March 22, 2018

Memorandum of Agreement

Merit Distribution and Retirement Plan

The Aerospace Corporation ("the Corporation") and the Aerospace Professional Staff Association ("APSA"), collectively referred to hereinafter as "the parties," enter into the following agreement ("Agreement") on this 22th day of March 2018. The parties hereby agree that:

1. The Corporation shall replace paragraph 901 in the Collective Bargaining Agreement with attached paragraph 901.

2. The Corporation shall replace paragraph 902 in the Collective Bargaining Agreement with attached paragraph 902.

3. The Corporation shall replace Appendix F, Section 15 – Aerospace Savings Account Plan, with the attached Appendix F, Section 15.

4. The Corporation shall replace Appendix F, Section 16 – Aerospace Employees' Retirement Plan, with the attached Appendix F, Section 16.

5. The Corporation shall replace Appendix F, Section 17 – Voluntary Annuity/Account Plan, with the attached Appendix F, Section 17.

6. The Corporation shall add the attached Section 20 – Aerospace 401(k) Retirement Plan, to Appendix F.

7. This Agreement is precedential.

Mark Simpson

Mark M. Simpson
President
Aerospace Professional Staff Association

Domenic Rigoglioso

Domenic Rigoglioso
Associate General Counsel
The Aerospace Corporation

ARTICLE IX COMPENSATION

901 In Fiscal Years 2018 and 2019, the Corporation shall budget, in accordance with past practice, base merit salary increases and cash merit distributions aggregating 3.0% (1.8% merit and 1.2% 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 9, 2017 and December 8, 2018, 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 May 12, 2018 and no later than February 23, 2019 respectively, subject to approval of the Board of Trustees. There shall also be a separate Fiscal Year 2018 and FY 2019 discretionary reserve for promotional and special salary increases and other contingencies of up to 1.0% each fiscal year computed on the same basis as above. For each fiscal year, the base merit salary increase or cash merit equivalent distribution shall provide for a penetrable floor of $15.00 per week for documented poor performance. A description of the compensation process is provided in Section B, Non-supervisory MTS, Section 3, MTS Compensation. The base merit salary increases and cash merit distributions for Fiscal Year 2018 shall be retroactively effective to February 10, 2018 provided that this MOA is ratified no later than April 17, 2018 and notification of same is provided to the Corporation.

902 During Fiscal Year 2018 and Fiscal Year 2019, the Corporation shall budget, in accordance with past practice, for a Performance Recognition Payment Program. At least 53.0% 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 $5,400,000 (approximately 1.0% of the gross payroll) and $5,400,000 (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.

APPENDIX F
SECTION 15. AEROSPACE SAVINGS ACCOUNT PLAN (ASAP)

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.

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

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.

EMPLOYEE INVESTMENT CHOICE[1]

Company Contributions

[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.

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:

1. 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]).

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

Period after December 31, 2004:

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 compensation[2]).

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

Employees Hired after 1 April 2005 or Who Transferred into the ASAP Plan:

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[2] compensation. 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 compensation[2]).

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

[2] After 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 any EWW, shift differential, or overtime and shall not exceed such an amount as provided under the IRC §401(a)(17) limits indexed annually.

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 $100 per year ($17 Fidelity recordkeeping fees and $8 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.

APPENDIX F
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 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.

The AERP shall be 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.

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[3] 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
1.0% 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

---

[3] 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)

Variable Benefit

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)

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.

RETIREMENT

AERP1 Participants

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 $10,000 may receive a lump sum from the Plan.

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

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.

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

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

1. Fidelity Investment Services (does not offer loans or hardships)

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

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

4. 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.

APPENDIX F
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.