

# TORY BRUNO

President and CEO

DIR 720.922.7110

FAX 720.922.7123

tory.bruno@ulalaunch.com

May 10, 2018

Dear Teammate,

Through your vote and your actions, I have heard your concerns – loud and clear. Job security is weighing heavy on your minds. In ULA's proposed agreement, you view several items as threats to your livelihood. You've also expressed your dissatisfaction with travel and the disruption it causes at home. You should know these concerns were discussed in depth at the negotiation table. The management team assured your negotiating representatives that ULA's intent was to respect our employees' personal lives, and that we did not intend to reduce any jobs through subcontracting. In fact, the Company attempted to address these concerns in its final proposals.

This contract contains a number of changes, there is no doubt about that. And often with change comes uncertainty. It is very important to me that you have the facts and understand both the language and the intent of this contract – all of which were shared with your negotiating committee. I want to be as plain as I can about the topics that most concerned you.

- **Travel – Employees will not be directed to travel for more than 30 consecutive days.**
  - The contract does not contain language giving the Company the right to direct employees to travel on back-to-back solicitations.
  - **Only volunteers may travel past 30 days.**
  - Travel is necessary to meet operational cycles and surges. It also allows us to avoid layoffs by temporarily reassigning underutilized employees to locations that need extra help.
- **Job Security – We will not outsource rocket building and rocket launching work – period.**
  - Only work of the same type currently subcontracted today will be subcontracted going forward.
  - **We guarantee in Article 20 that no employee shall be displaced as a result of such subcontracting.**
  - Warehouse employees have choices, including to **retrain to perform critical work building and launching rockets, maintaining their current pay.**
  - Salaried employees will not displace represented employees.
- **Pension Transition – ULA will fully fund the pension now, avoiding the uncertainties of our competitive market.**
  - Funding **now** assures your earned benefit will be available when you're ready to take it.
  - ULA has elected to use an Independent Party to select the best annuity provider to support the execution of the benefit our employees have earned.
  - Once transitioned, **your benefit is secure.** We are rocket builders and launchers, not money managers.
  - The insurance company is required by law to adhere to our pension plan provisions in administering the benefits and may not reduce your benefit or alter the eligibility and accrual provisions.
  - The transition provides you and your family ultimate financial flexibility, with additional options for receiving your benefit, including a lump sum payment and starting pension payments once the transition is complete, while you're still working, allowing you to collect **both** your ULA paycheck and pension at the same time.
  - See attached document for a summary.

I urge you and your family to review the Frequently Asked Questions and other resources that are available here:

<https://www.ulalaunch.com/resources/negotiations>

Sincerely,



Tory Bruno  
President and CEO



United Launch Alliance  
P.O. Box 3788  
Centennial, CO 80155