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Members of the Media
This document is designed to assist members of the news media in covering the 2015 UAW-Ford national contract negotiations. It provides background material on Ford Motor Company (through year-end 2014), its collective bargaining agreement with the UAW and subjects that may be discussed during negotiations. It includes a number of charts and graphs that can be reproduced to illustrate company and industry trends. For further information about Ford’s business and financial condition, please refer to our company’s Annual Report for the year ended Dec. 31, 2014 and to subsequent filings with the SEC.

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Ford Motor Company – Vital Statistics

Plants and Other Facilities
Ford Motor Company’s hourly UAW-represented employees work in a number of plants, parts distribution centers, research and engineering sites and other facilities across the United States.

Assembly Plants (Vehicle Operations)
The company’s U.S. assembly plants receive parts and components from suppliers, both within and outside the company, and assemble them into finished cars and trucks. (See Appendix page 39 for more detailed information about Ford Motor Company’s North American Assembly and Manufacturing plants.)

Manufacturing Plants (Casting, Stamping, Powertrain Operations)
The company’s U.S. manufacturing plants manufacture, fabricate and ship parts or component assemblies to the assembly plants or parts distribution centers.

Automotive Parts Distribution Centers
U.S. facilities receive inventory and store automotive parts for distribution to dealers and other distributors.

Research and Engineering Facilities
Ford’s research and engineering facilities conduct advanced research in new vehicle concepts, powertrains and vehicle systems. Research and development of manufacturing processes, materials, environmental controls, polymers and catalysts are also conducted at these facilities. New methods of recycling, alternative fuel vehicles, voice-activated technologies and leading safety initiatives are just a few items that are evaluated at these facilities.
**Hourly Employment and Payroll Costs**

There are four levels of hourly employees:

- **Traditional** – Employees hired or rehired prior to Nov. 19, 2007
- **Entry-Level** – Employees hired or rehired on or after Nov. 19, 2007
- **Long-Term Supplemental** – Employees hired to supplement the workforce for a long term assignment that is temporary in nature
- **Temporary Part-Time** – Employees hired to supplement the workforce who work any two days during a week and have the potential of working additional days for which full-time employees receive premium pay as long as no full-time employee is displaced

The below chart traces Ford’s U.S. hourly employment levels during the last 10 years. These figures represent the average number of UAW-represented employees covered by the collective bargaining agreement on the employment roll each year from 2004 to 2014. During the last decade, average hourly employment levels peaked at 88,386 in 2004 and have decreased during the last several years to 48,366 in 2014.

![Average Number of UAW-Represented Hourly Employees](chart_image)

*Source: Ford data*
**Hourly Payroll**

The below chart illustrates Ford’s U.S. hourly payroll cost – which excludes healthcare, pension, and other benefits from 2004 through 2014, the most recent data available. Since 2004, hourly payroll costs have decreased 49 percent from $6.7 billion to $3.4 billion, which is explained by a decrease in employment offset by an increase in wages. Since 2011, hourly payroll costs have remained consistent despite increasing employment – Ford has created more than 15,000 hourly jobs since 2011 – and steady wages. Data is shown through 2014 – the most recent annual data available.

![Total U.S. Hourly Payroll Cost Chart](chart.png)

*Source: Ford data*

**Hourly Labor Cost**

Labor cost can be defined and measured in a number of ways. One of the most meaningful measures is the total average hourly cost to the company per hour worked. This includes (1) all the dollars paid to employees, (2) the cost of contractual benefits for employees, and (3) the cost of statutory payments, such as Social Security and workers’ compensation – all calculated on the basis of hours worked by employees. The below graph shows that during the 2005 through 2014 period, Ford’s total average hourly cost per hour worked decreased 13.2 percent, from $64.91 to $56.33 per hour.

![U.S. Hourly Labor Costs Chart](chart.png)

*Source: Ford data*
U.S. Auto Industry Hourly Labor Costs (estimated)
We need to continue to close the labor cost gap with our foreign competitors in the U.S. According to the Center for Automotive Research, Ford has about a $10 gap to the transplants ($57 vs. $47), which they can leverage in their vehicle pricing, research and development costs, etc.

Source: Center for Automotive Research

Hourly labor costs and entry-level workers for U.S. automakers
We presently have about 52,000 UAW employees including 15,115 full-time entry level hourly employees, which equates to about 29 percent entry level. Our contract with the UAW allows for 20 percent plus approved insourcing actions and staffing at our Rawsonville and Sterling plants.

Source: Art Schwartz, Labor and Economics Associates
**Profile – Typical Hourly Employees**
The below section profiles the average Ford U.S. hourly employee; it is a composite of production and skilled wages based on the average number of employees and their hours paid in 2014.

<table>
<thead>
<tr>
<th></th>
<th>Traditional Skilled</th>
<th>Traditional Non-Skilled</th>
<th>Entry-Level Non-Skilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Hourly Rate</td>
<td>$32.80</td>
<td>$28.69</td>
<td>$16.80</td>
</tr>
<tr>
<td>Gross Weekly Earnings</td>
<td>$1,311</td>
<td>$1,148</td>
<td>$672</td>
</tr>
<tr>
<td><em>(Based on a 40-hour straight-time week)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Paid Time Off**
In 2014, the above employees were entitled to the following paid time off:

- **Vacation (average)**: 20 days
- **Holidays**: 16 days
- **Total Paid Time Off**: **36 days**

*Note – Vacation allocation is based on years of service.*

**Additional Benefits**
In addition to the benefits, paid time off and compensation already described, an employee may be eligible for the following benefits:

- Healthcare Benefits, Hospital-Surgical-Medical-Drug-Hearing Aids
- Dental Coverage
- Vision Coverage
- Group Life & Disability Insurance
- Pension
- Tax Efficient Savings Plan for Hourly Employees (TESPHE) (401K)
- Income Security
- Employment Security
- Layoff Benefits
- Legal Services
- Profit Sharing
- Ford Interest Advantage
- Vehicle Purchase Program

For descriptions of these programs, see the Company Benefits section, page 9.
Company Benefits (Traditional Employees) – Healthcare Benefits

Healthcare Benefits
Ford provides eligible Traditional employees and their eligible dependents with a comprehensive package of healthcare coverage, including:

- Hospital-Surgical-Medical
- Prescription Drug
- Dental
- Vision
- Hearing Aids

The breakdown of each component of Ford's healthcare spend is below:

Hourly Active 2014 Healthcare Expenses

- Prescription Drugs 19.0%
- Dental 6.5%
- Vision 0.4%
- Other/HRA 0.2%
- Medical 73.9%

Source: Ford data
Annual Healthcare Expense Per Ford Hourly Employee
The magnitude and escalation of healthcare costs can be viewed in terms of the expense per employee, as the below chart displays from 1990 to 2014.

Average Annual Healthcare Expense Per Ford Hourly Employee

* Includes Ford Hourly Actives and Retirees. Ford Hourly Retirees were transferred to the UAW VEBA, effective Jan. 1, 2010.

Source: Ford data

Magnitude of expense: the average annual Ford hourly health care expense per employee increased to approximately $14,800 in 2014.

Retiree Healthcare Benefits – VEBA
Effective Dec. 31, 2009, Ford fully settled its UAW postretirement healthcare obligation. On Dec. 31, 2009, Ford contributed $14.8 billion of assets to the UAW VEBA Trust. In exchange for these assets, Ford irrevocably transferred its obligation to provide retiree healthcare for eligible active and retired UAW-Ford hourly employees and their eligible spouses, surviving spouses and dependents to the UAW VEBA Trust.

Impact of the Patient Protection and Affordable Care Act (ACA)
Since the passage of the Patient Protection and Affordable Care Act (ACA) in 2010, the legislation has been phased in during the last four to five years, with elements still coming into realization through 2018. As of 2014, most ACA requirements have already been implemented, including:

2011 – Added coverage for all dependents up to age 26; expanded additional coverage requirements
2012 – Expanded coverage of preventive care without participant cost sharing; started reporting healthcare cost on W2s and a standard summary for plan participants
2013 – Expanded preventive care to include eight new women’s services; began paying Patient-Centered Outcomes Research Institute (PCORI) fee
2014 – Changed waiting period for medical coverage from seven months to 90 days for Entry-Level employees; added coverage for clinical trials; began paying fee for transitional reinsurance program

The cost of these additional coverages and fees has been more than $83 million from 2011 to 2014 and is expected to continue to grow.
Looking Ahead To 2018 – The ACA Excise Tax
The 40 percent excise tax on “high cost” coverage, including medical, health Flexible Spending Account (FSA) contributions, onsite medical clinics, and employer contributions to Health Savings Account (HSA), will have an initial cap set at $10,200/single and $27,500/family starting in 2018. Without some intervention, Ford’s excise tax for hourly employees will grow larger over time.

Traditional Coverage Cost Compared To The Single Cap

Source: Ford data

Alternative Healthcare Programs
In some parts of the country, employees have the option to enroll in an alternative healthcare plan or Health Maintenance Organization (HMO), in lieu of traditional coverage. HMO programs are intended to provide broader benefits for members in a managed care setting at a lower cost.

The following chart indicates the percentage of employees enrolled in HMO or PPO plans as of March 2015:

<table>
<thead>
<tr>
<th>Enrollment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HMOs* and Blue Preferred Plus (BPP)</td>
<td>55%</td>
</tr>
<tr>
<td>National PPO</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

*13 HMOs deleted during the 2011 contract period while 15 HMOs and 1 alternative plan (BPP) continue to be offered
**Hospital-Surgical-Medical-Hearing Aid – Traditional Employees**

**Coverage:** Traditional Hospital-Surgical-Medical-Hearing Aid coverage is provided through a National PPO Plan with Blue Cross Blue Shield of Michigan for eligible employees and their eligible dependents.

**Benefits:** Hospital-Surgical-Medical-Hearing Aid benefits for active employees under the National PPO include coverage for up to 365 days of hospital care at no charge for approved admissions in a semiprivate room, surgical and in-hospital medical care reimbursed on the basis of physicians’ maximum allowed amount, and coverage for medical emergencies and emergency first aid.

Other important benefits include prosthetic appliances; durable medical equipment; mental health and substance use disorder care; outpatient physical therapy and hearing aid services for audiometric exams; hearing aid evaluation tests and hearing aids.

Hospital-Surgical-Medical benefits are subject to the cost sharing amounts as outlined below.

<table>
<thead>
<tr>
<th>National PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Healthcare Contributions</strong></td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td><strong>Annual Deductibles (In and out-of-network)</strong></td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td><strong>Co-Insurance</strong></td>
</tr>
<tr>
<td>None for covered services obtained in-network</td>
</tr>
<tr>
<td>10% for covered services obtained out-of-network</td>
</tr>
<tr>
<td><strong>Co-Payments</strong></td>
</tr>
<tr>
<td>$20 Office Visit</td>
</tr>
<tr>
<td>$50 Urgent Care</td>
</tr>
<tr>
<td>$100 Emergency Room Services</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Limitation</strong></td>
</tr>
<tr>
<td><strong>In-Network</strong></td>
</tr>
<tr>
<td>Single</td>
</tr>
<tr>
<td>Multi-Party</td>
</tr>
</tbody>
</table>

*Includes deductibles & co-insurance*
**Prescription Drug – Traditional**

**Coverage:** Prescription drug coverage through Express Scripts is provided for eligible employees and their dependents enrolled in the National PPO (traditional plan through Blue Cross Blue Shield).

**Benefits:** Prescription drugs for active employees provided through in-network pharmacies are subject to the co-pays below.

<table>
<thead>
<tr>
<th>National PPO Plan</th>
<th>Retail</th>
<th>Home Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$5</td>
<td>$11</td>
</tr>
<tr>
<td>Brand</td>
<td>$12</td>
<td>$17</td>
</tr>
</tbody>
</table>

**Dental – Traditional**

**Coverage:** Nationwide dental coverage for employees and their eligible dependents is provided through Delta Dental of Michigan. Alternative dental plan coverage also is offered in nine states in lieu of traditional coverage.

**Benefits:** Dental benefits received by a Delta Dental Preferred Provider Organization (PPO) dentist include diagnostic and preventive services, X-rays, fillings and crown repair, endodontic services, extractions, etc. at 100 percent; basic services, such as, occlusal guards/adjustments, dental surgery and major restorative at 90 percent; major services (prosthodontic services) at 70 percent; orthodontic services at 60 percent for dependents to age 19. The maximum annual benefit per member is $1,850 for non-orthodontic services, with a separate maximum lifetime benefit of $2,200 for orthodontic services.

**Vision – Traditional**

**Coverage:** Eligible employees and their dependents enrolled in a healthcare plan that does not include vision care coverage are provided coverage nationwide by SVS Vision Inc.

**Benefits:** Covered services from participating providers include complete vision examination, frame and lenses (including bifocal, trifocal, photochromic/transition and special lenses) and contact lenses. Benefit payments to non-participating providers are for lesser amounts.
Company Benefits (Traditional Employees) – 
Group Life and Disability Insurance (GL&DI)

Group Life and Disability Insurance (GL&DI)
Ford provides hourly employees a comprehensive package of life and disability insurance benefits based on wage rates on the last day worked. Coverage includes:

- Life Insurance
- Accidental Death and Dismemberment coverage
- Accident and Sickness benefits (A&S)
- Extended Disability Benefits (EDB)

In addition, the following benefits are provided:

- Safety Belt User Benefit ($15,000)
- Survivor Income Benefit ($700 per month)

Also available are several optional employee-paid plans:

- Dependent Group Life Insurance provides spouse/Same-Sex Domestic Partner coverage ($5,000 to $150,000) and child(ren) coverage ($2,000 to $60,000)
- Employee Optional Life Insurance offers amounts between $10,000 and $500,000
- Optional Accident Insurance is offered for both the employee and family. Coverage may be purchased in units of $10,000 up to $500,000. If family coverage is elected, the spouse/Same-Sex Domestic Partner is covered for an amount equal to 50 percent of the employee’s coverage, and each child is covered for 10 percent of the employee’s coverage
- Employees with less than 10 years of seniority also may elect to purchase the Optional Long Term Disability Plan

The following summarizes company-paid GL&DI benefits for current hourly employees as demonstrated by the "average" hourly employees:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Benefit Amount (Range)</th>
<th>Major Assembler</th>
<th>Tool &amp; Die Maker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active Life Insurance</strong> – pays a benefit to employee’s beneficiary when the employee dies</td>
<td>$32,500-$86,500</td>
<td>$66,000</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Retiree Life Insurance</strong> – pays a benefit to retired employee’s beneficiary</td>
<td>Active life insurance amount continues until first of 18th month; then reduction formula applies.</td>
<td>Same</td>
<td>Same</td>
</tr>
</tbody>
</table>

* UAW-Ford Retirement Plan eligibility is applicable
### Accidental Death and Dismemberment Insurance
- **Benefit**: pays a benefit, if the employee suffers a covered dismemberment or dies as the result of an accident.
- **Benefit Amount/Range**:
  - All Employees: $16,250-$43,250
  - Employee: $33,000
  - Spouse: $37,500

### Survivor Income Benefit
- **Benefit**: provides a monthly income to the employee’s eligible survivors after the employee dies.
- **Benefit Amount/Range**:
  - Same: $700 per month ($375 if eligible for unreduced Social Security benefits)

### Accident and Sickness Insurance
- **Benefit**: pays a weekly benefit for up to 52 weeks, if the employee is injured or sick and unable to work.
- **Benefit Amount/Range**:
  - All Employees: $340-$900 per week
  - Employee: $690 per week
  - Spouse: $785 per week

### Extended Disability Benefit
- **Benefit**: provides a monthly benefit (based on service) after Accident and Sickness insurance benefits end, if the employee is totally disabled and unable to work.
- **Benefit Amount/Range**:
  - All Employees: $1,250-$3,320 per month (less than 10 years)
  - Employee: $2,550 per month (less than 10 years)
  - Spouse: $2,795 per month (10 or more years)
  - Each Child: $1,370-$3,645 per month (10 or more years)

### Benefit
- **Benefit**: Safety Belt User Benefit Program – pays a $15,000 benefit, if the employee or another covered participant dies as a result of an automobile accident while wearing a qualified passenger restraint.
- **Benefit Amount/Range**:
  - All Employees: $15,000

### Optional Group Life Insurance
- **Benefit**: employee may select varying amounts of coverage for him/herself and/or covered dependents.
- **Benefit Amount/Range**:
  - Employee: $10,000-$500,000
  - Spouse: $5,000-$150,000
  - Each Child: $2,000-$60,000

### Optional Accident Insurance
- **Benefit**: employee may select varying amounts of coverage for him/herself and/or covered dependents.
- **Benefit Amount/Range**:
  - Employee: $10,000-$500,000
  - Spouse/Same-Sex Domestic Partner: 50% of employee’s coverage
  - Each Child: 10% of employee’s coverage

### Retiree Life Coverage
- **Benefit**: Accidental Death & Dismemberment coverage ends effective the first of the 18th month following retirement.
- **Benefit**: Retirees may elect to continue optional employee paid coverages in retirement for as long as Ford-paid life insurance remains in force.
Company Benefits (Traditional Employees) – Pension Plan

Ford-UAW Retirement Plan

- Funded entirely by company contributions
- Adopted in 1949
- Effective March 1, 1950
- First negotiated pension plan for hourly employees in the auto industry
- Provided a maximum combined monthly benefit (benefit class code D retirement, including Social Security) for a normal retirement at 30 years of company service:
  - Of $100 for a retirement in 1950
  - Of $3,791 for a retirement in 2014

Significant improvements to the plan over the years include:

- Supplemental allowances payable to those retiring prior to attaining eligibility for Social Security benefits
- Payment of survivor’s benefits to spouses of participants
- Special Early retirement benefits payable for retirement under mutually satisfactory conditions
- Disability pension benefits payable to employees under age 65 with at least 10 years of service who become totally and permanently disabled or unable to perform any work at the plant or plants at which they have seniority
- A deferred vested benefit payable at 65, or earlier on a reduced basis, to former employees who had 10 or more years of creditable service (or Employee Retirement Income Security Act service) at the time they broke seniority with the company (five years, if employed after Jan. 1, 1989)
Persons Receiving Ford-UAW Retirement Plan Benefits Compared with Active Traditional Hourly Employees

The ratio of the number of hourly retirees and surviving spouses receiving benefits to active Traditional hourly employees has changed from 1-to-62 in 1950 (when only 1,800 people were receiving plan benefits with 111,400 employees on-roll), to a ratio of 3-to-1 at year-end 2014 (with approximately 124,300 people receiving plan benefits and approximately 37,300 Traditional employees on-roll.) The below graph shows the number of people receiving plan benefits and the number of active Traditional employees each year.

Persons Receiving Ford-UAW Retirement Benefits Compared with Active Traditional Employees

Source: Ford data
Monthly Pension Benefits: Normal & Regular-Early Retirements for a 30-Year Hourly Employee

The actual dollar amount of benefits payable under the plan has grown since the plan’s inception. The graph below compares the dollar amount of historical monthly benefits payable under the plan for retirements commencing in the years shown for both Normal and Regular-Early "30 and out" benefits. The calculation of benefits for Normal Retirement assumes the employee retires with 30 years of service at age 65. Benefits for Regular-Early retirements assume the employee was age 60 with 30 years of service at retirement.

**Monthly Pension Benefits**

**Normal & Regular-Early Retirements for a 30-Year Employee**

As of year-end 2014

1. The $3,170 Regular-Early monthly pension benefit (benefit class code B retirement, including a supplemental allowance) as shown is payable until age 62 and one month, or if earlier, when eligible for an unreduced Social Security benefit. At age 62 and one month, the monthly benefit payable under the plan for the individual in this example would be recalculated to $1,614. (Benefits exclude survivorship option cost.)

Source: Ford data
Annual Pension Benefit Payments

The graph below shows the growth in annual benefit payments. In 1950, the plan paid out approximately $1 million in benefits to 1,800 retirees. In 2014, a total of $1.8 billion was paid to an average of 124,300 retirees and surviving spouses. Benefits under the plan are provided through a trust funded by company contributions. The value of trust fund assets as of Jan. 1, 2014 was $23.4 billion. On an accounting basis, the market value of plan assets was 97 percent of the accumulated benefit obligation at beginning of year 2014. Through 2014, a total of $38.3 billion has been paid to all past and current retirees and surviving spouses.

Source: Ford data
Company Benefits (Traditional Employees) – Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

**Tax-Efficient Savings Plan for Hourly Employees (TESPHE)**
The Tax-Efficient Savings Plan for Hourly Employees was negotiated in 1984. Pursuant to the plan, seniority employees may save up to 50 percent of their regular pay (on a combined pre-tax, Roth and after-tax basis) and up to 100 percent of any profit share payments as pre-tax or Roth contributions. Combined pre-tax and Roth contributions are subject to a maximum limit of $18,000 for 2015, which may increase in subsequent years. Employees age 50 and above can make additional pre-tax and Roth “catch-up” contributions subject to a maximum contribution limit of $6,000 for 2015, which may also increase in subsequent years.

**Investment Options**
Employees have a choice of 21 investment options, including nine target-date funds and an additional 12 funds, including a Company stock fund. Transfers of account assets and changes in investment elections for future contributions may be made daily with certain restrictions imposed by the individual funds.

**Withdrawing Assets**
Under existing tax laws, employees cannot withdraw pre-tax or Roth assets from their TESPHE account before age 59½, unless they have a financial hardship or request a plan loan. After-tax assets and associated earnings may be withdrawn at any time. After termination of employment (including retirement), employees may withdraw assets, transfer assets to another employer’s qualified plan, or deposit assets into their own Individual Retirement Account (IRA).

**Plan Participation**
As of Dec. 31, 2014, approximately 63 percent of eligible Ford Traditional employees participated in the plan. Total assets in TESPHE as of that date totaled approximately $4.6 billion.
Company Benefits (Traditional Employees) – Income Security

Ford-UAW Supplemental Unemployment Benefit (SUB) Plan
- Negotiated in 1955, implemented in 1956
- Provides a significant measure of income during layoff
- $3.1 billion in benefits paid since 1956

Types of SUB Benefits
- **Regular Benefits** generally for full weeks of layoff of an amount that, when added to state unemployment compensation, equals 74 percent of Weekly Before-Tax Pay. Duration of Regular Benefits (based on the 2011 Collective Bargaining Agreement, subject to seniority) during an indefinite layoff:
  - Less than 10 years seniority = maximum of 26 weeks of SUB Regular Benefits
  - At least 10 years but less than 20 years of seniority = maximum of 39 weeks of SUB Regular Benefits
  - 20 years or more of seniority = maximum of 52 weeks of SUB Regular Benefits
  - For the length of a qualifying temporary layoff

- **TAP (Transition Assistance Plan) Benefits** are for an eligible employee on a qualified layoff who exhausts SUB Regular Benefits. The employee shall be eligible for subsequent TAP weekly benefits in the amount of 50 percent of the employee's gross weekly wages, based on a 40-hour week, with duration of eligibility based on seniority as follows during the life of the 2011 UAW-Ford Collective Bargaining Agreement:
  - Less than 10 years seniority = maximum of 26 weeks of TAP
  - At least 10 years but less than 20 years of seniority = maximum of 39 weeks of TAP
  - 20 years or more of seniority = maximum of 52 weeks of TAP

Prior to becoming eligible for TAP benefits, an employee may elect to opt out of TAP benefits and receive a lump-sum cash payment of $10,000 plus the maximum TAP benefit for which the employee would otherwise be eligible. In doing so, the employee shall forfeit eligibility for weekly TAP benefit payments and also forfeits all recall rights.

- **Automatic Short Week Benefits**: If fewer than 40 hours are available for an employee, a layoff amount equal to 80 percent of the employee’s base hourly rate will be paid for the hours of layoff.

- **Separation Payment** is based on a scheduled number of hours of base pay and determined by the employee’s seniority. It is paid in lieu of future SUB benefits.
Company Benefits (Traditional Employees) – Employment Security

Job Security Program (JSP)
The Job Security Program (JSP), known prior to the 2007 Agreement as the “Guaranteed Employment Numbers” (GEN) program, was first negotiated as the industry pattern at Ford in 1987. The program was designed to provide continued employment for employees who might otherwise be laid off and guaranteed that no eligible employee would be laid off except for specific reasons, such as reduced customer demand, acts of God or other conditions beyond control of management, plant rearrangement and change-over, or conclusion of known temporary assignments.

During the 2007 negotiations, the parties agreed to limit the amount of time an employee could remain in Protected Status. Protected Status is a job offer component for available openings in and out-of-zone including a provision that could lead to an employee being placed on inactive status with no Company-provided income or benefits for declining a certain number of job offers over a period of time.

In March 2009, market and economic conditions led to contractual modifications via special agreement between the Company and the UAW. The parties agreed to suspend the contractual provisions that limited the Company’s ability to lay off employees. The Agreement also suspended Protected Status under the Job Security Program (e.g., the “Jobs Bank,” as it was commonly referred to externally.) Employees who were in Protected Status as of March 16, 2009 were placed on indefinite layoff, as were employees subsequently affected by workforce reduction events that otherwise would have resulted in their being placed in Protected Status. While on indefinite layoff, these employees would be:

- Eligible to apply for available job placement opportunities
- Potentially subject to mandatory placement within their Preferential Placement zone
- Extended a “job offer” for out-of-zone opportunities that remained unfilled

In addition to the above modifications, the outcome of the 2011 Agreement has further allowed the Job Security Program to refocus on providing job placement opportunities and limited, affordable income security for employees impacted by layoff. Key provisions of the current program in effect include:

- Local and National Job Security committees that jointly oversee administration of the Job Security Program provisions
- Limited, redefined “return home rights,” especially following voluntary movement during the term of the 2011 Agreement Placement hierarchy provisions which allow for mandatory in-zone placement of surplus employees, and out-of-zone job offers. An employee who is extended an offer for an out-of-zone job opportunity must either:
  - Accept the job offer
  - Decline the job offer and be placed on inactive status with no Company-provided income or benefits (but remain eligible for additional job opportunities for a period of time equal to his or her seniority or 18 months, whichever is greater)
  - Bump the least-senior employee within the Preferential Placement Zone experiencing surplus (in which case the least-senior employee must elect the first or second option above)
- A separate skilled trades placement hierarchy that enables skilled manpower needs to be filled more expeditiously
**Preferential Placement/Return Home Arrangements**

First initiated at Ford in 1982, the Preferential Placement Program provides laid-off seniority employees the opportunity to transfer to available work at other locations. Under the return home provisions, certain eligible employees may apply to “return home” to their home location as opportunities permit. The scope and applicability of this Appendix has been redefined with the 2011 Agreement. There has been significant emphasis in recent bargaining on providing placement opportunities for surplus employees while restricting movement of active employees to ease the “workforce churn” and administrative burden on the manufacturing locations.
Company Benefits (Entry-Level Employees) – Healthcare Benefits

Healthcare Benefits
Ford provides hourly Entry-Level employees with hospital, surgical, medical, drug, hearing aid, vision and dental coverage. Entry-Level employees will be eligible for a modified version of the National PPO Plan 90 days from their date of hire. Hospital-Surgical-Medical benefits are subject to the cost sharing amounts as outlined below.

<table>
<thead>
<tr>
<th>Modified National PPO Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Contributions</strong></td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td><strong>Annual Deductible</strong></td>
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<tr>
<td><strong>In-Network</strong></td>
</tr>
<tr>
<td>Single $300</td>
</tr>
<tr>
<td>Family $600</td>
</tr>
<tr>
<td><strong>Out-of-Network</strong></td>
</tr>
<tr>
<td>$1,200</td>
</tr>
<tr>
<td>$2,100</td>
</tr>
<tr>
<td><strong>Co-Insurance</strong></td>
</tr>
<tr>
<td><strong>In-Network</strong></td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td><strong>Out-of-Network</strong></td>
</tr>
<tr>
<td>35%</td>
</tr>
<tr>
<td><strong>Co-payment</strong></td>
</tr>
<tr>
<td>$20 Office Visit</td>
</tr>
<tr>
<td><strong>Out-of-Pocket-Maximum</strong></td>
</tr>
<tr>
<td><strong>In-Network</strong></td>
</tr>
<tr>
<td>Single $1,000</td>
</tr>
<tr>
<td>Multi-Party $2,000</td>
</tr>
<tr>
<td><strong>Out-of-Network</strong></td>
</tr>
<tr>
<td>No Limit</td>
</tr>
<tr>
<td>No Limit</td>
</tr>
<tr>
<td><strong>Prescription Drugs</strong></td>
</tr>
<tr>
<td><strong>Retail and Mail Order</strong></td>
</tr>
<tr>
<td>Generic $7.50/script</td>
</tr>
<tr>
<td>Brand $15/script</td>
</tr>
</tbody>
</table>

Employees are provided a Health Reimbursement Account in the amount of $300 for a single coverage and $600 for multi-party coverage. Dental and limited vision coverage becomes effective the first day of the month following three years from the date of hire with full vision effective the first day of the month following five years from the date of hire.
Company Benefits (Entry-Level Employees) – Group Life and Disability Insurance (GL&DI)

Group Life and Disability Insurance (GL&DI)
Ford provides hourly Entry-Level employees with life and disability insurance benefits. Coverage includes:

Life

- Life Insurance ($45,000)
- Accidental Death and Dismemberment ($22,500)
- Post-Employment Life Insurance ($15,000)
- Post-Employment Accidental Death and Dismemberment ($7,500)

Employees may also participate in optional employee-paid life programs.

Disability coverage includes:

- Accident and Sickness Benefit (based on wage rates as of last day worked)
- Extended Disability Benefits (based on wage rates as of last day worked)

Employees also may participate in the new optional long-term disability program.
Company Benefits (Entry-Level Employees) – Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

**Tax-Efficient Savings Plan for Hourly Employees (TESPHE)**
Employees covered by the Entry-Level agreement may participate in the TESPHE for their own savings on the same basis as Traditional employees. Additionally, the Company makes a retirement contribution (in lieu of a pension) to TESPHE each pay period based on the employee’s hire date:

- Prior to Oct. 24, 2011: 6.4 percent of base hourly straight-time pay
- On or after Oct. 24, 2011: 4.0 percent of base hourly straight-time pay

These monies may not be withdrawn until termination of employment.

The Company also contributes $1 per eligible compensated hour to TESPHE for certain employees in lieu of post-employment healthcare benefits. These monies may not be withdrawn until age 59½ or termination of employment.
Company Benefits (Entry-Level Employees) – Income Security

Ford-UAW Supplemental Unemployment Benefit (SUB) Plan
- Entry-Level employees were negotiated into the SUB Plan during the 2009 contract modifications
- Provides a significant measure of income during layoff
- Eligible based on one year of service

Types of SUB Benefits
- **Regular Benefits** generally for full weeks of layoff of an amount that, when added to state unemployment compensation, equals 74 percent of Weekly Before-Tax Pay.
- Duration of Regular Benefits (based on the 2009 contract modifications for the term of the 2011 Collective Bargaining Agreement, subject to seniority) during an indefinite layoff:
  - At least 1 year but less than three years of seniority = maximum of 13 weeks of SUB Regular Benefits
  - 3 year or more of seniority = maximum of 26 weeks of SUB Regular Benefits
- For the length of a qualifying temporary layoff

- **Automatic Short Week Benefits** for partial weeks of layoff of an amount that equals 80 percent of the employee’s base hourly rate for hours of layoff in a workweek in which less than 40 hours are available to the employee

- **Separation Payment** is based on a scheduled number of hours of base pay and determined by the employee’s seniority. It is paid in lieu of future SUB benefits
Other Company Benefits – Legal Services Plan

The Legal Services Plan terminated effective Dec. 31, 2013. Any application received on or before this date for covered benefits under the plan shall be processed to the conclusion of the matter.

When the Plan was open, the UAW-Ford Legal Services Plan shared 63 law offices located across the country with UAW-GM Legal Services Plan and UAW-Chrysler LLC Legal Services Plan. The three Plans are managed by a common director and staff in cooperation with each company’s Plan Administrative Committee. The director is managing the plan closure.

Other Company Benefits – Profit Sharing Plan

Profit Sharing Plan
The Profit Sharing Plan was first negotiated between Ford and the UAW in 1982. It provides a source of income for employees and allows them to share in the growth and success of the company. A simplified profit sharing formula was introduced with the 2011 Collective Bargaining Agreement. During the past four years, the Ford profit sharing amount averaged $7,550 per eligible employee per year (referenced next page).

Eligibility
Full-time U.S. hourly employees are eligible, including certain employees who are terminated during the year.

Total Profit Share Determination
Each year that company profits are generated, Ford will make profit sharing payments, as long as Ford’s North American pre-tax profits exceed $1.25 billion for the plan year.

The profit sharing amount is calculated based on North America profits on a pre-tax basis excluding special reconciling items that management reports to its shareholders. The formula generates an amount equal to $1 for every $1 million of North America pre-tax profit, not to exceed $12,000, for each eligible employee that is compensated for 1,850 hours or more within a given plan year.

Individuals compensated less than 1,850 hours will generate a prorated contribution to profit sharing. The total profit sharing amount will then be distributed to individual participants based upon their individual compensated hours and the total compensated hours of all participants.
<table>
<thead>
<tr>
<th>Plan Year</th>
<th>Ford</th>
<th>GM</th>
<th>Chrysler</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>$440</td>
<td>$643</td>
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</tr>
<tr>
<td>1984</td>
<td>$1,993</td>
<td>$543</td>
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<tr>
<td>1985</td>
<td>$1,262</td>
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<tr>
<td>1986</td>
<td>$2,154</td>
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<tr>
<td>1987</td>
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<td>$1500*</td>
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<tr>
<td>1988</td>
<td>$2,800</td>
<td>$266</td>
<td>$720</td>
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<tr>
<td>1993</td>
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<tr>
<td>2008</td>
<td>--</td>
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<tr>
<td>2009</td>
<td>$475</td>
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<td>2010</td>
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<tr>
<td>2012</td>
<td>$8,300</td>
<td>$6,750</td>
<td>$2,250</td>
</tr>
<tr>
<td>2013</td>
<td>$8,800</td>
<td>$7,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>2014</td>
<td>$6,900</td>
<td>$9,000*</td>
<td>$2,750</td>
</tr>
</tbody>
</table>

Memo: 2011-2014 $30,200 $30,250 $9,000
Memo: Four-year average $7,550 $7,563 $2,250

* Includes element of discretionary payment
Other Company Benefits – Ford Interest Advantage

Ford Interest Advantage
Ford Interest Advantage (FIA) was first offered to Ford hourly employees in 1982. The program is voluntary and allows employees, retirees and others to invest in demand notes issued by Ford Motor Credit Company. The program is administered by the Northern Trust Company in Chicago.

Interest Rates
Ford Interest Advantage features interest rate tiers and pays a minimum rate that is at least 0.25 percent above the seven-day average yield (non-compounded) for all taxable money funds as reported weekly in the Money Fund Report®.

Investments and Redemptions
Employees may choose to invest in the program through payroll deductions with a minimum investment amount of $100 per month ($25.00 per week for hourly employees), and there are no transaction, administrative or management fees. There is a $1,000 minimum balance requirement. Employees also may elect to have all or a portion of any profit sharing award directed to their FIA note.

Investments can be made by check and/or wire transfer. Interest is earned daily and automatically reinvested monthly, and funds may be invested or withdrawn at any time without cost or penalty. Free check writing privileges ($250 minimum) are available to all participants. Checks written for amounts less than $250 incur a fee of $0.25 per check. Investors can manage their investments online or through their mobile device.

Ford Credit has filed a registration statement (including a prospectus) with the Securities and Exchange Commission relating to the offering of Ford Interest Advantage Notes. For more info, read the prospectus in the Registration Statement and the other documents Ford Credit has filed with the SEC. The documents may be obtained free of charge through EDGAR on the SEC website. Alternatively, Ford Credit will send you a prospectus upon request by calling (800) 462 2614.
Other Company Benefits – New Vehicle Purchase/Red Carpet Lease Plans

New Vehicle Purchase/Red Carpet Lease Plans
The New Vehicle Purchase Programs (AXZD-Plans) are offered to eligible individuals to buy or lease certain new company products from authorized Ford Motor Company dealers at special prices. The following people are eligible to participate in the plans:

- All active, full-time hourly employees and regular salaried employees, beginning with their date of hire
- All hourly retirees receiving normal, early (regular or special), or disability retirement benefits – while any medical benefits are being received
- Salaried retirees who retired under the General Retirement Plan, including salaried employees who terminate between the ages of 50 and 55 and who are eligible to receive certain deferred retirement benefits
- Surviving spouses of employees who died while actively employed, and surviving spouses of retirees who retired under the General Retirement Plan, or who are receiving benefits under the UAW-Ford Retirement Plan
- Employees on an approved leave of absence, for the duration of the leave or until expiration of medical benefits
- Employees on layoff, for the first 12 months of the layoff
- All regular part-time hourly and salaried employees who are eligible to receive medical benefits
- Deferred vested retirees who are receiving a Ford pension
- Members of the immediate families of the preceding eligible employees, retirees, and surviving spouses. “Immediate family” includes the spouse, sons and daughters (including in-laws and stepchildren), brothers and sisters (including in-laws, half- and stepbrothers and stepsisters), parents, spouse’s parents, grandchildren, grandparents, spouse’s grandparents, same-sex domestic partners of eligible active employees covered under the healthcare plan, and immediate family members of eligible same-sex domestic partners
Special Programs – Diversity, Education, Development and Training Program

Diversity in the Workplace
Although Equal Application of the Agreement has been a part of the UAW-Ford Collective Bargaining Agreement for decades, in 1999 the parties agreed to a new Diversity in the Workplace initiative. This new Letter of Understanding established a National Joint Diversity Committee.

In 2007, the parties recognized the desirability of increased communication and cooperative efforts in holding discussions of the Joint Equality and Diversity Committees at both local and national levels. More specific roles of committees at both levels were outlined to better clarify expectations of committee members. National Joint Equality and Diversity Committee advises and counsels local committees, develops and provides training for local committee members; reviews, discusses, and recommends ways to facilitate awareness of equal application, diversity and sexual harassment issues as well as other strategies to increase employee awareness of and promotes constructive dialogue regarding equality and diversity. Local Joint Equality and Diversity Committees shall be advisory, consultative and cooperative and keep the National committee apprised of issues arising at the local level.

Education, Development and Training Program
The Education, Development and Training Program (EDTP) was established as a key element of the 1982 Collective Bargaining Agreement. In subsequent years, the scope of EDTP evolved to accommodate additional program content. In early 2009, some program features were suspended or modified due to the financial constraints faced by the Company.

The basic program objectives of EDTP have remained the same and include (1) to provide training, retraining and developmental opportunities for both active and displaced employees, (2) to support local and national UAW-Ford learning initiatives and other joint activities as agreed by the parties, and (3) to provide opportunities for the exchange of ideas and innovations with respect to employee development and training needs. Program activities are coordinated by an on-site Employee Education Representative with direction provided by the UAW-Ford National EDTP Department.

A Joint Governing Body, composed of five UAW and five company representatives, directs the operation of the program and the UAW-Ford National Programs Center. Housed in an independent facility since June 1983, the National Programs Center blends the talents of a staff recruited from the UAW, Ford and independent professionals. The National Programs Center relocated to the former Veterans Memorial Building at 151 West Jefferson in Detroit, Michigan, during 1997. This new facility consolidated joint program activities to a single site.

Funding for joint program activities and the National Programs Center is provided for in the Collective Bargaining Agreement. The funding accrual is 10 cents per hour worked plus a sliding scale of $1.25 to $5 per hour for overtime hours worked in excess of 5 percent of straight-time hours. For health and safety training, an additional 4 cents per hour worked is contributed to the national fund. Additionally, 5 cents per hour worked at each location is designated for Local Training Funds. These funds provide local unions and local management resources for special training and employee development projects that meet their particular needs.
**Programs for Active Employees**

The **Education and Training Assistance Plan (ETAP)** provides prepaid tuition and compulsory fees (up to a maximum of $5,000 per year) for selected and approved education and training classes for credit and degree courses at eligible educational institutions. Up to $200 may be used to purchase books for approved ETAP courses.

The **Personal Development Assistance (PDA)** plan provides employees the opportunity to take classes to enhance their professional or personal development in the workplace. The annual allotment is $2,200, which counts toward the overall $5,000 per year tuition assistance program mentioned above in ETAP.

**Programs for Inactive Employees**

The **Retired Employee Tuition Assistance Plan (RETAP)**, agreed to by the union and company in 1996 negotiations, provides up to $1,750 per calendar year to retired employees who wish to participate in approved education classes on site at the local union hall or plant location from which they retire.

The **National Vocation Retraining Assistance Plan (NVRAP)** provides ETAP benefits for seniority employees on indefinite layoff. In 1999, the UAW and Ford increased NVRAP assistance by $400, resulting in a new range of $6,400 to $8,400 in assistance, depending on seniority.
Special Programs – Employee Support Services Program

UAW-Ford Employee Support Services Program (ESSP)
First negotiated in 1984 as the Employee Assistance Plan and Child Care Resource and Referral Service, the ESSP was expanded in 1990 to include Health Promotion and Fitness components.

The various features of ESSP are administered at the plant level by full-time UAW ESSP representatives and by salaried representatives. The services of ESSP are available to employees without cost, and participation in the various program components is voluntary. Funding is provided through the UAW-Ford National Programs Center.

In 1993, ESSP was further expanded to include Behavioral Emergency/Critical Incident Stress Debriefing procedures (BE/CISD) to help address violence and other behavioral emergencies in the workplace. As a result of BE/CISD, U.S. Ford manufacturing locations have established trained Local Response Teams to assist in maintaining a safe and stable work place. Critical Incident Stress Debriefing plays a major role in assisting employees impacted by critical workplace incidents.

The 1996 negotiations expanded opportunities for professional development for the local ESSP representatives with new initiatives, such as the development of National Program Standards and the establishment of annual ESSP representative training. Additionally, training of supervisors/UAW-committeepersons in early intervention procedures, as well as employee support groups, has been added to address workplace issues. To improve the ease of utilization by employees, the child care and elder care components were also consolidated under the designation “Family Consultation and Referral Services.”

In 1999 negotiations, the ESSP programs were elevated in their contractual status by elimination of the various Letters of Understanding under which they had previously operated and incorporated into Volume I of the Agreement as Appendix U. Selected new initiatives for the 1999 Agreement include addition of a Dependent Care Assistance Program (DCAP) to help employees pay for child and elder care with before-tax dollars under certain circumstances; a geriatric assessment component added to the Family Consultation and Referral Program; facilitated professional development of the local ESSP representatives; and mentoring opportunities for newly appointed ESSP representatives.

Although some programs were discontinued as a result of 2007 negotiations, the core Employee Assistance program continues to provide important support for UAW-represented Ford hourly employees and their dependents that are dealing with difficult personal issues.

Employee Assistance Plan (EAP)
At the core of ESSP is the Employee Assistance Plan, which helps UAW-represented Ford hourly employees and their immediate family members deal with substance abuse, emotional illness or other serious personal problems. Outside trained and licensed professionals provide expert and confidential problem assessment and therapy. Referrals for specialized care are provided, as necessary.

The EAP also provides support for the ongoing Behavioral Emergency/Critical Incident Stress Debriefing (BE/CISD) procedures in the manufacturing locations. Training on "Recognition of EAP Problems, and Early Intervention Strategies" for all supervisors/UAW-committeepersons at all U.S. Ford manufacturing facilities was made available.
Family Consultation and Referral Service
This service includes the Child Care Consultation and Referral Service and an Elder Care Consultation and Referral Program. First negotiated as separate Letters of Understanding between the parties, these programs were incorporated into Appendix U of the Master Agreement in 1999 negotiations. During 2007 negotiations, funding for the Family Consultation and Referral Service was discontinued.

Child Care Consultation and Referral Service: The service was initiated in 1984 at several pilot locations and expanded in 1987 to any interested locations. The program provides:

- Information and guidance on child-care matters
- Local resources for child care, including centers, nursery and preschool, before and after-school programs, group and family day-care homes and summer day camps, as well as sources of support for children with special needs

Parents make the final choice regarding which service to use and pay for the provider’s service. There is no charge for consultation. Employees access the services through their local ESSP Representatives.

Joint Child Care Initiative: First negotiated in 1993, reaffirmed in 1996 and incorporated into Appendix U of the Master Agreement in 1999, Ford and the UAW agreed to collaborate with other companies and community organizations to improve the quality and quantity of child care.

Parenting Education: Initiated in 1993 as a Letter of Understanding between the parties and in 1999 incorporated into Appendix U of the Master Agreement, the program provides a small library of information and educational materials in a variety of media formats on a broad range of child-rearing topics. Additionally, information for care of elders has been added. These libraries are available in 54 locations.

Elder Care Consultation and Referral Service: Available to all U.S. employees. Piloted in 1993 and incorporated into Appendix U of the Master Agreement in 1999, the program provides assistance with identifying and evaluating services and resources to help employees care for their elder relatives. Employees access the services through their local ESSP Representatives.

Health Promotion, Fitness Centers and Physical Rehabilitation Units
Health Promotion: Health promotion activities are intended to provide UAW-represented hourly employees an opportunity to make healthier lifestyle choices. Program offerings include:

- Exercise education
- Nutrition education
- Stress education
- Smoking cessation
- Weight management
- Health fairs
- Health risk appraisals

Fitness Centers: To assist in achieving personal fitness, UAW-Ford ESSP coordinates funding for approved plant fitness centers. To date, 57 Company locations have utilized these funds to equip and staff employee fitness centers.
Special Programs – Health and Safety

UAW-Ford Health and Safety
Employee health and safety continue to be a top priority for the UAW and Ford. Since the establishment of the UAW-Ford National Joint Committee on Health and Safety (NJCHS), the parties have successfully worked together to make the workplace safer and healthier for everyone at Ford.

The NJCHS has developed some of the best training programs in the industry today. Included are custom-designed safety training programs on:

- Arc Flash
- Chemical Safety
- Confined Space Entrant/Attendant
- Confined Space Permit Issuer
- Confined Space Rescue
- Core Certification for Safety Professionals
- Electrical Safety
- Energy Control and Power Lockout (ECPL)
- Ergonomics Process Course
- Ergo Rx
- Ergonomics for Supervisors
- Ergonomics Surveillance Tool
- Ergonomic Analysis Tools
- Guidelines, Responsibilities and Safe Practices
- Lifting and Rigging Refresher
- Operator Instructor Sheet/Job Safety Analysis
- Overhead and Gantry Cranes
- Maintenance Vehicles
- Mobile Boom Cranes
- Orientation for New Safety Professionals
- Personnel and Burden Carriers
- Powered Material Handling Vehicles
- Pedestrian Safety
- Railroad and Boxcar Safety
- Rescue from Heights
- Risk Assessment Training
- Safe Die Handling
- Skilled Trades Job Safety Analysis
- Trailer Safety
In addition to joint training, NJCHS efforts to improve the health and safety of the workplace include:

- Establishing a comprehensive joint ergonomics process with local ergonomics committees in every facility,
- Conducting joint plant health and safety reviews
- Participating in the Manufacturing Safety Council and other forums to increase emphasis on special attention areas
- Sponsoring joint education and training conferences and courses for health and safety professionals

At the plant level, teams of UAW health and safety representatives and company safety engineers implement nationally developed programs and initiate locally developed projects to reach the goal of a work environment free of occupational injury and illness.
Special Programs – “Best-in-Class” Quality Program

“Best-in-Class” Quality Program
In April 1987, a UAW-Ford Quality Improvement Steering Committee was established to:

• Jointly explore new and enhanced processes to improve Ford component and vehicle quality
• Support the company’s objective of producing best-in-class vehicles that meet customer expectations

In 1987, a UAW-Ford Joint “Best-in-Class” Quality program and a full-time UAW-Ford Quality Improvement Implementation Committee (QIIC) was established to serve as the working arm of the Steering Committee.

In 1990, the “Best-in-Class” Quality Program was expanded and incorporated into the Agreement as Appendix Q. The QIIC was renamed the National Quality Committee (NQC).

In 1993, the “Best-in-Class” Quality Program became a “living document” – the first at Ford Motor Company. It allows the parties to make changes to the agreement on an ongoing basis and provides a provision for either party to reopen it during national negotiations.

During 1996 negotiations, the “Best-in-Class” Quality Program established a formal quality concern resolution process to resolve employees’ quality concerns. The 1996 agreement greatly enhanced the training of UAW quality representatives by establishing a certification program.

The 1999 negotiations were concluded with several enhancements to the “Best-in-Class” Quality Program including a broadened role for all employees with regard to supplier quality and an increased focus on tracking, monitoring and assessing training needs of all employees.

In 2003, the Agreement maintained Appendix Q as a “living document” and enhanced and clarified processes and roles/responsibilities for the joint development of annual objectives, gap analysis reporting, Local Quality Committee effectiveness, Quality representatives, quality decals, targeted training, and the QOS Support Process.

The 2007 negotiations were concluded with several enhancements to the “Best-in-Class” Quality Program, including a joint quality decal created that would be affixed to UAW-built vehicles indicating products proudly built by UAW-Ford members and signifying the UAW commitment to the improvement of Ford Motor Company product quality.

The 2011 negotiations reconfirmed our commitment to Quality utilizing appendix Q as a living document:

• Company and Union renewed their commitment to the Best-in-Class Quality Program
• Engage all employees in Quality Processes and problem solving techniques

Both parties continue to support the Global Quality Improvement Process.
Negotiations

National Negotiations
Ford and the UAW begin bargaining for a new national contract in July 2015, two months before the current contract expires. The national contract is, in fact, not one document, but a series of agreements that cover the company’s UAW-represented hourly employees. These agreements generally fall into three broad categories:

- Agreements on wages and working conditions – including base wages, the cost-of-living allowance, paid time off, the number and functions of union representatives, the mechanics of the grievance procedure, management’s rights and general seniority matters
- Agreements on the benefits programs – this category includes benefit plans as well as programs such as the Retirement Plan, the Insurance Program, the SUB Plan, the Profit Sharing Plan and TESPHE
- Appendices and Letters of Understanding – these clarify parts of agreements or deal with matters not referred to in the agreements – covering such subjects as preferential placement arrangements, job security, sourcing and operational effectiveness

Local Negotiations
During 2015, Ford and the UAW will conduct local negotiations for separate hourly UAW-represented bargaining units. Most are individual plants or parts distribution centers. Each of these units normally conducts its own local negotiations concurrent with the national bargaining.

Local negotiations are intended to implement or supplement certain broad provisions of the national contract. Thus, the national contract expressly authorizes the local parties to negotiate such matters as specific layoff and recall procedures, deviations from the national guidelines for overtime assignments, promotional procedures and the rules for changing shift assignments. The local negotiations also cover a wide range of additional, purely local issues.

Historically, most plants have resolved their local agreements by the time the national negotiations are concluded.
# Appendix – U.S. Facilities and UAW Representation by State

## Ford U.S. Facilities with Hourly Employees Covered by the UAW-Ford National Agreement

The hourly employment numbers are 2014 year-end actuals, which include active on-roll and temporary employees as well as those on pre-retirement leave. There were 50,205 total hourly on-roll UAW represented employees.

### U.S. Assembly Plants – Vehicle Operations:

<table>
<thead>
<tr>
<th>State</th>
<th>Facility, Location</th>
<th>Products</th>
<th>UAW Local Number</th>
<th>Hourly Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>Chicago Assembly Plant, Chicago</td>
<td>Ford Taurus, Explorer, Police Interceptor, Police Interceptor Utility, Lincoln MKS</td>
<td>551</td>
<td>3,836</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Kentucky Truck Plant, Louisville</td>
<td>Ford Super Duty, Regular Cab, Crew Cab, Super Cab, Expedition, Expedition EL, Lincoln Navigator, Navigator EL</td>
<td>862</td>
<td>4,270</td>
</tr>
<tr>
<td></td>
<td>Louisville Assembly Plant, Louisville</td>
<td>Ford Escape, Lincoln MKC</td>
<td>862</td>
<td>4,800</td>
</tr>
<tr>
<td>Michigan</td>
<td>Dearborn Truck Plant, Dearborn</td>
<td>Ford F-150, Super Crew, Super Cab, Regular Cab 5.5-foot cargo box, 6.5-foot cargo box Models XL, XLT, Lariat, King Ranch, Platinum</td>
<td>600</td>
<td>4,409</td>
</tr>
<tr>
<td></td>
<td>Flat Rock Assembly Plant, Flat Rock</td>
<td>Ford Mustang, Fusion</td>
<td>3000</td>
<td>3,141</td>
</tr>
<tr>
<td></td>
<td>Michigan Assembly Plant, Wayne</td>
<td>Ford Focus (four-, five-door), Focus Electric, Focus ST, C-MAX Hybrid, C-MAX Energi</td>
<td>900</td>
<td>4,732</td>
</tr>
<tr>
<td>Missouri</td>
<td>Kansas City Assembly Plant, Claycomo</td>
<td>Ford F-Series, Regular Cab, Super (Mid) Cab, Crew Cab, Transit</td>
<td>249</td>
<td>6,434</td>
</tr>
<tr>
<td>Ohio</td>
<td>Ohio Assembly Plant, Avon Lake</td>
<td>Ford E-Series Cutaway and Chassis Cab, F-650-750</td>
<td>2000</td>
<td>1,375</td>
</tr>
</tbody>
</table>
### U.S. Manufacturing Plants – Stamping and Powertrain Operations:

<table>
<thead>
<tr>
<th>State</th>
<th>Facility, Location</th>
<th>U.S. Products, Plants Supported</th>
<th>UAW Local Number</th>
<th>Hourly Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>Chicago Stamping</td>
<td>Sheet metal stampings, subassemblies primarily for Chicago Assembly, Kansas City Assembly</td>
<td>588</td>
<td>1,224</td>
</tr>
<tr>
<td>Michigan</td>
<td>Dearborn Engine &amp; Fuel Tank</td>
<td>2.0-liter engine, Focus</td>
<td>600</td>
<td>484</td>
</tr>
<tr>
<td></td>
<td>Dearborn Diversified Manufacturing</td>
<td>F-150 rear axle subassembly, suspension assemblies, tire and wheel assembly, hydroformed parts</td>
<td>600</td>
<td>486</td>
</tr>
<tr>
<td></td>
<td>Dearborn Stamping</td>
<td>Sheet metal stampings, subassemblies primarily for Dearborn Truck, Kansas City Assembly</td>
<td>600</td>
<td>1,096</td>
</tr>
<tr>
<td></td>
<td>Dearborn Tool &amp; Die</td>
<td>Stamping dies</td>
<td>600</td>
<td>253</td>
</tr>
<tr>
<td></td>
<td>Livonia Transmission</td>
<td>6R automatic transmission for F-Series, Expedition, E-Series, Navigator, Mustang, Transit</td>
<td>182</td>
<td>862</td>
</tr>
<tr>
<td></td>
<td>Rawsonville</td>
<td>Ignition coil, carbon canisters, air induction systems, fuel pumps, transmission oil pumps, hybrid battery, mechanical throttle body and spacer assembly, air/fuel charging assemblies, kitting for Van Dyke Transmission, sequencing for vehicle assembly for Michigan Assembly, Dearborn Truck</td>
<td>898</td>
<td>739</td>
</tr>
<tr>
<td></td>
<td>Romeo Engine</td>
<td>6.2-liter V8 engine for F-Series</td>
<td>400</td>
<td>837</td>
</tr>
<tr>
<td></td>
<td>Sterling Axle</td>
<td>Front and rear axles</td>
<td>228</td>
<td>1,935</td>
</tr>
<tr>
<td></td>
<td>Van Dyke Transmission</td>
<td>HF and 6F automatic transmission for Ford Focus, Edge, Flex, Taurus, Fusion, Explorer, Escape, Transit Connect; Lincoln MKX, MKT, MKZ, MKC, MKS</td>
<td>2280</td>
<td>1,563</td>
</tr>
<tr>
<td></td>
<td>Woodhaven Forge</td>
<td>5.4-liter, 6.8-liter crankshafts for Windsor Engine Plant</td>
<td>387</td>
<td>70</td>
</tr>
<tr>
<td>Location</td>
<td>Facility Type</td>
<td>Description</td>
<td>Capacity 1</td>
<td>Capacity 2</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Woodhaven</td>
<td>Stamping</td>
<td>Sheet metal stampings, subassemblies primarily for Kentucky Truck, Michigan</td>
<td>387</td>
<td>629</td>
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<tr>
<td>Stamping</td>
<td></td>
<td>Assembly</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New York</strong></td>
<td>Buffalo Stamping</td>
<td>Sheet metal stampings, subassemblies primarily for Oakville Assembly, Ohio</td>
<td>897</td>
<td>736</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assembly</td>
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<td></td>
</tr>
<tr>
<td><strong>Ohio</strong></td>
<td>Cleveland Engine</td>
<td>3.5-liter, 3.7-liter V6 engines for Ford Taurus, Mustang, Flex, Transit,</td>
<td>1250</td>
<td>1,331</td>
</tr>
<tr>
<td></td>
<td></td>
<td>F-Series, Explorer, Expedition and Lincoln MKS, MKT, Navigator; 2.0-liter</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>GTDI engine for Edge, MKX; 2.3-liter GTDI I-4 engine for Escape, MKC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lima Engine</td>
<td>3.7-liter, 3.5-liter Cyclone V6 engine for Taurus, Fusion, Edge, Flex,</td>
<td>1219</td>
<td>930</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Explorer and MKS, MKT, MKZ, MKX; 2.7-liter nano V6 engine for F Series,</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Edge</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Sharonville</td>
<td>5R110 automatic transmission for F-Series, E-Series; 6R transmission for</td>
<td>863</td>
<td>1,654</td>
</tr>
<tr>
<td>Transmission</td>
<td></td>
<td>Super Duty Medium</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Walton Hills</td>
<td>Sheet metal stampings, subassemblies primarily for Ohio Assembly</td>
<td>420</td>
<td>94</td>
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<tr>
<td>Stamping*</td>
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</table>

*Closed in 2014, remaining employees associated with decommissioning.
### Ford Customer Service Division:

<table>
<thead>
<tr>
<th>State</th>
<th>Facility, Location</th>
<th>UAW Local Number</th>
<th>Hourly Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Ontario HVC (Rancho Cucamonga)</td>
<td>509</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Sacramento HVC/HCC</td>
<td>76</td>
<td>64</td>
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<tr>
<td>Colorado</td>
<td>Denver HVC</td>
<td>186</td>
<td>24</td>
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<tr>
<td>Connecticut</td>
<td>Hartford HVC</td>
<td>376</td>
<td>29</td>
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<tr>
<td>Florida</td>
<td>Lakeland HVC</td>
<td>788</td>
<td>31</td>
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<tr>
<td>Georgia</td>
<td>Atlanta HVC</td>
<td>882</td>
<td>32</td>
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<tr>
<td>Illinois</td>
<td>Chicago HVC*</td>
<td>551</td>
<td>16</td>
</tr>
<tr>
<td>Indiana</td>
<td>Evansville HVC*</td>
<td>862</td>
<td>10</td>
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<tr>
<td>Kansas</td>
<td>Kansas City HVC</td>
<td>249</td>
<td>61</td>
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<tr>
<td>Michigan</td>
<td>Brownstown Complex (Romulus)</td>
<td>600</td>
<td>432</td>
</tr>
<tr>
<td></td>
<td>Detroit HVC (Brownstown Township)</td>
<td>600</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>National PDC (Livonia)</td>
<td>600</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>River Raisin</td>
<td>723</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Warranty PRC</td>
<td>600</td>
<td>9</td>
</tr>
<tr>
<td>New Jersey</td>
<td>New York HVC (Cranbury)</td>
<td>2210</td>
<td>64</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Greensboro HVC</td>
<td>3520</td>
<td>20</td>
</tr>
<tr>
<td>Oregon</td>
<td>Portland HVC</td>
<td>492</td>
<td>18</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Memphis HVC/HCC/LVLC</td>
<td>3036</td>
<td>95</td>
</tr>
<tr>
<td>Texas</td>
<td>Fort Worth HVC</td>
<td>870</td>
<td>30</td>
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<tr>
<td></td>
<td>Houston HVC</td>
<td>864</td>
<td>30</td>
</tr>
<tr>
<td>Virginia</td>
<td>Washington, D.C. HVC (Winchester)</td>
<td>3519</td>
<td>38</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Twin Cities HVC (Menomonie)</td>
<td>879</td>
<td>23</td>
</tr>
</tbody>
</table>

### Other Manufacturing-Related Facilities

<table>
<thead>
<tr>
<th>State</th>
<th>Facility, Location</th>
<th>Hourly Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>Central Staffs (Research &amp; Engineering, Michigan Proving Grounds, Test Operations, Research Staff)</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Central Staffs (Ford Land)</td>
<td>591</td>
</tr>
<tr>
<td></td>
<td>New Model Programs Development Center</td>
<td>308</td>
</tr>
<tr>
<td></td>
<td>Powerhouse/Technical &amp; Transportation Services</td>
<td>203</td>
</tr>
</tbody>
</table>
# Appendix – Highlights of Prior Negotiations

## Highlights of Prior Negotiations

The first UAW-Ford Agreement was signed on June 20, 1941. Since then, the parties have negotiated new national labor agreements on 27 occasions; the most recent became effective Oct. 24, 2011.


Below is a summary of significant provisions negotiated over the **74**-year history of the UAW-Ford relationship.

### 1941
- UAW recognized as bargaining agent
- Seniority provisions established
- Union shop and dues checkoff established
- Grievance procedure established
- UAW representation formula developed

### 1942
- Grievance procedure formalized
- Vacation plan established (one week after one year, two weeks for five years)
- Arbitration established as terminal point of grievance procedure (separate agreement in 1943)
- Apprenticeship Standards Agreement, covering eight trades, was signed

### 1946
- Management rights delineated
- Wages increased 18 cents

### 1947
- Wages increased 11-1/2 cents
- Skilled trades wages increased an additional 5 cents
- Six paid holidays established

### 1948
- Wages increased 13 cents
- Vacation plan improved
- Group insurance coverage made available – medical, disability, death and dismemberment

### 1949
- Noncontributory pension plan established (effective March 1, 1950)
- Scheduling of reduced workweek restricted
- Understanding added for subcontracting skilled maintenance and construction work
### 1950
- Wages increased 4 cents; 4-cent Annual Improvement Factor (AIF) established
- Cost-of-living allowance (COLA) established
- Vacation plan improved – three weeks after 15 years of service
- Shift premiums increased
- Half of Blue Cross/Blue Shield premiums paid by company
- Bonus of 5 cents established for persons on seven-day continuous operations
- Continuing group life insurance coverage extended to retirees

### 1953
- AIF increased to 5 cents
- COLA continued with 19 cents of the prevailing 24 cents folded into base rates
- Pension benefits increased
- Skilled wages increased an additional 10 cents
- Blue Cross/Blue Shield coverage made available to retirees

### 1955
- Supplemental Unemployment Benefit Plan (SUB) established
- AIF increased and changed to 2.5 percent of base with a 6-cent-per-hour minimum
- Holiday plan improved
- Life and accident insurance benefits increased
- Pension benefits increased
- Vacation plan improved

### 1958
- AIF increases continued
- COLA continued with 15 cents of the prevailing 25 cents folded into base
- Separation pay plan established
- Jury duty pay plan established
- Health insurance benefits, SUB and pension benefits increased
- Midnight shift premium increased, Saturday made premium day for overtime pay

### 1961
- AIF increases continued
- COLA continued with 12 cents of the prevailing 17 cents folded in
- Group life insurance, SUB and pension benefits increased
- Medical insurance made fully paid by the company for employees; one-half paid for retirees
- Moving allowance provided

### 1964
- AIF increases continued in 1965 and increased to 7 cents, or 2.8 percent, in 1966
- Additional 2 cents per hour added to base wages in September 1966
- COLA continued with 9 cents of the prevailing 14 cents folded into base
- Life and disability insurance made fully paid by the company
- One week of vacation and two holidays added for all employees
• Bereavement pay plan established
• Hospital-surgical-medical insurance fully paid by Company for retirees
• SUB, separation pay and jury duty pay increased
• Relief time for employees on assembly lines increased
• Tuition reimbursement for after-hours schooling

1967
• Wages increased 20 cents the first year (with additional 30 cents for skilled trades), with increases ranging from 9-1/2 cents to 17 cents and 10 cents to 17-1/2 cents in the second and third years
• COLA “capped” at a maximum of 21 cents during the life of the agreement (18 cents of the prevailing 23 cents folded into base)
• SUB plan revised to include Guaranteed Annual Income Credits and an increase in regular weekly benefit levels
• Pension benefits increased
• One additional holiday each in 1968, 1969 and 1970 – timed to provide long weekends at Christmas and New Year
• Relief time increased for certain employees in the assembly plants
• Prescription drug plan established
• Hospital-surgical-medical plan coverage improved and fully paid for surviving spouses of retirees
• Disability insurance provisions extended

1970
• Wages increased 46-1/2 cents to 58 cents the first year with increases ranging from 9-1/2 cents to 20 cents and 9-1/2 to 21 cents the second and third years
• COLA continued with “cap” removed (16 cents of the prevailing 21 cents folded into base)
• 30-and-out retirement benefits established (supplemental allowance payable upon attainment of 30 years of service)
• Holidays increased to allow for unbroken period from the day before Christmas through New Year’s Day
• SUB plan contributions increased
• Life insurance and weekly accident and sickness benefits increased
• Hospital-surgical-medical benefits improved
• Pension benefits for present retirees increased and prescription drug plan extended to retirees
• Tuition reimbursement improved
• Vacation increased to five weeks for employees with 20 or more years of service
• Jury duty, bereavement and short-term military duty pay improved

1973
• Wages increased 22 cents to 33-1/2 cents the first year with increases of 11-1/2 to 24 cents the second and third years
• COLA formula revised to provide a one-cent increase for each 0.3 percent change in the combined U.S. and Canadian Consumer Price Index (35 cents of the prevailing 40 cents per hour folded into base)
• Dental Plan established
• Pension benefits improved
• Grievance procedure changed to increase opportunity for oral discussion
• Voluntary overtime rules established
• Friday after Thanksgiving made a paid holiday
• Vacation scheduling provisions revised
• Full-time union health and safety representatives appointed
• SUB plan contributions increased
• Life and disability insurance benefits increased
• Hospital-surgical-medical benefits improved
• Tuition reimbursement increased
• Foundry workers with 25 or more years of service receive bonus retirement credits

1976
• Wages increased 32-1/2 cents to 45 cents the first year with increases ranging from 16-1/2 cents to 30 cents and 17 cents to 31 cents in the second and third years
• COLA continued with $1.09 of the prevailing $1.14 folded into base
• Skilled trades given additional increases of 25 to 35-1/2 cents over the first two years
• Vision care program established
• Hearing aid program established
• Full-time Benefits Plan Representatives appointed
• Scheduled Paid Personal Holiday Plan established providing 12 personal holidays during the life of the agreement
• Tuition reimbursement increased
• Dental plan benefits increased and extended
• Lump sum payment of $200 to $600 made to present retirees and 55 percent of the retiree amount to surviving spouses
• SUB plan improved to provide limited benefits should the regular fund become exhausted
• Discount Rebate Plan established (forerunner of New Vehicle Purchase Plan)

1979
• Wages increased 41-1/2 to 56 cents per hour the first year, with increases ranging from 23 cents to 38 cents and 23-1/2 cents to 39 cents in the second and third years
• COLA continued with $1.32 of the prevailing $1.37 folded into base
• COLA formula revised effective December 1981 to provide a one-cent increase for each 0.26 percent change in the combined U.S. and Canadian Consumer Price Index
• Scheduled Paid Personal Holiday Plan continued providing up to 26 personal holidays during the life of the agreement
• National Joint Committee on Technological Progress established
• National Joint Committee on Employee Involvement established
• Tuition reimbursement increased to $1,000 a year
• Fully paid Vision Program extended to retirees and surviving spouses
• Dental plan benefits improved
• Jury duty, bereavement and short-term military duty pay provisions improved
• Pension benefits improved with initial increases and periodic increases in each year of the agreement for future and past retirees
• SUB plan improved and some eligibility rules liberalized
• Tax Reduction Act Stock Ownership Plan (TRASOP) established
### 1982
- Wages maintained at current levels
- COLA continued with three adjustments deferred for 18 months
- Jointly administered Education, Development and Training Program established
- Guaranteed Income Stream (GIS) Program established
- Profit Sharing Plan established (effective Jan. 1, 1983)
- SUB plan strengthened
- Scheduled Paid Personal Holiday Plan terminated
- Guidelines established for plant closings, review of sourcing decisions and preferential placement arrangements
- Pilot Employment Guarantee project (PEG) authorized
- Mutual Growth Forum established
- Ford Money Market Account made available
- New Vehicle Purchase Plan established

### 1984
- Wages increased by amounts ranging from 8 cents to 47 cents. Increases ranged from 1 percent to 3.5 percent with a company-wide average of 2.25 percent
- COLA continued with $2.99 of the prevailing $3.04 allowance folded into base. Future COLA to be calculated using CPI-W index
- Performance bonus for seniority employees equal to 2.25 percent of qualifying earnings in 1985 and 1986
- Seven-day operators’ bonus increased from 20 cents to 25 cents per hour
- A new holiday on July 5, 1985. In 1986 and 1987, Martin Luther King Jr. Memorial Day to be observed on March 31 and April 20, respectively
- Protected Employee Program established
- Pension benefits improved
- Company SUB Plan contribution rates increased progressively during the term of the Agreement
- GIS eligibility lowered to 10 years of seniority for plant closings
- Legal Services Plan established
- Tax-Efficient Savings Plan established for hourly employees
- Attendance Improvement Plan established
- Profit Sharing Plan maintained
- Retiree Servicing Center benefit delivery program for retirees established

### 1987
- Base hourly rates increased by amounts ranging from 33.5 cents to 50.5 cents, reflecting an increase of 3 percent
- COLA continued with 81 cents of the prevailing 86 cents folded into base
- Performance bonus for seniority employees equal to 3 percent of qualified earnings in 1988 and 1989
- Joint UAW–Ford programs expanded through increased funding. Expansion of Child Care Resource and Referral Service; Employee Assistance Plan; Education, Development and Training Program; and Apprentice Program. Established a UAW-Ford Quality Improvement Implementation Committee
• Pension benefits improved
• Company SUB plan financing increased
• Profit Sharing Plan improved
• Holiday plan improved
• Established the Job Security Program (GEN) and committed $500 million to the program
• Union Work Standards representatives for each car and truck assembly plant appointed
• Employee-paid optional employee life insurance program provided; optional dependent life insurance program improved
• Preferred employee interest rates and payroll deduction for Ford Motor Credit Company loans provided
• Hospice care and generic drug programs implemented

1990
• Base hourly rates increased by amounts ranging from 37 cents to 56 cents, reflecting an increase of 3 percent. Skilled trades base hourly rates increased by an additional 30 cents
• COLA formula continued with $1.68 of the prevailing $1.73 folded into base
• Lump-sum Performance Bonus equal to 3 percent of qualified earnings paid during 1991 and 1992
• $600 Christmas bonus paid in 1990, 1991 and 1992
• Seven-day operations bonus increased from 25 cents to 35 cents per hour
• Profit Sharing Plan formula improved to pay from the “first dollar” of profits
• Job and Income Security Program (GEN and SUB) financed with $1.156 million
• Pension benefits improved
• Attendance Recognition Award payments discontinued after 1990, and the Attendance Improvement Program may be applied to employees with 10 or more years’ seniority who demonstrate an unacceptable attendance pattern
• Improved benefits for dental, mental health and substance abuse services
• Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
• Total of 46 paid holidays provided during the three-year agreement
• Joint UAW-Ford programs expanded through increased funding. Established the Employee Support Services Program, agreed to pilot a joint child care center, and established grants for local plant fitness centers
• Additional full-time representatives, both appointed and elected, added to the existing structure

1993
• Base hourly rates increased by amounts ranging from 43 cents to 63 cents reflecting an increase of 3 percent
• Skilled trades base hourly rates increased by an additional 25 cents
• COLA formula continued with $1.34 of the prevailing $1.39 folded into base
• Lump-sum Performance Bonus equal to 3 percent of qualified earnings during 1994 and 1995
• A $600 Christmas bonus paid in 1993, 1994 and 1995
• Profit Sharing Plan formula continued unchanged – new hires eligible for profit sharing from their date of hire
• Job and Income Security Program (GEN and SUB) financed with $1.156 million
• Pension benefits improved
• A total of 44 paid holidays provided during the three-year agreement
• National Quality Agreement continued as a “living document” that permits continuous improvement and expansion of quality efforts outside the negotiations process
• Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
• Joint UAW-Ford programs expanded; established Technical Skills Program; Employee Tuition Plans improved; Employee Support Services Program expanded; established a national and local Critical Incident Stress Debriefing Procedure; agreed to pilot programs in physical rehabilitation, child-care, and eldercare consultation and referral

1996

• Lump-sum payment of $2,000 paid immediately
• COLA formula continued with $1.03 of the prevailing $1.08 folded into base
• Base hourly rates increased by 3 percent in the second and third years
• Skilled trades base hourly rates increased by an additional 30 cents in the second year
• $600 Christmas bonus paid in 1996, 1997 and 1998
• Profit Sharing Plan formula continued unchanged
• Total of 48 paid holidays provided during the three-year agreement
• Job and Income Security Program (GEN and SUB) financed with $1.8 billion
• GEN revised substantially with an overlay of provisions that enhance certain existing job and employment guarantees, principally with respect to replacing attrition
• Commitment made to place 1,200 apprentices company-wide on course, business conditions permitting
• CRAFTT Concept was established to facilitate more efficient use of skilled trades
• Joint UAW-Ford programs expanded. Technical Skills Programs expanded to include “Grants for Plants,” providing funding for developing and renovating on-site learning centers to include technical training. Employee Tuition Plans improved to provide tuition assistance for children of UAW-Ford workers and retirees. Health and Safety Programs strengthened

1999

• Lump-sum payment of $1,350 paid immediately
• COLA formula continued with 85 cents of the prevailing 90 cents folded into base
• Base hourly rates increased by 3 percent in each year of the agreement (1999, 2000, 2001 and 2002)
• Bereavement pay expanded to five days, in the case of death of a present parent or stepchild, or in the case of multiple deaths in the immediate family
• $600 Christmas bonus paid in 1999, 2000, 2001 and 2002
• Profit Sharing Plan formula continued unchanged
• Total of 67 paid holidays provided during the four-year agreement
• GEN revised substantially with respect to replacement of attrition
• Commitment made to place 1,800 apprentices company-wide in the apprenticeable trades during the term of the agreement
• Education and Training Assistance Plan (ETAP) for active employees increased to $4,200
• Family Service and Learning Centers established
• Traditional dental program replaced with dental PPO

2003

• Lump-sum payment of $3,000 paid upon ratification
• 3 percent performance bonus paid in 2004
• COLA formula continued with $2.00 of the prevailing $2.05 folded into base\(^1\)
• Base hourly rates increased by 2 percent in 2005 and 3 percent in 2006\(^2\)
• Skilled trades’ base hourly rates increased by an additional 30 cents upon ratification
• Profit Sharing Plan formula continued unchanged
• Total of 67 paid holidays provided during the four-year agreement
• New Job Opportunities Posting process allowed for greater placement opportunities for both in-zone and out-of-zone employees on layoff or in GEN protected status
• Commitment made to allow forecasting model driven by business conditions to determine number of apprentices placed in the apprenticeable trades during the term of the agreement

\(^1\)Additional COLA diversions were approved for the DC VEBA as part of the December 2005 Memorandum of Understanding.

\(^2\)The 3 percent increase scheduled for 2006 was deferred to the DC VEBA as part of the December 2005 Memorandum of Understanding.
2007

- Lump-sum payment of $3,000 paid upon ratification
- Eliminated 185 skilled trades classifications
- Skilled trades base hourly rates increased by an additional 30 cents
- 3 percent performance bonus paid in 2008, 4 percent in 2009, and 3 percent in 2010
- COLA formula continued with $2.03 of the prevailing $2.13 folded into base – does not apply to Entry-Level
- Total of 66 paid holidays provided during the four-year agreement
- The parties have agreed that 20 percent of the employees under the 2007 UAW-Ford Master Agreement can be Entry-Level employees with unique pay and benefits
- Profit Sharing Plan formula continued unchanged; however, FMCC results will not be included in profits
- Protected employees will remain in protected status for two years unless he/she has declined at least two job offers during this time
- Job Opportunities Posting process will remain unchanged
- Traditional housekeeping functions have been agreed to exit in their entirety as expeditiously as possible
- New National Attendance Program established
- Established the VEBA for retiree healthcare

2009

- Suspended Christmas Bonus, Performance Bonus, COLA for the term of the agreement
- Easter Monday suspended as a paid holiday
- Relief allowance for on line operations reduced to 40 minutes per eight-hour shift
- Employee payments will be direct deposited
- Wellness Program established; employees who elect not to participate contribute $25 per month
- Overtime – Time and one-half is only paid for time worked over 40 compensated hours per week (Local AWS Agreement exceptions)
- VEBA funding modified, Ford funded $15 billion with cash and securities
- Enabling language to implement Skilled Trades Mechanical teams
- Flexibility to implement Alternative Work Schedules after UAW discussion and 14 days’ notice
- Suspension of Protected Status under the Job Security Program (“Jobs Bank”)
- Employee on indefinite layoff is eligible for up to one job placement opportunity either within or outside the employee’s Preferential Placement zone
- Transition Assistance Plan (TAP) created to provide additional weekly payments (50 percent of gross weekly wages) during the life of the 2007 Agreement to employees who exhaust their SUB Regular Benefits
- When production job openings exist at a facility and there are no surplus production employees in that zone, the Company may place surplus skilled tradespersons from that zone into those production job openings
- Company may place surplus legacy employees facing layoff into jobs held by Entry-Level employees within the same zone, thus bumping the Entry-Level employees to layoff
• No general wage increase. COLA removed from the agreement
• Ratification lump-sum $6,000 payment for employees with one or more years of service; $5,000 lump sum for employees with less than one year of service
• $1,500 Inflation Protection Bonus paid in June 2012, 2013, 2014 and 2015
• Christmas Bonus lump-sum payment removed from the agreement
• Profit Sharing Plan modified such that North American Earnings Before Interest and Taxes excluding Special Items (FNA EBIT) will be the basis upon which payments will be made under the Plan
• Company contribution to the Profit Sharing Fund will equal $1 for every $1 million of FNA EBIT prorated for those participants with Compensated Hours less than 1,850 on a straight percentage basis
• Total of 63 paid holidays provided during the four year agreement
• Two paid Family Days allotted during the four year agreement
• Vacation pay-in-lieu provision reinstated
• Personal Retirement Plan (PRP) eliminated for Entry-Level employees. A defined contribution implemented for current Entry-Level employees hired or rehired after Nov. 19, 2007 and all employees hired or rehired after the 2011 CBA effective date
• All new employees hired or rehired on or after the effective date of the 2011 CBA are covered by a defined contribution arrangement for the Tax-Efficient Savings Plan for Hourly Employees (TESPHE)
• Reduction in basic life insurance and accidental death & dismemberment coverage for employees retiring after March 1, 2012
• Increased life and disability insurance for Entry-Level employees
• Medical leave approval and disability claim processes combined
• Legal Services Plan terminated as of Dec. 31, 2013
• Supplemental Unemployment Benefits (SUB) will be calculated on a flat rate, equaling on average 74 percent of gross weekly pay
• Additional moving allowance option added for involuntary transfers
• Long-Term Supplemental employees at various locations converted to Entry-Level
• New wage progression schedule for Entry-Level and Temporary employees: Starting rate $15.78; full rate $19.28
• Effective Jan. 1, 2012, changes to the National PPO plan include unlimited office visits $20 co-pay per visit, $50 urgent care co-pay, $100 emergency room co-pay, preventative services covered once per calendar year with no co-pay
• Health and Safety Program considered a “living agreement” to allow flexibility for improvements outside the negotiations process
• Modifications to the Preferential Placement provisions
• Company identified over 12,000 new jobs by the end of the agreement
• Sourcing moratorium continued with identified exceptions
• Expansion of Continuous Improvement language for Work Group/Teams implementation
• Flexibility to implement any of the six approved Alternative Work Schedule (AWS) patterns after UAW discussion and 14 days' notice
• Three-crew operating patterns will have up to six mandatory, 10-hour Saturdays/Sundays
• Parts Supply & Logistics: Reduced classifications to one-two non-skilled for all locations outside of Brownstown; employees classified as Skilled Maintenance General will be utilized on non-skilled work when no required maintenance tasks are available
Appendix – Traditional Base Wage Increases

Base Wage Rate Increases for Two Sample Classifications
The table below provides an example of the changes in hourly base rate of pay for two job classifications used at many Ford facilities. The Tool & Die Maker is an apprenticeable trade classification and the MajorAssembler classification is a typical highly populated production classification.

The base rate changes for the period 1941 through 1975 are shown in five-year increments although rates increased nearly every year. Base rate changes for the years 1981 through 1995 are shown in three-year increments since the base rates were increased only in the first year of the agreement. Base rate changes for the years 2003 through 2006 are shown in two-year increments since the base rate was increased in two-year increments. The base rate in 2007 consisted of a COLA roll-in for all employees and a tool allowance for skilled trades employees.

<table>
<thead>
<tr>
<th>Year</th>
<th>Tool &amp; Die Maker</th>
<th>Major Assembler</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>$1.450</td>
<td>$1.15</td>
</tr>
<tr>
<td>1945</td>
<td>$1.600</td>
<td>$1.15</td>
</tr>
<tr>
<td>1950</td>
<td>$2.075</td>
<td>$1.575</td>
</tr>
<tr>
<td>1955</td>
<td>$2.690</td>
<td>$2.005</td>
</tr>
<tr>
<td>1960</td>
<td>$3.285</td>
<td>$2.455</td>
</tr>
<tr>
<td>1965</td>
<td>$3.825</td>
<td>$2.905</td>
</tr>
<tr>
<td>1970</td>
<td>$5.610</td>
<td>$4.25</td>
</tr>
<tr>
<td>1975</td>
<td>$7.010</td>
<td>$5.43</td>
</tr>
<tr>
<td>1976</td>
<td>$8.660</td>
<td>$6.885</td>
</tr>
<tr>
<td>1977</td>
<td>$9.020</td>
<td>$7.09</td>
</tr>
<tr>
<td>1978</td>
<td>$9.290</td>
<td>$7.305</td>
</tr>
<tr>
<td>1979</td>
<td>$11.130</td>
<td>$9.085</td>
</tr>
<tr>
<td>1980</td>
<td>$11.465</td>
<td>$9.36</td>
</tr>
<tr>
<td>1981-83</td>
<td>$11.810</td>
<td>$9.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Tool &amp; Die Maker</th>
<th>Major Assembler</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-86</td>
<td>$15.205</td>
<td>$12.825</td>
</tr>
<tr>
<td>1987-89</td>
<td>$16.470</td>
<td>$14.02</td>
</tr>
<tr>
<td>1993-95</td>
<td>$20.105</td>
<td>$17.945</td>
</tr>
<tr>
<td>1996</td>
<td>$22.135</td>
<td>$18.975</td>
</tr>
<tr>
<td>1997</td>
<td>$23.100</td>
<td>$19.545</td>
</tr>
<tr>
<td>1998</td>
<td>$23.795</td>
<td>$20.13</td>
</tr>
<tr>
<td>1999</td>
<td>$25.360</td>
<td>$21.585</td>
</tr>
<tr>
<td>2000</td>
<td>$26.120</td>
<td>$22.35</td>
</tr>
<tr>
<td>2001</td>
<td>$26.905</td>
<td>$22.9</td>
</tr>
<tr>
<td>2002</td>
<td>$27.710</td>
<td>$23.585</td>
</tr>
<tr>
<td>2003-04</td>
<td>$30.100</td>
<td>$25.585</td>
</tr>
<tr>
<td>2005-06</td>
<td>$30.610</td>
<td>$26.095</td>
</tr>
<tr>
<td>2007-14</td>
<td>$32.840</td>
<td>$28.125</td>
</tr>
</tbody>
</table>

(Figures do not include shift, seven-day incentive or overtime premiums.)

Historical fact: In January 1914, Ford Motor Company established the $5-a-day base rate. On Jan. 1, 1919, this was increased to $6, and on Dec. 1, 1929, it was advanced to $7.
Appendix – Entry-Level Rate Increases

Entry-Level Rates
Employees, other than skilled trade employees, hired or rehired on or after the effective date of the 2007 Agreement, Nov. 19, 2007, are considered Entry-Level employees and are paid according to the Entry-Level wage schedule. Entry-Level employees are initially paid a “Starting Rate.” They receive a wage progression increase after every 12 months of employment. They reach Full Production Rate after a total of 48 months of employment. They were eligible for annual General Wage Increases from 2008 through 2011 based upon percentage increases in certain governmental indices.

<table>
<thead>
<tr>
<th>Year</th>
<th>Start Rate</th>
<th>Full Production Wage Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$14.20</td>
<td>$15.34</td>
</tr>
<tr>
<td>2008</td>
<td>$14.20</td>
<td>$15.73</td>
</tr>
<tr>
<td>2009</td>
<td>$14.69</td>
<td>$16.32</td>
</tr>
<tr>
<td>2010</td>
<td>$15.24</td>
<td>$16.93</td>
</tr>
<tr>
<td>2011</td>
<td>$15.51</td>
<td>$17.23</td>
</tr>
<tr>
<td>2012</td>
<td>$15.78</td>
<td>$19.28</td>
</tr>
<tr>
<td>2013</td>
<td>$15.78</td>
<td>$19.28</td>
</tr>
<tr>
<td>2014</td>
<td>$15.78</td>
<td>$19.28</td>
</tr>
<tr>
<td>2015</td>
<td>$15.78</td>
<td>$19.28</td>
</tr>
</tbody>
</table>
Appendix – Paid Time Off

Paid Holidays
The 2011 UAW-Ford Collective Bargaining Agreement provides for the following paid holidays:

• Martin Luther King Jr. Day
• Good Friday
• Memorial Day
• Independence Day (Friday before in 2015)
• Labor Day
• Veterans Day
• Election Day (2012, 2014)
• Thanksgiving Day
• Day After Thanksgiving Day

In addition, the following holidays for the years:

• 2011 – Dec. 26, 27, 28, 29, 30
• 2012 – Jan. 2; Dec. 24, 25, 26, 27, 28, 31
• 2013 – Jan. 1; Dec. 23, 24, 25, 26, 27, 30, 31
• 2014 – Jan. 1; Dec. 24, 25, 26, 29, 30, 31
• 2015 – Jan. 1, 2

Eligible employees will receive up to two Family Days for the duration of this agreement.

Paid Vacation
Paid vacations are provided as follows:

<table>
<thead>
<tr>
<th>Seniority (years)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three months but less than one</td>
<td>56 hours (one week, two days)</td>
</tr>
<tr>
<td>One but less than three</td>
<td>96 hours (two weeks, two days)</td>
</tr>
<tr>
<td>Three but less than five</td>
<td>100 hours (2.5 weeks)</td>
</tr>
<tr>
<td>Five but less than 10</td>
<td>120 hours (three weeks)</td>
</tr>
<tr>
<td>10 but less than 15</td>
<td>140 hours (3.5 weeks)</td>
</tr>
<tr>
<td>15 but less than 20</td>
<td>160 hours (four weeks)</td>
</tr>
<tr>
<td>20 or more</td>
<td>200 hours (five weeks)</td>
</tr>
</tbody>
</table>

Entry-Level employees are capped at 160 hours.

Other
Other paid time off provisions include bereavement pay, jury duty pay and short-term military pay.
Appendix – Alternative Work Schedules

In addition to the traditional five- and seven-day operation schedule, six (6) Alternative Work Schedules (AWS) have been established. An AWS may be developed locally should the parties determine that these established AWS do not address the particular needs or circumstances of the parties.
Appendix – Premium Payments

**Premium Payments**

**Shifts**
- **Afternoon Shift**
  (starts on or after 10:30 a.m. but before 7 p.m.)
  - Premium: 5%

- **Midnight Shift**
  (starts on or after 7 p.m. but before 5 a.m.)
  - Premium: 10%

**Memo:** Employees assigned to necessary continuous seven-day operations are paid a bonus of $0.35 per hour regardless of shift premium.

**Crews**
Employees assigned to C Crew as part of a three-crew pattern are paid a 10 percent premium for all hours worked on regularly scheduled workdays, regardless of shift.

**Overtime Premiums – Five-Day Operations**

<table>
<thead>
<tr>
<th>Shift</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily &amp; Weekly</td>
<td>Time and one-half *</td>
</tr>
<tr>
<td>Saturday</td>
<td>Time and one-half*</td>
</tr>
<tr>
<td>Sunday</td>
<td>Double time*</td>
</tr>
<tr>
<td>Holidays</td>
<td>Double time plus holiday pay (if eligible)</td>
</tr>
</tbody>
</table>

*Daily and weekend overtime premium is paid once employee reaches the 40 hour threshold.*

^For employees on an AWS pattern (four 10-hour shifts or three crews), there are no set Saturday or Sunday premiums. Instead, hours worked on the first or second Regular Day Off (RDO) are paid at time and one-half. Hours worked on the third RDO are paid at double time.

**Overtime Premiums – Seven-Day Operations**

<table>
<thead>
<tr>
<th>Shift</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily &amp; Weekly</td>
<td>Time and one-half for hours worked over eight per day and 40 per week</td>
</tr>
<tr>
<td>Saturday &amp; Sunday</td>
<td>Time and one-quarter for hours worked on Saturday or Sunday (that are not payable on an overtime basis)</td>
</tr>
<tr>
<td></td>
<td>Double time and one-half (it being understood that there will be no pyramiding of holiday pay and holiday premium). If the holiday should fall on one of the employee’s regularly scheduled days off, the employee, in addition to holiday pay (if eligible), is paid double time for the time worked</td>
</tr>
<tr>
<td>Holidays</td>
<td>Time and one-half for work on first scheduled day off. Double time for work on second scheduled day off</td>
</tr>
</tbody>
</table>
Overtime Premiums – Four-Crew, Two-Shift AWS Agreement

Daily & Weekly
- Time and one-half for hours worked over 36 per week (for three-day work week) and 48 per week (for four-day work week)
- Time and one-half is paid for hours worked in excess of 10 straight-time hours unless the employee qualifies for double time
- Double time is paid for hours worked in excess of 10 straight-time hours on the Sunday in the four-day week

Scheduled Days Off One & Two
- Time and one-half*

Scheduled Days Off Three & Four
- Double time*

Holidays
- The employee, in addition to holiday pay (if eligible), is paid double time for time worked

Other Premiums
- Employees are also paid an additional 2.5 percent premium

*RDO premiums are paid once employee reaches the weekly hour threshold.

Overtime Premiums – Seven On-Seven Off, Four On-Four Off, Three 12-Hour Shifts AWS Agreements

Daily & Weekly
- Time and one-half for hours worked over the base weekly schedule
- Time and one-half is paid for hours worked in excess of 10 straight-time hours unless the employee qualifies for double time

Saturday & Sunday
- Time and one-quarter for first 10 hours worked on Saturday or Sunday (that are not payable on an overtime basis)

Scheduled Days Off One & Two
- Time and one-half*

Scheduled Days Off Three & Four
- Double time*

Holidays
- Double time and one-half (it being understood that there will be no pyramiding of holiday pay and holiday premium). If the holiday should fall on one of the employees’ regularly scheduled days off, the employee, in addition to holiday pay (if eligible), is paid double time for the time worked

Other Premiums
- Employees are paid a seven-day operations bonus of $0.35 per hour

*RDO premiums are paid once employee reaches the weekly hour threshold.