility; or attend meetings with staff at a care facility. Such care must be necessitated by the status of the military service member (on active duty or called to active duty).

c) An eligible employee may take up to 15 calendar days of leave to spend time with a covered military service member who is on short-term, temporary rest and recuperation leave.

Military Caregiver Leave

Military Caregiver Leave is unpaid under FMLA to care for a covered service member of the Armed Forces, National Guard, Reserves, or covered veterans. An eligible employee who is the spouse, child, parent, or next of kin (nearest blood relative to service member) may take up to 26 weeks of leave to care for spouses, children, stepchildren, adopted children, parents, or next of kin who are service members who are undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary disability retired list for a serious injury or illness incurred or aggravated during active duty in the Armed Forces, National Guard, or Reserves.

The maximum amount of FMLA Leave for Military Caregiver Leave will be a combined leave total of 26 workweeks in a single 12-month period, and is combined with all other FMLA leaves in that time period, resulting in a maximum total leave entitlement of 26 weeks. The single 12-month period begins on the date of the employee's first use of such leave and ends 12 months after that date.

Pregnancy Disability Leave (PDL)

Employees disabled due to pregnancy, childbirth, or related medical conditions may take up to a maximum of four months (equal to 17.33 weeks) of leave, based on the employee's regular work schedule. This leave may be taken on a continuous basis or intermittently, as may be medically required.

Example:

EE Regular Work Hours	**Leave Maximum**
FT: 40 hours per week (5 days per week, 8 hours per day)	693.2 leave hours total (86.65 days for 8 hours/work day)
PT: 20 hours per week	346.6 hours of leave

Americans with Disabilities Act (ADA) Leave Extension

The ADA and similar state laws prohibit discrimination on the basis of disability. The corporation strives to make all employment opportunities available to qualified individuals with disabilities. For this reason, and as a means of reasonable accommodation, the corporation may permit leave for a medical reason, in excess of the 12 workweeks of leave provided in this policy, when a qualified employee has a disability within the meaning of the ADA, requests and requires leave as an accommodation, and the extension of the requested leave is both reasonable and would not cause an undue hardship to the corporation.

Paid Parental Leave (PPL)

PPL is provided to eligible employees up to four weeks (160 hours) to be taken within 12 months following the birth, adoption, or foster placement of an employee's child (age 17 or younger) that occurs during the employee's employment. A birth, adoption, or foster placement of multiple children does not increase the amount of available PPL. PPL may be used consecutively or intermittently in week-long increments. If the date of birth, adoption, or foster placement occurs mid-week, employees are eligible to use a partial initial week with the remaining days added to end of the leave, while other weeks must be used in full-week increments.

CERTIFICATION REQUIREMENTS

Specific certification may be required, and must be provided promptly and within the specified time-period. Failure to comply with notice and certification requirements may result in a delay or denial of the leave.

Employees will be asked to provide periodic recertification and periodic reports during FMLA leave.

The corporation may, at their expense, require a second or third medical opinion regarding an employee's own serious health condition. Employees are expected to cooperate with the corporation in obtaining additional medical opinions required by the corporation.

PAY DURING LEAVE

FMLA

FMLA Leave is generally unpaid. However, employees may be eligible to receive benefits through state-sponsored benefits such as California State Disability Insurance (SDI) or California Paid Family Leave (PFL), or through company-sponsored benefits such as Short Term Disability (STD) for non-California based employees, vacation, supplemental sick, and Paid Parental Leave to the extent permitted by law and corporate policy.

Pregnancy Disability Leave (PDL)

PDL is unpaid. However, during a leave taken for pregnancy disability, employees may use supplemental sick leave, SDI, STD, or accrued vacation time, as permitted by corporate policy. All such payments will be integrated with any state disability or other wage reimbursement benefits that employees may receive. Employees will never receive a greater total payment than their regular compensation.

Paid Parental Leave (PPL)

PPL is compensated at 100% of the employee's then current pay, but offset to include any state-mandated paid family benefits based on the employee's work location, such as PFL. PPL will be paid via regular payroll on a weekly basis on regularly scheduled pay dates. Unused leave will be forfeited at the end of the 12-month timeframe and will not be paid to employees upon the termination of employment.

State Disability Insurance (SDI)

SDI is available to eligible full- and part-time California employees through the State of California Employment Development Department. Payments from SDI will be integrated with the employee's regular weekly salary so that the employee will receive no more than their regular compensation during the SDI period. The use of paid benefits will not extend the length of an FMLA Leave. Refer to the P-21 Leaves policy.

Paid Family Leave (PFL)

PFL provides eligible California employees (those covered by SDI) with partial wage replacement when taking time off work to care for parents, children, spouses, and registered domestic partners or to bond with a new minor child. PFL offers up to 6 weeks of benefits in a 12-month period. While PFL provides benefits, it does not provide job protection or return-to-work rights.

Short Term Disability (STD)

STD is available on a voluntary basis to eligible full- and part-time employees outside California if the employee voluntarily elects to pay the premiums for STD coverage. Payments from STD will be integrated with the employee's regular weekly salary so that the employee will receive no more than their regular compensation during the STD period. The use of paid benefits will not extend the length of a FMLA Leave.

Supplemental Sick Leave

Supplemental sick pay is provided to protect eligible employees against loss of income due to extended periods of illness or injury. Refer to the P-21 Leaves policy for more information.

BENEFITS DURING LEAVE

FMLA

Benefits during FMLA include the continuing group health and welfare benefits.

a) The corporation will continue to make contributions for an employee's group health and welfare benefits during a leave on the same terms as if the employee had continued to work. This means that if the employee wants benefits coverage to continue during leave, the employee must also continue to make any premium cost-sharing payments that are currently required for the employee and their dependents.

b) Employees taking Bonding Leave, Employee's Serious Health Condition Leave, Family Care Leave, or Military Emergency Leave will generally be provided with group health and welfare benefits for a 12-workweek period. Employees taking Military Caregiver Leave will be eligible to receive group health and welfare benefits coverage for up to a maximum of 26 workweeks.

c) The employee's length of service as of the leave will remain intact, but accrued benefits, such as vacation and retirement will not accrue while on an unpaid FMLA Leave.

Employees receiving compensation during an FMLA leave (SDI, STD) will have the employee portion of insurance premiums deducted from the compensation received from the corporation. Employees not receiving any compensation during an FMLA leave need to make arrangements with Employee Benefits for the employee portion of the payment for insurance premiums. If remittance of the employee portion of insurance premiums is not received, insurance coverage will be affected. On the first day of return from FMLA leave, the employee must contact Employee Benefits for reinstatement processing.

Pregnancy Disability Leave (PDL)

During a PDL, the corporation will maintain any group health insurance coverage that an employee was provided before the leave was taken and on the terms as if the employee had continued to work. In some instances, the corporation may recover premiums it pays to maintain health coverage if the employee fails to return to work following a PDL, for reasons other than taking additional leave afforded under the California Family Rights Act or not returning due to a circumstance beyond the employee's control.

RETURN-TO-WORK

FMLA

Under most circumstances, employees will be reinstated to the same position held at the time of the FMLA Leave or to an equivalent position with equivalent pay, benefits, and other employment terms and conditions. However, the employee has no greater right to reinstatement than if they had been continuously employed rather than on FMLA Leave. For example, if the employee would have been laid off had they not gone on leave, or if the employee's position has been eliminated during the leave, the employee will not be entitled to reinstatement.

Employees are expected to provide the corporation with prompt notification of any change(s) to the employee’s return-to-work date. Accepting or continuing other employment while on leave that is contrary to the restrictions indicated by the employee’s FMLA certification, or filing for unemployment insurance benefits while on leave may be treated as a voluntary resignation from employment.

Prior to being allowed to return to work, employees must provide to Employee Benefits the applicable documents/information as listed in the Procedures section of this policy. If an employee fails to return to work at the expiration of leave and has not obtained an extension of the leave, the corporation may presume that the employee does not plan to return to work and has voluntarily terminated their employment.

Pregnancy Disability Leave (PDL)

If the employee and the corporation have established an agreed upon date to return to work after a PDL, the employee will be reinstated on that date, so long as the appropriate return to work release is received. If the length of the leave has not been established, or if it differs from the employee’s original agreement with the corporation, the employee will be returned to work within two (2) business days (so long as the appropriate return to work release is received), where feasible, after the employee notifies the corporation of the readiness to return.

In most circumstances, an employee will be offered the same position held at the time of leave or a comparable position. If the same position is not available, the corporation will work with the employee to provide the employee with a comparable position on the scheduled return date or within 60 calendar days of that return date. However, an employee will not be entitled to any greater right to reinstatement than if the employee had been employed continuously rather than on leave. For example, if the employee would have been laid off if they had not gone on leave, and there is no comparable position available, the employee will not be entitled to reinstatement.

Lactation Accommodation

Aerospace provides a reasonable amount of break time to accommodate the employee’s need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with other scheduled break periods. Nonexempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid.

The company will provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private.

An employee may request an accommodation for lactation breaks through her department supervisor, or People Operations. Aerospace will respond to the employee in writing if it cannot accommodate the employee’s request. Employees have the right to file a complaint with the labor commissioner for any violation of rights provided under Chapter 3.8 of the California Labor Code regarding lactation accommodations.

PROCEDURE

Paid Parental Leave (PPL)

a) Employees applying for PPL must contact the current leave administrator and submit the requested documentation for approval. Employees charge PPL absence time to “PPL” on their timecard.

b) California employees whose PPL is offset by state paid family benefits must provide Payroll with a copy of their statement within 30 days from the start of the leave. PPL will be discontinued if the employee does not provide Payroll with copies of proof of benefits as they are received from the state.

FMLA or Pregnancy Disability Leave (PDL)

a) When leave is for planned medical treatment, employees must try to schedule treatment so as not to unduly disrupt the operations of the corporation. Employees should consult with their manager prior to scheduling planned medical treatment.

b) An employee requesting FMLA or PDL initiates their leave request by contacting the current leave administrator at least 30 days in advance of the desired leave date, or as soon as the need for leave is known, but not later than one to two business days after the employee learns of the need.

c) The current leave administrator will provide written notification to the employee within five business days whether the employee is eligible for leave.

d) Additional certification must be submitted to the current leave administrator within 15 calendar days before the absence when the leave is foreseeable and, when the leave is not foreseeable, as soon as possible after the need for leave time is known, unless unusual circumstances exist to justify providing the form at a later date, as indicated below:

- Employees requesting FMLA Leave due to the employee's own serious health condition, including PDL, or to care for a family member must submit a completed certification form (as applicable, California or Non-California, Employee's Health/Medical Condition Certification, or Family Member Health/Medical Condition Certification).

- For an employee requesting intermittent FMLA leave, certification may be required if reasonable safety concerns exist regarding the employee's ability to perform his or her duties, based on the serious health condition for which the employee is requesting the intermittent leave.

- Employees requesting a Military Caregivers FMLA Leave must contact the current leave administrator.

- Employees requesting a Military Exigency FMLA Leave must submit a copy of the covered military member's active duty orders to the current leave administrator

e) Prior to being allowed to return to work from an Employee's Serious Health Condition Leave or from a PDL, the employee must submit to Employee Benefits a Return to Work Certification (Form #5604 CA or 5604-1 Non-CA) or a release form from a health care provider that certifies the employee can perform the essential functions of the job as those essential functions relate to the employee's serious health condition. This form should be submitted to Employee Benefits two business days prior to the employee's intended return-to-work.

f) The corporation will comply with the applicable state and federal laws governing the confidentiality of employee medical information.

APPENDIX D

SECTION 9. COMPENSATORY TIME OFF

Compensatory Time is available to regular full-time exempt employees to provide a degree of flexibility for hours worked beyond the regular schedule. An employee accrues compensatory time when working more than 48 hours in the workweek and may accrue up to the maximum of 20 hours. There is no limit in the number of times that compensatory time hours may be earned and used; however, employees must coordinate any work effort eligible for compensatory time accrual, and any use of compensatory time, in advance with management.

Hours of effort include all time during which an employee is directly performing work for the corporation. Absences during the workweek are not counted towards accruing compensatory time. Time spent in work-related travel is included in the reported hours of effort. Time spent in traveling between home and the usual work place is not included. Extended Workweek (EWW) and compensatory time accumulation are not allowed in the same workweek. Compensatory time may not be used to satisfy EWW eligibility requirements. EWW time may not be used to satisfy eligibility requirements to accrue compensatory time.

Accrual and utilization of compensatory time must occur within the same fiscal year.. An employee will be paid for any unused hours following the fiscal year end, when an employee's status is changed to other than full-time regular, and at termination.

Employees must record any work effort eligible for compensatory time <u>accrual</u>, using (Compensatory Time Earned) CTE code with the related JO, and any compensatory time <u>used</u> with the Compensatory Time Taken (CTT) code. For an RDO day, the first four hours of compensatory time worked are recorded on the first week and the remaining hours worked are recorded on the second week.

APPENDIX F

EMPLOYEE BENEFITS/INSURANCE PLANS

1/1/22-12/31/22

SECTION 1. MEDICAL/DENTAL/VISION PLAN COSTS

Section 1.1 Plan Costs For Bargaining Unit Employees

1.1.1 GROUP HOSPITAL – MEDICAL PLANS

1.1.1.1 Anthem Blue Cross PPO/CDHP/EPO PLAN (CY22)

Bargaining unit employee weekly premiums for the Anthem Blue Cross PPO Plan are as follows:

Anthem Blue Cross PPO Plan	Cost
Employee Only	$41.28
Employee plus Spouse	$90.70
Employee plus Child/ren	$74.23
Employee plus Family	$127.77

Anthem Blue Cross EPO Plan	Cost
Employee Only	$40.47
Employee plus Spouse	$88.92
Employee plus Child/ren	$72.77
Employee plus Family	$125.26

Anthem Blue Cross CDHP	Cost
Employee Only	$38.13
Employee plus Spouse	$83.10
Employee plus Child/ren	$69.22
Employee plus Family	$114.35

Anthem Blue Cross CDHP Basic	Cost
Employee Only	$33.27
Employee plus Spouse	$73.09
Employee plus Child/ren	$59.82
Employee plus Family	$102.95

The employee is responsible for 23% of the projected self-funded medical/pharmacy cost. The Corporation is responsible for the remainder of the self-funded medical/pharmacy cost.

1.1.1.2 HEALTH MAINTENANCE ORGANIZATIONS (HMOs) (CY22)

Bargaining unit employee weekly premiums for offered HMO's are as follows:

Anthem Blue Cross HMO California	Cost
Employee Only	$40.47
Employee plus Spouse	$88.92
Employee plus Child/ren	$72.77
Employee plus Family	$125.26

Kaiser (North and South CA, Mid-Atlantic, Colorado)	Cost
Employee Only	$32.05
Employee plus Spouse	$70.40
Employee plus Child/ren	$57.62
Employee plus Family	$99.16

TRICARE Supplement	Cost
Employee Only	$15.99
Employee plus Spouse	$30.99
Employee plus Child/ren	$30.99
Employee plus Family	$41.60

The employee is responsible for 23% of the fully insured medical/pharmacy premium. The Corporation is responsible for 77% of the insured medical/pharmacy premium.

1.1.1.3 DOMESTIC PARTNER RATES

Participant only rates for employees who enroll their Domestic Partners (DP) and family as dependents are the same as those in sections 1.1.1.1 and 1.1.1.2. The Internal Revenue Service has ruled that the actual cost of the domestic partner benefit is taxable income to the employee. This is not true for married couples.

To assist employees in determining their tax liability through the use of domestic partner benefits, the following table lists that liability on a weekly basis for each plan

MEDICAL HOSPITAL, DENTAL, AND VISION PLAN COSTS FOR SAME-SEX DOMESTIC PARTNERS AND DEPENDENTS OF ACTIVE EMPLOYEES (CY22)

Plan	Coverage	EE Weekly Cost-Sharing without DP Coverage**	Additional EE Weekly Cost-Sharing with DP Coverage**	Additional ER Weekly Costs with DP Coverage	Total Additional EE and ER Weekly Cost with DP Coverage**
		[PRE-TAX]	[POST-TAX]	[TAXABLE INCOME TO EE]	
Anthem Blue Cross PPO – Nationwide					
(BLDP)	EE+SP	$41.28	$49.42	$165.46	$214.88
	EE+CH		$32.95	$110.30	$143.25
	EE+F		$86.49	$289.55	$376.04
Anthem Blue Cross CDHP – Nationwide					
(CDHP)	EE+SP	$38.13	$44.97	$150.58	$195.55
	EE+CH		$31.09	$104.08	$135.17
	EE+F		$76.22	$255.17	$331.39
Anthem Blue Cross EPO - Non-CA					
(AEDP)	EE+SP	$40.47	$48.45	$162.21	$210.66
	EE+CH		$32.30	$108.14	$140.44
	EE+F		$84.79	$283.86	$368.65
Anthem Blue Cross CDHP Value – Nationwide					

(Add Plan Code)	EE+SP	$33.27	$39.82	$133.29	$173.11
	EE+CH		$26.55	$88.86	$115.41
	EE+F		$69.68	$233.26	$302.94
Anthem Blue Cross HMO – CA					
(CADP)	EE+SP	$40.47	$48.45	$162.21	$210.66
	EE+CH		$32.30	$108.14	$140.44
	EE+F		$84.79	$283.86	$368.65
Kaiser Permanente CA/MidAtlantic/CO					
(KNDP)	EE+SP	$32.05	$38.35	$128.39	$166.74
(KSDP)	EE+CH		$25.57	$85.59	$111.16
(KAIM)	EE+F		$67.11	$224.68	$291.79
(Add Kaiser CO Code)					
TRICARE Supplement					
(Add Plan Code)	EE+SP	$15.99	$15.00	$0.00	$15.00
	EE+CH		$15.00	$0.00	$15.00
	EE+F		$25.61	$0.00	$25.61
Delta Dental PPO Premium Plan					
(Add Plan Code)	EE+SP	$4.10	$4.10	$7.62	$11.72
	EE+CH		$5.33	$9.90	$15.23
	EE+F		$9.43	$17.52	$26.95
Delta Dental PPO Basic Plan					
(Add Plan Code)	EE+SP	$2.92	$2.93	$5.43	$8.36

	EE+CH		$3.81	$7.06	$10.87
	EE+F		$6.73	$12.49	$19.22
Delta Dental DHMO					
(Add Plan Code)	EE+SP	$1.24	$1.25	$2.32	$3.57
	EE+CH		$1.69	$3.12	$4.81
	EE+F		$3.31	$6.14	$9.45
Vision Basic Plan					
(Add Plan Code)	EE+SP	$2.33	$1.07	$0.00	$1.07
	EE+CH		$1.67	$0.00	$1.67
	EE+F		$4.06	$0.00	$4.06
Vision Premium Plan					
(Add Plan Code)	EE+SP	$4.09	$1.89	$0.00	$1.89
	EE+CH		$2.95	$0.00	$2.95
	EE+F		$7.16	$0.00	$7.16

1.1.1.4 EMPLOYEE ASSISTANCE PROGRAM (EAP) (CY22)

The cost of this Program is included in the medical benefit premiums.

1.1.1.5 ZURICH TRAVEL ASSIST (CY22)

The cost of this program is included in the occupational accident benefit premiums

1.1.1.6 DELTA DENTAL PLANS (CY22)

All covered bargaining unit employees are required to share in the cost of their dental expense plan on a weekly basis as follows:

Delta Dental PPO Basic Plan	**Cost**
Employee Only	$2.92
Employee plus Spouse	$5.85
Employee plus Child/ren	$6.73
Employee plus Family	$9.65
Delta Dental PPO Premium Plan	**Cost**
Employee Only	$4.10
Employee plus Spouse	$8.20
Employee plus Child/ren	$9.43
Employee plus Family	$13.53
Delta Dental DHMO Plan	**Cost**
Employee Only	$1.24
Employee plus Spouse	$2.49
Employee plus Child/ren	$2.93
Employee plus Family	$4.55

The employee is responsible for 35% of the projected self-funded dental cost and fully insured dental premium. The Corporation is responsible for the remainder of the self-funded cost and 65% of the fully insured dental premium.

Coverage is offered for dental implants, implant removal, implant supported prosthetics and implant repair and recommendation. Benefits are subject to the plan's annual maximums and deductibles. In addition, there is now an additional oral examination and either a routine cleaning or periodontal scaling and root planning for pregnant patients. See benefits for further details.

1.1.1.7 DELETED

1.1.1.8 DELETED

1.1.1.9 VISION SERVICE PLAN (VSP) (CY22)

Vision Basic Plan	Cost
Employee Only	$ 2.33
Employee plus Spouse	$ 3.40
Employee plus Child/ren	$ 4.00
Employee plus Family	$6.39
Vision Premium Plan	**Cost**
Employee Only	$ 4.09
Employee plus Spouse	$ 5.98
Employee plus Child/ren	$ 7.04
Employee plus Family	$11.25

The entire cost of the vision Plans is borne by the bargaining unit employee.

1.1.1.10 FLEXIBLE SPENDING ACCOUNT (FSA) (CY22)

The entire cost of this Plan is borne by the bargaining unit employee. The maximum contribution limits for CY22 are $2,750 per year for the Health Care Account and $5,000.00 per year for the Dependent Care Account.

1.1.1.11 OCCASIONAL SICK LEAVE PLAN

The entire cost of this Plan is borne by the Corporation.

1.1.1.12 TEMPORARY DISABILITY INSURANCE

The cost of the applicable Plan is borne by the bargaining unit employee.

1.1.1.13 CALIFORNIA STATE DISABILITY INSURANCE (SDI) AND CALIFORNIA FAMILY TEMPORARY DISABILITY INSURANCE (FTDI)

For employees located in California, the payroll tax deduction rate for CY22 is 1.1% of the wage base of $145,600 with a maximum deduction of $1,601.60. The maximum weekly SDI benefit is $1,540.00

1.1.1.14 AEROSPACE SHORT-TERM DISABILITY (STD) (CY22)

For employees located in states other than California, the maximum STD premium is $12.08 per week for a maximum of $628.32 per year.

Maximum weekly benefits are a maximum of $1,540 per week for new disabilities commencing on or after 1/01/22, and will start on the 8th day of disability resulting from an accident or sickness.

1.1.1.15 LONG-TERM DISABILITY (LTD) INCOME BENEFITS INSURANCE PLAN

The cost of this plan is shared equally by the Corporation and the bargaining unit employee. The cost to the employee is $0.15 per $100 weekly salary.

The employee also has the option of paying 100% of the cost. In this case the cost to the employee is $0.30 per $100 of weekly salary.

The Corporation also offers an optional Long Term Disability Supplemental Income Protection (SIPP) Plan. The employee pays the full cost of SIPP, which is determined individually for each participant. SIPP can be exchanged for a Long Term Care (LTC) insurance policy after age 60, for eligible participants. See Section 11 of Appendix F for further information on SIPP.

1.1.1.16 LIFE INSURANCE PLAN

The Corporation pays for your basic life insurance coverage.

The bargaining unit employee may purchase optional life insurance. The employee's cost is as follows:

Age Bracket	Weekly Cost per $1,000/week
Under 35	$ 0.007
35 – 39	$ 0.009
40 – 44	$ 0.010
45 – 49	$ 0.019
50 – 54	$ 0.031
55 – 59	$ 0.043
60 – 64	$ 0.070
65 – 69	$ 0.126
70 plus	$ 0.264

Premiums for spouses and domestic partners are as follows:

Age Bracket	Weekly Cost per $1,000/week
Under 25	$ 0.009
25-29	$ 0.011
30-34	$ 0.015
35-39	$ 0.017
40-44	$ 0.018
45-49	$ 0.028
50-54	$ 0.042
55-59	$ 0.079

60-64	$ 0.122
65-69	$ 0.234
70 plus	$ 0.380

Employees may also purchase limited life insurance coverage for their dependent children or their domestic partner's dependent children at $0.12 per week for each $5,000 of coverage, up to $0.62 per week for $25,000 maximum coverage.

1.1.1.17 OCCUPATIONAL ACCIDENT INSURANCE PLAN

The entire cost of this Plan is borne by the Corporation.

1.1.1.18 VOLUNTARY PERSONAL ACCIDENT INSURANCE PLAN (CY22)

The Corporation offers Voluntary Personal Accident Insurance to all MTS. This coverage protects the employee, their spouse, their same-sex domestic partner and dependent children in the event of an accident. The following general restrictions on the coverage apply:

The maximum amount of coverage that an employee is eligible to elect is ten times the employee's current salary up to a maximum of $600,000 (in increments of $10,000).

Amounts of elected coverage over $300,000 may not be more than 10 times the employee's basic annual salary.

Coverage for spouses, same-sex domestic partners, and dependent children is limited to $600,000 for the spouse or domestic partner and $50,000 for each dependent child.

Eligible employees and their dependents that work at Aerospace can be enrolled only under one enrollment form, either as an employee or as a dependent, but not both.

Changes to the plan can only be made during under the following conditions:

Within the first 30 days of being eligible for the plan.

In the event of a "Change in Status Event" as allowed under IRS regulations.

During the Corporation's Annual Enrollment Period.

RATES FOR CY2022

Principal Sum		Spouse & Children		Weekly Payroll Deduction	
Employee	Spouse	Spouse/Domestic Partner	Each Child	Employee Only	Employee& Dependents
$ 10,000	$ 10,000	$ 8,000	$ 1,500	$0.05	$0.10

$ 50,000	$ 50,000	$ 40,000	$ 7,500	$0.25	$0.50
$100,000	$100,000	$ 80,000	$15,000	$0.50	$1.00
$200,000	$200,000	$160,000	$30,000	$1.00	$2.00
$300,000	$300,000	$240,000	$45,000	$1.50	$3.00
$400,000	$400,000	$320,000	$50,000	$2.00	$4.00
$500,000	$500,000	$400,000	$50,000	$2.50	$5.00
$600,000	$600,000	$480,000	$50,000	$3.00	$6.00

If you or your spouse reach age 70 or over, the following reductions in the amount of coverage will apply:

Attained Age	**Benefit amount**
70 to 74	65% of the full amount
75 to 79	45% of the full amount
80 to 84	30% of the full amount
85 and over	15% of the full amount

1.1.1.19 SEVERANCE PAY PLAN

The entire cost of this Plan is borne by the Corporation.

1.1.1.20 AEROSPACE SAVINGS ACCOUNT PLAN (ASAP)

ASAP was merged into the 401k plan – see 1.1.1.23

1.1.1.21 AEROSPACE EMPLOYEES' RETIREMENT PLAN (AERP)

The entire cost of the Aerospace Employees' Retirement Plan is borne by the Corporation.

1.1.1.22 AEROSPACE VOLUNTARY ANNUITY/ACCOUNT PLAN (VA/AP)

This plan was frozen. No new monies or participants. It was entirely funded by participants.

1.1.1.23 AEROSPACE 401(k) RETIREMENT PLAN

The entire cost of Aerospace 401(k) Retirement Plan is borne by the Corporation with employer matching up to 3% of employee contributions. Employees can also contribute.

Section 1.2 Plan Costs For Bargaining Unit Employees Who Retire During The Term Of This Agreement

1.2.1 GROUP HOSPITAL-MEDICAL PLANS

1.2.1.1 ANTHEM BLUE CROSS PPO and EPO PLAN (CY22) – Transition Rates

All active bargaining unit employees, upon entering retirement and qualifying for the Retiree Medical benefit, will be required to share in the cost of their "comprehensive" group hospital-medical insurance on a *monthly* basis for the remainder of a contract year as follows.

<u>Anthem Blue Cross PPO – Nationwide (Under 65)/ Anthem Medicare Preferred PPO (Over 65)</u>	**Monthly <u>Retiree Cost</u>**
Single: Under 65	$178.88
Single: Over 65	$158.37
2 Party: Retiree & Spouse Under 65	$393.05
2 Party: Retiree & Child(ren) Under 65	$321.66
2 Party: Retiree & Spouse Over 65	$316.74
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$393.05
2 Party: Retiree & Child(ren) 1 Over 65	$321.66
Family: All Under 65	$553.67
Family: 2 Over 65 and 1 or more Under 65	$553.67
Family: 1 Over 65 and 1 or more Under 65	$553.67

<u>Anthem Blue EPO Non-CA (Under 65) / Anthem Medicare Preferred PPO (Over 65)</u>	**Monthly <u>Retiree Cost</u>**
Single: Under 65	$175.37
Single: Over 65	$158.37
2 Party: Retiree & Spouse Under 65	$385.32
2 Party: Retiree & Child(ren) Under 65	$315.33
2 Party: Retiree & Spouse Over 65	$316.74
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$385.32
2 Party: Retiree & Child(ren) 1 Over 65	$315.33
Family: All Under 65	$542.78
Family: 2 Over 65 and 1 or more Under 65	$542.78

Family: 1 Over 65 and 1 or more Under 65	$542.78

After the end of a contract year during which a bargaining unit employee retires, the individual may be required to share in a greater portion of the cost of his/her "PPO" medical plan based upon whether he/she was hired or rehired prior to or after July 1, 1987. Those individuals hired or rehired prior to July 1, 1987, will be subject to the then-current Defined Dollar Benefit (DDB). For those individuals hired or rehired on or after July 1, 1987, the amount paid by the Plan will be determined by their years of service at retirement and the then-current DDB.

1.2.1.2 HEALTH MAINTENANCE ORGANIZATIONS (HMOS) (CY22) –Transition Rates

Active bargaining unit employees, upon entering retirement and qualifying for the Retiree Medical benefit, will be required to share in the cost of their health maintenance insurance on a *monthly* basis for the remainder of a contract year as follows.

Anthem Blue Cross HMO CA (Under 65) / Anthem Blue Cross Senior Secure HMO (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$175.37
Single: Over 65	$86.61
2 Party: Retiree & Spouse Under 65	$385.32
2 Party: Retiree & Child(ren) Under 65	$315.33
2 Party: Retiree & Spouse Over 65	$173.22
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$385.32
2 Party: Retiree & Child(ren) 1 Over 65	$315.33
Family: All Under 65	$542.78
Family: 2 Over 65 and 1 or more Under 65	$542.78
Family: 1 Over 65 and 1 or more Under 65	$542.78

Kaiser HMO Northern & Southern CA (Under 65) / Kaiser Senior Advantage HMO (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$138.89
Single: Over 65	$0.00
2 Party: Retiree & Spouse Under 65	$305.07
2 Party: Retiree & Child(ren) Under 65	$249.67

2 Party: Retiree & Spouse Over 65	$0.00
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$305.07
2 Party: Retiree & Child(ren) 1 Over 65	$249.67
Family: All Under 65	$429.70
Family: 2 Over 65 and 1 or more Under 65	$429.70
Family: 1 Over 65 and 1 or more Under 65	$429.70

Kaiser HMO Mid-Atlantic – Wash DC (Under 65) / Medicare Plus (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$138.89
Single: Over 65	$42.60
2 Party: Retiree & Spouse Under 65	$305.07
2 Party: Retiree & Child(ren) Under 65	$249.67
2 Party: Retiree & Spouse Over 65	$85.20
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$305.07
2 Party: Retiree & Child(ren) 1 Over 65	$249.67
Family: All Under 65	$429.70
Family: 2 Over 65 and 1 or more Under 65	$429.70
Family: 1 Over 65 and 1 or more Under 65	$429.70

Kaiser HMO Colorado – (Under 65) / Medicare Plus (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$138.89
Single: Over 65	$0.00
2 Party: Retiree & Spouse Under 65	$305.07
2 Party: Retiree & Child(ren) Under 65	$249.67
2 Party: Retiree & Spouse Over 65	$0.00
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$305.07

2 Party: Retiree & Child(ren) 1 Over 65	$249.67
Family: All Under 65	$429.70
Family: 2 Over 65 and 1 or more Under 65	$429.70
Family: 1 Over 65 and 1 or more Under 65	$429.70

Blue Cross Blue Shield HMO of New Mexico (Medicare Only)	**Monthly Retiree Cost**
Single: Under 65	N/A
Single: Over 65	$0.00
2 Party: Both Under 65	N/A
2 Party: Both Over 65	$0.00
2 Party: 1 Under 65 & 1 Over 65	N/A
Family: All Under 65	N/A
Family: 2 Over 65 and 1 or more Under 65	N/A
Family: 1 Over 65 and 1 or more Under 65	N/A

TRICARE Supplemental (Under 65) – Military Retirees	**Monthly Retiree Cost**
Single: Under 65	$0.00
Single: Over 65	N/A
2 Party: Both Under 65	$0.00
2 Party: Both Over 65	N/A
2 Party: 1 Under 65 & 1 Over 65	N/A
Family: All Under 65	$0.00
Family: 2 Over 65 and 1 or more Under 65	N/A
Family: 1 Over 65 and 1 or more Under 65	N/A

DOMESTIC PARTNER (DP) TAX LIABILITY FOR ELIGIBLE BARGAINING UNIT EMPLOYEES WHO RETIRE DURING THE TERM OF THIS AGREEMENT

Participant only rates for employees who enroll their Domestic Partners and family as dependents are the same as those in sections 1.2.1.1 and 1.2.1.2. The Internal Revenue Service has ruled that the amount paid by Aerospace for the domestic partner benefit is taxable income to the employee. This is not true for married couples.

To assist employees in determining their liability through the use of domestic partner benefits, the following table lists that liability on a monthly basis for each plan.

Retiree Domestic Partner Rates - Effective 1/1/22 – 12/31/22

Plan	**Coverage**	**RE Monthly Cost-Sharing without DP Coverage****	**Additional RE Monthly Cost-Sharing with DP Coverage****	**Additional ER Monthly Costs with DP Coverage**	**Total Additional RE and ER Monthly Cost with DP Coverage****
DDB **RE $244, RE+1 $488, RE+FAM $488**			**[POST-TAX]**	**[TAXABLE INCOME TO RE]**	
Anthem Blue Cross PPO - Nationwide	Single: (U65)	$969.17			
Medicare Advantage PPO (Over 65)	Single: (O65)	$158.37			
Comprehensive Plan (BLDP)	2P: (Dep U65)		$969.17	$244.00	$1,213.17
	2P: (Dep O65)		$158.37	$244.00	$402.37
	FAM: (All U65)		$2,182.35	$244.00	$2,426.35
	FAM: (REO65 & 2DepsU65)		$2,182.34	$244.00	$2,426.34
Anthem Blue Cross EPO - Non-CA	Single: (U65)	$769.86			
Medicare Advantage PPO (Over 65)	Single: (O65)	$158.37			
	2P: (Dep U65)		$769.85	$244.00	$1,013.85
	2P: (Dep O65)		$158.37	$244.00	$402.37

	FAM: (All U65)		$1,783.71	$244.00	$2,027.71
	FAM: (REO65 & 2DepsU65)		$1,783.72	$244.00	$2,027.72
Anthem Blue Cross HMO CA	Single: (U65)	$632.96			
(Under 65 / Senior Secure Over 65)	Single: (O65)	$86.61			
	2P: (Dep U65)		$632.97	$244.00	$876.97
	2P: (Dep O65)		$86.61	$244.00	$330.61
	FAM: (All U65)		$1,509.94	$244.00	$1,753.94
	FAM: (REO65 & 2DepsU65)		$1,509.92	$244.00	$1,753.92
Kaiser Northern & Southern CA: (KNDP), (SNDP)	Single: (U65)	$389.58			
(Under 65 / Senior Advantage Over 65)	Single: (O65)	$0.00			
	2P: (Dep U65)		$389.58	$244.00	$633.58
	2P: (Dep O65)		$0.00	$161.66	$161.66
	FAM: (All U65)		$1,023.16	$244.00	$1,267.16
	FAM: (REO65 & 2DepsU65)		$940.82	$326.34	$1,267.16
Kaiser Mid-Atlantic: (Wash DC)	Single: (U65)	$389.58			
	Single: (O65)	$42.60			
	2P: (Dep U65)		$389.58	$244.00	$633.58
	2P: (Dep O65)		$42.60	$244.00	$286.60
	FAM: (All U65)		$1,023.16	$244.00	$1,267.16
	FAM: (REO65 & 2DepsU65)		$1,023.16	$244.00	$1,267.16
Kaiser Colorado:	Single: (U65)	$389.58			
	Single: (O65)	$0.00			

	2P: (Dep U65)		$389.58	$244.00	$633.58
	2P: (Dep O65)		$0.00	$217.38	$217.38
	FAM: (All U65)		$1,023.16	$244.00	$1,267.16
	FAM: (REO65 & 2DepsU65)		$996.54	$270.62	$1,267.16
BlueCross Blue Shield HMO NM	Single: (U65)	**Not Available**			
	Single: (O65)	$0.00			
	2P: (Dep U65)	**Not Available**			
	2P: (Dep O65)		$0.00	$223.50	$223.50
	FAM: (All U65)	**Not Available**			
	FAM: (REO65 & 2DepsU65)	**Not Available**			

After the end of a contract year during which a bargaining unit employee retires, the

Individual may be required to share in a greater portion of the cost of his/her "PPO, EPO or HMO" medical plan based

upon whether he/she was hired or rehired prior to or after July 1, 1987. Those individuals hired or

Rehired prior to July 1, 1987, will be subject to the then-current Defined Dollar Benefit (DDB). For

Those individuals hired or rehired on or after July 1, 1987, the amount paid by the Plan will be

Determined by their years of service at retirement and the then-current DDB.

Section 1.3 Plan Costs for Current Retirees – Tier A

APSA does not represent retirees. This section is for information purposes only:

1.3.1 GROUP HOSPITAL-MEDICAL

1.3.1.1 GROUP HOSPITAL AND MEDICAL COMPREHENSIVE PLAN (CY22)

Anthem Blue Cross PPO – Nationwide (Under 65)/ Anthem Medicare Preferred PPO (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$969.17
Single: Over 65	$158.37
2 Party: Retiree & Spouse Under 65	$1,938.34
2 Party: Retiree & Child(ren) Under 65	$1,938.34
2 Party: Retiree & Spouse Over 65	$316.74
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$1,127.54
2 Party: Retiree & Child(ren) 1 Over 65	$1,127.54
Family: All Under 65	$3,151.52
Family: 2 Over 65 and 1 or more Under 65	$1,529.91
Family: 1 Over 65 and 1 or more Under 65	$2,340.71

Anthem Blue EPO Non-CA (Under 65) / Anthem Medicare Preferred PPO (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$769.86
Single: Over 65	$158.37
2 Party: Retiree & Spouse Under 65	$1,539.71
2 Party: Retiree & Child(ren) Under 65	$1,539.71
2 Party: Retiree & Spouse Over 65	$316.74
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$928.23
2 Party: Retiree & Child(ren) 1 Over 65	$928.23
Family: All Under 65	$2,553.57
Family: 2 Over 65 and 1 or more Under 65	$1,330.60
Family: 1 Over 65 and 1 or more Under 65	$1,942.09

1.3.1.2 HEALTH MAINTENANCE ORGANIZATIONS (HMOS) (CY22)

Anthem Blue Cross HMO CA (Under 65) / Anthem Blue Cross Senior Secure HMO (Over 65)	**Monthly Retiree Cost**

Single: Under 65	$632.96
Single: Over 65	$86.61
2 Party: Retiree & Spouse Under 65	$1,265.93
2 Party: Retiree & Child(ren) Under 65	$1,265.93
2 Party: Retiree & Spouse Over 65	$173.22
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$719.57
2 Party: Retiree & Child(ren) 1 Over 65	$719.57
Family: All Under 65	$2,142.90
Family: 2 Over 65 and 1 or more Under 65	$1,050.18
Family: 1 Over 65 and 1 or more Under 65	$1,596.53

Kaiser HMO Northern & Southern CA (Under 65) / Kaiser Senior Advantage HMO (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$389.58
Single: Over 65	$0.00
2 Party: Retiree & Spouse Under 65	$779.16
2 Party: Retiree & Child(ren) Under 65	$779.16
2 Party: Retiree & Spouse Over 65	$0.00
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$307.24
2 Party: Retiree & Child(ren) 1 Over 65	$307.24
Family: All Under 65	$1,412.74
Family: 2 Over 65 and 1 or more Under 65	$468.90
Family: 1 Over 65 and 1 or more Under 65	$940.82

Kaiser HMO Mid-Atlantic – Wash DC (Under 65) / Medicare Plus (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$389.58
Single: Over 65	$42.60
2 Party: Retiree & Spouse Under 65	$779.16

2 Party: Retiree & Child(ren) Under 65	$779.16
2 Party: Retiree & Spouse Over 65	$85.20
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$432.18
2 Party: Retiree & Child(ren) 1 Over 65	$432.18
Family: All Under 65	$1,412.74
Family: 2 Over 65 and 1 or more Under 65	$718.78
Family: 1 Over 65 and 1 or more Under 65	$1,065.76

Kaiser HMO Colorado – (Under 65) / Medicare Plus (Over 65)	**Monthly Retiree Cost**
Single: Under 65	$389.58
Single: Over 65	$0.00
2 Party: Retiree & Spouse Under 65	$779.16
2 Party: Retiree & Child(ren) Under 65	$779.16
2 Party: Retiree & Spouse Over 65	$0.00
2 Party: Retiree & Spouse 1 Under 65 & 1 Over 65	$362.96
2 Party: Retiree & Child(ren) 1 Over 65	$362.96
Family: All Under 65	$1,412.74
Family: 2 Over 65 and 1 or more Under 65	$580.34
Family: 1 Over 65 and 1 or more Under 65	$996.54

Blue Cross Blue Shield HMO of New Mexico (Medicare Only)	**Monthly Retiree Cost**
Single: Under 65	N/A
Single: Over 65	$0.00
2 Party: Both Under 65	N/A

2 Party: Both Over 65	$0.00
2 Party: 1 Under 65 & 1 Over 65	N/A
Family: All Under 65	N/A
Family: 2 Over 65 and 1 or more Under 65	N/A
Family: 1 Over 65 and 1 or more Under 65	N/A

<u>Tricare Supplemental (Under 65) – Military Retirees</u>	**Monthly <u>Retiree Cost</u>**
Single: Under 65	$0.00
Single: Over 65	N/A
2 Party: Both Under 65 (Retiree + Spouse or Retiree + Child(ren))	$0.00
2 Party: Both Over 65	N/A
2 Party: 1 Under 65 & 1 Over 65	N/A
Family: All Under 65	$0.00
Family: 2 Over 65 and 1 or more Under 65	N/A
Family: 1 Over 65 and 1 or more Under 65	N/A

Safeguard Dental Plan (CY22) CLOSED PLAN

Safeguard Dental	Monthly Premium
Participant only	$23.25
Participant plus one dependent	$43.50
Participant plus two or more dependents	$65.75

1.3.1.3 DOMESTIC PARTNER (DP) TAX LIABILITY FOR RETIREES

Participant only rates for employees who enroll their Domestic Partners and family as dependents are the same as those in sections 1.2.1.1 and 1.2.1.2. The Internal Revenue Service has ruled that the amount paid by the retiree medical trust for the domestic partner benefit is taxable income to the employee. This is not true for married couples.

Retirees with Domestic Partners will be taxed on the difference between the DDB amount for one person and the DDB amount for two or more dependents. In 2022, the DDB for a single retiree is $244 and the DDB for two or more dependents is $488.

During 2022, the retiree will be taxed the following amount for each month that the Domestic Partner is covered:

Anthem Blue Cross PPO	$ 244.00
Anthem Blue Cross HMO CA	$ 244.00
Anthem Blue Cross EPO (Non-CA)	$ 244.00
Kaiser Northern and Southern CA	
Dependent Under 65	$ 244.00
Dependent Medicare Eligible	$ 161.66
Family 1 Medicare Eligible	$ 244.00
Kaiser Mid-Atlantic	$ 244.00
Kaiser Colorado	
Dependent Under 65	$ 244.00
Dependent Medicare Eligible	$ 217.38
Family 1 Medicare Eligible	$ 244.00
Blue Cross Blue Shield of NM	
Dependent Over 65	$ 223.50

SECTION 2. MEDICAL/DENTAL/VISION PLAN DESCRIPTIONS

The Anthem Blue Cross PPO Plan provides reimbursement of reasonable and customary covered expenses incurred as a result of non-occupational injury or illness for employees and their eligible dependents.

The plan offers financial incentives in the form of higher benefit levels for participants who use physicians and hospitals from a PPO in California or from participating Blue Card providers outside California. In addition, there are financial incentives for using pre-admission testing, alternative birthing centers, skilled nursing facilities, home health care, and hospice care. To further encourage cost-effectiveness and guard against unnecessary medical procedures, the plan requires pre-certification of hospital admissions.

ANTHEM BLUE CROSS PPO MEDICAL PLAN

The PPO Medical Plan provides reimbursement of reasonable and customary covered expenses incurred as a result of non-occupational injury or illness for enrolled employees, their spouse or domestic partner, the children of the employee, spouse or domestic partner and any other eligible dependents. This plan allows the use of any doctor or health care facility and reimburses participants for a percentage of eligible expenses after they meet an annual deductible. There is an annual deductible for each family member with an annual maximum family deductible. After the annual deductible is satisfied and when services are rendered within the PPO network, the PPO Plan pays a percentage of covered expenses at negotiated rates for the rest of year. When services are rendered outside the PPO network, the Plan pays a percentage of covered expenses at reasonable and customary rates. There is a yearly out-of-pocket maximum after which benefits are paid at 100%.

Comprehensive Plan[1]	
Individual annual deductible	$500 In-Network $750 Out-of-Network
Family annual deductible	$1500 In-Network $2250 Out-of-Network
Individual annual out-of-pocket maximum	$3000 In-Network $9000 Out-of-Network
Family annual out-of-pocket maximum	$6,000 In-Network $18,000 Out-of-Network)
Individual Rx annual out-of-pocket maximum	$3,600 In and Out-of-Network
Family Rx annual out-of-pocket maximum	$7,200 In and Out-of-Network
Maximum lifetime benefit per person	None
Annual restoration of maximum benefit	N/A

%Paid by plan	In-Network – 80%; PCP OV and Urgent Care - $20 co-pay; Specialist - $35 co-pay Out-of-Network – generally 50% See details in Open Enrollment Booklet Coverage (EOC)
Emergency Room	$150

[1] Plan pays 100% of covered expenses above the out-of-pocket maximum

Premium Consumer Driven Health Plan[1]	
Individual annual deductible	$1,500 In-Network $3,000 Out-of-Network
Family annual deductible	$3,000 In-Network $6,000 Out-of-Network
Individual annual out-of-pocket maximum	$3,300 In-Network $9,000 Out-of-Network
Family annual out-of-pocket maximum	$6,600 In-Network $18,000 Out-of-Network
Individual Rx annual out-of-pocket maximum	Combined with medical out-of-pocket maximum
Family Rx annual out-of-pocket maximum	Combined with medical out-of-pocket maximum
Employer HSA Seed	$750 individual / $1,500 family
Maximum lifetime benefit per person	None
Annual restoration of maximum benefit	N/A
%Paid by plan	In-Network – 80% Out-of-Network –50% See details in Open Enrollment Booklet Coverage (EOC)
Emergency Room	80%

[1] Plan pays 100% of covered expenses above the out-of-pocket maximum

Basic Consumer Driven Health Plan[1]	
Individual annual deductible	$3,000 In-Network $6,000 Out-of-Network
Family annual deductible	$6,000 In-Network $12,000 Out-of-Network
Individual annual out-of-pocket maximum	$5,000 In-Network $10,000 Out-of-Network)
Family annual out-of-pocket maximum	$10,000 In-Network $20,000 Out-of-Network
Individual Rx annual out-of-pocket maximum	Combined with medical out-of-pocket maximum
Family Rx annual out-of-pocket maximum	Combined with medical out-of-pocket maximum
Maximum lifetime benefit per person	None
Annual restoration of maximum benefit	N/A
%Paid by plan	In-Network – 70% Out-of-Network – 50% See details in Open Enrollment Booklet Coverage (EOC)
Emergency Room	70%

[1] Plan pays 100% of covered expenses above the out-of-pocket maximum

ANTHEM BLUE CROSS EPO MEDICAL PLAN (outside CA only)

The Exclusive Provider Organization (EPO) provides benefits for medically necessary services obtained only from in-network providers just like an HMO. However, unlike HMOs, this plan does not require a referral from a Primary Care Physician (PCP) in order to see a specialist or obtain other services. The EPO utilizes the same network as the PPO. No benefits are payable for services rendered by a non-network provider unless they are for a life-threatening emergency.

EPO Plan

Annual deductible	None
Out-of-pocket maximum	$3,000 Individual $6,000 Family
Rx annual out-of-pocket maximum	$3,600 Individual $7,200 Family
Maximum lifetime benefit per person	None
Inpatient Hospital	$0
Outpatient/Ambulatory	$0
Emergency Room	$75 copay (waived if admitted)
Office Visits	$20 Primary Care $35 Specialist
Urgent Care	$20 copay

2.3 PRESCRIPTION DRUG BENEFIT

If you are enrolled in the PPO or EPO Plan, you also have the benefit of a prescription drug plan. When you use a pharmacy in the plan, you pay a nominal amount for each brand name prescription filled, up to a 30-day supply, and an even smaller amount if you request generic drugs. In addition, maintenance prescriptions for a 90-day supply are available by mail order. Injectables are also covered.

Prescription Drugs Employee Costs: Chart indicates copays and coinsurance paid by employee

Prescription Drug Plan	30-Day Supply at Participating Pharmacies[1]	90-Day Supply Maintenance Drugs by Mail Order
PPO		
Generic	$5	$10
Preferred	$30*	$60*
Non-Preferred*	$60*	$120*
Premium CDHP		
Generic	$10 after deductible	$20 after deductible
Preferred	20% ($30 min / $60 max) after deductible	20% ($60 min / $120 max) after deductible
Non-Preferred*	50% ($60 min / $120 max) after deductible	50% ($120 min / $240 max) after deductible
Basic CDHP		
Generic	$10 after deductible	$20 after deductible
Preferred	30% ($30 min / $60 max) after deductible	30% ($60 min / $120 max) after deductible
Non-Preferred*	50% ($60 min / $120 max) after deductible	50% ($120 min / $240 max) after deductible
EPO		
Generic	$10	$20

Preferred	$30	$60
Non-Preferred*	$60	$120

[1]Additional surcharges may apply at non-participating pharmacies.

*After $200 Annual Deductible for PPO

Injectable Drugs:

Self-administered injectable drugs except insulin subject to 20% up to $100.00 maximum

SECTION 3. HEALTH MAINTENANCE ORGANIZATIONS (HMOS) FOR ACTIVE EMPLOYEES

HMOs provide convenient prepaid health care with a special emphasis on preventive medicine. At most Aerospace locations, the employee may elect to enroll in an HMO. In addition, an employee's domestic partner, and the children of the domestic partner may enroll in California based HMO's if they are residents of California.

Some services are covered at 100%; others require a fee or copayment. Members may also obtain low-cost prescription drugs through HMO pharmacies.

HMO PRESCRIPTION DRUG BENEFITS

All offered HMOS offer some sort of prescription drug benefit. The character of these benefits depends on the plan. Below is a summary for cost to prescriptions and services to the 2022 benefit (unchanged from 2018).

HMO	SUMMARY OF COSTS
Anthem Blue Cross CA HMO	$3000 Individual out-of-pocket maximum $6000 Family out-of-pocket maximum $20 copay per primary care office visit $35 copay per specialist office visit $75 copay per Emergency Room visit (waived if admitted) $100 copay specialized imaging $20 Urgent Care office visit copay

	$10 Retail / $20 Mail-Order generic $30 Retail / $60 Mail-Order brand formulary $60 Retail / $120 Mail-Order brand non formulary
Kaiser Northern & Southern California	$3000 Individual out-of-pocket maximum $6000 Family out-of-pocket maximum $20 copay for primary care physician visit and urgent care $35 copay for specialist office visit $75 copay per Emergency Room visit (waived if admitted) $100 copay specialized imaging $10 Retail / $20 Mail-Order generic $25 Retail / $50 Mail-Order brand formulary and brand non formulary
Kaiser Mid-Atlantic	$3000 Individual out-of-pocket maximum $6000 Family out-of-pocket maximum $20 copay for primary care physician visit $35 copay for specialist office visit and urgent care $75 copay per Emergency Room visit (waived if admitted) $100 specialized imaging copay $10 Retail and Mail-Order generic $30 Retail and Mail-Order brand formulary $60 Retail and Mail-Order brand non formulary
Kaiser Colorado	$3000 Individual out-of-pocket maximum $6000 Family out-of-pocket maximum $20 copay for primary care physician visit and urgent care $35 copay for specialist office visit $75 copay per Emergency Room visit (waived if admitted) $100 specialized imaging copay $10 Retail / $20 Mail-Order generic $30 Retail / $60 Mail-Order brand formulary

Please contact the Benefits Office for full plan details.

SECTION 4. TRICARE SUPPLEMENT PLAN

TRICARE is the Department of Defense's health insurance program for the military community, including retired military personnel. TRICARE is available as an individual plan with subscribers paying 100% of the premium on a pre-tax basis.

SECTION 5. RETIREE MEDICAL PLAN

The Retiree Medical Plan provides benefits for bargaining unit employees entering retirement, their spouse or same-sex domestic partner and their other dependents. The Plan also provides benefits for survivors of retirees and survivors of active employees who died after reaching age 65. The Plan does not provide medical coverage directly; instead, it offsets part of the cost of the medical plan selected by the retiree or survivor from among the options described in Section 2, Group Hospital-Medical Insurance Plan, and Section 3, Health Maintenance Organizations (HMOs).

To fund the Plan, the company established and contributes money to a trust fund. Continued company contributions are subject to certain contingencies. Your rights and amount of benefit under the Plan will be determined in accordance with Plan language, the pertinent company Policies and Practices, and the date you were hired or rehired.

The table below presents the current (monthly) values of the Defined Dollar Benefit (DDB) to be paid by the Retiree Medical Plan for calendar year 2022. Retirees (and survivors of retirees) hired or rehired on or after July 1, 1987, will receive a fraction of the DDB in accordance with the schedule in the table entitled "Percentage of Defined Dollar Benefit to be paid by the Plan for Eligible Employees Hired or Rehired on or after July 1, 1987 (Tier B)." The participating retiree or survivor is required to share in the premiums for the medical provider of choice to the extent it exceeds the Plan's current contribution.

Monthly Defined Dollar Benefit to be Paid by the Plan for Eligible Retirees

Category	**Monthly Defined Dollar Benefit from the Retiree Medical Plan (CY22)**
Retiree/Survivor Only	**$244.00**
Retirees + 1 or more dependents	**$488.00**

A bargaining unit employee entering retirement will be charged the lesser of (i) the active employee premium cost-sharing rate or (ii) the then-current retiree premium cost-sharing rate for the selected medical provider as determined by applying 100% of the DDB to the premium charged by the medical provider, regardless of the date of hire. Notwithstanding anything in this Agreement to the contrary, the retiree medical transition rates (Section 1.2.1), will only apply from August 1st to July 31st, up to a one (1) year period and will be subject to the then current retiree medical rates in effect.

Note that retirees can waive and subsequently restart retiree medical coverage during the retiree open enrollment period or within 31 days of a life status event. If the retiree or dependent is age 65 or older, he or she must have Medicare Parts A, B and D to enroll in the Retiree Medical plan.

Eligibility:

You, and your dependents, are eligible for the Retiree Medical Plan, as summarized here, after you retire from regular active status if you:

Have at least 10 years of service and the last 5 years immediately before retirement are consecutive, and are eligible for the company's medical insurance plan immediately before retirement, and collect benefits from an Aerospace retirement plan.

Surviving dependents of deceased retirees may continue to receive benefits from the Plan as long as they remain eligible. They will receive the same percentage of the Defined Dollar Benefit as the retiree would have received.

Surviving dependents of active employees are eligible to receive retiree medical benefits from the Plan if the following criteria are met:

Employee was at least age 65 at time of death.

Employee was covered under the corporation's active medical coverage at time of his or her death.

Employee had at least 10 years of service and the last 5 years immediately before death were continuous.

Dependent (or dependents) was continuously covered for at least 12 months prior to employee's death and is not eligible for any other group medical coverage.

If the deceased employee was hired or rehired on or after July 1, 1987, the Tier B percentage will assume the employee had retired on the first day of the month of his death.

Surviving dependents of retirees and eligible surviving dependents of active employees will continue to receive Plan benefits as long as they:

Are not eligible for other group medical coverage.

Do not remarry.

Pay the required cost sharing.

Enroll in Medicare Parts A, B and D when they become eligible.

Eligible survivors must start paying the appropriate cost sharing on the first day of the month following the death of the retiree or active employee.

Employees Hired or Rehired Before July 1, 1987 (Tier A):

For employees hired before July 1, 1987, and upon retiring from active service, the Plan will pay 100% of the then-current Defined Dollar Benefit (DDB) towards the annual premium charged by the medical coverage provider selected by the retiree.

Employees Hired or Rehired On or After July 1, 1987 (Tier B):

For employees hired or rehired on or after July 1, 1987, and upon retiring from active service, the Plan will pay the following percentage of the then-current Defined Dollar Benefit (DDB) towards the annual premium charged by the medical coverage provider selected by the retiree:

Percentage of Defined Dollar Benefit to be Paid by the Plan
for Eligible Employees Hired or Rehired after July 1, 1987 (Tier B)

Years of Service at Retirement	Percent of DDB[1] Plan Pays	Years of Service at Retirement	Percent of DDB[1] Plan Pays
10	34	22	70
11	37	23	73
12	40	24	76
13	43	25	79
14	46	26	82
15	49	27	85
16	52	28	88
17	55	29	91
18	58	30	94
19	61	31	97
20	64	32	100
21	67	32 +	100

[1] Defined Dollar Benefit

All rehired employees receive credit for prior employment (computed on a monthly basis) with the company when calculating years of service.

SECTION 6. DENTAL INSURANCE PLANS

The Dental Plan gives employees the option to choose between one of two types of plans to help meet dental expenses. Coverage begins on the employee's first day at work Plan provisions differ, but some procedures are provided at little or no cost in both plan types. Some procedures, such as orthodontia, require a fee or co-payment.

The employee is responsible for 35% of the projected self-funded dental cost and fully insured dental premium. The Corporation is responsible for the remainder of the self-funded cost and 65% of the fully insured dental premium.

The employee, their spouse or domestic partner and the employees or domestic partners dependent children are eligible for coverage.

DELTA DENTAL PLAN

These plans pay a percentage of usual, reasonable, and customary dental fees for diagnostic and preventive procedures, without any deductible. After a yearly per person deductible is paid, the plan pays a percentage of usual, reasonable, and customary dental fees for oral surgery, endodontic, periodontic, restorative, orthodontic and prosthodontics procedures. Cleanings are covered twice in a calendar year. Sealants are also covered up to age 19. There is an annual limit toward reimbursement of covered charges for each eligible person. The plan pays a lower benefit level for orthodontic expenses for dependent children, up to a lifetime limit for each child.

Delta Dental Premium Plan

Provisions of service	Direct reimbursement: after deductible, plan pays 100% / 80% / 50% for preventive/diagnostic, basic, and major services, respectively
Annual deductible per person	None for PPO network; $25 for Premier network; $75 for out-of-network. Deductible does not apply for diagnostic or preventive services
Annual maximum benefit per person	$2,000, does not apply for diagnostic or preventive services
Orthodontic coverage/charge	50% up to lifetime maximum of $2000 for children only

Delta Dental Basic Plan

Provisions of service	Direct reimbursement: after deductible, plan pays 100% / 80% / 40% for preventive/diagnostic, basic, and major services, respectively
Annual deductible per person	None for PPO network; $25 for Premier network; $75 for out-of-network. Deductible does not apply for diagnostic or preventive services
Annual maximum benefit per person	$1,000, does not apply for diagnostic or preventive services
Orthodontic coverage/charge	Not covered

PREPAID DENTAL PLAN

A prepaid dental plan provides dental care for its members through a number of contracting dental offices. When you enroll in a prepaid plan, you must select one of the plan's dental offices where you and your eligible family members will receive dental care. Many services are covered at 100% with no annual deductible; other services require a co-payment.

The cost of the coverage is shared jointly by the employees and Aerospace. Employees pay their share of the premium through a payroll deduction plan on a pre-tax basis.

SECTION 7. VISION CARE PLAN

Vision care coverage for regular employees and their eligible dependents begins on the employee's first day at work. Plan provisions provide for an annual eye exam, lenses every 12 months, frames every 12 months for the Premium plan and 24 months for the Basic plan, and the choice of contact lenses (in lieu of glasses). Laser vision care is also available at reduced rates. The plans also offer financial incentives in the form of higher benefit levels for participants who use plan providers. Aerospace employees pay the entire cost of the vision care coverage through payroll deductions on a pre-tax basis.

The following benefits are also available under the vision care plans:

Same-sex Domestic Partner is eligible for all vision care benefits that are available to married couples.

"Computer Vision Care Program" -This program has no extra charge.

SECTION 8. FLEXIBLE SPENDING ACCOUNT (FSA) PLAN

The FSA plan provides employees a way to use pretax dollars to pay some of the health expenses, such as deductibles and co-payments and dependent care expenses not covered by other benefit plans. Employees authorize Aerospace to put part of their weekly paycheck into the FSA before income taxes are deducted. Throughout the year, the money in the account can be used to reimburse their eligible out-of-pocket health care and dependent care expenses. Eligibility begins on the first day of regular employment.

Any and all "major life events" allowable under IRS regulations are applicable to the FSA plan.

There are two separate FSA plans. Employees may contribute up to a certain limit to the Health Care Account for health care expenses that are not reimbursed by any other benefit plans. Also, employees may contribute to the Dependent Care Account for necessary dependent care expenses such as babysitters or licensed day care centers so that the employee and spouse can work. Employees have the option of signing up for a Dependent Care account outside of the Open Enrollment period if a major life event has occurred within the previous 31 days. Both accounts have yearly maximum limits on the amounts employees can contribute.

Requests for reimbursement of eligible expenses may be submitted throughout the calendar year.

Amounts are contributed to the FSA plans over a 12-month plan year. Contributions made during this 12-month plan year can be applied to qualified benefit expenses that are incurred over a 14.5-month period. This means that contributions made between January and December of the calendar year can be used for expenses incurred between January 1st and March 15th of the next calendar year. All claims incurred in a given year must be received at the claims office no later than April 30th of the subsequent calendar year.

If the monies, after extraordinary administrative costs, exceed on average $1.00 per participant in either the Health Care or the Dependent Care accounts, the monies shall be refunded to participants in the account(s) with the excess after administrative costs during the next year on a per capita basis.

SECTION 9. TEMPORARY DISABILITY PLANS

The temporary disability plans at Aerospace provide a weekly income to a covered employee who is totally disabled because of a non-occupational illness or injury. These plans provide a weekly income of up to $1,540 for CA based employees and $1,540 a week for out-of-California employees for up to 52 weeks in conjunction with the supplemental sick pay provided by the company.

State Disability Insurance (SDI) is automatic for Aerospace employees in California. Temporary disability coverage is optional for employees outside California. In order for employees outside California to be eligible for STD, they must enroll in the STD plan appropriate for their state. See Employee Benefits for more information. You must file a claim for temporary disability if the employee is to be absent, or is absent from work for more than seven consecutive days under SDI or seven consecutive days under STD. The disability must be doctor-certified. For maternity disability, benefits are payable beginning up to four weeks before the delivery date. For employees outside of California enrolled in the STD plan, you also must file a claim if you are confined overnight as an inpatient in a hospital or if you have outpatient surgery.

SECTION 10. PAID FAMILY LEAVE

California Paid Family Leave (PFL) (also referred to as Family Temporary Disability Insurance (FTDI)) provides family leave benefits to employees in California who take time off from work to care for a seriously ill child, spouse, parent or domestic partner or to bond with a new child. PFL covers all full and part-time workers in California.

Employees will be able to maintain health and welfare benefits while on Paid Family Leave, including medical insurance, dental insurance, vision care, Flexible Spending Account, temporary and long-term disability insurances, life insurance and accident insurance. This benefit is not currently available to employees working outside of California.

There is a seven (7) day waiting period before benefits are paid. The waiting period does not need to be a consecutive period of time. Vacation may be used for this waiting period.

The benefit payments received are approximately 55% of the earnings up to a maximum of $1,540 per week. The corporation does not provide supplemental pay (differential between leave pay and salary) during the period of leave. Benefits are payable for up to six (6) weeks during a 12-month period. The leave can be intermittent.

PFL must be taken concurrently with family care and medical leave under the Family and Medical Leave Act (FMLA) and the (California Family Rights Act) CFRA, which runs for up to 12 weeks and provides job protection for that period. PFL does not provide job protection or return rights. Employees who may have run out of leave time under FMLA will not have job protection under PFL.

Female employees may file for PFL benefits once pregnancy SDI benefit coverage ends.

Information on PFL, including forms, is available through the California Employment Development Department (EDD) (http://www.edd.ca.gov). The Corporation requires additional forms that must normally be filed 30 days before leave is taken. For unforeseen events, the corporation requires that notification be given as soon as possible and no later than one or two days after the employee is aware of the need for leave (see Corporation Policy P-21 for additional details).

SECTION 11. LONG TERM DISABILITY (LTD) PLAN. LONG TERM DISABILITY SUPPLEMENTAL INCOME PROTECTION PLAN AND LONG TERM CARE INSURANCE POLICY

The Long Term Disability Plan (LTD Plan) and the Long Term Disability Supplemental Income Protection Plan (SIPP) provide a regular monthly income after six months of total disability. During the first 24 months of benefits, you are considered totally disabled if you cannot perform each of the material duties of your regular occupation. After 24 months, benefits will continue only if you cannot perform each of the material duties of any gainful occupation for which you are reasonably fitted by training, education, or experience. The Plan will also pay benefits for partial disability up to 24 months if you are able to work part time. Please see Employee Benefits for more details.

Employees may choose to enroll in the LTD Plan only, or they may enroll in the LTD Plan and the SIPP Plan. For full-time employees, the amount of your monthly disability income provided by the LTD Plan is equal to 60% of your monthly rate of basic earnings (up to a maximum of $10,000 per month). LTD benefits may be reduced by other disability benefits you receive, including Social Security Disability. The LTD Plan also includes an additional "Disability Plus" benefit of 20% of your monthly rate of basic earnings (up to a maximum of an additional $5,000 per month) for cognitive impairment or inability to perform certain "Activities of Daily Living" (ADLs).

If you are enrolled in the LTD Plan and the SIPP Plan, you will receive the benefit of the LTD Plan plus an additional 10% of your monthly rate of basic earnings (up to a maximum of $5,000 per month from the SIPP Plan portion).

The weekly cost for this coverage varies depending on the option you elect. For the LTD Plan there are two options:

50% Employee Paid

You pay half the cost of this coverage and Aerospace pays the other half. Under this option, 50% of the LTD benefits you receive would be considered taxable income.

100% Employee Paid

You pay the full cost of this coverage. Under this option, any LTD benefits you receive would not be considered taxable income.

If you switch from 50% to 100%, there will be a three-year window in which the insurance carrier will look back and adjust the taxability of your LTD benefit. The taxability of your benefits will be prorated based on when you elected coverage under the full cost coverage. Once you have paid the full cost of the coverage for three years, any LTD benefits you receive would not be considered taxable income.

SIPP PLAN

The SIPP Plan is available for only those enrolled in the LTD Plan. It is individually underwritten (premiums are based on age, salary and other variables, see People Operations for more details). The premiums are 100% employee paid and the benefits are not taxable.

New hires will be offered a one-time opportunity to enroll. Subsequent enrollment in SIPP after the initial period of eligibility may require evidence of insurability. Each year, when possible, participating employees will be given an opportunity to accept a higher premium to cover additional income resulting from scheduled raises. If you decline this opportunity, your SIPP Plan benefit will be permanently frozen at the current level.

SIPP PLAN OPTION TO EXCHANGE FOR LONG TERM CARE INSURANCE AFTER AGE 60

Those enrolled in the SIPP Plan can exchange this plan with the LTC exchange option for a long term care insurance policy (LTC Insurance Policy) from age 60 through 70 (if not disabled) or from age 65 through 70 (if disabled) without submitting evidence of insurability. The current base policy LTC benefit amount will be $3,000 per month (or $100 per day if state-required) for a maximum period of six years. Additional coverage options are available through full underwriting. Please see Employee Benefits for more details.

SECTION 12. LIFE INSURANCE PLANS

Coverage of Basic Life Insurance of one times your annual salary is automatic upon regular employment at The Aerospace Corporation. You also may elect to purchase supplemental life insurance from one times up to eight times your annual salary rounded to the nearest thousand to a maximum of $2,000,000. Except for new hires and newly eligible employees or dependents who enroll within thirty-one days of their eligibility effective date, evidence of insurability will be required for those who enroll in or increase their life insurance coverage over $500,000.

You may also purchase limited life insurance coverage for your spouse, domestic partner and/or dependent children of the employee or domestic partner only if you elect additional life insurance for yourself. The cost for spousal or domestic partner coverage is based on your spouse's or domestic partner’s age at the time application is made to the insurance company. Coverage for eligible dependent children is available at flat weekly rates.

If you are a part-time employee (working between twenty and forty hours a week), your annual salary for purposes of determining payroll deductions is your hourly pay rate times 20 times 52.

Existing life insurance coverage continues for thirty-one (31) days following termination of employment. Terminated employees have the option, within thirty-one (31) days of the date of termination, of converting their employee life insurance to an individual whole-life insurance policy. No evidence of insurability is required during the thirty-one day grace period.

Existing life insurance coverage continues for thirty-one (31) days following the date of formal retirement. Employees entering retirement have the option, within thirty-one (31) days of the date of retirement, of converting their employee life insurance minus retiree coverage to an individual whole-life insurance policy. No evidence of insurability is required during the thirty-one day grace period.

During approved leaves of absence or after termination of employment due to a reduction in force, you may continue your life insurance coverage as follows:

Leave of absence	Up to 3 calendar months
Reduction in force	Up to 2 calendar months

Military leave of absence	Up to 6 calendar months

You will still have to pay your share of the premiums during these periods.

If you become totally disabled before age 65 while you are insured, your life insurance coverage will continue for the first 6 months as long as you continue to pay your portion of the premiums.

SECTION 13. OCCUPATIONAL ACCIDENT INSURANCE PLAN

Occupational Accident Insurance provides the employees protection for accidental death and dismemberment that occurs while on the job, traveling on company business, or commuting directly to and from the employee's home to their place of work and for certain specified hazards. These benefits are in addition to Workers' Compensation benefits.

The amount of the benefit coverage for accidents is four times the employee's basic annual salary (not less than $50,000 and not more than $400,000) less any amount paid or payable for the same accident under the American Express Card Member Travel program (or any replacement thereof) sponsored by the Aerospace Corporation.

If American Express pays more than four times the employee's annual salary, the excess will not be collected from the employee's estate. If a benefit is payable under the American Express Card Member Travel program, an additional $50,000 will be payable by Zurich.

Benefits are distributed according to the following:

Occupational Accident Insurance Loss Coverage	
Loss	**Benefit Paid**
Life	Full amount
One hand, one foot, sight of one eye, speech, or hearing	One-half amount
Two or more of the above	Full amount
Thumb and index finger of the same hand	One-fourth amount

SECTION 14. VOLUNTARY PERSONAL ACCIDENT INSURANCE PLAN

You can protect your family from accidents anywhere in the world, whether on business, vacation, or at home with the Voluntary Personal Accident Insurance. You have the opportunity to elect coverage for yourself only, for you and your spouse, or for you and your entire family. The maximum amount of coverage that you are eligible to elect is ten times your salary up to a maximum of $600,000. Eligible employees and their dependents that work at Aerospace can be enrolled only under one enrollment form, either as an employee or as a dependent, but not both.

The employee shall select the amount of coverage for themselves up to $600,000 but any amount chosen over $300,000 may not be more than 10 times their basic annual salary. Spousal and dependent children coverage shall also be available. The maximum coverage available are $500,000 for the spouse and $50,000 for each child. Benefits are distributed according to the following:

Loss Coverage	
Loss	**Benefit Paid**
Life	Full amount
One hand, one foot, sight of one eye, speech, or hearing	One-half amount
Two or more of the above	Full amount
Thumb and index finger of the same hand	One-fourth amount

If the employee who has elected family coverage suffers loss of life in a covered accident, the insurance company shall pay to the surviving children 3% of the employee's salary (maximum of $3000 per year for each child) for tuition charged by an accredited day care center provided the child is enrolled within 90 days of the accident. This benefit is payable up to four consecutive years per child.

If the employee who has selected family coverage suffers loss of life in a covered accident, the insurance in force on the remainder of the family shall continue at no further cost for a period on one year from the date of loss.

If the employee suffers loss of life in an automobile accident while wearing a seat belt, the insurance company shall pay an additional 10% of the employee's Principal Sum (maximum of $10,000) to the beneficiary. Note: this part of the benefit is void if the employee was the driver under the influence of alcohol or illegal drugs.

If the employee becomes totally and permanently disabled within 180 days of a covered accident and the disability lasts for 1 year or more, (cannot perform any job for which you were educated or trained) the employee shall receive full benefit (loss of life) less benefit allowances paid for dismemberment/ functional losses. The maximum benefit is limited to $250,000 and only covers the employee.

Except for retirement, if the employee becomes ineligible for any other reason, they shall have the option to convert to an individual policy with limits up to $250,000.

The following change to the voluntary personal accident insurance plan will be implemented beginning in CY 2004:

Same-sex Domestic Partners are eligible for all life insurance benefits that are available to married couples.

SECTION 15. AEROSPACE SAVINGS ACCOUNT PLAN (ASAP)

The ASAP was amended into a 401(k) plan effective October 1, 2018.

The Aerospace Savings Account Plan (ASAP) is a defined contribution plan qualified under IRC Section 401(a). The Plan is designed to assist employees in achieving their retirement income goals. The Corporation provides a weekly 8% Company Contribution for all eligible employees hired before April 2, 2005, who did not elect to move to the combined retirement program (CRP) effective October 1, 2005. The Corporation provides a weekly 4% Company Contribution for all eligible employees hired after 1 April 2005.

Bargaining unit employees hired or rehired after December 31, 1992, who did not elect to move to CRP, are covered under the Aerospace Savings Account Plan.

ELIGIBILITY

Prior to 1 October 2004, in order to be eligible for a Company Contribution, an employee must be paid for 1000 hours during a Plan Year. A Plan Year is a fiscal year beginning on October 1 of each year and ending on the following September 30. Company Contributions are allocated to an employee's individual ASAP account after the end of the Plan Year based on the total hours paid during the Plan Year. Eligible employees who receive Company Contributions are fully vested at the time contributions are allocated to their account. Contributions are also made for employees who are not paid for 1000 hours during a plan year if they go on long-term disability or are terminated due to a reduction in force, retirement or death.

After 30 September 2004, all full-time and part-time employees are eligible for a weekly Company Contribution. Temporary and casual employees must be paid for 1000 hours during a Plan Year. A Plan Year is a fiscal year beginning on October 1, of each year and ending on the following September 30. Company Contributions are allocated to an employee's individual ASAP account after the end of the Plan Year based on the total hours paid during the Plan Year. Eligible employees who receive Company Contributions are fully vested at the time contributions are allocated to their account. Contributions are also made for employees who are not paid for 1000 hours during a plan year if they go on long-term disability or are terminated due to a reduction in force, retirement or death.

There was a one-time option for employees hired before 1 April 2005 to transfer into the ASAP 2 Plan between 25 July 2005 and 19 August 2005. The Company weekly contribution for these employees will be reduced from 8% to 4% of weekly salary[1].

[1] Prior to 1 October 2005, the Plan compensation used for determining Company contributions under the Plan is defined as the employee's actual paid base salary, EWW, shift differential and overtime, but excludes any awards or bonuses and shall not exceed such an amount as provided under the IRC §401(a)(17) limits indexed annually.

Beginning 1 October 2005, the Plan compensation used for determining Company Contributions under the Plan is defined as the employee's actual paid base salary, lump sums in lieu of merit, awards, and bonuses, but excludes and EWW, shift differential, or overtime and shall not exceed such an amount as provided under the IRC§401(a)(17) limits indexed annually.

EMPLOYEE INVESTMENT CHOICE

Company Contributions1

Period of October 1, 2004 to December 31, 2004

For the period of October 1, 2004 to December 31, 2004, the Corporation made a one-time transfer to Fidelity of the funds owed to each regular eligible ASAP employee for the time period between October 1, 2004 and December 31, 2004. The eligible ASAP plan participants received a single lump sum deposit

into their individual Fidelity accounts in January 2005. The deposit was composed of the Company Contribution based on plan compensation paid during the Plan Quarter. Any regular bargaining unit employee who terminated during the period between October 1, 2004 and December 31, 2004 will receive their Company Contribution.

Period after December 31, 2004

Beginning January 1, 2005, the Corporation will transfer the ASAP Company Contributions to Fidelity no less frequently than weekly. The eligible ASAP plan participants will receive a lump sum deposit into their individual Fidelity accounts each week. The deposit will be composed of the Company Contribution based on plan compensation paid.

Employee Benefits Earned

All eligible regular ASAP plan participants receive a Company Contribution based on their current weekly plan compensation. The funds allocated to each individual account will be invested as specified by each individual (see Employee Investment Options below), or in the default account (see below). Fidelity will provide an updated statement to each ASAP individual quarterly that shows the newly deposited funds and how they were invested.

Period of October 1, 2004 to December 31, 2004:

For the period of October 1, 2004 to December 31, 2004, all regular eligible ASAP employees received a Company Contribution based on plan compensation[1] received during the period. The entire Company Contribution for the period of October 1, 2004 to December 31, 2004 will be paid out and allocated to eligible ASAP plan participants' individual accounts by January, 2005.

The allocated funds to each individual account were invested as specified by each individual (see Employee Investment Options below), or in the default account (see below), on or about January, 2005. Fidelity will provide an updated statement on their website for each ASAP individual that shows the newly deposited funds and how they were invested.

This information will provide the following for each individual:

The amount actually transferred to the Participant's designated ASAP account(s) for the period of October 1, 2004 to December 31, 2004 (i.e., 8% of plan compensation[1]).

The overall investment performance of the allocated funds during the period reported.

<u>Period after December 31, 2004:</u>

For the period after December 31, 2004, all eligible regular ASAP plan participants received a Company Contribution based on their current weekly plan compensation[1]. The allocated funds to each individual account will be invested as specified by each individual (see Employee Investment Options below), or in the default account (see below). Fidelity will provide an updated statement to each ASAP individual quarterly that shows the newly deposited funds and how they were invested.

This information will provide the following for each individual:

1. The amount actually transferred to the Participant's designated ASAP account(s) after December 31, 2004 (i.e., 8% of plan compensation1).

2. The overall investment performance of the allocated funds during the period reported.

<u>Employees Hired after 1 April 2005 or Who Transferred into the ASAP Plan:</u>

For employees hired after April 1, 2005 or who transferred into ASAP, all eligible regular ASAP plan participants will receive a Company Contribution based on their current weekly plan compensation1. The allocated funds to each individual account will be invested as specified by each individual (see Employee Investment Options below), or in the default account (see below). Fidelity will provide an updated statement to each ASAP individual quarterly that shows the newly deposited funds and how they were invested.

This information will provide the following for each individual:

1. The amount actually transferred to the participant's designated ASAP account(s) (i.e., 4% of plan compensation1).

2. The overall investment performance of the allocated funds during the period reported.

Employee Investment Options

Each participant in ASAP will have the option to select and invest in one or more mutual funds from the group below. Mutual Fund options may change during the term of the agreement based on the direction of the ASAP Committee.

Category	**Mutual Fund**
Money Market	Vanguard Prime Money Market Fund Institutional Shares
Core Fixed Income (Passive)	Vanguard Total Bond Market Index Fund Institutional Shares Vanguard Inflation Protected Securities Fund Admiral Shares Loomis Sayles Core Plus Bond Fund Class N
Large Cap Growth Equity	Fidelity Growth Company Fund Class K Nuveen Winslow Large Cap Growth Fund Class 1
Large Cap Blend Equity (Passive)	Fidelity 500 Index Fund Institutional Class
Large Cap Value Equity	T. Rowe Price Institutional Large Cap Value Fund
Mid/Small Cap Growth Equity	William Blair SMID Cap Growth Fund
Mid/Small Cap Value Equity	SSgA US Extended Market Class C DFA Targeted Value Portfolio Institutional
Mid/Small Cap Value Blend	
International Equity	Fidelity Diversified International Fund – Class K Dimensional Fund Advisors (DFA) Emerging Markets Core Equity Portfolio Institutional Class

	iShares MSCI Total International Index Fund
Target Retirement Funds:	
Group In Retirement DOB: 1/1/1900-12/31/1947	SSgA Retirement Income Non-Lending Series Fund Class K
Group Nearing Retirement DOB: 1/1/1948-12/31/1952	SSgA Target Retirement 2015 Non-Lending Series Fund Class K
Mid-Career Group DOB: 1/1/1953-12/31/1957	SSgA Target Retirement 2020 Non-Lending Series Fund Class K
Mid-Career Group DOB: 1/1/1958-12/31/1962	SSgA Target Retirement 2025 Non-Lending Series Fund Class K
Early/Mid Career Group DOB: 1/1/1963–12/31/1967	SSgA Target Retirement 2030 Non-Lending Series Fund Class K
Early/Mid-Career Group DOB: 1/1/1968-12/31/1972	SSgA Target Retirement 2035 Non-Lending Series Fund Class K
Group Early in Career DOB: 1/1/1973-12/31/1977	SSgA Target Retirement 2040 Non-Lending Series Fund Class K
Group Early in Career DOB: 1/1/1978-12/31/1982	SSgA Target Retirement 2045 Non-Lending Series Fund Class K
Group Early in Career DOB: 1/1/1983-12/31/1987	SSgA Target Retirement 2050 Non-Lending Series Fund Class K
Group Early in Career DOB: 1/1/1988 and 12/31/1992	SSgA Target Retirement 2055 Non-Lending Series Fund Class K
Group Early in Career DOB: 1/1/1993 and later	SSgA Target Retirement 2060 Non-Lending Series Fund Class K

Effective April 1, 2017, the ASAP participant will incur a participant fee of $70 per year ($13.50 Fidelity recordkeeping fees and $4 for administrative charges per quarter) to pay for a portion of plan administrative expenses. Plan administrative expenses may include legal, accounting, trustee, recordkeeping and other administrative fees and expenses associated with maintaining the Plan.

There will not be any loads on any funds offered in the plan, nor any minimum balance requirements. Some funds may have redemption fees for short holding periods.

Fidelity will provide quarterly statements to the ASAP participant.

Default Account

In the absence of a mutual fund allocation selection by an ASAP participant, the participant's balance will be invested in the SSgA Target Retirement Fund appropriate to the individual's date of birth and expected retirement at age 65. In the absence of an allocation selection for future contributions, the employee's future contributions will also be invested in the appropriate SSgA Target Retirement Fund.

Rollover and Statement Consolidation

ASAP participants have the option to roll over other qualified retirement account funds for investment with Fidelity. Fidelity will provide a single, consolidated statement for ASAP, rolled-over accounts, and funds invested with Fidelity in Aerospace's Voluntary Annuity/Account Plan.

COLLECTING BENEFITS

Contributions and any earnings or losses are distributed to the employee's account or their beneficiaries if they go on long-term disability status or upon termination of employment due to a reduction in force, retirement, or death. Distributions are allowable in lump sum or through systematic withdrawals. A payment will be made in a single lump sum as soon as administratively feasible after termination of employment, if requested. If the employee goes on long-term disability status, or terminates due to a reduction in force, retirement, or death, the Corporation's final contributions are made based on the plan compensation paid through the date of long term disability, or termination due to a reduction in force, retirement or death.

All distributions of Company Contributions may be rolled over directly into an Individual Retirement Arrangement (IRA) or into another employer's eligible retirement plan.

Participants have the option of leaving the money in ASAP if they terminate employment with the Corporation as long as their account value is over $5,000.

OTHER PROVISIONS

Age 59-1/2 Distributions

An employee who is age 59-1/2 or older is eligible to withdraw vested ASAP benefits. Participants may take, combined between all plans, up to four total in-service withdrawals per plan year. All withdrawals are subject to income tax and some may be subject to penalty taxes. Distributions may be eligible for rollover to an IRA or another employer's plan.

Qualified Domestic Relations Orders (QDRO) – Distributions

A QDRO is a court order that assigns all or part of an employee's ASAP benefit to an alternate payee (e.g., former spouse). Currently, an alternate payee can receive a distribution prior to the employee's termination of employment, retirement, or death.

SECTION 16. AEROSPACE EMPLOYEES' RETIREMENT PLAN (AERP) (For Individuals Hired Prior to 1/1/93 (AERP1) and After 4/1/05 (AERP2) or who hired Before 4/1/05 and After 1/1/93 and chose CRP)

The AERP was frozen effective September 30, 2018 except for AERP1 participants through September 30, 2023. The AERP1 participants shall be bridged at 1.3% all variable accrual.

The Aerospace Employees' Retirement Plan (Plan) is a defined benefit plan. Pension benefits from AERP are paid entirely by The Aerospace Corporation. Aerospace puts money into a trust fund that pays benefits to retirees and survivors. The fund is managed by professional investors and is insured by the Pension Benefit Guarantee Corporation (PBGC).

The AERP consists of two parts: the Fixed Benefit and the Variable Benefit. Participants accrue benefits in both.

OPTIONAL CONTRIBUTIONS

Effective March 31, 2003, the AERP Optional Contributions Plan will be frozen. No new contributions are allowed. Current balances remain in AERP, and participants retain the current investment options (112 Fidelity funds). The participants may withdraw their investments as lump sum or as a deferred annuity at termination of employment or retirement.

Effective April 1, 2003, in-service withdrawals are allowed at any age (earnings are subject to excise tax if withdrawn prior to age 59½). Rollover of the participant's investment into the new After-Tax Savings Option is allowed. Participants may take, combined between all plans, up to four total in-service withdrawals per plan year.

ELIGIBILITY

Individuals hired prior to 1/1/93 became participants and were eligible to accrue benefits under AERP1 after 12 consecutive months of employment. Full-time and part-time employees hired after 4/1/2005 become eligible to accrue benefits under AERP2 starting on 10/1/2005. There was a one-time option between 1 July 2005 and 30 July 2005 for employees hired before 1 April 2005 to start accruing future benefits under the AERP Plan. All casual and temporary employees will accrue benefits under the AERP2 plan starting on 10/1/2005 after being paid for 1000 hours during the plan year as long as they are still employed by Aerospace at the end of the plan year. Employees in AERP2 who start Long Term Disability (LTD) after 1 October 2005 will have no Plan Compensation and will not accrue AERP2 benefits while on LTD.

VESTING

Individuals are vested after completing three years of service. Special rules apply for reductions-in-force.

FIXED BENEFIT

This benefit defines a specific dollar income during your retirement based on your salary and length of service. This benefit may be increased up to 2 percent annually (cost-of-living adjustment) each January 1, for retirees and 10/1 for active employees depending on changes in the consumer price index during the Plan year ending the preceding September 30. This adjustment applies to the Fixed Benefit only.

VARIABLE BENEFIT

This benefit consists of a portfolio of diversified investments and is expressed in terms of units rather than dollars. Retirement income from this fund depends on annual fund performance, your salary, and length of service. Benefits from this fund fluctuate with the market value of the portfolio of investments both before and after retirement. The dollar value of the units changes each year depending on investment gains and losses. The accrual process produces a monthly benefit at retirement.

ACCRUAL OF BENEFITS

PRIOR TO OCTOBER 1, 2005 AERP1 ONLY

Fixed Benefit

The employee's Plan Compensation is calculated by adding 25% of the monthly salary in effect as of the first day of the Plan year (October 1) and 75% of the monthly salary in effect on the following January 1. To determine monthly salary, the weekly salary is multiplied by 52 and the result is then divided by 12. For full time employees[2] who participate in the Plan for the entire Plan Year (2000 hours or more), the formula for the Fixed Benefit is:

0.5% of Plan monthly salary, up to $800

plus

l.0% of Plan monthly salary, over $800

Variable Benefit

1.0% of Plan monthly salary, as defined above, divided by the purchase value of a variable unit on September 30 at the end of the Plan year.

AFTER OCTOBER 1, 2005 AERP1 ONLY

The benefit accrued is based on Eligible Plan Compensation and the Integration level (for the fixed benefit). Plan Compensation includes base pay, variable pay such as performance recognition payments, lump sums in lieu of merit, and awards. It does not include compensation for extended workweek, overtime or shift differentials.

Fixed Benefit

The integration level for an annual fixed benefit accrual under AERP 1 is fixed at $9,600 and the formula is:

0.5% of Eligible Plan Compensation up to $9,600

Plus

1.0% of Eligible Plan Compensation in excess of the integration level

[2] If the individual is employed for the entire Plan year but works less than 1,000 hours of service, the individual will accrue no benefits for the Plan year. If the individual becomes a Plan participant or terminates employment during the Plan year, the benefits will be prorated on the basis of a fractional year of service. If the individual is a Plan participant during the entire Plan year but worked less than 2,000 hours, the accrued benefit will be a ratable portion of the full benefit.

Variable Benefit

The annual variable unit accrual is determined as follows:

1.0% of Eligible Plan Compensation divided by the purchase value of a variable unit on the last day of the Plan Year.

AFTER OCTOBER 1, 2018 and through September 30, 2023 AERP1 ONLY (All Variable Accrual Only)

The benefit accrued is based on Eligible Plan Compensation. Plan Compensation includes base pay, variable pay such as performance recognition payments, lump sums in lieu of merit, and awards. It does not include compensation for extended workweek, overtime or shift differentials.

Variable Benefit

The annual variable unit accrual is determined as follows:

1.3% of Eligible Plan Compensation divided by the purchase value of a variable unit on the last day of the Plan Year.

Commencing October 1, 2018, active plan participants, who are 70 ½ years of age or older shall be subject to offset of their accrual against their distributed benefits pursuant to applicable law and/or regulations.

AFTER OCTOBER 1, 2005 AERP2 ONLY

For employees hired after 1 April 2005 and those hired before 1 April 2005 who opt to accrue future benefits under the AERP 2 Plan, the benefit accrued is based on Eligible Plan Compensation and the integration level (for the fixed benefit). Plan Compensation includes base pay, variable pay such as performance recognition payments, lump sums in lieu of merit, and awards. It does not include compensation for extended workweek, overtime or shift differentials.

Fixed Benefit

The integration level for the Fixed Benefit is 50% of the Social Security Wage Base at the beginning of the Plan Year and the formula for the annual accrual of the Fixed Benefit is:

0.25% of Eligible Plan Compensation up to the integration level (50% of the Social Security Base Wage (currently $128,400) (2018)

Plus

0.5% of Eligible Plan Compensation over the integration level (50% of the Social Security Base Wage (currently $128,400) (2018)

<u>Variable Benefit</u>

The annual variable unit accrual is determined as follows:

0.5% of Eligible Plan Compensation divided by the purchase value of a variable unit on the last day of the Plan Year.

PRERETIREMENT SURVIVOR ANNUITY (PRSA)

If a vested employee dies before retirement, the spouse may be eligible to collect pension benefits. The benefit is available as long as there is a spouse who has not waived the coverage. There is a cost for this coverage for eligible participants in the plan prior to 1 October 2005, which results in a permanent reduction to the total accrued benefits. After 30 September 2005, the AERP Plan will pay the cost of the coverage for all AERP Plan participants who were in active status on October 1, 2005. Eligible terminated participants who left the company before October 1 will continue to have the PRSA charge deducted from their pension.

If an employee dies before age 55, the PRSA is one-half the amount (less the cost of the coverage) that would have been paid had the employee retired as a former employee with the Spousal 50-percent Joint and Survivor Annuity in effect on the first of the month after reaching age 55. The employee's spouse is not eligible to receive payments until the date the employee would have reached age 55.

If an employee dies after age 55, the PRSA is one-half the amount (less the cost of the coverage) that would have been paid to the employee had the employee retired the first of the month after the employee's death with the Spousal 50-Percent Joint and Survivor Annuity in effect. The monthly pension benefit payable to the employee's spouse may begin immediately.

SURVIVORS' INCOME BENEFIT (SIB)

The SIB benefit will end with the freeze of AERP 1 on September 30, 2023

No new SIB participants will be allowed as of 1 October 2005. If an employee elected SIB coverage and dies, benefits normally are available as a monthly benefit of 25% of base monthly salary to the spouse or dependent child. The cost of the coverage is shared by the employee and Aerospace, and premium payments are made in the form of payroll deduction. The full cost of SIB will be paid by the participants as of October 1, 2005. Benefits as a percentage of salary are reduced after age 65. Survivors in payment status before September 30, 2023 will continue to be paid however no new survivors will be eligible for the benefit and there will be no payroll deductions for SIB.

RETIREMENT

<u>AERP1 Participants</u>

AERP1 participants may begin collecting benefits as early as age 55. If an employee retires from active employment as a fully vested Plan Participant on or after age 62, there is no reduction in benefits. Benefits are reduced for early retirement.

AERP1 participants who elected to change to AERP 2 will have two separate AERP accruals. Benefits accrued prior to 1 October 2005 under AERP1, will be payable in full at age 62 when retiring from active service. AERP2 benefits will be payable in full at age 65.

The following table illustrates the percentage of accrued benefits a fully vested Plan Participant in AERP1 may receive upon retiring from active service before age 62.

AERP1 Retirement Benefit for Employees Retiring from Active Service

Age at Retirement	Percent of Retirement Benefit
55	59
56	64
57	69
58	74
59	79
60	86
61	93
62	100
63	100
64	100
65	100

These are examples of percentages of the monthly benefits payable at age 65, earned to the date of retirement.

If an employee leaves the Corporation before retirement, the employee becomes a vested terminee and is entitled to receive his/her full retirement benefit at age 65. A vested terminee may receive his/her benefit as early as age 55. As shown in the table below, if a vested terminee elects to receive his/her retirement benefit before age 65, the benefit will be reduced for each year the vested terminee's retirement precedes his/her normal retirement date at age 65.

AERP Retirement Benefit for Vested Terminee's

Age at Retirement	Percent of Retirement Benefit
55	45.4
56	49.3
57	53.1
58	57.0
59	60.8
60	66.2
61	71.6
62	77.0
63	84.0
64	91.5
65	100.0

These are examples of percentages of the monthly benefits payable at age 65, earned to the date of retirement.

There are five annuity payment options available: Single Life Annuity (SLA), Ten Year Certain and Life Annuity (10YCL) and Joint and Survivor (J & S) 50, 75 and 100% Annuity options. The SLA and 10YCL are based upon the employee's age and the J & S annuities are calculated based on the age of the survivor and beneficiary. The J & S 50% benefit is the automatic payment option for someone who is married at retirement unless the spouse signs a waiver.

AERP2 Participants

AERP2 participants who hired on or after April 1, 2005 or opted into AERP2 may begin collecting benefits as early as age 55. If an employee retires from active employment as a fully vested Plan Participant on or after age 65, there is no reduction in benefits. Benefits are reduced for early retirement. The following table illustrates the percentage of accrued benefits a fully vested Plan Participant may receive upon retiring from active service before age 65.

AERP2 Retirement Benefit for Employees Retiring from Active Service

Age at Retirement	Percent of Retirement Benefit
55	50
56	55
57	60
58	65
59	70
60	75
61	80
62	85
63	90
64	95
65	100

These are examples of percentages of the monthly benefits payable at age 65, earned to the date of retirement.

If an employee leaves the Corporation before retirement, the employee becomes a vested terminee and is entitled to receive his/her full retirement benefit at age 65. A vested terminee may receive his/her benefit as early as age 55. As shown in the table below, if a vested terminee elects to receive his/her retirement benefit before age 65, the benefit will be reduced for each year the vested terminee's retirement precedes his/her normal retirement date at age 65.

AERP Retirement Benefit for Vested Terminee's

Age at Retirement	Percent of Retirement Benefit
55	45.4
56	49.3
57	53.1
58	57.0
59	60.8
60	66.2
61	71.6
62	77.0
63	84.0
64	91.5
65	100.0

These are examples of percentages of the monthly benefits payable at age 65, earned to the date of retirement.

PORTFOLIO A

Retired bargaining unit members have an annual opportunity in August of each year to transfer from the Variable Benefit Fund to a more conservative fund option, called "Portfolio A." Once elected, the decision to change is irrevocable.

The primary objective of this fund is to provide a stable and acceptable market rate of return. The secondary objective is preservation of capital. Portfolio A is a managed portfolio of short to intermediate bonds with investment guidelines as follows:

a. A majority of the portfolio will be invested in U.S. Treasury or U.S. Government securities backed by the full faith and credit of the U.S. Government.

b. The balance will be invested in U.S. corporate bonds rated AA or better.

c. Bonds in the portfolio will be restricted to those having maturity of no more than (10) years and the average portfolio maturity will be no less than five (5) years.

TERMINATION

Individuals who terminate employment and have a present value of less than $50,000 may receive a lump sum from the Plan.

SECTION 17. VOLUNTARY ANNUITY/ACCOUNT PLAN (VA/AP)

Effective December 31, 2018, the VA/AP program was closed to any additional contributions.

The VA/AP program offers an opportunity to supplement the employee's retirement income by authorizing the Corporation to set aside a portion of weekly salary through a salary reduction agreement. Salary deferrals are made on a pre-tax basis (pursuant to Internal Revenue Code section 403(b)), thereby reducing federal and state income taxes. Employees may invest salary deferrals in their choice of the following insurance and mutual fund companies.

a. Insurance Companies

1. Prudential Asset Management Company, Inc. (does not offer loans or hardships)

2. Teachers' Insurance and Annuity Association– College Retirement Equities Fund (TIAA-CREF) (does offer loans and hardships)

b. Mutual Fund Companies

Fidelity Investment Services (does not offer loans or hardships)

Scudder Investor Services, Inc. (does not offer loans or hardships

T. Rowe Price Trust Company (does not offer loans, does offers hardships)

Vanguard (does not offer loans, does offers hardships)

Participation may begin after the first week of employment.

Participants may change the selection of investment companies receiving weekly deferrals at any time. Participants may also change the selection of funds or investment options within each investment company. This is subject to the conditions of the investment company involved and is done directly with the investment company.

Participants may transfer funds between investment companies. Participants must contact the investment company that they want to transfer to. The Company will help the participant complete the appropriate documents. If an account is not open with the new investment company, the participant must complete an account application. By following prescribed procedures, these transfers do not have Federal income tax consequences.

Under Federal and most state income tax regulations, deferrals to VA/AP and investment earnings are not taxed until the participant receives them. The participant may leave salary deferrals and earnings in the account until retirement or until the participant withdraws them, starting no later than age 70½ and retired, according to the current Treasury Regulations.

SECTION 18. AFTER-TAX SAVINGS OPTION (Frozen Plan as of 3/1/2009)

Effective April 1, 2003, all bargaining unit employees have the option of making (after-tax) IRS 401(a) contributions to the After-Tax Savings Option independent of their hire date. These contributions are funded entirely by the individual employee. This option was closed to new participants as of March 1, 2009.

Administration of the program, including initiating or changing payroll deductions, selecting investment options, and transfers between investment options, is handled by Fidelity. Fidelity will provide each participant with quarterly reports of his/her account activity, including gains and losses.

Participation is through payroll deductions only and is limited to 1% increments of salary. No lump sum contributions are allowed. However, rollovers are allowed.

For bargaining unit employees, the maximum annual contribution is the lesser of

a. 25% of salary paid during the Plan Year (October 1 through September 30)

b. $55,000 (includes company contributions to ASAP) as of October 1, 2017 through September 90, 2018.

In-service withdrawals are allowed, with the earnings subject to excise tax if the withdrawal is made prior to age 59 ½. Lump sum or monthly, quarterly, or annual systematic withdrawals are allowed upon termination of employment or retirement.

SECTION 19. WORK-LIFE PROGRAM

The Work-Life Program provides Aerospace employees and retirees and their families personal information and resource consultations for work/life services and professional counseling. Coverage includes the following:

1. Five (5) visits per individual with a professional counselor for help in dealing with emotional concerns like job stress, anxiety, or problems with drugs and alcohol.
2. Toll-free phone access to a counselor 24 hours a day every day.
3. Website access.
4. Childcare referral service.
5. Lactation program for nursing mothers.
6. Adult/Eldercare referral service.
7. Enhanced adult/eldercare service if purchased.
8. Legal assistance, including:

a. Free phone consultation with licensed attorney

b. Free referral to a local attorney who has experience in handling similar cases

c. 30-minute no-charge face-to-face consultation with attorney

d. 25% discount on additional legal services

9. Chronic condition support
10. Financial services
11. Convenience referral service
12. On-line information and searchable databases
13. Personal and professional development seminars
14. Wellness seminars

SECTION 20. AEROSPACE 401(k) RETIREMENT PLAN

The Aerospace 401(k) retirement program shall consist of the following employer non-elective and matching contributions in the table below.

Years of Service	Employer Non-Elective Contribution	Employer Matching Contribution (dollar for dollar)	Total Employer Contribution
Less than 5 years	5%	3%	8%
5 years to 25 years	7%	3%	10%
More than 25 years	9%	3%	12%

There shall be an initial short plan year consisting of the period of time beginning October 1, 2018 and ending December 31, 2018. During the short plan year eligible employees shall receive the total employer contribution based only on their eligible compensation from October 1, 2018 through December 31, 2018.

During period of October 1, 2018 through September 30, 2023, AERP1 participants who are active employees are ineligible to receive the employer non-elective and matching contributions.

Without age restrictions, allow for the conversion of both employee and employer contributions to be eligible for in-plan Roth conversions.

SECTION 21. FAMILY CARE AND ADDITIONAL FAMILY SUPPORT

Starting April 1, 2020, employees shall receive back-up care for family members for up to five (5) days per calendar year, inclusive of children, grandchildren and parents. Adult back-up home care assistance for parents (which shall not include skilled nursing or medical care) shall be provided by in-home providers trained in First Aid and CPR. Back-up child care shall be provided by either in-home providers or at a Bright Horizons day care center or by one of their affiliates. Employees shall pay an in-home co-pay of $24 per day minimum and shall pay a $15 per day child care co-pay for center-based care to Bright Horizons.

For longer-term assistance, employees shall have (1) access to Sittercity, an independent online resource to find caregivers that includes free background checks (the care is paid by employee); and (2) for child care assistance, preferred enrollment and tuition discounts for full-time child care at participating Bright Horizons child care centers nationwide, and its affiliates. Employees shall receive from Bright Horizons discounts on tutoring and test preparation courses.