

ARTICLE 20

RIGHTS OF MANAGEMENT

20.01

The management of the work sites and operations and the direction of the work force is vested exclusively in the Company, and this shall include and shall not be limited to the right to hire, properly classify or reclassify, transfer, assign and/or reassign employees, temporarily transfer employees between worksites, layoff for lack of work or other legitimate reasons, promote, demote for just cause, release for just cause, and for just cause to discharge, suspend or discipline employees, provided that the exercise of such rights shall not conflict with the provisions of this Agreement.

20.02

A. By way of clarification, the Company retains the right to subcontract or to determine the work to be performed by the Company, the location at which work is to be performed, the type of products to be manufactured, the schedules of production, and the processes and means of manufacture - referred to as management's prerogatives.

B. Specific situations in which the Company may subcontract include surges of work or work for which the Company does not have sufficient manpower, provided these instances last six (6) months or less. Additionally, the Company may subcontract work which has regularly been subcontracted at any site. Employees shall not be displaced as a direct result of such subcontracting.

MEMORANDUM OF UNDERSTANDING

Warehousing and Inventory Transition Plan

Commencing on or about _____ the warehousing and inventory function (currently performed by employees in the classifications of Aerospace Support at the launch sites and Aerospace Production Technician at Decatur) shall be performed by a new classification of employee referred to as Warehouse Worker. Except as specified below, the Company shall hire new employees to perform this function and will transition work to the new classification over a reasonable period of time, not to exceed six (6) months ("Transition Period").

The Warehouse Worker classification shall be members of the bargaining unit. The minimum rate of pay shall be \$15.21 per hour. The maximum rate shall be \$19.21 per hour. Increases and benefits shall be governed by the general provisions of the Collective Bargaining Agreement.

Employees currently performing warehousing and inventory work ("Current Employees") will have the option to either transition into a new job or classification as detailed below, or they can elect to move into the new Warehouse Worker classification at their home site. Should the Current Employee choose the latter option, he or she shall be paid a rate of \$22.21 per hour, with GWI increases and benefits provided in the Collective Bargaining Agreement.

Employees currently on layoff status in the Aerospace Support classification at the launch sites will be recalled as the Company hires for Warehouse Workers and be offered work in that classification. Those who accept a Warehouse Worker position will be paid a rate of \$22.21 per hour, with GWI increases and benefits provided in the Collective Bargaining Agreement. Those who decline recall shall remain on the recall list on the terms set forth in the CBA and not be eligible for severance as set forth below.

Employees currently performing warehousing and inventory work ("Current Employees") who choose to transition into a new job at their home site shall assist in the transition of their current work to the new employees in Warehouse Worker classification. During the Transition Period, Current Employees shall receive reasonable training for their new classification. Current Employees who are transitioned to other positions in this manner shall suffer no decrease in pay as a result of the transition.

If a Current Employee is not physically capable of performing another position, or if, at any time after ninety (90) days (or at any time at the employee's initiative), the Company or Current Employee conclude during the Transition Period that the Current Employee will not succeed in his or her new position with reasonable training, the employee shall have three options:

1. The Company may offer the Current Employee a position at another represented site with no loss in pay. The Current Employee may accept the offered position at his or her option and may relocate at his or her own expense; or
2. The Current Employee may elect to receive one week of severance pay per completed year of service with a maximum of **twenty (20) weeks**; or
3. The Current Employee may elect to move into a Warehouse Worker position at their home site. Should the Current Employee choose this option, he or she shall be paid the maximum rate for the Warehouse Worker position.

For the purposes of this provision, "reasonable training" is training which allows the employee to become proficient in a position within six (6) months.

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- The Company modifies its proposal to LOU #4, in paragraph C:

The Company will move as expeditiously as possible while it makes efforts to comply with paragraphs A. and B. of this LOU. However, while doing so, the Company shall have the right to temporarily subcontract in order to satisfy the work requirements that initially "indicate[d] a need for subcontracting personnel on the premises" **once discussed with the Joint Subcontracting Review Committee.**