

Part I – Provisions Applicable to Meridian Plant Represented Employees

~~Article I, Section 6~~ [Art. & Section TBD] – Right to Manage Plant

- (a) The Company has and will retain the right and power to manage the plant and direct the working forces, including the right to hire, to discipline, to suspend or discharge for just cause, to promote, demote and transfer its employees (**department and/ shift**), subject to the provisions of this Agreement. ~~(Any claim that the Company has exercised such right and power contrary to the provisions of this Agreement may be taken up as a grievance.~~
- (b) **In the event the Company decides to cease operations, shut down, close the plant, reduce production, or consolidate its operations, it will meet with the Union to determine the effects of such shut down.**

[Art. & Section TBD] – Make or Buy Responsibilities

The Company is primarily engaged in the design, development, production and support of major air systems and products. Programs for such products require widespread subcontracting in the sole determination of the Company including but not limited to decisions to make or buy parts, components, or assemblies, which are crucial to the Company's manufacturing philosophy and customer expectations.

While Make or Buy decisions typically number in the thousands, such decisions usually consist of considerations, none of which is weighted more heavily than others not in and of itself determinative, with respect to:

- best design
- best quality
- best delivery
- lowest cost
- lowest risk
- capacity
- supply base capability

Since the Government is legitimately interested in obtaining our products at the lowest possible cost, they frequently check our costs against other sources. Whenever, in their judgement, our costs may be higher than outside sources, they encourage or direct us to subcontract to obtain a lower price for a given part or component. Additionally, the Company will execute Make or Buy decisions that support the effective and efficient operation of the business.

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counter proposals in any area of the Agreement opened by the Union.

Make or Buy decisions must be viewed with consideration of the total line of business and Aeronautics Business Area in its entirety. The Company's obligations with respect to sales, schedules, quality, and cost must all be taken into consideration. Frequent changes in both planning and execution are necessary as design and manufacturing problems are encountered and as customer redirection is received. Flexibility and fast reaction are essential.

Make or Buy decisions must comply with public law, government requirements, supply base considerations, or direction from the customer and must be responsive to the government's concern with respect to small business, labor surplus areas, the Company's assessment of an effective and efficient approach to managing its operations, as well as the utilization of government facilities.

In consideration of these Make or Buy decisions, upon request, the Company will meet with the Union to entertain questions regarding Make or Buy decisions made by the Company that effectively and efficiently address the operational dynamics at the Meridian facility as set forth above.

The Company reserves the right to open for discussion, add, delete, and/or modify any of these proposals, the right to propose changes and to make counter proposals and reserves the right to make counter proposals in any area of the Agreement opened by the Union.