

**October 2009  
Modifications  
to the UAW Ford 2007  
National Agreements**



## *Table of Contents*

<b>TOPIC</b>	<b>Page #</b>
Binding Arbitration on Wage and Benefit Improvements .....	1
Chinese Produced Dies .....	2
Dearborn Diversified Manufacturing Plant .....	3
Dearborn Engine and Fuel Tank Plant .....	4
Employment Opportunities for Indianapolis Plant Employees .....	5
Entry Level Wage and Benefits .....	6
FCSD Business Environment .....	7
Furthering UAW Partnerships .....	8
Future Product Commitments .....	9
Incremental Vehicle Capacity .....	11
International Framework Agreement .....	12
Insourcing .....	13
Layoff of Entry Level Employees .....	14
Louisville Assembly Plant Seniority Layoff .....	15
Modification to UAW-Ford Entry Level Wage and Benefit Agreement .....	16
– Personal Retirement Plan	
Product Sourcing for Milan Plant .....	17
Product Sourcing for Saline Plant .....	18
Product Sourcing for Sandusky Plant .....	19
Product Sourcing for Sheldon Road Plant .....	20
Quality and Productivity Bonus .....	21
Seat Assembly Study .....	22
Skilled Trades Competitiveness .....	23
Skilled Trades Staffing Strategy .....	25
Stamping Business Unit .....	26
Temporary Employees – Twin Cities Assembly Plant .....	27
Transit Connect Production .....	29

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Binding Arbitration on Wage and Benefit Improvements

Unresolved issues concerning improvements to existing wages and benefits remaining at the end of negotiations of the 2011 contract negotiations shall be resolved through binding arbitration with wage and benefit improvements to be based upon Ford Motor Company maintaining wages and benefits comparable to all its U.S. competitors.

The parties are committed to resolving all open issues in a peaceful, cooperative manner. To this end, the parties agree to continue good faith bargaining on unresolved issues not subject to binding arbitration without resorting to economic weapons at their disposal until the parties have the benefit of bargaining on such issues with full information on the final outcome of unresolved UAW Ford issues subject to arbitration. Upon expiration of the 2007 Agreement and consistent with the above, the UAW shall maintain the right to strike on all remaining unresolved issues other than improvements to existing wages and benefits.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

v1  
10/04/09

JB  
SBO

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Chinese Produced Dies

During these negotiations, the parties discussed their joint concern for ensuring the Company's ongoing competitiveness. The parties agreed to complete a joint total cost analysis of Chinese produced dies. The results of this study will be reviewed by the leadership of the National Ford Department, Tool and Die management and Labor Affairs.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King



SBO

Handwritten initials and signatures: "S.B.", "BRBK", and "ind" with a checkmark.

2

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Dearborn Diversified Manufacturing Plant

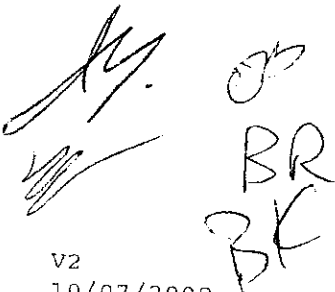
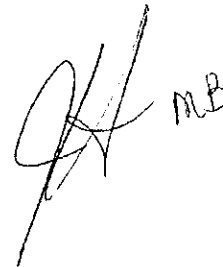
During these negotiations, Ford and the UAW discussed the future of the Dearborn Diversified Manufacturing Plant (DDMP) and the parties' mutual interest in identifying potential future product opportunities for the plant. The National Parties reaffirm their commitment to the 2006 DDMP Competitive Operating Agreement and 2007 Product Commitments and agree to continue to work together to identify possible future product opportunities for the plant.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King



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3

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Dearborn Engine and Fuel Tank Plant

During these negotiations, Ford and the UAW discussed the future of the Dearborn Engine and Fuel Tank Plant (DEFTP) and the parties' mutual interest in identifying potential future product opportunities for the plant. The National Parties reaffirm their commitment to the 2006 DEFTP Competitive Operating Letter that highlights operating efficiencies and competitive work practices in order to identify future opportunities.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

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10/07/2009

*Handwritten initials: RK*

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Employment Opportunities for Indianapolis Plant Employees


During these negotiations, the parties discussed the importance of employment prospects for the Indianapolis Plant employees. Based on the forecasted employment opportunities at Louisville Assembly Plant, the geographical proximity and an anticipated high level of interest on the part of the Indianapolis employees, the parties agree to proactively work together to maximize the Louisville employment opportunities for the Indianapolis employees.

Very truly yours,

Bill Dirksen,  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

  
SBO

CRB  
BK  
BR  
W

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Entry Level Wage and Benefits

As part of these negotiations, the parties discussed the importance of ensuring the Company is competitively positioned. Therefore, the parties agreed to the following modifications to Appendix V - Memorandum of Understanding Entry Level Wage & Benefit Agreement:

- All new non-Appendix F employees hired from the effective date of this agreement will be classified and remain as an Entry Level employee through September 14, 2015.
- There will be no cap on the number of Entry Level employees that may be hired prior to September 14, 2015. Subsequent to September 14, 2015, the determination of the number of employees eligible to progress into regular, non-entry level employment will continue to be determined as described in the Letter of Understanding titled Definition and Administration of Entry Level employees dated November 3, 2007.
- The "Production" and "Starting" wage rates are frozen at current levels, and provisions for future Wage Formula Increases are suspended for the duration of the 2007 UAW-Ford Collective Bargaining Agreement.
- This letter is also applicable to all employees paid in accordance with Appendix V.

Very truly yours,

Bill Dirksen,  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

v2  
10/02/2009

BR  
BK

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JD MB

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DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: FCSD Business Environment

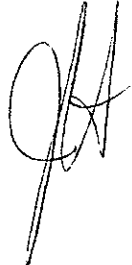
During these negotiations, the parties recognized the significant joint efforts to improve the competitiveness and culture in Ford Customer Service Division. The parties also expressed their joint interest in continuing these efforts and have agreed to discuss these topics, as well as Salaried and Hourly Staffing Levels, new work opportunities and the potential application of self-directed work teams in a meeting with National Ford Department Leadership, the President of Ford Customer Service Division, the Director of North America Parts, Supply and Logistics and Labor Affairs.

  
Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs


Concur:

Bob King

 MB

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v2  
10/27/2009

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Furthering UAW Partnerships

During these negotiations, the parties discussed the UAW's interest in continuing to build relationships with UAW represented suppliers. A meeting(s) with National Ford Department Leadership, the North American Executive Directors of Purchasing and Vice President of Labor Affairs will be held to confirm Ford's commitment to working positively and proactively with the UAW, including supporting positive relationships with the UAW and suppliers and assisting UAW represented suppliers in maintaining the highest possible productivity, quality and therefore long term viability.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

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MB  
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PK

8

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Future Product Commitments

The Company and the Union held extensive discussions regarding the importance of maintaining a strong manufacturing presence in the U.S. and the need to secure and protect jobs for UAW members. To this end, in February 2009, the Company has committed to the following:

- o Recommit new products to the following assembly plants:
  - o Ohio Assembly Plant
  - o Kansas City Assembly Plant
  - o Michigan Assembly Plant
  - o Louisville Assembly Plant
  - o Chicago Assembly Plant
- o Source a new transmission to the Van Dyke Transmission Plant
- o Source a needed increment of 14 small displacement engine capacity in Cleveland Engine Plant #1 the U.S., unless market conditions change
- o Source the in-house production of advance technology vehicles to the Michigan Assembly Plant
- o Insource the kitting of Powertrain components and additional starter volume at Rawsonville
- o Insource additional crank shaft volume at Woodhaven Forging Plant

During 2007 negotiations the parties recognized the need to invest in new technology and equipment for the U.S. Stamping Business Unit. As outlined in the November 2, 2007 Investment Commitment - Stamping Business Unit letter, the Company agreed to invest \$200 million over the term of the agreement to purchase new technology and equipment, including installation and launch. Additionally, as outlined in the November 2, 2007 Investment Commitment - Stamping Business Unit letter, the Company committed \$20M to purchase new five axis mills for the Dearborn Tool and Die Plant.

As we have discussed, the dramatic change in business conditions and our cash constraints preclude us from fulfilling all of these commitments at this time. The Company has agreed to purchase one new five axis mill and one new five axis laser for the Dearborn Tool and Die Plant and reaffirms its commitment to make the above investments as soon as economically feasible.

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10/07/2009

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In addition to the February 2009 commitments, the Company is committing to the following:

- C-Max
- o Auto Alliance - Mustang production will continue through the current product lifecycle
  - o Kentucky Truck Plant - Expedition production will continue through the current product lifecycle
  - o Lima Engine Plant and Cleveland Engine #1 - A substantial investment based on the current engine architecture will be made during the product lifecycle
  - o Livonia Transmission Plant - 6R capacity expansion
  - o Louisville Assembly Plant - Sourced an incremental product with significant export volume
  - o Michigan Assembly Plant - An incremental product will be allocated to the plant during the business plan period
  - o Rawsonville Plant - Hybrid Electric Vehicle Battery Assembly Pack
  - o Romeo Engine Plant - New product based on the current engine architecture will be allocated to the plant during the business plan period
  - o Sharonville Transmission Plant - Incremental volume will be awarded to the plant due to an additional application for the 6R140 transmission
  - o Sterling Axle Plant - Insource the Rear Drive Unit work

During these discussions, the Company and the Union discussed the magnitude of the ever changing marketplace, the challenges of the economy and their affect on Ford's ability to fund its product cycle plan. The Company reaffirmed its commitment to the UAW and its manufacturing presence in the U.S. The parties agreed that if there is a need, due to changing business conditions, to amend the product cycle plan the Company will sit down with the Union and discuss alternative plans in order to fulfill the intent of the future product commitments discussed with the Union during these negotiations. Deviations from the commitments will be subject to the normal grievance procedure.

Very truly yours,

Joe Hinrichs  
Group Vice President  
Global Manufacturing and  
Labor Affairs

VS  
10/07/2009

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JAH  
SBO

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
2000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Incremental Vehicle Capacity

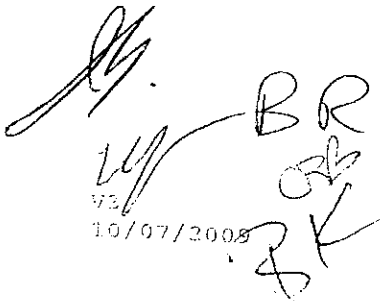
During these negotiations, the parties discussed the rapidly changing U.S. marketplace conditions and the projected utilization of capacity in the Company's U.S. Assembly Operations. The Union expressed some concerns, particularly regarding the current utilization of Auto Alliance International. Accordingly, to address these concerns, should the U.S. market return to levels where additional U.S. vehicle capacity is needed, the Company will work with the UAW to develop the best business case to utilize the open U.S. assembly capacity.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

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SBO

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: International Framework Agreement

Ford Motor Company has long recognized that treating people with dignity and respect is fundamental to how we conduct business around the world. Ford Motor Company has a long and rich history of positive relationships with unions around the world. Ford has been ahead of most global corporations in setting standards of conduct for respecting the rights of its employees in all of our global facilities and of encouraging our suppliers to respect the human rights of their employees.

Ford has also operated on the philosophy of continuous improvement in all facets of our operations - quality, productivity, health and safety, labor relations and involvement of our employees in decisions that impact their lives.

In the spirit of this philosophy of continuous improvement, Ford agrees that within six months of the ratification of this agreement we will meet with the UAW and other representatives of the International Metalworkers Federation Ford Network Steering Committee on the subject of an International Framework Agreement.

Arrangements for the meeting will be developed and finalized by the Vice President of the UAW National Ford Department and Vice President of Ford Labor Affairs.

Very truly yours,

Martin J. Mulloy  
Vice President  
Labor Affairs

Concur:

Bob King

V1  
10/07/2009

12

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
3000 East Jefferson Avenue  
Detroit, Michigan 48214

DATE

Dear Mr. King:

Subject: Insourcing

The 2007 Negotiations provided increased emphasis on insourcing. The parties agreed that insourcing of work is dependent upon a favorable business case which may include market demand, available floor space, cancelation costs, investment amount required, etc. Through the joint efforts of the Company and the Union significant progress has been made toward the insourcing commitment of 1,559 jobs.

To date, the Company has implemented and or approved the insourcing of 1,660 jobs and there are several ongoing studies that will likely bring in additional new jobs for our employees. The Company has also approved the investment of over \$640 million to insource these products into our plants. In addition, as the Company continues to update its product line-up it will result in new jobs being added at several of our locations.

In 2010, the Company will introduce a new Focus vehicle at the Michigan Assembly Plant and plans to add more than 200 new jobs compared to the present Focus program. Also in 2010, the Company will introduce a new product at Chicago Assembly Plant with a planned addition of more than 300 incremental jobs between Chicago Assembly and Chicago Stamping Plants. In 2011, a new product will launch at the Louisville Assembly Plant, resulting in a significant number of additional jobs estimated to exceed the incremental insourced jobs at the Chicago facilities.

It is the Company's intention to continue to work jointly with the Union to identify and implement additional insourcing actions. We believe strongly that as our plants become more competitive they will be able to successfully compete for new work opportunities.

Very truly yours,

Martin J. Mulloy  
Vice President  
Labor Affairs

Concur:

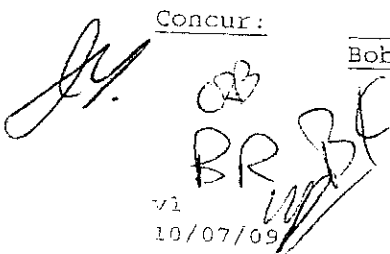
Bob King

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13



SBO



DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Layoff of Entry Level Employees

During these negotiations, the parties discussed the potential for having  
Entry Level employees on indefinite lay off from a Ford facility while  
simultaneously having full-time openings at another facility. It was agreed  
that in the event there is an indefinite layoff affecting Entry Level  
employees, the National Parties will discuss opportunities for employment as  
Entry Level at other UAW-Ford locations.

Very truly yours,

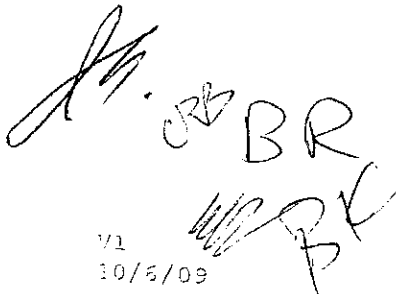
Bill Dirksen,  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King



SBO



10/5/09



DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Louisville Assembly Plant Seniority Layoff

During these negotiations, the parties discussed the seniority layoff that occurred at Louisville Assembly Plant effective July 6, 2009. Prior to this action, the plant was operating with a number of employees being placed on rotating temporary layoffs. Due to previous discussions regarding this situation, the local Union thought the rotating temporary layoffs would continue through November 2009.

In order to resolve this misunderstanding between the parties, the Company agrees to consider the weeks of layoff between pay ending July 12, 2009 and November 6, 2009 as temporary layoff. The SUB/TAP eligibility for this group of employees will be adjusted accordingly, however, no other benefit eligibility will be affected.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

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*[Handwritten signatures and initials]*  
MS  
SBO

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Modification to UAW-Ford Entry Level Wage and Benefit Agreement -  
Personal Retirement Plan (PRP)

During 2007 negotiations, the Company and the Union agreed to provide UAW-  
Ford Entry Level wage employees (Volume I, Appendix V, Attachment A) hired or  
rehired on or after November 19, 2007, a cash balance defined benefit pension  
plan called the Personal Retirement Plan (PRP). It was further agreed the  
Ford-UAW Retirement Plan would be amended to provide this retirement benefit.

This confirms our recent agreement to modify Attachment A of Appendix V to  
permit the Company the discretion to provide pension benefits to Entry Level  
wage employees through a pension plan separate and distinct from the Ford-UAW  
Retirement Plan. The parties agree that the Company may split out Entry Level  
wage employees covered under the provisions of the Personal Retirement Plan  
from the Ford-UAW Retirement Plan into such pension plan. This potential  
change in administration shall not modify or alter in any way the benefit  
levels provided in any pension plan covering UAW-represented hourly  
employees.

Very truly yours,

Rick Popp, Director  
Employee Benefits  
Human Resources

Concur: \_\_\_\_\_

Bob King

*RP MB*

*BR*  
*BK*  
*3/2/2009*

16

*SBO*

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Product Sourcing for Milan Plant

The Company is committed to partnering with the UAW to address the challenges facing the Milan Plant. Accordingly, the UAW and Ford commit to restructure the business to improve the plant's competitiveness and make it more attractive for sale. To this end, the Company is working with the UAW on the following products for the Milan facility:

- E-series fuel tanks transferring to Milan
- Mustang fuel tank outsourcing canceled
- Taurus fuel tank insourced
- Expedition EL/Navigator L fuel tanks insourced
- F-series fuel tanks

In addition, it is the Company's intention to source two new fuel tanks to the Milan Plant during the business plan period. This is contingent upon the local parties achieving a competitive labor agreement and maintaining competitiveness from a cost, quality and technology standpoint.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

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10/07/2009  
BR  
DT

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JHB

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Product Sourcing for Saline Plant

During these discussions, the Union expressed their concern regarding the product sourcing for the Saline Plant. Over the past several years, the parties have worked together to restructure the ACH interiors business through consolidation into the Saline Plant. The Company has made large scale investments to upgrade substantially the injection molding press fleet and additional new technologies. These actions have resulted in improving the long term viability of the Saline Plant and contributed to achieving the following product actions:

- Current model programs for Focus, Flex/MKT and Escape consoles insourced
- Expedition/Navigator IP, cockpit, door trim, and console retained
- Future Focus IP outsourcing canceled

Future product decisions are contingent upon the plant continuing to maintain and improve their competitiveness from a cost, quality and technology standpoint.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

BR CB  
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10/07/09

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Product Sourcing for Sandusky Plant

During these negotiations, the Union and Company acknowledged the successful joint efforts by the local parties to negotiate and implement a Competitive Operating Agreement. This agreement has improved the competitiveness and attractiveness of the Sandusky Plant for potential future sale. This agreement has also allowed Sandusky to successfully retain the following product actions:

- F-series heavy duty
- Explorer
- Focus

Additionally, the Company will follow the Appendix P process in determining the sourcing of the Escape lighting.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

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BF

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JH MB  
SBO

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Product Sourcing for Sheldon Road Plant

The Company and the UAW have worked together to improve the productivity and restructure the business to improve the plant's competitiveness and make it more attractive for sale. To this end, the Company is working with the UAW to identify products for the Sheldon Road Plant, including retaining the F-series heavy duty HVAC work.

In addition, it is the Company's intention to source the Focus and Escape HVACs to the Sheldon Road Plant during the business plan period. This is contingent upon the local parties achieving a competitive labor agreement and maintaining competitiveness from a cost, quality and technology standpoint.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

*JB BR*  
*W*  
*BK*

v1  
10/07/2009

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*JH*  
*MS*  
*SBO*

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

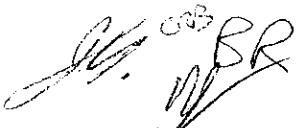
Subject: Quality and Productivity Bonus

During these negotiations, the UAW and the Company had extensive discussions regarding the progress Ford Motor Company has made in transforming its business during this unprecedented economic environment. The parties also agree that further progress is needed to compete successfully in the global automotive industry. Accordingly, the Company and the UAW reaffirm their commitment to work together to make Ford Motor Company the most competitive automotive manufacturer.

The Company recognizes the significant contributions the UAW employees have made to the U.S. business operations. In recognition of the continued progress in quality and productivity, the Company will pay a Quality and Productivity Bonus of \$1,000 to each full-time, seniority hourly employee on the active employment roll as of December 31, 2009. The eligibility requirements, pay practices and procedures described in the March 5, 2008 administrative letter (with dates adjusted accordingly) will be followed when making the Quality and Productivity payments. This special payment, to be made in March 2010, will be the greater of either this \$1,000 lump sum payment or the amount generated by the UAW Ford Hourly Profit Sharing Plan, but not both. Both parties understand and agree that this is a one-time special payment.

Very truly yours,

Joe Hinrichs  
Group Vice President  
Global Manufacturing and  
Labor Affairs

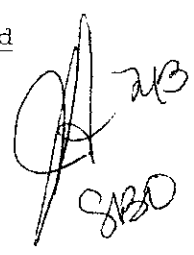
  
Concur:

Bob King

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21



DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Seat Assembly Study

During these negotiations, the parties discussed opportunities for additional work for UAW-Ford facilities. Among the topics discussed was the opportunity to insource seat assembly operations. The parties reconfirmed the commitment made in the February 15, 2009 letter entitled Rawsonville Seat Insourcing and will conduct a joint study to determine if a business case exists to insource seat assembly work. This study will be reviewed with the leadership of the National Ford Department, Manufacturing and Labor Affairs.

Very truly yours,

Bill Dirksen  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King



BR.  


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10/07/2009

JB



DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Skilled Trades Competitiveness

During these negotiations, the parties discussed our mutual goal of enhancing skilled trades competitiveness and have replaced the February 15, 2009 letter titled Skilled Trades Competitiveness with the following:

- o Mechanical Skilled Trades teams will be launched at all Company facilities by June 30, 2011. The Skilled Trades Governance Committee will develop implementation plan guidelines by year-end 2009. The mechanical teams will then be launched in three phases with a minimum of one-third of the facilities in Phase I to be launched by June 30, 2010; a minimum of one-third by year-end 2010 and all remaining facilities by June 30, 2011.
- o Skilled Trades within the Mechanical Teams will consist of the traditional skilled trades mechanical classifications utilized at the location following the guidelines to be established by the Skilled Trades Governance Committee. Together, these teams will operate on the principle that they will be able to perform any work assignments which they are capable of performing effectively and safely. There will be no lines of demarcation (on straight time or premium time) within the mechanical teams at facilities that have launched this process, and no assignments will be made that result in unsafe conditions. It is understood that established lines of demarcation between trades not identified as part of the mechanical teams will continue to be recognized. This agreement will supersede any local agreements or past practices.
- o The Company will fund and provide appropriate required training and cross training to ensure all team members can safely and consistently contribute to the efficient operations of the team.
- o Maintenance Coordinators will be utilized to coordinate work assignments. They will be elected or selected based on local agreements that are approved by the National Parties.
- o Mechanical Skilled Trades Teams will support production operations and continue to perform traditional building maintenance, and will be given first opportunity to do project work if supported by a viable business case.
- o If the Company is considering indefinite layoffs (ILO) of mechanical trades or where there are mechanical trades on ILO, the parties will meet locally to find ways to minimize the number of layoffs. Unresolved local issues may be referred to the national parties for discussion. It is not intended that any current or future manpower

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actions would inhibit the implementation and utilization of mechanical teams.

- o When launched at a location, the rate received for individuals on a Mechanical Skilled Trades team will be the negotiated wage rate (non-personalized) of the highest paid classification on the team.
- o Any skilled trades employees working in a production job will be paid the negotiated wage rate of their skilled trades classification effective with ratification of these modifications.
- o Skilled trades efficiencies achieved as a direct result of the implementation of Mechanical Teams will not result in an indefinite layoff. Any reduction within the Mechanical Teams would be due to other efficiencies, or volume-related actions or attrition.
- o The Skilled Trades Governance Committee will continue to have oversight of the process. They will conduct regular reviews of progress with the Vice President and Director, National Ford Department, and the Vice Presidents of Manufacturing and Labor Affairs.

Very truly yours,


Bill Dirksen  
Executive Director  
U.S. Labor Affairs



MB

Concur:

Bob King

BR  
  
BK

880

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Skilled Trades Staffing Strategy

During 2007 negotiations, the parties discussed the need to achieve best in class skilled trades staffing levels, and in the letter titled "Skilled Trades Attrition and Staffing Levels," dated November 3, 2007 the parties mutually agreed to take multiple actions aimed at reducing excess skilled trades down to competitive levels.

The parties have continued to discuss this issue and confirm the above commitment from 2007. Over the past several months, Ford's domestic represented competitors have agreed with the UAW to reduce core skilled trades classifications down to two or three. Ford and the UAW have agreed to take a different approach, but our objective remains the same - to achieve best in class levels of efficiency and effectiveness, including competitive staffing levels. If our jointly agreed alternative approach to skilled trades does not lead to the level of competitiveness at least equivalent to our represented domestic competitors the parties agree to revisit this issue in 2011 with the intent to develop a plan that would ensure skilled trade's competitiveness.

Very truly yours,

Bill Dirksen,  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

V2

10/07/2009

25

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:


Subject: Stamping Business Unit


During these negotiations, the Company and the Union discussed product opportunities for the Stamping Business Unit. The Union expressed concerns regarding the overall utilization of the Stamping plants, particularly the current utilization of Walton Hills Stamping Plant and Buffalo Stamping Plant. The parties agreed to jointly evaluate opportunities to insource Secondary Stampings and service parts where there is existing open capacity and a positive business case.

There are several Secondary Stampings and service parts that will be considered as potential insourcing opportunities in order to improve press load, sub-assembly space and under-utilized manpower. The stampings to be considered would follow the Stamping Business Unit and VO Body Shop Strategy List.

Very truly yours,

Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

  
BRZIC  
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10/07/2009

  
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Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Temporary Employees - Twin Cities Assembly Plant

During 2007 UAW/Ford national negotiations, the parties discussed the extension of the closure timing for Twin Cities Assembly Plant to September 2009. Since that time, it has been decided to continue operation of the plant through year-end 2011.

The 2007 UAW/Ford Letter of Understanding titled "Twin Cities Assembly Plant - Ranger Assembly Extension" discussed the expectation of utilizing temporary employees assigned to Twin Cities Assembly to facilitate production support through September 30, 2009. Because of the continued Ranger production through year-end 2011, the parties agree to the following:

- Employees who accepted a separation package and subsequently returned to work as a temporary employee at the Twin Cities Assembly Plant will not convert to permanent status and will maintain their present status through the closure of the Twin Cities Assembly Plant. In addition, those employees who remain on the active employment roll will be provided sixteen (16.0) hours of Excused Absence Allowance (EAA) upon ratification to be used prior to December 31, 2010, forty (40.0) hours of EAA on January 1, 2010 to be used prior to December 31, 2010, and forty (40.0) hours of EAA on January 1, 2011 to be used prior to December 31, 2011.
- Employees presently classified as "TPT Employees - 2006 System Wide Offering" (5800050) who did not previously accept a separation package will be given the option of:

OPTION #1: Remain in their present classification for the duration of their assignment at the Twin Cities Assembly Plant. Employees choosing this option who remain on the active employment roll will be provided sixteen (16.0) hours of EAA upon ratification to be used prior to December 31, 2010, forty (40.0) hours of EAA on January 1, 2010 to be used prior to December 31, 2010, and forty (40.0) hours of EAA on January 1, 2011 to be used prior to December 31, 2011.

Or:

Option #2: Chose to be hired as Entry Level with a seniority date of October 1, 2009 and be administered in accordance with Appendix V. In addition, these employees will be provided sixteen (16.0) hours of EAA upon ratification to be used prior to December 31, 2010. It is recognized the EAA hours are provided without precedent in regard to any other Entry Level employee.

Employees must select which option they chose within five calendar days of ratification of this agreement. Employees who fail to make a timely selection will be deemed to have selected Option #2.

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at the event that production at Twin Cities Assembly Plant is extended beyond December 31, 2011, the parties have agreed to convert the remaining temporary employees to permanent status. Employees who accepted a separation package and subsequently returned to work as a temporary employee are not eligible for this provision.

employees presently classified as "Long Term Supplemental (LTS) employee" (5800620) who did not previously accept a separation package will be hired as Entry Level with a seniority date of October 1, 2009 and be administered in accordance with Appendix V. In addition, these employees will be provided sixteen (16.0) hours of EAA upon ratification to be used prior to December 31, 2010. It is recognized the EAA hours are provided without precedent in regard to any other Entry Level employee.

Entry Level and temporary employees at Twin Cities Assembly Plant, upon closure of the plant or upon indefinite layoff prior to plant closure, will be provided preferential consideration at Step 8 of the Placement Hierarchy for available full time openings at other U.S. Ford facilities. Entry Level employees transferring to another facility will be ineligible for Moving Allowance Benefits. It is also understood that only one employment offer will be made to displaced Twin City Assembly Plant Entry Level employees and those who decline or do not respond to such offer will not be contacted nor be eligible for subsequent opportunities. Employees who accepted a separation package and subsequently returned to work as a temporary employee are not eligible for this provision.

Very truly yours,

Bill Dirksen,  
Executive Director  
U.S. Labor Affairs

Concur:

Bob King

BR

*[Handwritten signature]*

CB

BK

*[Handwritten signature]* MB

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V4  
10/07/2009

28

DATE

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Transit Connect Production


During these negotiations, the parties discussed the recent introduction of the Transit Connect vehicle to the North American market. The Company committed to the UAW that if the decision is made to manufacture the Transit Connect in North America for the North American market in the future, production would be in a U.S. UAW assembly plant provided there is available open capacity.

Very truly yours,


Joe Hinrichs,  
Group Vice President  
Global Manufacturing and  
Labor Affairs

Concur:

Bob King

 MB

SBO

 CB  
BR  
BF

V1  
10/07/09

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