

Mr. Marshall's letter concerns the settlement agreement provision requiring Ford to place class members and class representatives onto the Company's apprenticeship eligibility lists at its plants.

The specific requirements of the relevant settlement agreement provision are:

- Ford will select 279 class members and charging parties and offer them placement on the apprenticeship eligibility lists on or before August 7, 2007. Settlement Agreement §§VI.A.1&3, VI.B.1.¹
- Once placed on the apprenticeship eligibility lists, the class members and charging parties are "subject to the same rules as all others on the list, including but not limited to (a) the same number and scope of apprenticeship choices; (b) the same priority placement rights with respect to individuals placed on the list after the Settlement Class members; (c) the same rights to remain on the list until placed; and (d) the collective bargaining agreement and Department of Labor Apprenticeship Standards." Settlement Agreement §VI.A.4.

It is important to note at the outset that the settlement agreement addresses placement of apprentices, not journeypersons. Nor does the settlement agreement immunize class members from the adverse effects of the Company's current economic predicament on all employees, or supersede the UAW collective bargaining agreement.

II. Placement Of Settlement Class Members And Charging Parties On The Lists

Ford Motor Company met and exceeded the Settlement Agreement requirements by (a) offering placements to 280 class members and charging parties, one more than the

¹ A copy of the Settlement Agreement is attached as Exhibit A.

number required; and (b) completing these offers by February 24, 2006, eighteen months before the deadline. Of those 280 class members and charging parties, 279 accepted the offers; each was placed on the apprenticeship eligibility list at his or her plant.

The 279 class members and charging parties joined 797 non-class member employees who were already on the apprenticeship eligibility lists at various Ford plants.

Since that time, all of the employees on the eligibility lists have been treated in the same way, subject to the same rules and with the same rights under the UAW-Ford collective bargaining agreement, consistent with the Settlement Agreement. However, like all other Ford employees, their opportunities have been affected by the Company's current economic difficulties.

As explained in more detail below, Ford's economic predicament has resulted in the closure of multiple plants, and an excess of employees, including journeypersons. Mr. Marshall complains about the transfer of underutilized journeypersons to locations where there is work for them to do, including Chicago. These transfers are based on the UAW-Ford collective bargaining agreement, and therefore are consistent with the Settlement Agreement term expressly providing that the rights of class members on the eligibility lists are subject to the collective bargaining agreement. Settlement Agreement §§VI.A.4. There is no basis to Mr. Marshall's claim that transfer of journeypersons violates the Settlement Agreement.

III. Ford's Economic Predicament Has Affected Its Ability To Place Eligibility List Employees (Including Class Members and Non-Class Members) In the Apprenticeship Program in 2006 and 2007

Due to significant external factors impacting the domestic automotive industry, Ford has experienced a severe decline in its business since the signing of the Settlement Agreement in November 2004.

A. Business Conditions Overview

Ford's market share and profits have declined significantly. This has directly affected Ford's employment numbers and manufacturing facilities. In early 2006, Ford announced a plan to return to profitability called "The Way Forward." This plan includes reducing operating costs by approximately \$5 billion, including among other things:

- Closure of eleven Ford manufacturing facilities by 2008
- Significant reductions in the workforce:
 - Salaried work force reduced by a third, the equivalent of about 14,000 positions
 - Hourly employment numbers decreased from 87,200 in 2004 to approximately 59,000 today with additional hourly attrition occurring in the future
 - Additional reductions in the hourly workforce - Ford and UAW leadership agreed on buyout offers for all U.S. Ford and ACH hourly employees, which are currently in progress

B. Effect Of The Reductions On Journeypersons

Ford's journeypersons are Ford employees who are fully qualified to work in skilled trades such as electrician, plumber, tool-and-die maker and others. With the closure of so many plants, Ford found itself with many excess employees in all categories, including journeypersons. This resulted not only in reduction of salaried employees and a voluntary buyout plan for hourly employees, as described above, but also in a large increase in the number of hourly employees, including journeypersons, who were displaced into a program called GEN Protected Status (also known as the "Job

Bank”) under the UAW-Ford collective bargaining agreement.² The GEN program has existed for decades.

GEN Protected Status is required under the job-security provisions of the UAW-Ford collective bargaining agreement. (See Exhibit B (excerpts from collectively bargained letter agreements and appendices)). Under the GEN program, hourly employees, including journeypersons, who are not needed in operations, for reasons including plant closings, are placed in the Job Bank at full pay but without work to do until they are placed in an open position. Employees in GEN Protected Status have priority status for placement in open positions. When a vacant position exists in the same geographic “zone” (within 50 miles of a plant) as a GEN Protected employee’s location, then the collective bargaining agreement provides that the GEN Protected employee “shall be given preference for placement on available work, or if none is available, the opportunity to displace probationary employees.” (Exhibit B, Appendix N ¶ 1; see also Exhibit B, September 15, 2003 Letter Agreement at 116 (employees in GEN Protected Status are placed in zone “on a mandatory basis”). When the vacant position is outside of the GEN Protected employee’s zone, then the GEN Protected employee has a preferential right to it, but does not have the right to displace probationary employees. (*Id.*, Appendix N ¶¶ 3-4).

There are currently an excess of 390 journeypersons in GEN Protected Status that are not needed in operations, as a result of plant closings and other reductions. They are paid at 100% of their hourly rates. Employees assigned to GEN either remain in a central

² “GEN” is an acronym for “Guaranteed Employment Number.” The UAW-Ford collective bargaining agreement establishes guaranteed minimum numbers of hourly employees.

location within the facility without performing any work, or may be utilized on non-traditional assignments until they can be placed where there is work to do. Under the UAW-Ford collective bargaining agreement, Ford places employees in GEN Protected Status into job openings at other Ford facilities at the earliest available opportunity. As noted above, placement of employees in GEN Protected Status takes precedence over other procedures for filling job openings, such as promotions or hiring. (*See id.*).

Under the UAW-Ford collective bargaining agreement, Ford moved and continues to move journeypersons who are sitting in GEN Protected Status to other facilities that need journeypersons. This is occurring at many facilities across the country, with a very significant increase in 2006 and 2007 (to date):

Year	Number of journeypersons in GEN moved to other facilities
2004	39
2005	34
2006	91
YTD 2007	126

C. Effect Of Current Economic Conditions On The Apprenticeship Program

Ford's apprenticeship program has been in existence since 1941. It is a four-year training program that prepares employees to be journeypersons in skilled trades. Upon successful completion of the apprenticeship program in four years, apprentices graduate as journeypersons. Ford is willing to expend the large amounts of resources required to train employees to be journeypersons to ensure that the Company has a flow of highly qualified journeypersons sufficient to fill vacant journeyperson positions in the future.

When Ford has excess journeypersons, as it now has, the need to place employees into the apprenticeship program is reduced.³ In those times, as now, Ford does not shut down the apprenticeship program, but it does temporarily cease placements, or it reduces the number of placements, of employees into the apprenticeship program until the need for additional journeypersons arises again, as it inevitably does.

That is what has happened at Ford in 2006-2007, as a result of the closing of multiple plants. In the 1990s and early 2000s, Ford Motor Company typically added 350-500 new apprentices per year to the apprenticeship program, and the program had approximately 1400 - 1700 apprentices on roll. As the impact of Ford's current economic downturn has been increasingly felt, the numbers of apprentices have declined.

Year	# of Apprentices on Roll
2002	1670 apprentices on roll
2003	1500 apprentices on roll
2004	1400 apprentices on roll
2005	937 apprentices on roll
2006	655 apprentices on roll
YTD 2007	377 apprentices on roll

In January 1, 2006 - September 25, 2006, only 32 apprentices were taken from the apprenticeship eligibility lists and added to the Apprentice Program. No apprentices have been added to the program since September 25, 2006. Due to excess journeypersons and adverse business conditions, no apprentices are projected to be added to the program in 2007.

Ford remains committed to its apprenticeship program, as it has been for over 60 years. The program continues unabated with apprentices who entered over the last four

³ For example, in the recession during the early 1980s, Ford also experienced a dramatic reduction in the size of its apprenticeship program. When business conditions improved, Ford again expanded the program.

years. When the excess of journeypersons has been absorbed and Ford again needs to add to the flow of apprentices, Ford will again take employees off of the apprenticeship eligibility lists and add them to the apprenticeship program. Ford currently projects that this will happen at some point in 2008, although that is of course subject to the economic imperatives under which the Company operates.⁴

D. Effect Of The Economic Conditions On The Apprenticeship Eligibility Lists

As a result of business conditions, Ford has not added any additional employees to its apprenticeship eligibility lists since the placement of the 279 class members and charging parties. Currently, in addition to the 279 class members and charging parties, there are 797 non-class member employees on their respective facilities' apprenticeship eligibility lists.

IV. Placement of GEN Journeypersons At The Chicago Assembly Plant

Journeyperson positions at the Chicago Assembly Plant at which Mr. Marshall works have been addressed in the same way as at other locations, under the terms of the UAW-Ford collective bargaining agreement. Ford has not hired any journeypersons from outside the Company. In 2005-2007, Ford transferred nine journeypersons from other facilities to the Chicago Assembly Plant under the GEN program in the UAW-Ford collective bargaining agreement.⁵ Ford currently projects that it may need one or two additional journeypersons in 2007 at the Chicago Assembly Plant, and that those positions will be filled with transfers under the GEN program.

⁴ In the fourth quarter of 2007, the Company will conduct another in-depth analysis to determine whether apprentices will be added to the Apprenticeship Program in 2008.

⁵ Of those, 2 were Hispanic and 7 were Caucasian.

There are currently twenty-three employees on the Chicago Assembly Plant apprenticeship eligibility list. All twenty-three are class members, because at the Chicago Assembly Plant, unlike many other plants, the list was empty at the time of the placement of class members. Mr. Marshall is seventeenth (17th) on the list. Per the UAW-Ford collective bargaining agreement, class members were placed on the list in seniority order, with the last four numbers of their Social Security Number used as a tie breaker. When Ford resumes placement of employees from the apprenticeship eligibility lists into the apprenticeship program, the Chicago Assembly Plant will be treated like all others, and apprentices will be placed from the list in the order provided in the collective bargaining agreement.

Ford's placement of GEN journeypersons at the Chicago Assembly Plant is fully consistent with the Settlement Agreement. As an initial matter, the Settlement Agreement does not govern or even refer to selection or transfer of journeypersons; it deals only with apprentices. Settlement Agreement §§VI.A.1&3, VI.B.1. Even if individuals were placed in the apprenticeship program from the Chicago Assembly Plant eligibility list, they would not be capable of performing journeyperson jobs until they completed four years of training. Thus, placement of apprentices in the program would not address the question of current needs for journeypersons.

The Settlement Agreement expressly provides that once the class members are placed on the apprenticeship eligibility lists, they are subject to all of the same rules and have exactly the same rights as others on the lists. Here, the class members have been treated in exactly the same way as the 797 non-class members on the apprenticeship eligibility lists. In all cases, the placement of individuals from the eligibility lists depends

on the need for apprentices at the plant. Because of economic conditions and the resulting availability of GEN journeypersons, Ford does not currently need to place any apprentices. That limitation applies equally to class members and non-class members alike. When the need for apprentices returns, then class members and non-class members will be taken off the lists in the manner provided in the UAW-Ford collective bargaining agreement, consistent with the Settlement Agreement.

Additionally, the transfer of GEN journeypersons is based on the UAW-Ford collective bargaining agreement, and therefore is consistent with the Settlement Agreement term expressly providing that the rights of class members on the eligibility lists are subject to the collective bargaining agreement. Settlement Agreement §§VI.A.4. There is no basis to Mr. Marshall's claim that placement of GEN journeypersons violates the Settlement Agreement in any way.

V. Conclusion

Ford's difficult business circumstances have had negative effects for everyone at the Company. Thousands have lost their jobs. Numerous plants have closed. The apprenticeship program has been affected too, as the Company is not adding apprentices at this time and does not expect to do so in 2007. The Settlement Agreement gave the class members rights to placement on apprenticeship eligibility lists, and those rights have been fulfilled. The Settlement Agreement expressly placed the class members on the same footing as others on the apprenticeship eligibility lists. It did not make the class members immune from the adverse effects of Ford's economic downturn that affect them and non-class members alike. Giving preferential treatment to class members as compared to others on the eligibility lists, as Mr. Marshall appears to request, would be directly contrary to the terms of the Settlement Agreement.

Respectfully submitted,

/s/ Kenneth M. Willner

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Counsel for Ford Motor Company

Exhibit A

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION

James Robinson, Sr., et al., and

U.S. Equal Employment Opportunity
Commission

Plaintiffs,

v.

Ford Motor Company and the United
Automobile, Aerospace and Agricultural
Implement Workers of America,

Defendants.

Civil Action No. _____

SETTLEMENT AGREEMENT

October 8, 2004

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I. PREAMBLE

WHEREAS, James Robinson, Sr., Gregory A. Dicks, Robert S. Payne, Robert Fails, Jr., Jerome R. Harris, Karthan Norman, Johnathan Glover, Sheilah Brackett, Terri Gaither, Joseph W. Hendricks, Gordon B. Rinfrow, Eric Barbee and Darnay Cheeks filed charges with the U.S. Equal Employment Opportunity Commission ("EEOC"), in October and November 1997, alleging that the test used by Ford Motor Company ("Ford" or the "Company") and the United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") for the selection of apprentices has an adverse impact on African-American apprentice candidates;

WHEREAS, EEOC and Ford intend that this Settlement Agreement resolves all of EEOC's claims of disparate impact race discrimination against African-Americans under Title VII of the Civil Rights Act of 1964 regarding selection of apprentices at Ford facilities arising from January 1, 1997 until the date of the Preliminary Approval;

WHEREAS, eleven of the Charging Parties (defined as the Named Plaintiffs, below) retained counsel to proceed on their behalf as representatives of a putative class of African-American apprentice candidates;

WHEREAS, Ford and the UAW deny that the test is unlawful, and assert that the test was initially devised with the input of the EEOC;

WHEREAS, all parties agree that Ford requires highly-qualified apprentices because of the important safety and quality aspects of the skilled trade jobs;

WHEREAS, Ford is committed to equal employment opportunity and diversity in all aspects of employment and its workforce, including its apprentice selection procedures; and

WHEREAS, Ford, UAW, the Named Plaintiffs and EEOC now wish to resolve their dispute with respect to the apprentice selection procedure by devising state-of-the art selection instruments and taking the additional actions set forth below;

NOW THEREFORE, Ford, UAW, the Named Plaintiffs, and EEOC agree as follows:

II. INTRODUCTION

This Settlement Agreement ("Settlement Agreement") details the full and final terms by which (A) the Named Plaintiffs and their

undersigned counsel of record ("Settlement Class Counsel"), on behalf of the putative Settlement Class as defined below ("Settlement Class"); (B) the EEOC; (C) Ford; and (D) the UAW (Ford and UAW, collectively referred to as "Defendants") agree to settle all claims or potential claims of members of the Settlement Class (not including individuals who opt out) based on discrimination, against either or both Defendants during the Relevant Time Period, arising out of the selection of individuals for apprentice positions at Ford. This Settlement Agreement will be submitted to the United States District Court for approval pursuant to Fed. R. Civ. P. 23(e), and is contingent upon approval by the Court. This Settlement Agreement, if approved by the Court, fully and finally resolves all claims defined above that were or could have been brought in the above-styled action.

III. DEFINITIONS

The parties agree to the following definitions:

A. ATSS

ATSS means the Apprentice Training Selection System test used at Ford facilities as part of the selection process for apprentices during the Relevant Time Period.

B. Black/African-American/of African descent

"Black," "African-American," or "of African descent" shall be used throughout this document interchangeably and shall have the meaning established by EEOC for the term Black used with the EEO-1 Form 100.

C. Charging Parties

The Charging Parties are James Robinson, Sr., Gregory Dicks, Robert S. Payne, Robert Fails, Jr., Jerome Harris, Karthan Norman, Johnathan Glover, Sheilah Brackett, Terri Gaither, Joseph Hendricks, Gordon Rinfrow, Eric Barbee and Darnay Cheeks.

D. Claim and Release

A claim and release form, attached as Exhibit A hereto, will be sent to each Settlement Class member. Each Settlement Class member who does not opt-out of the settlement class must complete and return the claim and release form to the claims administrator in order to receive monetary relief.

E. Class Member Apprentice Eligible

Any member of the Settlement Class who is offered a place on a Ford apprenticeship program eligibility list pursuant to Section VI.A hereof.

F. Eligibility List

The list(s) of individuals maintained and used by Ford to offer individuals a place in apprentice classes.

G. Expert

The Expert is the mutually agreed upon industrial psychologist selected pursuant to Section IV.A hereof.

H. Final Approval

Final Approval occurs when the U.S. District court grants final approval of the settlement.

I. Final and Binding Approval

The Settlement Agreement becomes final and binding at the expiration of the time period for filing appeals after Final Approval is granted, without an appeal having been filed, or at the exhaustion of all appeals.

J. Ford

For purposes of this settlement, "Ford Motor Company," also referred to as "Ford," or "the Company," shall be defined as any business, company or organization in the United States of which Ford Motor Company has fifty (50) percent or greater ownership. "Ford" does not include Visteon Corporation or any Visteon subsidiary, nor any facility operated by Visteon. "Ford" also does not include the Hertz Corporation. Ford will provide written notice to any potential purchaser of Ford's business, or all or a portion of a covered facility, and to any potential successor, of the obligations contained in this Settlement Agreement, and a statement that the obligations imposed on Ford in this Settlement Agreement extend to any new owner in the event of a transfer of ownership of Ford or a portion or all of its assets.

K. Named Plaintiffs

The Named Plaintiffs are: James Robinson, Sr., Gregory Dicks, Robert S. Payne, Robert Fails, Jr., Jerome Harris, Karthan Norman, Johnathan Glover, Sheilah Brackett, Terri Gaither, Joseph Hendricks, and Gordon Rinfrow.

L. Opt-Out

An Opt-Out is any individual eligible to be in the Settlement Class who timely files and serves an opt-out notice pursuant to Section IX.C.6 hereof. Opt-outs are not entitled to any individual relief under this Agreement.

M. Preliminary Approval

Preliminary Approval means the order of the Court preliminarily certifying the Settlement Class and preliminarily approving this Settlement Agreement and the Notice to be sent to Settlement Class members.

N. Relevant Time Period

The Relevant Time Period means the period from January 1, 1997 to the date of Preliminary Approval.

O. Settlement Class

The Settlement Class is defined as:

All current and former Ford employees of African descent who took the ATSS for placement as an apprentice at any Ford facility during the Relevant Time Period and were not placed on a Ford apprenticeship program eligibility list during the Relevant Time Period. The settlement class does not include current and former Ford employees who took the ATSS for placement as an apprentice at any facility that is now, or was at the time the test was taken, a Visteon facility.

Ford represents that it conducted an inquiry into the number of Settlement Class members, and that it estimates that there are approximately 3,420 Settlement Class members.

P. Settlement Class Counsel

Settlement Class Counsel are Cyrus Mehri and Lisa Bornstein of Mehri & Skalet, PLLC; Nathaniel R. Jones of Blank Rome, LLP; Armand Derfner of Derfner, Altman and Wilborn; Rhonda Whitted Maxwell of The Law Office of Rhonda M. Maxwell; and Suzette Peyton of The Law Offices of Tom Nebel, P.C. Settlement Class Counsel represent the Named Plaintiffs, and, contingent upon Court approval, will represent the Settlement Class.

Q. Term

The Term of this Settlement Agreement shall be three years from the date of Final and Binding Approval, with the option of extensions of up to a total of two years if, after any party requests an extension, the parties, or the Court (after exhaustion of the Dispute Resolution Procedure in Section XII hereof), determine that a reasonable basis exists for such an extension. This Settlement Agreement shall expire at the conclusion of the Term, including any extensions. All references to three years throughout this document shall be automatically updated to reflect any extensions granted pursuant hereto. The Court and the parties shall be notified if the Term is extended.

IV. PROGRAMMATIC RELIEF: REVISION OF APPRENTICE TRAINING SELECTION PROCESS

A. Appointment of a Jointly Selected Expert

Ford shall propose three well-qualified Industrial/Organizational Psychologists, each of whom is a licensed psychologist and a member of the Society of Industrial and Organizational Psychology who has extensive experience in performing job analysis and developing and validating selection instruments and tests. One of those persons shall be selected as the "Expert" by the agreement of all parties prior to the Fairness Hearing. Approval of the Expert shall not be unreasonably withheld. In the event that all candidates are found unacceptable to any party, Ford must provide three additional candidates. If the parties cannot agree upon a suitable candidate prior to the Fairness Hearing, the selection of the Expert will be determined pursuant to the Dispute Resolution procedure set forth in Section XII hereof. The Expert candidates must report any potential conflicts of interest, including but not limited to business relationships, with any of the parties.

B. Work to Be Done By the Expert

The Expert will design and validate an apprentice selection instrument or instruments, consistent with the Uniform Guidelines on Employee Selection Procedures (UGESP)¹ and professional standards within the field of Industrial/Organizational Psychology², for use by Ford for apprentice selection in all U.S. Ford facilities during the Term. The selection instruments designed by the Expert and all other work

¹ 29 CFR 14 §1607.

² Professional standards may include but are not limited to Society for Industrial Organizational Psychology, Inc. (2003) *Principles for Validation and the Use of Personnel Selection Procedures* ("SIOP Principles"); American Educational Research Association, American Psychological Association, and the National Council on Measurement in Education (1999) *Standards for Educational and Psychological Testing*.

product of the Expert under this Settlement Agreement shall be and remain the sole and exclusive property of Ford. All time deadlines for work to be done by the Expert, set forth in Section IV hereof, shall be subject to modification upon consent of the parties or a showing to the Court (after exhaustion of the Dispute Resolution Procedure in Section XII hereof) of good cause or need.

1. Prior to initiating any work, the Expert will present a proposed budget to Ford for review. Ford will engage the Expert, negotiate terms, and pay all reasonable costs and expenses associated with the work of the Expert.
2. Apprentice job analysis
 - a. Within 180 days after Final and Binding Approval, the Expert will conduct a thorough job analysis of the jobs that are to be performed by apprentices covering each of the major trades used by Ford (other than trades with very few positions or little employee interest).³ The job analysis will meet professional standards. The Expert will consider transportability and generalizability in any validity study s/he conducts.
 - b. Prior job analysis information concerning these trades may be used as a basis for updating the job analysis, unless the Expert determines that the trades as currently performed have changed sufficiently to require an entirely new job analysis.
 - c. The job analysis should be performed at a level of detail sufficient to identify similarities and differences in knowledge, skills, abilities and other characteristics ("KSAOs") among apprentices in different trades.
3. Apprenticeship Test Design
 - a. Following a review of the selection research literature, the Expert will design or select selection instrument(s) intended to produce a desirable combination of (1) high validity across the widest array of KSAOs, (2) minimum adverse impact against applicants in classes protected under Title VII of the Civil Rights Act of 1964, (3) demonstrated utility, and (4) ease of administration. The instrument(s) may include

³ The major trades at Ford are: electrical, millwright, plumber-pipefitter, machine repair, and tool and die.

multiple components. The mechanism of combining elements or instruments should be designed to maximize validity and minimize adverse impact against African-Americans. The preliminary design process will be completed within 90 days after the completion of the job analysis described in IV.B.2.a. above.

- b. Sixty days from the completion of the job analysis described in IV.B.2.a. above, the Expert will provide an interim report, describing the results of the job analysis and the proposed new ATSS procedure. The parties will have fifteen (15) days to comment on the interim report. In light of the comments, the Expert may modify the new procedure prior to the start of the validation study described in Section IV.B.4 below.
- c. The design of the selection instrument(s) will meet professional standards. The Expert will consider procedures including, but not limited to, trainability and simulation tests, structured interviews, and other alternatives to paper and pencil tests. Cognitive ability tests, including the current ATSS (or variations thereof) are not ruled out. The Expert shall review the professional testing research literature to identify selection methods described in the literature that have resulted in low disparate impact and strong validity for the jobs in the study.
- d. The selection instrument(s) will be designed to enable Ford to provide employees with their individual final test results along with the required passing score, as well as providing feedback on their test results (except to the extent that professional standards call for no disclosure of results and/or feedback (e.g., with personality measures or biographical questionnaires, or during validation)). Feedback will not include information on scoring of specific items that appear on tests, so that test security may be maintained. However, upon written request from a test-taker, the Company will tailor feedback for the individual to identify weaknesses based on particular types of items (e.g., reading comprehension, mathematical problem solving, etc.) The test taking materials shall state the right of individual test takers to receive feedback upon written request.

4. Validation Report

- a. The Expert will begin to conduct a study of the validity of the selection instrument(s) that meets professional standards within 30 days after the close of the comment period in Section IV.B.3.b above. Ford will implement the selection instrument(s) as necessary for purposes of the validity study when the Expert determines it is appropriate to do so.
- b. The Expert will complete the validity study within six months of beginning the study.
- c. Within 90 days after the completion of the validity study, the Expert will prepare a Validation Report ("Validation Report") describing the validity study performed, and recommending selection instrument(s). The Validation Report will meet professional standards and will include information reflecting the pass/fail rates broken down by race for the newly designed apprentice selection instrument(s).
- d. The Validation Report shall not include any opinion or comment concerning Ford's past use of an apprenticeship test battery and whether its former testing practices were lawful or whether they complied with applicable legal or professional standards.

5. Informal Reporting to the Parties

The Expert will provide, upon request of any party, informal progress reports to all parties, detailing the Expert's activities during that quarter. Such progress reports shall be issued no more than once each quarter.

6. Other Recommendations

- a. The Expert may propose additional internal recruitment practices that Ford may incorporate into its recruitment program, as well as pre-exam preparatory courses and post-exam feedback and analysis.
- b. The Expert may also identify job and apprenticeship related training classes that Ford may offer in order to better prepare applicants of African descent to compete for apprentice positions.

C. Communication of Validation Report and Recommendation;
Resolution of Disagreements; and Implementation of Selection
Instrument(s)

1. The Validation Report, including recommended selection instrument(s), will be provided simultaneously to Ford, Settlement Class Counsel, EEOC and UAW for their review within 30 days after it is completed. Settlement Class Counsel and EEOC recognize that the Validation Report will include confidential business information of Ford, and therefore shall treat the Validation Report as confidential, and shall not disclose its contents except to the extent necessary to pursue the Dispute Resolution procedure set forth in Section XII hereof. Anyone who receives a copy of the Validation Report must sign a confidentiality agreement, attached as Exhibit C.
2. Ford, Settlement Class Counsel, EEOC and UAW shall have sixty (60) days to submit comments about the Validation Report and the recommended selection instrument(s) to all parties and the Expert. The Expert will review these comments. The Expert will modify the recommended selection instrument(s) or Validation Report if the Expert deems it is necessary to do so to meet professional standards. The Expert will either issue a revised Validation Report or a statement that a revision to the Validation Report is unnecessary.
3. If EEOC, Settlement Class Counsel, UAW, or Ford assert that the proposed selection instrument(s) do not comply with applicable law or professional standards, the exclusive remedy for resolving that dispute shall be the Dispute Resolution mechanism, culminating in Court review, set forth in Section XII hereof. An objection to the proposed selection instrument(s) must be served on the other parties within thirty (30) days after receipt of the Expert's revised Validation Report or statement that a revision of the Validation Report is unnecessary.
4. Ford shall implement, for use in connection with apprentice selections at all Ford facilities nationwide, selection instrument(s) based on the recommendation of the Expert, within sixty (60) days after the Expert submits his/her recommendations for a new selection instrument(s), unless relief is obtained through the dispute resolution mechanism. If the dispute resolution mechanism is triggered, Ford will implement the Expert's recommendations within sixty (60)

days after the conclusion of the dispute resolution mechanism and all appeals with respect to the selection instrument(s), unless the dispute resolution mechanism results in an agreement or a final Court order that Ford is not to implement such selection instrument(s).

D. Access by the Expert

Subject to signing an appropriate confidentiality agreement, in the form attached as Exhibit C, and upon reasonable advance notice, the Expert will have reasonable access to documents, data and Ford employees as necessary.

E. Interim Selection Method

1. Ford agrees that, upon Final and Binding Approval of the Settlement Agreement, it will cease the use of the current ATSS for the selection of apprentices at Ford facilities in the U.S. (except as set forth in Section IV.B.3.c, IV.E.2, VI.A.2 and VI.B.1 hereof).
2. Until the new selection instrument(s) are adopted (for purposes of validation or thereafter), Ford may select additional individuals to add to Ford apprenticeship program eligibility lists only through one of the following processes: a) the Settlement Class members and Charging Parties identified pursuant to Section VI; b) only after all individuals eligible through part a) have been selected, interim selection instrument(s) recommended by the Expert ("Interim Selection Method") for use until the new selection instrument(s) are implemented. The Expert may consider and may recommend as the Interim Selection Method the current ATSS with such enhancements or modifications as the Expert may recommend to reduce adverse impact while maintaining validity.
3. The EEOC shall not bring or participate in an enforcement action against Ford and/or UAW (as a party, intervenor or *amicus curiae*) with regard to the Interim Selection Method. This paragraph shall not prevent any party from enforcing this Settlement Agreement pursuant to the dispute resolution procedure set forth in Section XII hereof, including the right of any party to invoke the dispute resolution procedure regarding compliance of the Interim Selection Method with professional standards.

F. Inclusive Internal Recruitment Component

Ford will identify and implement procedures and methods for the identification, positive recruitment, and motivation of present and potential minority and female candidates for the apprenticeship program. These efforts may include outreach within Ford for positive recruitment and preparation of potential applicants for apprenticeships, and pre-apprenticeship and preparatory trade training for candidates and automatic post-test feedback.

V. REPORTING

A. Ongoing analysis

The Expert will continue to conduct and document the results of validity studies of the new selection instrument(s) throughout the term of the Settlement Agreement as determined by the Expert to be necessary to meet professional standards.

B. Implementation

Ford will implement all recommendations of follow-up reviews and studies provided by the Expert during the period of the analysis, within sixty (60) days from the date of the recommendation's publication. However, if the dispute resolution mechanism is triggered with respect to a particular recommendation, Ford will be exempt from implementing that recommendation until the dispute is ultimately resolved. Once the dispute is resolved, Ford shall implement the disputed recommendation unless, based on the outcome of the dispute resolution mechanism, Ford need not implement that recommendation.

C. Annual Reports

1. Each year during the term of the Settlement Agreement, the Expert will prepare and submit to Ford, EEOC, UAW, and Settlement Class Counsel an annual Report ("Report") with respect to the items required of the Expert by this Settlement Agreement. The Report will include:
 - a. The progress made by the Expert in job analysis, design and validation of the selection instrument(s);
 - b. Recommendations, if any, made by the Expert with respect to modification of the selection instrument(s);

- c. Identification of all Charging Parties and Settlement Class members who have been offered a place on a Ford apprenticeship program eligibility list;
 - d. After the new selection instrument(s) has been implemented: (1) the number of African-American Ford candidates who took the new instrument(s), (2) the number of non-African-American Ford candidates who took the new instrument(s), (3) the number of African-American Ford candidates who passed the new instrument(s), and (4) the number of non-African-American Ford candidates who passed the new instrument(s).
 - e. The Expert will recommend whether any follow-up reviews and/or validity studies are required.
2. Upon written request from EEOC, Counsel for the Named Plaintiffs or Counsel for UAW, Ford will provide raw scores, race, location and testing date, and passing scores on the new instrument(s) to Counsel for EEOC, Counsel for the Named Plaintiffs and Counsel for UAW. This information shall be provided in electronic format, with identifier explanations describing the meaning of the fields and codes. Hard copy versions will be available upon request. This information shall be reviewed only by counsel and their designated expert(s), and shall be maintained confidentially by the parties receiving it. This information and all copies of it shall be returned to Ford upon written request made no earlier than sixty (60) days after the information was provided.

VI. PLACEMENT ON APPRENTICESHIP PROGRAM ELIGIBILITY LIST

A. Settlement Class Members

1. Ford will select 276 members of the Settlement Class and offer them a place on a Ford apprenticeship program eligibility list, as set forth below.
2. Ford will select the Class Member Apprentice Eligibles using criteria it determines are likely to result in selection of the Settlement Class members likely to succeed as apprentices. Such criteria may include the test score on the previous ATSS or on an instrument being validated, as well as other factors including seniority, job performance, education, and

prior work experience. Ford will provide to the other parties a list of the criteria it uses for this selection.

3. Ford will select the first fifty (50) percent of the Class Member Apprentice Eligibles within six (6) months of Final and Binding Approval. Ford will select an additional twenty-five (25) percent of the Class Member Apprentice Eligibles no later than six (6) months thereafter. Ford will select the final twenty-five (25) percent of the Class Member Apprentice Eligibles no later than twelve (12) months thereafter.
4. Once placed on a Ford apprenticeship program eligibility list, the Class Member Apprentice Eligibles on the list will be subject to the same rules as all others on the list, including but not limited to: (a) the same number and scope of apprenticeship choices; (b) the same priority placement rights with respect to individuals placed on the list after the Settlement Class members; (c) the same rights to remain on the list until placed; and (d) the collective bargaining agreement and Department of Labor Apprentice Standards.
5. Without prior consent of plaintiffs' counsel, which will not be unreasonably withheld, the newly devised selection procedure may not be used by Ford to select eligible individuals who are not Settlement Class members to be placed on the apprenticeship eligibility list until all Class Member Apprentice Eligibles have been offered a place on a Ford apprenticeship program eligibility list. Nothing in this Settlement Agreement shall prevent Ford from offering apprenticeship program positions to individuals other than Class Member Apprentice Eligibles when the Expert determines that doing so is appropriate in connection with validation of the new selection instrument.

B. Charging Parties

1. Charging party James Robinson has already been placed on a Ford apprenticeship program eligibility list. Two additional Charging Parties will be offered a place on a Ford apprenticeship program eligibility list no later than twelve (12) months after Final and Binding Approval. A third additional Charging Party will be offered a place on a Ford apprenticeship program eligibility list as soon as practicable after Mr. Robinson and the two Charging Parties described in the preceding sentence, but in no event later than twenty four (24) months from the date of Final and Binding

Approval. These three additional Charging Parties will be selected using criteria Ford determines are likely to result in selection of the Charging Parties likely to succeed as apprentices. Such criteria may include the test score on the previous ATSS or on an instrument being validated, as well as other factors including seniority, job performance, education, and prior work experience. Ford will provide to the other parties a list of the criteria it uses for this selection.

2. The three Charging Parties selected for the apprentice eligibility list and Mr. Robinson will receive guidance from Ford in order to secure apprenticeship positions expeditiously.

VII. SPECIFIC MONETARY RELIEF

A. Settlement Class Member Relief

To satisfy monetary claims for each Settlement Class member arising out of the apprentice selection process, Ford will pay \$2,400 to each Settlement Class member and/or his/her heirs who submits a properly executed claim and release pursuant to Section X.B hereof.

B. Charging Parties Incentive

For diligently initiating and prosecuting these claims, and for participating in the EEOC conciliation process, each Charging Party who submits a properly executed claim and release pursuant to Section X.C. hereof will receive \$30,000 in lieu of the \$2,400 payment to Settlement Class members.

C. Nature of Payments

None of the payments pursuant to this Settlement Agreement shall be counted toward pension accruals or other Ford benefits. At the time payment is made, the Company will issue a form W-2, subject to lawful withholding, to each Settlement Class member who is a current Ford employee, and will issue a form 1099 to each Settlement Class member who is no longer a Ford employee. Included with the check in the net amount due the Settlement Class member will be a statement showing the gross (pre-tax) amount of the payment, along with an itemized statement of any deductions made. Deductions may be made only for the employees' federal and state income taxes, the employee's share of FICA and FUTA for that portion of amount due, if any, that is backpay, and any local income tax that applies to the employees and any other deductions required by law. Ford will not deduct its share of Social Security and Medicare contributions from the payments due the Settlement Class members and Charging Parties, should it be determined that all or any of these sums is, was or

should have been taxable as wages. Any employer payroll taxes or employer contributions required to be paid by the employer shall be paid by Ford.

VIII. CONFIRMATORY DISCOVERY

Within twenty (20) days of the execution of this Settlement Agreement, and for settlement purposes only, a Company official(s) will submit an appropriate affidavit(s) to the parties in order to establish the factual record for the Fairness Hearing in this matter. If Settlement Class Counsel or the EEOC want additional information, they can request further substantiation. If the parties cannot agree on what will be provided, they may use the dispute resolution mechanism set forth in Section XII of this Settlement Agreement.

IX. COURT APPROVAL/NOTICE AND FAIRNESS HEARING

A. Jurisdiction and Venue

1. The parties agree that the Court has jurisdiction over the parties and the subject matter, and that venue is proper.
2. The parties agree that conditions precedent to suit by EEOC pursuant to this Settlement Agreement are satisfied, and the parties to this Settlement Agreement waive defenses to suit by EEOC pursuant to this Agreement based on the failure of conciliation between the EEOC, Ford and UAW.

B. Preliminary Approval

1. Within forty-five (45) days after execution of this Settlement Agreement, the parties will agree on a form for sending written notice of this Settlement Agreement to Settlement Class members.
2. Within forty-five (45) days after this Settlement Agreement has been fully executed, Settlement Class Counsel shall file a complaint(s) and petition the Court for an order (1) preliminarily certifying the Settlement Class; and (2) preliminarily approving this Settlement Agreement, the Consent Order relating to this Settlement Agreement attached as Exhibit B hereto, and the Notice to be sent to Settlement Class members describing the terms of the settlement and informing them of their rights to submit objections and to opt out. The Consent Order and Notice must be approved by all parties prior to submission to the Court for approval.

3. Within forty-five (45) days after this Settlement Agreement has been fully executed by the parties, EEOC will file a Complaint and petition the Court for approval of this Settlement Agreement.

C. Notice and Fairness Hearing

1. Settlement Class Counsel and Ford will jointly select a Claims Administrator.
2. Ford will make reasonable and diligent efforts to identify all Settlement Class members and will provide to a mutually agreed upon claims administrator, prior to the preliminary approval hearing, the name, last known address and social security number of each Settlement Class member.
3. Within twenty (20) days after Preliminary Approval of the Settlement Agreement, the claims administrator will send written notice to each member of the Settlement Class in the form agreed upon by the parties or such other form as approved by the Court. The Parties intend to provide actual notice to each Settlement Class member, to the extent practicable.
4. The notice and claim process will be at Ford's expense, including first-class mail to the last known address in Ford's records, unless the Company has been notified of a change of address. The Company shall make all reasonable efforts to update those records to obtain actual current mailing addresses. Any Notices returned as undelivered shall be promptly turned over to the claims administrator for additional transmittal efforts. The claims administrator may engage third party vendors or shall turn over to Settlement Class Counsel and the EEOC the list of those who have not been located for additional efforts to locate Settlement Class members. The claims administrator will maintain a log of its activities undertaken pursuant to this section. Any party may request a copy of this log.
5. Objections to this Settlement Agreement must be submitted in writing, and must include a detailed description of the basis for the objection. Objections must be filed with the Court, with copies served on Settlement Class Counsel, EEOC, Ford and UAW, within forty-five (45) days after the Notice was sent to Settlement Class members. No one may appear at the Fairness Hearing for the purpose of objecting to the Settlement Agreement without first having filed and

served his or her objections in writing within forty-five (45) days after the Notice was sent to Settlement Class members.

6. Any person eligible for the Settlement Class who wishes to opt out of the Settlement Class need only mail a written, signed statement that he or she is opting out. To be effective, this opt-out statement must be received by either Ford or Settlement Class Counsel within forty-five (45) days after the Notice was sent to Settlement Class members. Ford or Settlement Class Counsel shall serve on other parties and file with the Court all opt-out notices that are timely received. The Settlement Class does not include those individuals who file and serve a timely opt-out statement, and individuals who opt out are not entitled to any individual relief under this Settlement Agreement. With respect to each such individual, the statute of limitations for him or her to assert any claims for individual relief will resume running on the date of Final Approval. The Notice to Settlement Class members mentioned above shall include the following: "Any person eligible for the Settlement Class who wishes to opt out of the Settlement Class must mail a written, signed statement that he or she is opting out of the Settlement Class to Ford and Settlement Class Counsel at the addresses as listed in this Notice. To be effective, this opt-out statement must be received by either Ford or Settlement Class Counsel within forth-five (45) days after the Notice was sent to Settlement Class members."
7. Upon Preliminary Approval, a briefing schedule and Fairness Hearing date will be scheduled at the Court's convenience. Plaintiffs' Motion for Approval and for Certification of the Settlement Class will be due no earlier than thirty (30) days following the close of the objection and opt-out period, and the Fairness Hearing will be held no earlier than forty-five (45) days following the close of the objection and opt-out period.
8. In the event that this Settlement Agreement does not become Final and Binding, no party shall be deemed to waive any objections, rights or defenses, including, but not limited to, claims or objections to class certification, and claims and defenses on the merits. Neither this Settlement Agreement nor the Court's Preliminary or Final Approval hereof shall be admissible in any court regarding the propriety of class certification or regarding any other issue or subject (except for the purpose of enforcing this Settlement

Agreement). Each party reserves the right to prosecute or defend this action in the event that the Settlement Agreement does not go into effect. By entering into this Settlement Agreement, no party waives its claims, defenses, legal arguments or positions if the Settlement Agreement does not attain Final and Binding Approval. If the District Court declines to approve the Settlement Agreement unless the Parties make modifications to it, any of the Parties shall have the right to withdraw from the Settlement Agreement, and the Settlement Agreement shall be terminated and null and void, provided that the Party seeking to exercise such right of withdrawal does so through written notice to the other Parties not later than 60 days after the District Court advises the Parties of the modifications it requires.

D. Scope of Judicial Release

1. Upon Final Approval of the Settlement Agreement, Ford and UAW, and each of their operating divisions and subsidiaries, and all of their respective directors, officers, managers, agents, employees, attorneys, successors and assigns, and anyone acting in concert with or on behalf of any of them, and their respective pension, profit-sharing, savings and other employee benefit plans of whatsoever nature and those plans' respective trustees and administrators (and each of their agents, directors, officers, employees, affiliates, and members), shall be fully released and forever discharged from any and all individual and/or class-wide claims, demands, charges, complaints, rights and causes of action of any kind, known or unknown, by the Charging Parties, by the Settlement Class Counsel, and by each member of the Settlement Class, whether seeking monetary and/or equitable relief of any sort, including but not limited to any claim for attorneys' fees or expenses and expert fees and expenses, which arise out of or are related to any conduct through the date of Preliminary Approval allegedly constituting discrimination in apprentice selection, whether under Title VII of the Civil Rights Act of 1964, Section 1981 or any other Federal, State or Local law (whether by statute, regulation, ordinance or common law) prohibiting discrimination. This release is final and shall survive the expiration of the Settlement Agreement's Term.
2. Upon Final Approval of the Settlement Agreement, Ford and UAW, and each of their operating divisions and subsidiaries, and all of their respective directors, officers, managers, agents, employees, attorneys, successors and assigns, and

anyone acting in concert with or on behalf of any of them, and their respective pension, profit-sharing, savings and other employee benefit plans of whatsoever nature and those plans' respective trustees and administrators (and each of their agents, directors, officers, employees, affiliates, and members), shall be fully released and forever discharged from EEOC's claims of disparate impact race discrimination against African Americans and further be released and forever discharged from EEOC's potential claims of disparate treatment race discrimination against African Americans arising from the pending charges of discrimination referred to in the first paragraph of this Settlement Agreement's Preamble and listed by charge number in Exhibit D, under Title VII of the Civil Rights Act of 1964, in the selection of apprentices by Ford through the date of Preliminary Approval.

3. Nothing in this Settlement Agreement shall be construed to limit the right of plaintiffs, Settlement Class Counsel, or the EEOC to bring an appropriate action against Visteon, Hertz, or any other company or entity not covered by this Settlement Agreement.
4. Except as set forth in Section IV.E.3 or in a release executed by a Charging Party or a member of the Settlement Class, nothing in the Settlement Agreement shall be construed to bar any claims of members of the Settlement Class or Charging Parties based on or arising out of events occurring after the date of Preliminary Approval.

X. CLAIM PROCEDURE

A. Transmission of Forms to Class Members

1. Within thirty (30) days after Final and Binding Approval, the claims administrator will send to each Settlement Class member a package containing a Claim and Release form in the form of Exhibit A. Packages will be returned to the claims administrator, and the claims administrator will attempt to resend any packages which are returned as undelivered.

B. Submission of Forms By Settlement Class Members

1. To receive monetary relief pursuant to Section VII hereof, Settlement Class members must, within six (6) months after the date the forms are mailed, deliver to the claims

administrator a fully executed Claim and Release in the Court approved form provided in Exhibit A without material alteration. Any Settlement Class member who fails to deliver to the claims administrator a fully executed Claim and Release in the Court approved form provided in Exhibit A without material alteration within six (6) months after the forms are mailed shall forfeit all entitlement to monetary relief under this Settlement Agreement. A Settlement Class member may seek permission to submit a claim and release form up to one year after the date of mailing upon a showing of inability to have filed the form within the six months:

2. On a rolling basis, on the first Friday of each month (or another date agreed upon by all parties) in which valid Claim and Release forms are returned to the administrator, the claims administrator will deliver to Ford's counsel: (a) all of the fully executed Claim and Release forms received from Settlement Class members within the previous month; and (b) the last known address of each of the Settlement Class members who submitted such timely claim and release forms.
3. On a rolling basis, once each calendar quarter, Ford will send a check in the amount provided in Section VII hereof to each Settlement Class member eligible to receive a check to whom a check has not already been sent, pursuant to the terms hereof.

C. Submission of Forms By Charging Parties

1. To receive monetary relief pursuant to Section VII hereof, each Charging Party must, within four (4) months after the forms were mailed out, deliver to the claims administrator a fully executed Claim and Release in the Court approved, unaltered form provided in Exhibit A. Any Charging Party who fails to deliver to the claims administrator a fully executed Claim and Release in the Court approved, unaltered form provided in Exhibit A within four (4) months after the forms were mailed out shall forfeit all entitlement to monetary relief under this Settlement Agreement.
2. On a rolling basis, on the first Friday of each month through five (5) months after Final and Binding Approval, the claims administrator will deliver to Ford's counsel: (a) all of the fully executed Claim and Release forms in the Court approved, unaltered form provided in Exhibit A that were received from Charging Parties within four (4) months after Final Approval;

and (b) the last known address of each of the Charging Parties who submitted such timely claim and release forms.

3. On a rolling basis, once each calendar quarter, Ford will send a check in the amount provided in Section VII hereof to each Charging Party eligible to receive a check to whom a check has not already been sent, pursuant to the terms hereof.

XI. ATTORNEYS' FEES AND EXPENSES

- A. Ford will pay settlement class counsel a sum of One Million One Hundred Thousand Dollars (\$1,100,000.00) in attorneys' fees and expenses to compensate Settlement Class Counsel for prosecuting this case through the date of Final Approval. Ford will make such payment thirty (30) days after Final and Binding Approval of the Settlement Agreement.
- B. Ford will pay Settlement Class Counsel a sum of Five Hundred Sixty-Seven Thousand Dollars (\$567,000.00) in fees and expenses for the work that Settlement Class Counsel will perform implementing and monitoring the settlement over the term of the Settlement Agreement. In the event that there is no appeal, this payment shall be made one year after the district court enters an order of Final Approval. In the event that there is an appeal, this payment shall be made ninety (90) days after Final and Binding Approval.
- C. Ford does not oppose Settlement Class Counsel's entitlement to the fee/cost awards in Sections A. and B. above, nor does Ford contest the reasonableness of the awards.
- D. It is the intention of the parties to demarcate clearly between settlement proceeds in which the members of the Settlement Class have an interest, and Settlement Class Counsel fees and expenses, in which members of the Settlement Class have no interest. Settlement Class Counsel fees and expenses are sums that have not been earned by the Settlement Class and solely represent work performed by attorneys paid as authorized by federal statute and court order. Accordingly, the amount paid separately to Settlement Class Counsel for Settlement Class Counsel fees and expenses is independent of and apart from the amounts the Company paid to members of the Settlement Class, and members of the Settlement Class shall at no time have any interest in Settlement Class Counsel fees and expenses. Except as expressly provided herein, the Company makes no

representations regarding and shall have no responsibility for the tax treatment of the foregoing attorneys' fees and expenses.

XII. DISPUTE RESOLUTION

A. General

1. The dispute resolution procedure set forth herein shall be the exclusive remedy for any disputes among the parties with respect to compliance with this Settlement Agreement. This Section of the Settlement Agreement is valid, and all references to this Section in this Settlement Agreement from the time this Settlement Agreement is executed, including any time prior to the Court's granting of Final Approval, shall be followed. As set forth herein, the parties will work diligently and in good faith to resolve such disputes among themselves, if necessary, with the facilitation of a Mediator. If mediation fails to resolve all disputes at issue, the parties agree to submit the disputes to binding resolution by the Court pursuant to the terms hereof.

B. Informal Process

1. If Settlement Class Counsel, EEOC, Ford or UAW has good reason to believe that a legitimate dispute exists during the Term, the initiating party or parties shall first attempt to meet and confer in order to resolve the dispute. If such efforts do not resolve the dispute, the initiating party or parties shall promptly give written notice to the other party or parties, including (a) a reference to all specific provisions of this Settlement Agreement that are claimed to have been violated; (b) a statement of the issue(s); (c) a statement of the remedial action sought by the initiating party; and (d) a brief statement of the specific facts, circumstances and any arguments supporting the position of the initiating party(ies).
2. Within forty-five (45) days after receiving such notice, the non-initiating party(ies) shall respond in writing and shall provide its written position, including the facts and arguments on which it relies in support of its position.
3. All of the parties shall then undertake good faith negotiations, which should include a meeting by telephone or in person, in a determined effort to resolve the areas of dispute without judicial involvement.

C. Mediation

1. The parties shall name and engage Kenneth Feinberg, of The Feinberg Group, Washington, D.C., the standing mediator to assist the parties in their good faith efforts to resolve disputes or disagreements concerning obligations, or material compliance, with this Settlement Agreement.
2. If the dispute is not resolved through discussions between the parties, then any party shall have the right to initiate a mediation to assist with resolving the dispute. A party shall not initiate a mediation unless it has a) attempted in good faith to resolve the dispute informally; and b) a good faith, non-frivolous basis for its position in the dispute.
3. The services of the mediator will be paid for by the Company.

D. Judicial Enforcement

1. The Court shall retain jurisdiction over this action for the Term solely to enter orders authorized hereunder that are necessary to implement and enforce this Settlement Agreement.⁴ This Court shall not have jurisdiction pursuant to this Settlement Agreement after the last day of the Term. However, the Court will retain jurisdiction over any disputes that arise within the Term, regardless of whether or not the Term has expired, where the dispute was raised during the Term of the Settlement Agreement pursuant to the Dispute Resolution Procedure. Except with respect to the retention of jurisdiction as set forth in this Section, this matter will be dismissed with prejudice immediately upon Final Approval.
2. If good faith efforts to resolve the matter have failed, and after written notice of "impasse" to the non-initiating party or parties, Settlement Class Counsel, EEOC, Ford or UAW may file a motion with the Court, with a supporting brief, requesting enforcement of this Settlement Agreement, provided, however, that such motion shall be limited to the dispute(s) as to which the "informal process" and "mediation" provisions of Sections XII.B and XII.C have been exhausted.
3. The non-moving party(ies) will have thirty (30) days to respond to any such motion.

⁴ The Parties intend by this paragraph to vest this Court with jurisdiction to enforce the Settlement Agreement. Kokkonen v. Guardian Life Ins. Co., 511 U.S. 375 (1994).

XIII. NON-RETALIATION

Ford and UAW will not retaliate against any Settlement Class member for filing a claim for relief available under this Settlement Agreement. This provision does not limit Ford's ability to take action with respect to Settlement Class members for any non-retaliatory reason, including but not limited to poor performance in apprenticeship.

XIV. ENTIRE AGREEMENT OF THE PARTIES

The Settlement Agreement constitutes the entire agreement among the parties arising out of, or related to, the selection of apprentices at Ford. This Settlement Agreement cannot be amended or modified except with the express written consent of all parties and approval by the Court. All parties acknowledge that upon Final and Binding Approval, this Settlement Agreement is binding.

XV. GOVERNING LAW

This Settlement Agreement shall be governed by Federal law. To the extent that any state law is deemed to apply, it shall be the law of the state of Michigan, except for its law with respect to conflicts of law.

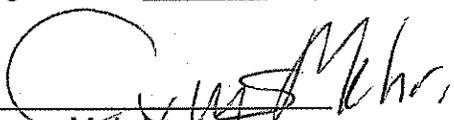
XVI. NO ADMISSION OF LIABILITY

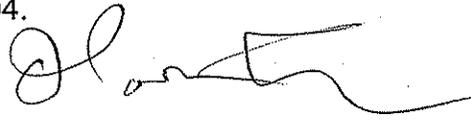
Neither the Settlement Agreement, its Court approval, nor any action taken pursuant to its or their terms shall be considered by any Party or any other person as an admission of liability or wrongdoing. This Settlement Agreement and the order(s) approving it shall not be admissible as evidence in any court or administrative forum for any purpose other than 1) an action by one of the parties to enforce the terms of this Settlement Agreement pursuant to the Dispute Resolution Procedure herein, or 2) demonstration by Ford and/or UAW that relief received and/or rights relinquished by any person in connection with this Settlement Agreement preclude that person's right to proceed, and/or reduce relief available to that person, in any other matter against Ford and/or UAW.

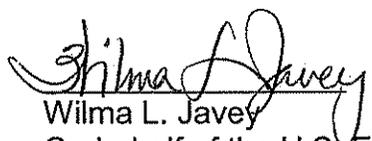
XVII. SUPPORT FOR AND DEFENSE OF SETTLEMENT AGREEMENT

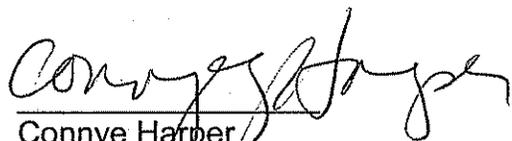
The Class Representatives, Class Counsel, EEOC, UAW and the Company each agree to abide by all of the terms of this Settlement Agreement in good faith and to support it fully, and shall use their respective best efforts to defend this Settlement Agreement from any legal challenge, whether by appeal, collateral attack or otherwise.

Signed this 2nd day of ^{November}~~October~~ 2004.


Cyrus Mehri
Mehri & Skalet, PLLC
On behalf of Named Plaintiffs


Oliver C. Mitchell, Jr.
On behalf of Ford Motor Company


Wilma L. Javey
On behalf of the U.S. Equal
Employment Opportunity Commission


Connye Harper
On behalf of the UAW

Whereas the Court has certified a Settlement Class of African-American current and former Ford employees who during the period from January 1, 1997 to _____ [the date of preliminary Court approval of the Settlement Agreement] took the Apprentice Training Selection System test ("ATSS") for placement as an apprentice at a Ford facility and were not placed on a Ford apprenticeship program eligibility list;

Whereas the Claimant is an African-American current or former Ford employee who, during the period from January 1, 1997 to _____ [the date of preliminary Court approval of the Settlement Agreement], took the Apprentice Training Selection System test ("ATSS") for placement as an apprentice at a Ford facility and was not placed on a Ford apprenticeship program eligibility list; and

Whereas EEOC, representatives of the Settlement Class, Ford and UAW have reached a settlement resolving the Lawsuit, pursuant to a Settlement Agreement dated _____ ("Settlement Agreement"), which was given approval by the Court on _____, and Claimant is entitled to seek relief under that Settlement;

Now therefore, in consideration of the relief provided under the Settlement Agreement, the sufficiency of which is hereby expressly acknowledged, Claimant releases and waives claims against Ford and/or UAW as follows:

1. Claimant hereby fully, finally, irrevocably, unconditionally and forever releases Ford (as defined in Section III.J. of the Settlement Agreement) and UAW, and each of their operating divisions and subsidiaries, (but not including any entity that is not covered by the Settlement Agreement) and all of their respective directors, officers, managers, agents, employees, attorneys, successors and assigns, and anyone acting in concert with or on behalf of any of them, and their respective pension, profit-sharing, savings and other employee benefit plans of whatsoever nature and those plans' respective trustees and administrators (and each of their agents, directors, officers, employees, affiliates, and members), from any and all individual and/or class-wide claims, demands, charges, complaints, rights and causes of action of any kind, known or unknown, by the Claimant, whether seeking monetary and/or equitable relief of any sort, including but not limited to any claim for attorneys' fees or expenses and expert fees and expenses, which arise out of or are related to any conduct through _____ [the date of Final Approval] allegedly constituting discrimination in apprenticeship selection, whether under Title VII of the Civil Rights Act of 1964, Section 1981 or any other Federal, State or Local law (whether by statute, regulation, ordinance or common law) prohibiting discrimination.

2. The Claimant agrees that the only consideration for signing this Release is the relief available pursuant to the terms of the Settlement Agreement, and that no other promise or agreement of any kind has been made to or with the Claimant by any other person or entity to cause the Claimant to execute this Release.

3. The Claimant does not have any pending claim, complaint or charge against Ford or UAW alleging discrimination in apprentice selection. If any such claims, complaints or charges have been filed, the Claimant agrees to withdraw them. The Claimant agrees to be bound by the terms of this Release and that this Release shall be binding on the Claimant, and his/her legal representatives, heirs successors and assigns.

4. The existence and execution of this Release shall not be considered or be admissible in any proceeding as an admission by Ford or UAW of any wrongdoing, violation, liability, error or omission.

Under penalty of perjury, I state that I am the person identified in this Release as the Claimant, and that my signature signifies acceptance of all the terms and conditions of this Release effective the date of signature.

_____ Date _____
Claimant

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION

James Robinson, Sr., et al., and

U.S. Equal Employment Opportunity
Commission

Plaintiffs,

v.

Ford Motor Company and the United
Automobile, Aerospace and Agricultural
Implement Workers of America,

Defendants.

Civil Action No. _____

CONSENT ORDER

This matter comes before the Court on the motion of the U.S. Equal Employment Opportunity Commission ("EEOC") and eleven individuals for approval of the settlement of a class action race discrimination suit against Ford Motor Company ("Ford" or the "Company") and the United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW").

James Robinson, Sr., Gregory A. Dicks, Robert S. Payne, Robert Fails, Jr., Jerome R. Harris, Karthan Norman, Johnathan Glover, Sheilah Brackett, Terri Gaither, Joseph W. Hendricks, Gordon B. Rinfrow, Eric Barbee and Darnay Cheeks filed charges with the EEOC, in October and November 1997, alleging that the test used by Ford and the United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") for the selection of apprentices has an adverse impact on African-American apprentice candidates;

WHEREAS, EEOC and Ford intend that this Settlement Agreement resolves all of EEOC's claims of disparate impact race discrimination against African-Americans under Title VII of the Civil Rights Act of 1964 regarding selection of apprentices at Ford facilities arising from January 1, 1997 until the date of the Preliminary Approval;

Eleven of the Charging Parties ("Named Plaintiffs") retained counsel to proceed on their behalf as representatives of a putative class of African-American apprentice candidates;

Ford and the UAW deny that the test is unlawful, and assert that the test was initially devised with the input of the EEOC;

All parties agree that Ford requires highly-qualified apprentices because of the important safety and quality aspects of the skilled trade jobs;

Ford is committed to equal employment opportunity and diversity in all aspects of employment and its workforce, including its apprentice selection procedures; and

Ford, UAW, the Named Plaintiffs (on behalf of the class) and EEOC now wish to resolve their dispute with respect to the apprentice selection procedure by devising state-of-the art selection instruments and taking the additional actions set forth in the Settlement Agreement between the parties, executed on August ____, 2004, a copy of which is attached hereto as Exhibit ____;

The Court held a fairness hearing, after notice and an opportunity to be heard on _____, 2004. As set forth in greater detail in the Court's Order of _____, 200__, the Court has found that the proposed settlement is fair, adequate and reasonable, and has approved the proposed settlement and certified the Settlement Class;

THEREFORE, IT IS HEREBY ORDERED:

The following Articles of the Settlement Agreement are incorporated herein by reference and made a part of this Order as if set forth in full herein, and all parties shall comply with them: Articles II-VII, IX.A, IX.D, X-XIII and XVI.

Entered on: _____

United States District Judge

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION

James Robinson, Sr., et al., and
U.S. Equal Employment Opportunity
Commission

Civil Action No. _____

Plaintiffs,

v.

Ford Motor Company and the United
Automobile, Aerospace and Agricultural
Implement Workers of America,

Defendants.

CONFIDENTIALITY AGREEMENT

Whereas, the United States Equal Employment Opportunity Commission ("EEOC" or the "Commission") and eleven current or former Ford employees filed lawsuits in the United States District Court for the Southern District of Ohio (Civil Action No. _____) (the "Lawsuit"), alleging that Ford Motor Company ("Ford" or the "Company") and the United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") used a test for selecting apprentices that had an adverse impact on African-American applicants during the period from January 1, 1997 to _____ [the date of preliminary Court approval of the Settlement Agreement];

Whereas, Ford and UAW have denied the allegations of EEOC and the plaintiffs;

Whereas, the Court has approved a settlement (the "Settlement Agreement") that includes retention of an expert industrial organization psychologist (the "Expert") to conduct research and to prepare and validate selection instrument(s);

Whereas, the Expert will need access to confidential information from Ford to perform the function assigned by the Settlement Agreement, and reports prepared by the Expert will include confidential information, and it is

recognized that this confidential information should be protected from public disclosure;

Now therefore, in consideration of the mutual promises contained herein and within the Settlement Agreement, the sufficiency of which is hereby expressly acknowledged, the undersigned agrees as follows:

1. Confidential Information

"Confidential Information" includes all information obtained from Ford by the Expert, or developed by the Expert, in performance of tasks connected with the Settlement Agreement.

2. Treatment of Confidential Information

- (a) Confidential Information shall be held in strict confidence and shall be used solely for the purposes of performing tasks under the Settlement Agreement. The undersigned individual will not disclose Confidential Information to anyone other than Ford's duly designated representative, Ford counsel, UAW counsel, EEOC counsel or Settlement Class Counsel. Prior to disclosure to anyone other than Ford's representative, Ford counsel, UAW counsel, EEOC counsel or Settlement Class Counsel, the undersigned will ensure that the individual to whom Confidential Information will be disclosed has executed this Confidentiality Agreement.
- (b) The undersigned shall maintain a written record of its disclosures of Confidential Information.
- (c) No copies or reproductions of any Confidential Information (or of any portion of such Confidential Information) shall be made except as necessary for purposes of performing tasks under the Settlement Agreement.
- (d) Upon written request by Ford, and for good cause shown, the undersigned, and all individuals to whom Confidential Information has been disclosed, will promptly return to Ford the Confidential Information and all copies in his or her custody, possession or control. If the Confidential Information is maintained in electronic, digital or magnetic form, the undersigned individual will remove and completely and permanently destroy such material (and all copies and/or portions of it) from all electronic, digital or magnetic storage and any other medium in which it is resident in memory.
- (e) If the undersigned individual is requested by judicial, administrative or other governmental process to disclose any Confidential Information, said individual will provide Ford with prompt notice of

the request so that Ford may seek, at its expense, an appropriate protective order (with no objection by said individual).

3. If any provision of this Confidentiality Agreement is not enforceable in whole or in part, the remaining provisions of this Confidentiality Agreement will not be affected by the unenforceability of that provision. No failure or delay in exercising any right, power or privilege in this Confidentiality Agreement will operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any right, power or privilege in this Confidentiality Agreement.

Signed this ____ day of _____, 20__.

[signature]

[typed or handwritten name]

EXHIBIT D

FORD APPRENTICESHIP CHARGES

220-1998-00244	BARBEE, ERIC	FORD MOTOR
220-1998-01315	CHEEKS, DARNAY	FORD MOTOR
221-1999-00130	ROBINSON, JAMES	NATIONAL JOINT APPR COMM
221-1999-00131	ROBINSON, JAMES	FORD-UAW APPR COMM
221-1999-00132	ROBINSON, JAMES	UNITED AUTO WORKERS
221-1999-00133	ROBINSON, JAMES	UNITED AUTO WORKERS L 863
221-1999-00134	ROBINSON, JAMES	FORD MOTOR
221-1999-00135	BRACKETT, SHEILAH	NATIONAL JOINT APPR COMM
221-1999-00136	BRACKETT, SHEILAH	FORD-UAW APPR COMM
221-1999-00137	BRACKETT, SHEILAH	UNITED AUTO WORKERS
221-1999-00138	BRACKETT, SHEILAH	UNITED AUTO WORKERS L 863
221-1999-00139	BRACKETT, SHEILAH	FORD MOTOR
221-1999-00140	DICKS, GREGORY	NATIONAL JOINT APPR COMM
221-1999-00141	DICKS, GREGORY	FORD-UAW APPR COMM
221-1999-00142	DICKS, GREGORY	UNITED AUTO WORKERS
221-1999-00143	DICKS, GREGORY	UNITED AUTO WORKERS L 863
221-1999-00144	DICKS, GREGORY	FORD
221-1999-00145	NORMAN, KARTHAN	NATIONAL JOINT APPR COMM
221-1999-00146	NORMAN, KARTHAN	FORD-UAW APPR COMM
221-1999-00147	NORMAN, KARTHAN	UNITED AUTO WORKERS
221-1999-00148	NORMAN, KARTHAN	UNITED AUTO WORKERS L 863
221-1999-00149	NORMAN, KARTHAN	FORD MOTOR
221-1999-00150	RINFROW, GORDON	NATIONAL JOINT APPR COMM
221-1999-00151	RINFROW, GORDON	FORD-UAW APPR COMM
221-1999-00152	RINFROW, GORDON	UNITED AUTO WORKERS
221-1999-00153	RINFROW, GORDON	UNITED AUTO WORKERS L 863
221-1999-00154	RINFROW, GORDON	FORD MOTOR
221-1999-00161	GAITHER, TERRI	NATIONAL JOINT APPR COMM
221-1999-00162	GAITHER, TERRI	FORD-UAW APPR COMM
221-1999-00163	GAITHER, TERRI	UNITED AUTO WORKERS
221-1999-00164	GAITHER, TERRI	UNITED AUTO WORKERS L 863
221-1999-00165	GAITHER, TERRI	FORD MOTORS
221-1999-00169	FAILS, JR., ROBERT	NATIONAL JOINT APPR COMM
221-1999-00170	FAILS, JR., ROBERT	FORD-UAW APPR COMM
221-1999-00171	FAILS, JR., ROBERT	UNITED AUTO WORKERS
221-1999-00172	FAILS, JR., ROBERT	UNITED AUTO WORKERS L 863
221-1999-00173	FAILS, JR., ROBERT	FORD MOTOR
221-1999-00213	PAYNE, ROBERT	FORD MOTORS
221-1999-00214	PAYNE, ROBERT	UNITED AUTO WORKERS

221-1999-00215	PAYNE, ROBERT	UNITED AUTO WORKERS L 863
221-1999-00216	PAYNE, ROBERT	FORD-UAW APPR COMM
221-1999-00217	PAYNE, ROBERT	NATIONAL JOINT APPR COMM
221-1999-00251	HARRIS, JEROME	NATIONAL JOINT APPR COMM
221-1999-00252	HARRIS, JEROME	FORD-UAW APPR COMM
221-1999-00253	HARRIS, JEROME	UNITED AUTO WORKERS
221-1999-00254	HARRIS, JEROME	UNITED AUTO WORKERS L 863
221-1999-00255	HARRIS, JEROME	FORD MOTOR
221-1999-00265	GLOVER, JOHNATHAN	NATIONAL JOINT APPR COMM
221-1999-00266	GLOVER, JOHNATHAN	FORD-UAW APPR COMM
221-1999-00267	GLOVER, JOHNATHAN	UNITED AUTO WORKERS
221-1999-00268	GLOVER, JOHNATHAN	UNITED AUTO WORKERS L 863
221-1999-00269	GLOVER, JOHNATHAN	FORD MOTOR
221-1999-00283	HENDRICKS, JOSEPH	UNITED AUTO WORKERS
221-1999-00284	HENDRICKS, JOSEPH	UNITED AUTO WORKERS L 863
221-1999-00285	HENDRICKS, JOSEPH	NATIONAL JOINT APPR COMM
221-1999-00286	HENDRICKS, JOSEPH	FORD-UAW APPR COMM
221-1999-00287	HENDRICKS, JOSEPH	FORD MOTOR

Exhibit B

PROCEDURE FOR PLACEMENT OF PROTECTED STATUS COVERED EVENTS EMPLOYEES

September 15, 2003

Mr. Gerald D. Bantom
Vice President and Director
UAW, National Ford Department
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Procedure for Placement of Protected Status Covered Events Employees

During these negotiations the parties discussed the concern that application of Appendix M, Job Security Program - GEN could result in employees remaining in Protected Status at one plant while another plant in the same zone (as defined in Appendix N, Attachment A) was hiring. It was acknowledged that, should such a situation occur, it would be inconsistent with the parties' commitment to enhancing job security in a work environment that promotes operational effectiveness and competitiveness, and could deny Protected Status employees an opportunity to return to regular jobs.

To address that situation, the parties have agreed to placement flexibility for employees in Protected Status Covered Event, excluding those identified in Protected Status as a result of net outsourcing as defined in the Attachment. Unless there is a compelling reason not to do so, such employees may be placed in-zone on a mandatory basis. The process to place such employees will be as follows (in accordance with Appendix N of the Collective Bargaining Agreement):

- Laid-off employees will continue to be placed in-zone on a mandatory basis;
- In-zone Protected Status Covered Event employees from all locations where there are employees in GEN Protected Status and where in-zone opportunities exist will be advised of available in-zone opportunities via posting for voluntary transfer. Prior to in-zone placement, the Local Hourly Personnel Offices will post a notice for in-zone oppor-

PROCEDURE FOR PLACEMENT OF PROTECTED STATUS COVERED EVENTS EMPLOYEES

tunities for volunteers from Protected Status and the active working employees¹.

- Out-of-zone Protected Status and Preferential Placement employees will be advised of available opportunities via posting for voluntary transfers. The Local Hourly Personnel Office will post a notice for out-of-zone opportunities for volunteers from Protected Status and the active working employees¹.
- Employees that apply for available opportunities will be considered in seniority order.

If following application of the Preferential Placement Hierarchy, volunteers are insufficient to fill the required openings at in-zone locations, the following action will occur: the National Committee, prior to hiring, will review in-zone Protected Status employees, excluding those identified in Protected Status as a result of net outsourcing, and initiate placement.

This letter supersedes the October 9, 1999 Letter of Understanding titled "Job Security - In-Zone Placement".

Very truly yours,

DENNIS J. CIRBES,
Vice President
Labor Affairs

Attachment

Concur: Gerald D. Bantom

¹ Active working employee is defined as an employee currently working on an operation in the facility.

APPENDIX M

MEMORANDUM OF UNDERSTANDING

JOB SECURITY PROGRAM -- GEN

The Company and the Union are committed to enhancing the job security of Ford Motor Company employees. The parties also recognize that such job security can only be realized within a work environment which promotes operational effectiveness, and continuous improvement and competitiveness.

Accordingly, the parties have agreed to this Job Security Program (JSP), and have pledged to work together, consistent with this Program and other provisions of the Collective Bargaining Agreement, to enhance the Company's competitive position.

The cornerstone of the Program is a commitment to certain pre-determined guaranteed employment levels, a series of GEN Benchmark Minimums and protection against indefinite layoff for eligible employees as expressly provided herein.

I. SCOPE OF THE PROGRAM

A. Guaranteed Employment Numbers

1. Guaranteed Employment Numbers (GENs) (i.e., numbers of eligible employees or positions covered by this Program as defined herein) initially established as of the Effective Date for each Unit as defined in Article VI, Section 1 of the Collective Bargaining Agreement **will continue.**

Separate GENs shall be established for non-skilled and skilled trades employees. The non-skilled and skilled trades GENs will not change as a result of action with respect to the other, except that movement from one to the other will result in an offsetting decrease in the GEN from which the movement occurred and an increase in the receiving GEN.

Nothing in this Agreement is meant to alter the placement practices at Multi-Plant Employment Locations, as defined in Appendix N, Attachment B.

2. The Initial Baseline GEN for each Unit shall be equal to the sum of 1) the number of active employees with one or more years seniority at work and on roll in the Unit on the Effective Date, 2) the number of active employees occupying GEN positions on the Effective Date, and 3) the number of unfilled new hire obligations as of the Effective Date due to application of the net outsourcing/new hire provisions of the 1996 Agreement, Appendix M, II,B.2-c. Such active employees will be GEN eligible and include those on short-term absences due to vacations, excused absence allowance, bereavement, jury duty, illness, "temporary" layoffs, out of line of seniority layoffs, and any other employees having a direct attachment to the active workforce.

B. GEN Benchmark Minimums

A series of GEN Benchmark Minimums will continue for each Unit on the Effective Date representing projected GEN-eligible employment minimums as of the close of each calendar quarter beginning with the quarter ending December 31, 2003 through the quarter ending June 30, 2007. Each quarterly Benchmark shall be determined by subtracting from the immediately preceding GEN Benchmark an amount equal to .333% of the Unit's initial GEN so that the June 30, 2007 Benchmark shall equal 90% of the initial GEN. (If this calculation results in something other than a whole number, sequential rounding adjustments may be made to even out the calculations over the term of the Agreement.)

C. Covered Events

1. A covered event hereunder is any event that, absent the protection provided herein, would cause the layoff of one or more GEN eligible active employees for any reason except those actions or events specified in Section I.,D., below.
2. The obligation to provide benefits hereunder shall not arise unless one or more covered events would otherwise result in a reduction or further reduction, during the term of this Agreement, in the number of GEN eligible active employees.

D. Excluded Events

No eligible employee will be laid off during the term of this Agreement except for the following reasons:

- Volume-related declines attributable to market-related conditions as described in the attached letter, Job Security Program-GEN -- Volume Related Layoffs, not to exceed **forty-eight (48)** weeks (inclusive of vacation shut-down weeks) over the life of the Agreement;

- Acts of God and other reasons beyond the control of the Company;
- Sale of a part of the Company operations as an ongoing business;
- Layoffs of employees recalled or reassigned to fill openings known in advance to be temporary;
- Model change or plant rearrangement.

II. ADJUSTMENTS TO THE GEN - ELIGIBILITY

- A. An employee shall become GEN-eligible for any of the following reasons, at which point the Unit GEN will be increased by one position for each such employee when: (1) an employee on roll who had less than one year of seniority on the Effective Date; subsequently attains one year of seniority; (2) an employee with one or more years of seniority is recalled (unless recalled to satisfy a GEN) and is actively at work or receives pay (counting pay for holidays, vacations and other paid time off) in at least twenty-six (26) weeks during any consecutive 52-week period ending after the Effective Date; an employee who had less than one year of seniority at the time of recall (unless recalled to satisfy a GEN) attains one year of seniority and is actively at work or receives pay (counting pay for holidays, vacations and other paid time off) in at least twenty-six (26) weeks during any consecutive 52-week period ending after the Effective Date; (4) an employee hired/rehired after the Effective Date attains thirty-six (36) months of seniority; or (5) an employee deemed to be eligible by being recalled or newly hired in order to satisfy a GEN Benchmark Minimum. Notwithstanding the above, the National Committee (Section IV.,D., below) is authorized to establish special mechanisms, including GEN eligibility provisions, for the purpose of attracting new work.
- B. The Unit GEN will be reduced for the attrition of eligible employees who quit, die or retire.
- C. Unit GENs will be adjusted in the event of operations transfers or consolidations between Units on a one-for-one basis by reducing the sending Unit's GENs and increasing the receiving Unit's GENs by the corresponding number of jobs involved in the transaction. Similarly, corresponding adjustments will also be made to the GEN Benchmark Minimums of each affected Unit.
- D. Each employee who leaves the bargaining Unit for a permanent salaried position will be replaced immediately with no effect on the GEN, first, by recalling an employee from layoff, then from the preferential hire list or otherwise available through the placement hierarchy, including new hires. For each regular salaried employee returning to the bargaining Unit, the GEN will be increased by one.

- E. GEN-eligible employees off roll will maintain their eligibility upon reinstatement.
- F. Notwithstanding the above, GEN Benchmark Minimums will not be established for a facility determined to be closing.
- G. GEN Benchmark Reviews/Actions
 - 1. Following the last pay ending of each month and within ten (10) working days of the following month (GEN Benchmark Review) the number of GEN-eligible employees in each Unit shall be compared to the Unit's corresponding GEN Benchmark Minimum. Adjustments will be made consistent with the provisions of this Appendix and attrition replacement obligations will be fulfilled as set forth below.
 - 2. When the number of GEN-eligible employees exceeds the Benchmark Minimum, attrition will be replaced on a one-for-two basis by recalling employees on layoff in accordance with the procedure described in Section (3) (b) below.
 - 3. When the number of GEN-eligible employees would otherwise fall below the Benchmark minimum, attrition will be replaced on a one-for-one basis by the following actions in order to maintain eligible employment at the Benchmark Minimum.
 - a. First, by allowing an ineligible active employee at the affected facility to become eligible.
 - b. Second, by recalling an employee from layoff from the facility, then from the preferential hire list or otherwise available through the placement hierarchy.
 - c. Or third, by hiring new employees up to the net number of jobs outsourced minus those insourced (as defined in Appendix P of the Agreement and determined by the National Committee) subsequent to the Effective Date. Such positions will be filled on a Unit basis no later than ninety (90) days following the GEN Benchmark Review, except when the affected Unit is encountering market-driven, volume-related layoffs.
 - 4. Notwithstanding the above, the net outsourcing/new hire obligation provided in Section (3) (c) above shall be activated earlier than required therein if and when the number of GEN-eligible employees is less than the greater of: (1) the GEN Benchmark Minimum for the quarter, or (2) 95% of the Unit's Baseline GEN under the 1996 Agreement.

5. If, after fulfilling the above requirements, subsequent attrition would cause the number of GEN-eligible employees to fall below the Unit's Benchmark Minimum, attrition will be replaced on the following basis:
 - a. When the number of GEN-eligible employees is greater than 90% but less than 100% of the Benchmark Minimum, one (1) new employee will be hired for each three (3) attritions.
 - b. When the number of GEN-eligible employees is greater than 80% but less than 90% of the Benchmark Minimum, one (1) new employee will be hired for each two (2) attritions.
 - c. When the number of GEN-eligible employees is below 80% of the Benchmark Minimum, one (1) new employee will be hired for each one (1) attrition.
 - d. Such positions will be filled on a **Unit** basis no later than ninety (90) days following the GEN Benchmark Review, except when the affected Unit is encountering market-driven volume-related layoffs.
6. Employees recalled, hired or rehired to fulfill the above obligations may be assigned within their Unit at Management's discretion, subject to applicable seniority provisions of the Agreement.

If the GEN number results in less than a whole number, the Engineering Method of Rounding will be used to determine the GEN.

III. PROTECTED EMPLOYEES

- A. The parties recognize that covered events may occur during the course of this Agreement that will cause the number of GEN eligible employees to exceed the Company's production requirements. The parties recognize further that the scope of this Program requires flexibility with regard to the assignment of such Protected employees.
- B. In this regard, the Local Job Security, Operational Effectiveness and Sourcing Committee (described in Section IV, below) will ensure that assignments are made on a basis consistent with the seniority provisions of the Collective Bargaining Agreement and local seniority agreement, while also meeting plant needs, minimizing workforce disruption and enhancing the personal growth and development of employees. After a decision by the Local Committee, an available Protected employee may be (1) placed in a training program, (2) used as a replacement to facilitate the training of another employee, (3) given a job assignment within or outside the bargaining Unit which may be non-traditional, (4) placed in an existing opening, (5) placed in a job opening at

another Ford plant provided there is no employee on layoff from that plant with seniority recall rights or Preferential Placement applicant who has not been offered a job at that plant as determined by the National Committee, or (6) given other assignments consistent with the purposes of this Memorandum of Understanding.

C. In-Zone/Out-of-Zone Placements

1. Notwithstanding the above, an available Protected employee may be placed on a combined list of Protected employees and Preferential Placement employees in the same zone (the in-zone list). The number of such Protected employees made available for placement cannot exceed the number of employees who have been laid off for the duration of the 48-week volume-related layoff limit. Protected employees will be made available for in-zone placement in inverse seniority order.
2. For placement purposes, employees on the combined in-zone list will be offered, in seniority order, the opportunity to volunteer for openings; volunteers will be placed in seniority order. Absent volunteers, the junior employee on the combined in-zone Preferential Placement list must transfer to the new location. The Unit GEN will be reduced by one at the location from which the employee is transferred and increased by one at the location to which the employee is transferred, unless the transfer satisfied the GEN, in which case the GEN will remain the same at both locations.

An available Protected employee transferred permanently to another location may remain at the secondary location until afforded an opportunity to "return home" in accordance with Appendix O or until the employee is laid off from that location, at which time the employee may elect options available under Article VIII, Section 1(b) of the Collective Bargaining Agreement.

3. Available Protected employees will be offered the opportunity to volunteer for out-of-zone opportunities. If the opportunity is refused, the employee will remain at his/her facility.

- D. In the event there is an opening due to a volume increase, the available Protected employee with the highest seniority will be placed in this opening, unless the Local Committee determines the employee should first complete the employee's current assignment. If seniority employees are on layoff from that Unit, a number of such employees, equivalent to the number of Protected employees placed in openings due to volume increases, will be recalled from layoff. A Protected employee transferred to another Ford Unit due to a volume increase who is subsequently laid off from the secondary Unit due to a volume decrease may elect, pursuant to

Article VIII, Section 1(b) of the Collective Bargaining Agreement, to return to available openings at the employee's home Unit, seniority permitting.

- E. A layoff caused by an event described in Section I., D., above will have no impact on the number of Protected employees except for an employee who is protected from a layoff attributable to a market-related volume decline in excess of 48 weeks (inclusive of vacation shutdown weeks). In such instances, those Protected employees having the least seniority will be laid off and replaced by an equivalent number of greater seniority employees who would otherwise have insufficient seniority to remain in the Unit.
- F. A Protected employee will continue to receive his/her regular straight-time hourly rate of pay. The regular rate of pay for an employee under an incentive plan will be the employee's average straight-time hourly earnings for the hours worked during the last four pay periods immediately preceding the pay period during which he/she was determined to be protected. In the event a Protected employee is assigned to another classification, the employee will receive the rate of pay as provided by the Local Wage Agreement.
- G. Protected employee assignments will be considered temporary and not subject to provisions governing permanent filling of vacancies or the application of shift preference, except for assignments to fill openings resulting from volume increases. Experience gained from these temporary assignments will not be used to advantage such employees over other employees for selection to fill permanent vacancies, nor will such employees gain seniority under the provisions of Article VIII, Section 23(b) of the Collective Bargaining Agreement from such assignments.
- H. An employee replaced by a Protected employee will receive his/her regular straight-time hourly rate of pay, and will be returned to the same classification and job assignment upon completion of the replaced employee's assignment. The regular rate of pay for an employee under an incentive plan will be the employee's average straight-time hourly earnings for the hours worked during the four pay periods immediately preceding the pay period during which he/she is replaced by the Protected employee. In the event the employee has insufficient seniority to return to the formerly held classification, the employee will be placed pursuant to the applicable provisions of the Local Seniority Agreement.

- I. If an employee would have been transferred pursuant to Article IV, Section 2 of the Collective Bargaining Agreement or placed in an apprentice program were it not for participation in a training assignment provided by this Program, the employee will be transferred to this classification upon completion of the training assignment. In the event the employee would have been selected for an apprentice assignment, the employee's date of entry will be adjusted as if the employee's assignment had not been delayed.
- J. A training assignment will be voluntary on the part of an employee being replaced by a Protected employee, unless such training is to develop or improve technical skills relevant to the employee's current job assignment or anticipated future job needs.
- K. No Protected employee will be temporarily assigned to a job outside of the bargaining Unit except on a voluntary basis. Permanent transfers of Protected employees outside the bargaining Unit to another in-zone location will be handled as follows: Management may place a Protected employee's name on the in-zone list. The number of names so placed may not exceed the number of Protected employees who have been laid off for the duration of the 48-week volume-related layoff limit. Protected employees will be made available for in-zone placement in inverse seniority order. Thereafter, such employees will be offered, in seniority order, the opportunity to volunteer for openings; volunteers will be placed in seniority order. Absent volunteers, the junior employee on the combined in-zone list must transfer to the new location. The seniority used by a skilled trades employee in administering these provisions will be the employee's date-of-entry or Journeyman/Journeywoman date.
- L. A Protected employee who is permanently transferred to another location in accordance with this Program, or if so transferred and upon later layoff elects to return to a former location under Article VIII, Section 1(b) of the Collective Bargaining Agreement, will be eligible to receive a moving allowance as provided in Article IX, Section 28 of the Collective Bargaining Agreement after providing documentation satisfactory to Management that the employee has changed permanent residence and relocated. Married applicants may initially apply for the "single employee" amount and within one (1) year, the balance of the "married amount", when their families are relocated. Applicants may receive a maximum of two (2) such relocation allowance payments during the term of the then applicable Ford-UAW Collective Bargaining Agreement. A Protected employee temporarily transferred out of the in-zone area who does not change permanent residence as a result of the transfer will receive reasonable transportation and living expenses for the duration of the assignment. Any problems connected with the above may be raised with the National Committee.

- M. In the event the Local and National Committees determine that the number of Protected employees exceeds the number of expected openings at the facility and within its area within the next succeeding twelve (12) months, special programs as set forth in Attachment A may be **considered. Local management must obtain Finance approval before submitting a request** to the National Committee. Thereafter, to the extent Protected employees still exceed expected openings, such employees, under the direction of the National Committee, may be transferred out of the zone area pursuant to Section III,C., above.
- N. Earnings, including wages and wage related payments, received by employees while on Job Security assignments, will be charged against the maximum liability amount. The cost of benefits and other payments made or incurred on behalf of Protected employees, specifically, health care (including dental and vision), group insurance, pensions, legal services, training fund contributions and FICA will be charged against the maximum liability amount. Moving allowance payments and the cost of benefits provided under Attachment A of this Memorandum of Understanding will not be charged against this liability. Earnings received and the cost of benefits and other payments made on behalf of Protected employees while assigned to fill permanent job openings resulting from volume increases or assigned to other regular and productive work (e.g., absentee replacements) will not be charged against this liability.
- O. Charges against the Company's liability will commence with the first payments made to Protected employees and will continue until the maximum liability is reached or the expiration of the Program as provided in this Memorandum of Understanding, whichever occurs first. The records of such charges will be maintained by the Company and will be available to the Union **monthly.**

IV. **ADMINISTRATION OF THE JOB SECURITY PROGRAM**

The Company and the Union agree that:

- A. At each bargaining Unit covered by the 2003 Collective Bargaining Agreement, a Local Job Security, Operational Effectiveness and Sourcing Committee (Local Committee) will be established to administer the Program.
- B. The parties have agreed that a Local Job Security, Operational Effectiveness and Sourcing Committee (Local Committee), will consist of equal members of Company and Union representatives including, for the Company, the Plant Manager or Parts Distribution Center Manager, Controller or Office Operations Manager, Human Resources Manager or Labor Relations Supervisor, and other management representatives as designated by the Plant Manager or Parts Distribution Center Manager; and for the Union, the Plant Chairperson, the Local Union President, (if he/she so elects), Bargaining Committeepersons, the local UAW Job Security

Representative, and other local Union representatives as designated by the Plant Chairperson.

- C. The duties of the Local Committee will be to:
1. Review local employee accessions and separations relative to the Unit Guaranteed Employment Number (GEN) and Benchmark Minimums provided for in this Memorandum of Understanding.
 2. Review the number and status of available Protected employees on a monthly basis, specifically noting the potential impact on this group of attritional and volume related events as well as the impact of future manpower requirements.
 3. Monitor the initial placement of an employee whose job is impacted by an event described in Section I.,C., above.
 4. Monitor the placement of Protected employees. In this regard, consideration should be given to both the nature and duration of the assignment following the guidelines contained in this Memorandum of Understanding. Coordinate with the National Committee (Section IV.,D., below) the placement of an employee outside the zone area. As used in this Memorandum, zone area means an area as specified under Appendix N of the Collective Bargaining Agreement pertaining to Preferential Placement for Laid-Off Employees.
 5. Monitor permanent layoffs caused by the events described in Section I.,D., above.
 6. Participate in discussions regarding sourcing decisions as outlined in Appendix P of the 2003 Collective Bargaining Agreement on the subject of sourcing.
 7. Participate in discussions regarding the introduction of new or advanced technology as provided in the Letter of Understanding regarding New Technology dated September 15, 1993.
 8. Review attrition and changes in the workplace. As required, develop plans to replace attrition, in accordance with Section II. (G). above. The local parties are required to report monthly that appropriate communications have taken place. Upon the request of the National Committee, the local parties may be required to provide detailed information to support their monthly joint reports.
 9. Review the manpower requirements of forward product, facility and business plans, maintaining the confidentiality of the material being evaluated.

10. Plan and coordinate the assignment of Protected employees in their home Unit, the relocation of such employees to other Units in or outside the zone area and the application of special programs to such employees and active workforce employees as described in this Memorandum of Understanding.
11. Authorize non-traditional work assignments for Protected employees where practicable both within or outside the bargaining Unit.
12. Review any complaint regarding the administration of the Program. Refer unresolved complaints to the National Committee (Section IV., D., below). The national parties will limit the review of complaints to those raised, in writing, within 60 days of the GEN Benchmark Review or other event giving rise to the complaint unless the time limit is waived by the National Committee. If disputes cannot be resolved by the National Committee, only those matters governing the size of the GEN-eligible population, GEN number, or the treatment of Protected employees will be subject to the Grievance Procedure. Such grievances will be filed at the Second Stage of the Grievance Procedure. All other unresolved complaints will be settled expeditiously between the parties at the national level. Disputes arising from the following matters may be submitted within **thirty (30)** days of a GEN Benchmark Review to the Vice President and Director of the UAW-Ford Department and the Executive Director, Labor Affairs, Ford Motor Company: (1) market-driven volume-related layoffs, and (2) new hire obligations required pursuant to Section II. (G.). If unresolved, the dispute must be appealed to the umpire in accordance with Article VII, Section 9 of the Agreement within thirty (30) days of receipt of the appeal. The umpire's decisions shall be final and binding on the parties and the umpire shall have the authority to enforce such decision, including the authority to order the Company to hire new employees required under Section II. (G.).
13. Jointly coordinate appropriate local training activities, working closely with the joint local Education, Development and Training Program Committee and the UAW-Ford National Education, Development and Training Center to ensure that quality, cost-efficient training is provided and appropriate funds are secured from both within Ford and from external sources.
14. Jointly develop and initiate proposals to improve operational effectiveness to secure existing jobs and to attract customers and additional business, thus providing additional job opportunities. When required, secure necessary approvals from the bargaining Unit membership and the national parties.

15. Make recommendations to the National Committee, as appropriate, regarding any aspect of the Program. This may include any aspect of the contractual relationship between the Company and the Union that is relevant to the duties of the Local Committee. Efforts of the local parties to improve operational effectiveness will be encouraged and supported by the national parties including, as may be appropriate, approval of requests to waive, modify or change the Collective Bargaining Agreement.
 16. Ensure that GEN funds are used solely for the purposes for which the Program provides protections, i.e., specifically documented covered events as detailed in Section I.C. of this Memorandum.
- D. A National Job Security, Operational Effectiveness and Sourcing Committee will be established at the Company-International Union level consisting of representatives selected by the Vice President, **Labor Affairs**, Ford Motor Company and representatives selected by the Vice President and Director of the UAW, National Ford Department. Funding for the activities of the National JSOES Committee will be provided from the Education, Development and Training Program fund upon approval by the Joint Governing Body - UAW-Ford National Education, Development and Training Center.
- E. The National Committee will be responsible to the Vice President - **Labor Affairs** and the Vice President and Director of the UAW, National Ford Department and will meet periodically as required to:
1. Monitor the efforts of the Local Committees.
 2. Maintain liaison with the Joint Governing Body - UAW-Ford National Education, Development and Training Center to coordinate (a) assessment and training programs, and (b) funding through Local Training Funds and, (c) if appropriate, the Education, Development and Training Program.
 3. Approve Local Committee efforts to improve operational effectiveness and coordinate these actions when appropriate.
 4. Coordinate, where applicable, the execution of Special Programs described in Attachment A as well as the movement of Protected employees within or between zone areas. For example, where a permanent loss of jobs has occurred or is scheduled for a location, the parties may discuss transfer of employees to other locations; such a transfer could be in advance of the scheduled job loss, if it could be accomplished without adversely affecting quality or operating efficiency.

5. Act on requests from Local Committees to waive, modify or change the Collective Bargaining Agreement provisions when such action would result in the preservation of or increase in job opportunities. Approval of such requests will be countersigned by the Vice President and Director of the UAW, National Ford Department, and the Vice President - **Labor Affairs**, Ford Motor Company, regarding the operation of the Program.
 6. Make periodic reports to the Vice President - Director of the UAW, National Ford Department, and the Vice President - **Labor Affairs**, Ford Motor Company, regarding the operation of the Program.
- F. The National Committee is specifically empowered to review periodically and evaluate the operation of this Memorandum of Understanding and mutually make satisfactory adjustments to its provisions during the term of this Memorandum.

V. **FUNDING**

The Company and International Union agree that notwithstanding the commitments set forth in this Memorandum of Understanding, the Company's total financial liability for the cost of the Program, to be calculated as agreed between the parties, shall not exceed \$944 million during the term of this Memorandum of Understanding adjusted by any amounts shifted between the GEN and SUB Funds. In the event this liability is reached, Protected employees will be subject to layoff. Thereafter, to the extent that layoffs of such employees are required, the provisions of the Local Seniority Agreements will apply and eligible employees will receive benefit treatment in accordance with the Supplemental Agreements to the **UAW-Ford** Collective Bargaining Agreement then in effect.

VI. **EFFECTIVE DATE - TERMINATION DATE**

The Company and International Union agree that:

- A. Unless indicated otherwise, the Effective Date of this Memorandum means the Effective Date of the **2003** Collective Bargaining Agreement.
- B. This Memorandum of Understanding shall expire with the expiration of the **2003** Collective Bargaining Agreement.

APPENDIX N
MEMORANDUM OF UNDERSTANDING
PREFERENTIAL PLACEMENT ARRANGEMENTS

This memorandum explains arrangements under which employees laid off on or after October 22, 1979 as a result of a permanent discontinuance of operations or other reduction in force where the Company and the Union agree there is no reasonable likelihood of recall will be eligible for preferential placement opportunities. Otherwise eligible skilled journeymen/journeywomen laid off from their trade, but employed by the Company on production work, may apply for preferential placement opportunities in their trade.

1. After being placed on the preferential placement list(s) in accordance with procedures established by the Company, those employees retaining seniority recall rights shall be given preference for placement on available work, or if none is available, the opportunity to displace probationary employees, on jobs for which they are qualified or could qualify within a reasonable period of time in other plants covered by the Agreement in the same zone, as defined by the parties, or in plants covered by the Agreement in different zones as might be specified by mutual agreement between the Company's Union Affairs Office and the UAW's National Ford Department. An in-zone area is comprised of all plants within a 50 mile radius of a given plant or larger as may be agreed upon by the Company's Union Affairs Office and the UAW's National Ford Department. Attachment A includes zone definitions for all Company locations. It is understood that these zone definitions may be modified by mutual agreement between the Company's Union Affairs Office and the UAW's National Ford Department.
2. Eligible employees currently on the in-area preferential placement list and eligible employees laid off after October 25, 1999 will be placed automatically on the in-zone preferential placement list for placement at a plant within the same zone as their home plant.
3. After the Effective Date of the Agreement, eligible laid off employees may apply for out-of-zone opportunities, which will be made available to employees prior to applying for transfer. In order to conduct proper surveys and to place employees in a timely manner in available openings, the parties recognize that a sign-up/application deadline may be necessary.
4. Employees who apply for out-of-zone consideration, subsequent to the 30 day period immediately following their layoff, will be ineligible to displace probationary employees who have been hired or rehired prior to their name being placed on the out-of-zone list. Placement on the out-of-zone list will be made as soon as possible but not later than two (2) weeks following the date of application.

MEMORANDUM OF UNDERSTANDING
PREFERENTIAL PLACEMENT ARRANGEMENTS
(CONT'D.)

5. An applicant availability list shall continue to be maintained monthly for each plant. A plant after exhausting its recall list (or in the case of a multi-plant location, a common recall list if one exists) shall fill its hiring requirements as determined by the National Job Security, Operational Effectiveness and Sourcing Committee.
6. It is recognized that the Company has to maintain ability to promptly fill employment requirements and assure that personnel are capable of performing jobs. Accordingly, the Company shall endeavor to place applicants in seniority order, consistent with their prior job experience. It is understood that placement on the basis of seniority will not be feasible in every instance. However, where deviations are contemplated, particularly with respect to evaluation of employment records, the circumstances shall be discussed in advance with the Local Union and disputes shall be subject to immediate appeal to the Company's Union Affairs Office and the UAW's National Ford Department for resolution. In those instances where preferential placement applicants are not offered employment opportunities, in line with their seniority, based on an evaluation of their employment records, the parties have agreed to a process which provides for a joint review of such cases, by representatives of the Company's Union Affairs Office and the UAW's National Ford Department, to determine the appropriate remedial action. This process is intended to provide a fair evaluation to employees, while concurrently recognizing the parties' joint commitment to quality and efficiency of operations. It further is understood that when preferential placement applicants are available for placement, the Company will not hire new employees for either temporary or permanent positions, without the approval of the UAW's National Ford Department.
7. If employees, who are selected for preferential placement opportunities outside of their zone, are given a re-employment physical examination, such examination shall be given at the plant in which they have basic Unit seniority or if such plant is closed, at another designated plant within the same zone. In cases where this procedure is impractical because of unusual circumstances, alternative procedures may be established to cover such cases by mutual agreement between the Company's Union Affairs Office and the UAW's National Ford Department.
8. Employees placed in a new plant shall have seniority in that plant in accordance with Article VIII, Section 1(c) of the Agreement. In the event of a subsequent layoff, such employees shall be covered by the terms of Article VIII, Section 1(b) of the Agreement.

MEMORANDUM OF UNDERSTANDING
PREFERENTIAL PLACEMENT ARRANGEMENTS
(CONT'D.)

9. Employees who, pursuant to preferential placement arrangements, are placed at a new plant in a different zone and at least fifty (50) miles distant from their original plant, may elect to return, or be returned at Company discretion, to layoff status at their original plant within a mutual evaluation period of **twenty-five (25)** working days from the date of employment at the new plant. Employees who elect to return shall be ineligible to re-apply for out-of-zone consideration. Employees who are returned at Company discretion will remain on the out-of-zone preferential placement list. Employees returning to layoff status at their original plant prior to completion of their evaluation period at the new plant shall retain no seniority at the new plant.
10. Consistent with the intent of applicable benefit plans or programs, it also is understood that any employees so placed who, either voluntarily or at Company discretion, are returned to layoff status within the evaluation period shall not as a result of such placement be considered to have had any employment status for purposes of these benefit plans or programs (except for those benefits directly related to time worked) but shall be regarded as having continued on layoff from their original plant. This means that such employees by reason of employment during the evaluation period shall not become eligible for Guaranteed Income Stream benefits, nor shall they be considered as having returned to the active employment roll for purposes of the Vacation Plan or as having a new layoff for purposes of the Paid Holiday Plan, the Automatic Short Week Benefit provisions of the SUB Plan, the Retirement Plan, the Layoff continuation provisions of the Insurance Program, or Article VIII, Section 5(7).
11. In instances where it is determined that these arrangements are subject to being utilized for purposes beyond the intent of the parties, modifications may be made by mutual agreement between the Company's Union Affairs Office and the UAW's National Ford Department.
12. The preferential placement arrangements covered by this appendix have potentially complex administrative implications. The Company at times may not be able to fully conform with these provisions, and accordingly, shall not be liable for back pay on any claims arising from their administration with the remedy for any violation limited to future placement opportunities for aggrieved employees. It is understood that if the aggrieved employee is adjudged by the Committee to have a valid claim for in-zone consideration, he/she will be offered an available opening within two weeks of such decision; if no such opening develops, he/she will be offered the opportunity to bump a junior employee in-zone, as determined by the Committee.