

NATIONAL PROGRESSIVE
MAINTENANCE AGREEMENT,

between

~~THE~~ ~~AD~~ ~~U~~ ~~I~~
~~ALCOHOLIC~~ ~~BEV~~ ~~CO~~ ~~MPANY~~
A ThyssenKrupp Automotive Company

and

THE
INTERNATIONAL UNION
U A W

and its

LOCALS 305, 813 and 757

INTERNATIONAL UNION, UNITED AUTOMOBILE
WORKERS AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA

CLARENCE, 2001 TO 2002

RECEIVED - LETTERS

**NATIONAL PRODUCTION &
MAINTENANCE AGREEMENT**

between



and

**THE
INTERNATIONAL UNION
U A W**

and its

LOCALS 306, 813 and 757

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLIMENT
WORKERS OF AMERICA**

FEBRUARY 26, 2001 TO OCTOBER 28, 2005

AGREEMENT - LETTERS - SUB PLANS

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PREFACE

It is the policy of The Budd Company and the UAW that the provisions of this Agreement be applied to all Employees covered by this Agreement without regard to race, color, religion, age, sex, national origin, sexual orientation, and disability status, veteran status or union activity to the extent such status or activity is defined and protected by applicable state or federal law.

PREAMBLE

This Agreement was made and concluded in the City of Romulus, County of Wayne, State of Michigan, this 31st day of October, 2000, by and between The Budd Company, a Corporation for and on behalf of its plants located at Bloomfield Township, Detroit, Michigan; and Philadelphia, Pennsylvania party of the first part, hereinafter called the "Company", and The Budd Company Employees of such plants, both male and female, by their representatives, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Unions -- Nos. 306 (Production and Maintenance Employees "as defined in the Production and Maintenance recognition clause of Local 306 Agreement"), 306 (Technical Office Professional Employees), 757 (Clerical Unit), and 813 thereof, parties of the second part, hereinafter called the "Union".

ARTICLE I

RECOGNITION

(1) The Budd Company hereby recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local Unions Nos. 306 (Production and Maintenance Employees) (Technical Office Professional Employees), 757 and 813 thereof, as the sole and exclusive bargaining agent for those Employees as described

below, and will negotiate with the Union on all matters outlined in this National Agreement and the Local Agreements.

(2) When a new classification(s) or department(s) covering work comparable to that done by Employees covered by this Agreement is established in a plant or plants covered by this Agreement, the Local Union will be notified and negotiations will take place promptly as to whether such classification(s) or department(s) properly should be in the included or excluded group.

(3) If the Company builds or acquires a new facility and transfers to it a significant portion of work performed exclusively by Employees covered by this Agreement, this Agreement shall automatically cover Employees working in the same or similar classifications at the new facility if the parties agree, or in the absence of agreement, if the National Labor Relations Board shall determine, that such facility or any part thereof constitutes an accretion to the bargaining units this Agreement covers, excluding such Employees as the parties agree, or the Board decides, should be excluded.

**Local No. 306 —(Production and Maintenance Employees) —
Detroit Plant, Detroit, Michigan**

(4) The Budd Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local 306, (Production and Maintenance Employees only), as the sole and exclusive bargaining agent for its Employees in the Bargaining Unit, as hereinafter described, with respect to rates of pay, wages, hours of employment and other conditions of employment.

For the purpose of this Agreement the term "Employees" shall include all production and maintenance Employees, but shall not include direct representatives of Management, such as superintendents, time study men, technicians, plant guards, salaried Employees not affiliated with any bargaining unit, executives, foremen and supervisory Employees, with the authority to hire, promote, discharge, discipline or otherwise effect changes in the status of Employees,

or effectively to recommend such action, or Employees having access to confidential information pertaining to Employees and labor relations matters.

Local No. 813 --Philadelphia Plant, Philadelphia, Pennsylvania

(5) The Budd Company, Philadelphia, Pennsylvania, hereby recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and Local No. 813 thereof, as the exclusive bargaining agency with respect to wages, hours, working conditions, dismissals and discriminations for all Employees of the Company, except Members of Management, Rate Setters, Safety Inspectors, Plant Guards, Restaurant Employees, Office and Shop Clerical Employees, Technical and Engineering Employees, all Confidential Employees such as Secretaries, and Employees' of the Employees' Exchange, and will negotiate collectively with such Representatives of the Union as are duly accredited and chosen by its Members for the purpose of determining any disputes which may arise concerning wage rates, working conditions, hours, dismissals, or discriminations, subject to and in accordance with the provisions of the Labor Management Relations Act of 1947 and applicable orders of the National Labor Relations Board.

Local #757 -- Philadelphia Plant, Philadelphia, Penn.

(6) The Budd Company here agrees, during the term of this Agreement, to recognize the Union as the Sole Collective Bargaining Agency for all the Company's office, clerical, technical and restaurant Employees, except those exempt by Paragraph (7) hereof, employed in its Philadelphia (Hunting Park) Plant in the institution, prosecution, negotiation, and adjustments of all matters concerning such Employee's wages, hours and working conditions.

(7) This Collective Bargaining Agreement shall not cover the below listed classifications:

- a. All persons in a supervisory capacity equal to or above the rank of Assistant Supervisor.

- b. Personnel Counselors, Employment Interviewers, Job Analysts, Personnel Contact Men, Personnel Assistants, Rate Setters, Time Study Men, Safety Inspectors, Employees of the Employee's Exchange, Plant Guards, Management Trainees, Nurses, Doctors, Instructors, Staff and Executive Employees.
- c. Confidential Secretaries to the following Officials: Plant Manager, Production Manager, Human Resources Manager, Labor Relations Manager and Personnel Manager.
- d. All Professional Employees, i.e., Research and Development Engineers (Electrical, Industrial, Mechanical -Sr. and Jr., Plastics, Project, Structural and Analytical, Testing and Welding), Project Engineers, and Physicists (N.L.R.B. 4-RM-383).

Local #306 (TOP) Detroit Plant, Detroit, Mich. and Bloomfield Township Data Center, Mich.

(8) The Budd Company recognizes the Union as the exclusive representative of the Detroit Plant Technical Employees in the following departments presently designated and numbered as: All Technical Employees in the Tool Engineering Department (421) and Plant Engineering Department (426), Tool Routing and Followup Clerk, Capital Assets Recorder Clerk and Typist in Plant Engineering Department (426); Sand Analyst, Quality Audit Analyst and Laboratory Technicians in Quality Control Department (304); Lab Technician in Laboratory (525); Apprentice Draftsmen and Training Department (896), Statistical Typist in Standards Department (722) and Tool Troublemakers for the purpose of Collective Bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, subject to exemptions listed in Paragraph (10) of this Article I, "Recognition."

(9) The Budd Company recognizes the Union as the exclusive representative of the Detroit Plant Office Clerical

Employees in the following Departments presently designated and numbered as: Material Handling (306); Planning (521); Traffic (724); Office Services (727); General Accounting (852); Data Processing (855); all Clerks in Inspection (304); Plant Maintenance Typists (427); Accounting Clerk A and B, Cost Analyst and Cost Accountants (853); Paymaster and Accounting Clerks (857); C-163 Timekeeping (851); all Clerical Employees in Purchasing (881), (882), (883); all Clerks in the following Departments: 110, 121, 130, 240, 250, 260, 270, 307, 422, 423, 424, 524; and Office Clerical Employees in Department Number 855 at the Bloomfield Township Data Center, for the purpose of Collective Bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, subject to exceptions listed in Paragraph (10) of this Article I, "Recognition".

(10) The following described Employees of the Detroit Plant and Bloomfield Township Data Center are not Employees within the meaning of this Agreement and the provisions of this Agreement shall not apply to: Professional Employees, Confidential Employees, all Employees in the Employer's Divisional Offices in Detroit, Michigan, all Executive and Managerial Employees, Secretarial Employees, Guards and Supervisors as defined in the Labor-Management Relations Act of 1947 and all Employees currently covered by Collective Bargaining Agreements.

ARTICLE II

UNION SECURITY

(11) The Company agrees that Employees now in the bargaining unit shall, on the thirty-first (31st) day after the effective date of this Agreement, and Employees employed after the effective date of this Agreement, shall on the thirty-first (31st) day after the date of their employment, become and remain members of the Union as a condition of continued employment, provided, that nothing herein shall be interpreted to cause a violation of the Labor-Management Relations Act of 1947 or any

other applicable law. An Employee who shall tender the initiation fees (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet the condition of Union Membership imposed under this Section.

(12) In states having "Right to work laws" which prevent the lawful enforcement of the provisions of Paragraph (11) of this Article, the following provisions to the extent that they are lawful shall apply:

(13) Each Employee covered by this Agreement who fails to acquire or maintain membership in the Union, shall be required as a condition of employment on the thirty-first (31st) day after the effective date of this Agreement and Employees employed after the effective date of this Agreement, shall on the thirty-first (31st) day after the date of his employment, pay to the Union each month a service charge as a contribution toward the administration of this Agreement and the representation of such Employee. The service charge for the month shall be in an amount equal to the Union's regular and usual initiation fee and monthly dues and for each month thereafter in an amount equal to the regular and usual monthly dues.

(14) For the purposes of this Article "Effective Date" means the date this Agreement is signed.

ARTICLE III

CHECK-OFF DUES

(15) **Office and Shop**
The Company agrees to deduct from each month's earnings after payroll deductions required by law or notify the Trustee of the Budd-UAW Supplemental Unemployment Benefit Plan Fund to deduct from each such Employee's regular benefits, his initiation fees, membership dues and where required, service charges, upon authorization of an Assignment of Wages signed by each individual Union member as permitted by law.

The Union will provide the necessary "Assignment of Wages" forms and the Company will afford the Employee the opportunity to execute said authorization forms in the employment office at the time of hire.

(16)

Office and Shop

Once each month, the designated financial officer shall submit to local management a list showing the Employee's name, social security number, and the specified month for which it is certified (1) that the Employee did receive Regular Benefits under the Supplemental Unemployment Benefit Plan and (2) that regular monthly dues were due for such month and were not paid. This list shall be dated and submitted on or before the tenth (10th) day of each month.

(17)

Shop Only

Union dues in the amount of one (1) hour straight time pay calculated in accordance with the definition for Base Hourly Rate contained in Article IX -Definitions Paragraph 2.a. of the Supplemental Unemployment Benefit Plan, but including Cost-of-Living Allowance, for the benefit week from which the dues are to be deducted, or such other amount as may be established as dues, shall be deducted from the Regular Benefits of each Employee in accordance with the list, provided he has the applicable Authorization for Check-Off Dues form in effect as of the date the deduction is made. Such deduction from Regular Benefits shall be made from the first Regular Benefit paid following notification to the Trustee provided the net amount of the Regular Benefit is sufficient to cover the Union dues.

(18)

Shop Only

The Union shall indemnify and save the Company and the Trustee of the Budd-UAW Supplemental Unemployment Benefit Plan Fund harmless against any and all claims, demands, suits or other forms of liability that may arise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the provisions of this Article, or in reliance on any list, notice or assignment furnished under any of such provisions.

Following is the Authorization Form to be used:

"AUTHORIZATION FOR CHECK-OFF-DUES"

To: **The Budd Company**

"I hereby assign to Local Union No. ____ International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), from any wages earned to be earned by me as your Employee, or from any Regular Benefits to be paid to me under the Supplemental Unemployment Benefit Plan, (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No. ____ may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sum as may be established from time to time as union dues in accordance with the Constitution of the International Union, UAW. I authorize and direct you or the Trustee of the Budd-UAW Supplemental Unemployment Benefit Plan Fund, as the case may be, to deduct such amounts from my pay or from any Regular Benefits and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

"This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between the Company and the Union whichever occurs sooner.

"This authorization is made pursuant to the provisions of section 302 (c) of the Labor Management Relations Act of 1947 and otherwise.

Signature of Employee

Address of Employee

Type or Print name of Employee here

(City) (State) (Zip)

(Date of Sign.)

(Employee Clock No.)

(Soc. Sec. No.)

(Date of Del. to Employer)"

ARTICLE IV

HOLIDAY PAY

(20) Employees shall be paid for specified holidays and the holidays in each of the Christmas holiday periods indicated below:

1ST Year

November 23, 2000
November 24, 2000
December 25, 2000
December 26, 2000
December 27, 2000
December 28, 2000
December 29, 2000
January 1, 2001
January 15, 2001
April 13, 2001
April 16, 2001
May 28, 2001
July 4, 2001
September 3, 2001

Thanksgiving Day
Day after Thanksgiving Day

Christmas Holiday Period

Martin Luther King Jr.
Good Friday
Day after Easter
Memorial Day
Independence Day
Labor Day

2ND Year

November 22, 2001
November 23, 2001
December 24, 2001
December 25, 2001
December 26, 2001
December 27, 2001
December 28, 2001
December 31, 2001
January 1, 2002
January 21, 2002
March 29, 2002
April 1, 2002
May 27, 2002
July 4, 2002
July 5, 2002
September 2, 2002

Thanksgiving Day
Day after Thanksgiving Day

Christmas Holiday Period

Martin Luther King Jr.
Good Friday
Day after Easter
Memorial Day
Independence Day
Day after Independence Day
Labor Day

3RD Year

<u>November 28, 2002</u>	Thanksgiving Day
<u>November 29, 2002</u>	Day after Thanksgiving Day
<u>December 23, 2002)</u>	
<u>December 24, 2002)</u>	
<u>December 25, 2002)</u>	
<u>December 26, 2002)</u>	Christmas Holiday Period
<u>December 27, 2002)</u>	
<u>December 30, 2002)</u>	
<u>December 31, 2002)</u>	
<u>January 1, 2003)</u>	
<u>January 20, 2003</u>	Martin Luther King Jr.
<u>April 18, 2003</u>	Good Friday
<u>April 21, 2003</u>	Day after Easter
<u>May 26, 2003</u>	Memorial Day
<u>July 4, 2003</u>	Independence Day
<u>September 1, 2003</u>	Labor Day

4TH Year

<u>November 27, 2003</u>	Thanksgiving Day
<u>November 28, 2003</u>	Day after Thanksgiving Day
<u>December 24, 2003)</u>	
<u>December 25, 2003)</u>	
<u>December 26, 2003)</u>	
<u>December 29, 2003)</u>	Christmas Holiday Period
<u>December 30, 2003)</u>	
<u>December 31, 2003)</u>	
<u>January 1, 2004)</u>	
<u>January 2, 2004)</u>	
<u>January 19, 2004</u>	Martin Luther King Jr.
<u>April 9, 2004</u>	Good Friday
<u>April 12, 2004</u>	Day after Easter
<u>May 31, 2004</u>	Memorial Day
<u>July 5, 2004</u>	Independence Day Observed
<u>September 6, 2004</u>	Labor Day

5TH Year

<u>November 25, 2004</u>	Thanksgiving Day
<u>November 26, 2004</u>	Day after Thanksgiving Day
<u>December 24, 2004)</u>	
<u>December 27, 2004)</u>	
<u>December 28, 2004)</u>	
<u>December 29, 2004)</u>	Christmas Holiday Period
<u>December 30, 2004)</u>	
<u>December 31, 2004)</u>	
<u>January 17, 2005</u>	Martin Luther King Jr.
<u>March 25, 2005</u>	Good Friday
<u>March 28, 2005</u>	Day after Easter
<u>May 30, 2005</u>	Memorial Day
<u>July 4, 2005</u>	Independence Day
<u>September 5, 2005</u>	Labor Day

(21) Providing they meet all of the following eligibility rules unless otherwise provided herein:

a. The Employee has seniority as of the date of each specified holiday and as of each of the holidays in each of the Christmas holiday periods, and

b. The Employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and

c. The Employee must have worked on the last scheduled work day prior to and on the next scheduled work day after such holiday within the Employees scheduled work week. For each Christmas holiday period the Employee must have worked the last scheduled work day prior to each holiday period and the next scheduled work day after each holiday period. The Christmas Holiday Periods shall consist of each of the days of the week which fall on Monday through Friday after December 22, 2000 but before January 2, 2001, after December 21, 2001 but before January 2, 2002, after December 20, 2002 but before January 2, 2003 and after December 23, 2003 but before January 2, 2004, each of which days shall be a holiday for purposes of this

Holiday Pay Article. Failure to work either the last scheduled work day prior to or the next scheduled work day after each Christmas holiday period will disqualify the Employee for pay for the two holidays in the Christmas holiday period which follow or precede such scheduled work day.

(22) Employees eligible under these provisions shall receive eight (8) hours pay for each of the holidays specified herein. The rate of pay shall be at the hourly rate for all hourly Employees including Cost-of-Living Allowance and applicable shift premium, but excluding overtime premium. The rate of pay for incentive Employees shall be based on each such Employee's individual average incentive, and incentive related earnings for the last four (4) workweeks prior to the week in which the holiday occurs, plus Cost-of-Living Allowance, Annual Improvement Factor, and applicable shift premium, but excluding overtime premium, in effect on the date of the holiday(s). Such average shall include downtime, make-up, special rates, pre-production rates and other incentive earnings paid under the incentive systems. An Employee's status as an hourly, or incentive Employee, and shift status, for purposes of this Section shall be determined by the last work performed by such Employee prior to the holiday. Where an hourly Employee is paid a special rate, such special rate shall be used for Holiday Pay if an Employee has received a special rate for forty (40) hours during the two (2) continuous week period immediately prior to the holiday. When an incentive Employee has less than forty (40) hours incentive earnings for the last four (4) workweeks prior to the week in which the holiday occurs, the Employee's holiday rate shall be based on the departmental average incentive rate for the week preceding the holiday.

For the Christmas holiday period an Employee's status as hourly or incentive, and shift status, shall be determined by the status of the Employee at the beginning of his shift on the Monday of the week preceding the week in which the Christmas holiday period begins. The rate of pay will be determined as specified above except that the individual incentive average established as if Sunday, December 17, 2000, December 23, 2001, December 22, 2002, and December 21, 2003 were holidays shall be used as the individual average for the Christmas holiday

period. For those Employees having less than forty (40) hours incentive earnings during the four (4) workweek period prior to the weeks in which the above assumed Sunday holidays occur, the departmental average applicable to such assumed holidays will be used.

(23) Employees with the necessary seniority who have been laid off in a reduction of force or who have gone on sick leave, on leave of absence for military service, on leave of absence for Peace Corps service during the work week prior to or during the work week in which the holiday falls shall receive pay for such holiday(s).

A seniority Employee who is laid off during the first or second work week prior to a week in which one or more of the holidays in the Christmas holiday period falls, and who worked his last scheduled working day prior to such layoff, shall, if otherwise eligible, receive pay for the holidays falling within the Christmas holiday period.

(24) When an eligible Employee is on an approved leave of absence, Sick Leave, or on layoff, and returns to work following the holiday but during the week in which the holiday falls or the following week, he shall be eligible for pay for such holiday(s).

(25) When an Employee is absent because of illness and one or more holidays fall within that period of absence, he shall be eligible to receive pay for one (1) holiday. This clause does not alter the Employee's eligibility for Holiday Pay provided in **(23)** and **(24)** above.

(26) When holiday(s) specified above falls within an eligible Employee's approved vacation period or during a period in which he receives jury duty pay pursuant to Article VI of this Agreement, and he is absent from work during his regularly scheduled work week because of such vacation or jury duty, he shall be paid for such holiday(s).

(27) Employees who may be requested to work on a holiday and have accepted such holiday work assignment and then fail to

report for and perform such work without reasonable cause shall not receive Holiday Pay under this Holiday Pay section.

(28) Employees who accept and perform work on the holidays observed above shall receive Holiday Pay in addition to the double time provided for work on such holidays under the overtime pay provisions of the local Agreements.

(29) When any of the above enumerated holidays fall on Sunday and the day following is observed as a holiday by the State or Federal government, the day of observance shall be considered as the holiday under the provisions of this Holiday Pay Section.

(30) When a holiday falls on Saturday, eligible Employees shall receive Holiday Pay provided they have worked the last preceding scheduled work day within the week in which that holiday falls.

(31) It is the purpose of the Holiday Pay provisions of this Article to enable eligible Employees to enjoy the specified holidays with eight hours pay as provided in the above. If, with respect to a week included in the Christmas Holiday Period in 2000, 2001, 2002, 2003, and 2004 an Employee supplements his Holiday Pay by claiming and receiving an unemployment compensation benefit, or claims and receives waiting period credit, to which he would not have been entitled if his Holiday Pay had been treated as remuneration for the week, the Employee shall be obligated to pay to The Budd Company the lesser of the following amounts:

- a. An amount equal to his Holiday Pay for the week in question, or,
- b. An amount equal to either the unemployment compensation paid to him for such week or the unemployment compensation which would have been paid to him for such week if it had not been a waiting period.

The Company will deduct from earnings subsequently due and payable the amount which the Employee is obligated to pay as provided above.

(32) In order for Employees to have maximum time off during the Christmas Holiday Period, Employees will be called in to work only in emergencies on the following days which are not paid holidays under this Agreement:

Saturday, December 23, 2000
Sunday, December 24, 2000
Saturday, December 30, 2000
Sunday, December 31, 2000

Saturday, December 22, 2001
Sunday, December 23, 2001
Saturday, December 29, 2001
Sunday, December 30, 2001

Saturday, December 21, 2002
Sunday, December 22, 2002
Saturday, December 28, 2002
Sunday, December 29, 2002

Saturday, December 20, 2003
Sunday, December 21, 2003
Saturday, December 27, 2003
Sunday, December 28, 2003

Saturday, December 25, 2004
Sunday, December 26, 2004
Saturday, January 1, 2005
Sunday, January 2, 2005

An Employee shall not be disqualified for holiday pay if he does not accept work on such days. This statement does not apply to Employees on necessary continuous seven day operations.

ARTICLE V

LEAVES OF ABSENCE

(33) Personal. A leave of absence up to thirty days, may be granted to Employees with seniority for personal reasons other than to seek or obtain employment elsewhere. An extension may be granted by mutual written agreement between the Company and the Union.

(34) Sick Leave. An Employee with seniority who is unable to work because of illness or injury, and who furnishes satisfactory evidence thereof, shall be granted a leave of absence while disabled equal to his seniority at the date of his disability or five years whichever is greater, except the length of a leave of absence for disability for an Employee hired on or after February 11, 1980 shall not exceed in length the amount of his seniority at the date of his disability or three (3) years, whichever is greater. The exception contained in the first sentence of this paragraph shall not apply to an Employee whose leave of absence is the result of a compensable injury or illness arising out of or in the course of his employment with the Company. He will be returned to work in accordance with his seniority, provided he furnishes *satisfactory medical evidence of recovery.*

In those situations where an Employee claims sufficient recovery from a non-occupational illness or injury to return to work and is not released by a physician acting for the Company due to medical restrictions, or where an Employee claims continued disability from a non-occupational illness or injury and a physician acting for the Company or the insurance company determines that the Employee is no longer disabled, the following procedure will be applied, provided however, that no case involving any provisions of the Budd-UAW Retirement Plan shall be subject to this Procedure.

1. The Employee must present written evidence from his personal physician to support his claim of recovery or continued disability.

2. Should a disagreement exist between the Employee's physician and a physician acting for the Company or the insurance company the Employee may discuss the circumstances of his case with a shop committeeman. Arrangements for such discussion will be made through the Labor Relations Department.
3. Should the committeeman believe the Employee has grounds to support his claim he may request a review of all medical information with the Labor Relations Manager or his designated representative. A physician acting for the Company or the insurance company may be given the opportunity to discuss with the Employee's physician the type of work available and the nature of the disability.
4. In those cases where the review described in (3) above does not resolve the dispute, the parties will obtain the services of a mutually acceptable medical specialist and refer the Employee involved to such specialist for medical evaluation, including such examinations as the specialist may deem necessary to determine whether or not the Employee is medically able to do the job to which his seniority entitles him. The selection of the specialist by the parties will be made within seven (7) days from the initiation of the discussion in (3) above. The cost of the evaluation will be paid by the Company. The medical evaluation provided for herein will be scheduled as promptly as possible. If such medical evaluation cannot be scheduled within a reasonably prompt period of time, the parties will meet to select a different medical specialist who can

schedule the medical evaluation reasonably promptly.

5. In order to avoid any undue delay in resolving disputes arising under this Paragraph, the parties have agreed upon medical specialists and/or medical clinics they believe are satisfactory. A medical specialist and/or medical clinic agreed upon under this Paragraph shall be used to resolve disputes under this Paragraph only so long as such specialist or clinic remains acceptable to both parties. It is recognized that the parties may have been unable to foresee or obtain the services of all of the medical specialties which may be necessary to resolve specific disputes. In the event the parties require a medical specialty not agreed to in advance under the terms of this Paragraph, the parties shall select such medical specialist in accordance with the terms of Item 4. above when required.
6. If as a result of such medical evaluation the Employee is found medically able to perform the job to which his seniority entitles him, he will then be reinstated to such job. Under such circumstances, the Employee shall be entitled to retroactive pay from the date of the impartial medical evaluation.
7. If as a result of such medical evaluation the Employee is found medically unable to perform the job to which his seniority entitles him, he shall not be reinstated and such Employee will not be entitled to any back pay.

If Management and the Union are unable to agree within seven (7) days from the initiation of the discussion in (3) above, the dispute shall be placed in writing by the parties, jointly

signed, and referred to the Company's Manager of Labor Relations and the Director, UAW-Budd Department, or their designated representatives, in accordance with Article IX of this National Agreement. They shall have the authority to resolve the disagreement and implement any of the provisions of the foregoing paragraph, provided however that the selection of a mutually acceptable medical specialist will be made within ten (10) days from the date the matter was first discussed in accordance with the provisions of this Paragraph.

Any decision by a mutually agreed to medical specialist at any step of this procedure shall be final and binding on the Union, the Employee involved and the Company.

(35) Pregnancy Leave. Any female Employee with seniority, upon furnishing medical proof of pregnancy, shall upon her request, be granted a leave of absence. The combination of pregnancy leave and sick leave for the period of time the Employee is medically unable to work due to pregnancy or resulting childbirth, abortion, miscarriage, or complications resulting therefrom shall not exceed twelve (12) months, except that in the event the Employee is still medically unable to work and on sick leave at the expiration of the twelve (12) month period, the duration of the leave and her return to work shall be governed by the provisions of Paragraph 34 --Sick Leave.

(36) Political Office or Union Office. Any Employee with seniority elected or appointed to public office or elected to Union Office or selected for other Union activities by the International Union and/or Local Union, shall be granted a leave of absence for a period of one year with extension privileges, provided, however, that such Employee shall renew his leave of absence annually.

(37) Military Leave of Absence. Any Employee who is called or volunteers for active service (including rejections) under any applicable statute, upon the termination of such service will be re-employed by the Company in accordance with the provisions of the applicable statute, seniority permitting. Upon submission of satisfactory proof of pending induction for active service, the Employee may arrange for the leave to begin up to thirty (30) days prior to the induction date.

(38) Peace Corps Leave of Absence. A seniority Employee entering the Peace Corps shall, upon prior written request and submission of evidence satisfactory to the Company, receive a leave of absence for the period of his service in the Peace Corps, but not to exceed three (3) years. If the Employee returns to work within thirty (30) days after completion of this service with the Peace Corps he shall be reinstated at work in line with his seniority status in the classification in which he was engaged last prior to his leave of absence. His seniority shall accumulate throughout the period of his leave of absence.

(39) Credit Union Leave of Absence. A seniority Employee who is elected or appointed to a full-time position with a credit union chartered by the Federal or State government and which serves Budd Employees primarily shall, upon prior written request from the credit union, receive a temporary leave of absence for the term of his position with the credit union or one (1) year, whichever is less, and upon his return shall be reinstated at work in line with his seniority status in the classification in which he was engaged last prior to his leave of absence. His seniority shall accumulate throughout the period of his leave of absence. Such leaves of absence may be renewed yearly with the approval of the Company. The Union will be notified of any such renewal.

(40) Educational Leave of Absence. Employee veterans who have acquired seniority and other Employees with seniority of one or more years who desire to further their education, may make application for a leave of absence for that purpose. One continuous leave of absence for such education will be granted to eligible Employees for a period not to exceed twelve months. Additional leaves of absence may be granted, by mutual agreement between the Company and the Union. An indentured apprentice will not be granted an Educational Leave of Absence unless it relates to his training.

(41) Adoption Leave. Employees with one (1) or more years of seniority may request an unpaid adoption leave of absence for a period of up to (6) months. In those instances when the adoption of a child is contingent upon the domestic presence of the employee and is a specific requirement of the adoption

agency, the period of the leave of absence may be extended up to one (1) year total. The Company will not arbitrarily deny eligible employees such leaves.

(42) General

- a. Seniority shall accumulate during the period of an approved leave of absence for seniority Employees.
- b. Employees returning from Pregnancy, Political Office or Union Office, Military, Peace Corps, Educational, Credit Union and Adoption Leaves shall notify the Company of their availability and desire to return to work and the Company shall have seven (7) working days to return the Employee to work following such notice, seniority permitting.
- c. An approved copy of any written leave of absence granted under the Leaves of Absence Section will be furnished to the Employee and to the Union.

ARTICLE VI

JURY DUTY

(43) An Employee with one or more years' unbroken Company service who is summoned and reports for jury duty (including coroner's juries), as prescribed by applicable law or who reports for pre-jury duty examination required by the court or administrative governmental agency shall be paid by the Company an amount equal to the difference between the daily jury duty fee paid by the court or agency (not including travel allowance or reimbursement of expenses) for the day on which he reports for pre-jury duty examination and for each day on which he reports for or performs jury duty and on which he otherwise would have been scheduled to work for the Company, and wages

earned by the Employee from the Company by working during straight-time hours for the Company on that day.

In order to receive payment, an Employee must give local Management prior notice that he has been directed to report for pre-jury duty examination or has been summoned for jury duty and must furnish satisfactory evidence that he reported for such examination or reported for or performed jury duty on the days for which he claims such payment. The provisions of this Article VI are not applicable to an Employee who, without being summoned, volunteers for jury duty.

For purposes of this Article the method for determining each affected Employee's status as an hourly or incentive worker, and the method of calculating his pay shall be identical with the methods specified in Paragraph (22), Article IV -Holiday Pay, except that shift premium shall not be included in Jury Duty Pay.

An Employee shall accumulate seniority while performing Jury duty as described in this Article VI.

ARTICLE VII

SHORT-TERM MILITARY DUTY PAY

(44) An Employee with one or more years of unbroken Company service who is called to and performs short-term active duty of thirty (30) days or less, including annual active duty for training as a member of the United States Armed forces Reserve or National Guard shall be paid by the Company for each day partially or wholly spent in performing such duty, if the Employee otherwise would have been scheduled to work for the Company and does not work, an amount equal to the difference, if any, between (i) the Employee's regular straight-time rate, as subsequently defined, for the number of hours up to eight (8) that he otherwise would have been scheduled to work and (ii) his daily military earnings (including all allowances except for rations, subsistence and travel). For purposes of this Article the method for determining each affected Employee's status as an hourly or

incentive worker, and the method of calculating his pay shall be identical with the methods specified in Paragraph (22) be included in Short-Term Military Duty Pay.

The Company's obligation to pay an Employee for performance of military duty under this Section is limited to a maximum of fifteen (15) scheduled working days in any calendar year, except for short-term active duty of thirty (30) days or less performed by Employees called to active service in the National Guard by State or Federal authorities in case of public emergency.

In order to receive payment under this Section an Employee must give the Company prior notice of such military duty and upon his return to work must furnish the Company with a statement of his military pay while on such duty.

ARTICLE VIII

BEREAVEMENT

(45) The Company will pay up to eight (8) hours per day at the Employee's regular straight time rate, as subsequently defined, for loss of time for three consecutive scheduled working days due to the death of the:

<u>Employee's</u>	<u>Current Spouse's</u>
Grandchild	Stepparent or
Grandparent	Grandparent
Sister	Great-grandparent
Brother	
Father-in-Law	
Mother-in-Law	
Stepparent	
Stepbrother	
Stepsister	
Half Brother	
Half Sister	
Great-grandparent	

The Company will pay up to eight (8) hours per day at the Employee's regular straight time rate, as subsequently defined, for loss of time for five consecutive scheduled working days due to the death of the:

Employee's

Mother

Father

Husband

Wife

Child

Stepchild

Such payment will be made upon presentation of proof of death.

An Employee will be eligible for Bereavement Pay as indicated above when loss of time from work occurs within three scheduled working days of the date of the funeral.

In the event an Employee is granted a leave of absence because of the illness of a member of his immediate family and such family member dies within the first seven (7) calendar days of the leave, the requirement that the Employee otherwise would have been scheduled to work will be waived.

An Employee will be required to have acquired seniority to be eligible pursuant to this Bereavement Article.

For purposes of this Article the method for determining each affected Employee's status as an hourly or incentive worker and the method of calculating his pay shall be identical with the methods specified in Paragraph (22), Article IV --Holiday Pay, except that shift premium shall not be included in Bereavement Pay.

ARTICLE IX

GRIEVANCES

(46) When a grievance which involves the application or interpretation of a clause of the National Agreement has exhausted Local Union grievance procedure, excluding any Strike and/or Arbitration provisions of the Local Agreement, an additional step of the grievance procedure may be invoked at the option of the Director, UAW-Budd Department or her designated representative, or the Local Union(s) involved, in which case the Director, UAW-Budd Department or her designated representative may give written notice to the Company's Manager of Labor Relations. The Company through its Manager of Labor Relations or his designated representative may, at its option, give written notice to the Director, UAW-Budd Department, invoking this additional step in the grievance procedure. Any such notice by either party must be given within thirty calendar days of the date of the final management decision at the Local level. Such additional grievance step shall be held within ten (10) days of the receipt by either party of such request. In addition to those who participated in the last step of the Local Union's grievance procedure, this meeting shall be attended by the Company's Manager of Labor Relations or his designated representative(s), and the Director, UAW-Budd Department or her designated representative(s), and shall be held in the plant in which the grievance originated. The Company will give its written answer to the grievance within ten days after the National Grievance Step meeting by mailing such answer by certified mail, return receipt requested, to the Director, UAW-Budd Department, and will simultaneously mail a copy of such answer by certified mail, return receipt requested, to the President of the Local Union where the grievance originated.

(47) Any grievance which involves the application or interpretation of a clause of the National Agreement shall be considered settled on the basis of the Company's last written answer, whether Local or National, unless within thirty calendar days the grievance: (1) is appealed to the Permanent Arbitrator as provided in the succeeding portions of this Article IX, or (2) is

settled by mutual agreement as hereinafter provided, (3) becomes the subject of a strike as provided for in the appropriate Local Agreement and the Constitution of the International Union, UAW, or (4) is withdrawn without precedent or prejudice by the Union.

(48) Notwithstanding any provision(s) of a Local Agreement to the contrary, a grievance which has been processed to the National Grievance Procedure contained in this Article IX, in accordance with the provisions of Mr. William M. Kroger, Jr.'s November 1, 2000 letter --Health & Safety, may become the subject of a strike provided, however, that written notice of intent to strike has been furnished to the Company within thirty (30) calendar days of the Company's written National Step Grievance answer, and further provided such strike must start not earlier than five (5) days following receipt by the Company of such written notice and not later than thirty (30) days following receipt by the Company of such notice. It is expressly understood and agreed that no grievance, complaint, issue, or matter other than the strikeable issue involved will be discussed or negotiated in connection with disputes to which this Paragraph is applicable, and the Union shall not request or insist upon the discussion or negotiation of any extraneous issues either before the authorization of a strike or after the occurrence of a strike.

(49) The parties shall select a Permanent Arbitrator who shall serve during the life of this Agreement, providing he continues to be acceptable to both the Company and the Union. In the event either the Director, UAW-Budd Department, or the Vice President of Human Resources, The Budd Company, notifies the other of the unacceptability of the Permanent Arbitrator, the parties shall mutually agree on a new Permanent Arbitrator.

(50) Within thirty calendar days after receipt by the Union of the Company's written answer to a National Step grievance, the Union may appeal the grievance to the Permanent Arbitrator by so indicating in a letter from the Director, UAW-Budd Department, or her designated representative, to the Company's Manager of Labor Relations. Grievances appealed to the Permanent Arbitrator shall be heard by him as promptly as possible at a mutually agreeable neutral location, using the rules of the American Arbitration Association to govern the proceeding.

(51) The Permanent Arbitrator shall have no authority to add to, subtract from, or modify any of the provisions of the National Agreement or any Local Agreement, or any Exhibits, Appendixes, or Supplements to either. The decision of the Permanent Arbitrator on a grievance shall be final and binding on all parties.

(52) Time limits contained in this Article IX may be extended by written agreement of the Union and the Company.

(53) Appeals under the Supplemental Unemployment Benefit Agreement and Plan, and the Pension Plan, shall be subject to the final jurisdiction of the Permanent Arbitrator, who shall assume the identity and responsibility of the Impartial Chairman described in those Plans.

(54) The expenses of the arbitration proceedings, including the compensation paid the Arbitrator, shall be shared equally by the Company and the Union except that the Company will pay the Permanent Arbitrator's retainer fee and travel expenses such as transportation, meals and lodging.

(55) Notwithstanding the above provisions, the parties retain the right to dispose of any grievance by mutual agreement at any step of the procedure outlined herein for the resolution of disputes concerning the National Agreement.

(56) The Union may withdraw, without precedent or prejudice to any other case, a grievance which it has appealed, in accordance with these provisions, to the National Grievance Step. The Company may settle, without precedent or prejudice to any other case, a grievance which has been appealed, in accordance with these provisions, to the National Grievance Step.

(57) The UAW-Budd Department is authorized to withdraw or settle with the Company any grievance appealed by the Union to the additional step in the Grievance Procedure provided in Paragraph (46) above at any time before it is heard by the Permanent Arbitrator. After a case upon which the Permanent Arbitrator is empowered to rule has been heard by him, it may not be withdrawn by either party without the consent of the other.

ARTICLE X

PLANT MOVEMENT

(58) Except where prohibited by law, whenever the Company transfers operations or departments from any Plant(s) covered by this Agreement to a vacant plant which is newly acquired or built by the Company, Employees engaged on such operations or employed in such departments may, if they so desire, be transferred to the new plant with their full Company seniority. An Employee so transferred shall retain seniority in the prior plant for sixty (60) calendar days after which he will be considered a voluntary quit at the prior plant effective on the date of the transfer.

ARTICLE XI

MOVING ALLOWANCE

(59) A. **Transfer Moving Allowance.** An Employee who is on the active employment rolls on or after November 1, 2000, and is offered and accepts a transfer from one plant to a new plant under Article X, Paragraph (58), will be paid a moving allowance provided:

1. the new plant location is at least 50 miles from the plant at which he last worked and he moves his residence as a result of such relocation and
2. his application is received by the Company within six (6) months after commencing employment at the new plant. The amount of the moving allowance will be the amount shown in the following table:

<i>Miles Between Plant Location</i>	<i>Single</i>	<i>Married*</i>
50 99	\$ 875	\$1,942
100 299	974	2,140
300 499	1,056	2,244
500 999	1,271	2,651
1,000 or over	1,480	3,047

In the event an Employee, after relocating to a new plant, exercises an option to return with his seniority to the seniority rolls of his original plant under conditions which would entitle him to a separation payment on the basis of such seniority, the amount of any moving allowance received will be deducted from any subsequent separation payment.

*For the purpose only of applying the moving allowance table contained in this Moving Allowance Article, an Employee who is a widow, widower or divorcee who has living in his household a minor child or children who qualify as his dependent(s) for IRS purposes, shall be considered as though he were married.

B. Layoff Moving Allowance. An Employee with one or more years of seniority who is on the active employment rolls on or after November 1, 2000, and accepts a voluntary offer of work at another plant of the Company will be paid a moving allowance provided:

1. the plant location at which the applicant is to be relocated is at least 50 miles from the plant at which he last worked and he moves his residence as a result of such relocation, and
2. his application is received by the Company within six (6) months after commencing employment at the new location.

The amount of moving allowance will be the greater of the separation payment to which

the Employee would otherwise be entitled on the date of the application, or an amount equal to the applicant's unused credit units times the maximum SUB benefit payable under the SUB Plan, but, in either case, will not exceed the applicable amount indicated in the relocation allowance table above.

Any subsequent separation payment will be reduced by the amount of any moving allowance previously received.

C. There will be no duplication of allowances under any present or future legislation providing for moving or relocation allowance.

D. A moving allowance shall be payable in a lump sum. Any moving allowance payable under Article XI, Paragraph 59(B), shall be paid by the Company, subject to the terms and conditions specified in Article VII, Section 5e of the 2000 Supplemental Unemployment Benefit Plan.

ARTICLE XII

WAGES

(60) General Increase

Effective at the beginning of the first pay period commencing on or after the effective date of this Agreement but prior to the transfer of Cost-of-Living Allowance into base rates required by Paragraph (70) of Article XIII, each Employee covered by this Agreement shall receive a general wage increase in his straight time hourly base rate (exclusive of Cost-of-Living Allowance and Shift Premium) in accordance with the following table:

Base Rate Prior to Increase**From****To****Amount of
Increase**

<u>Up to</u>	<u>\$11.035</u>	<u>\$0.330</u>
<u>\$11.040</u>	<u>\$11.200</u>	<u>\$0.335</u>
<u>\$11.205</u>	<u>\$11.370</u>	<u>\$0.340</u>
<u>\$11.375</u>	<u>\$11.540</u>	<u>\$0.345</u>
<u>\$11.545</u>	<u>\$11.710</u>	<u>\$0.350</u>
<u>\$11.715</u>	<u>\$11.880</u>	<u>\$0.355</u>
<u>\$11.885</u>	<u>\$12.050</u>	<u>\$0.360</u>
<u>\$12.055</u>	<u>\$12.220</u>	<u>\$0.365</u>
<u>\$12.225</u>	<u>\$12.390</u>	<u>\$0.370</u>
<u>\$12.395</u>	<u>\$12.560</u>	<u>\$0.375</u>
<u>\$12.565</u>	<u>\$12.730</u>	<u>\$0.380</u>
<u>\$12.735</u>	<u>\$12.900</u>	<u>\$0.385</u>
<u>\$12.905</u>	<u>\$13.070</u>	<u>\$0.390</u>
<u>\$13.075</u>	<u>\$13.240</u>	<u>\$0.395</u>
<u>\$13.245</u>	<u>\$13.410</u>	<u>\$0.400</u>
<u>\$13.415</u>	<u>\$13.580</u>	<u>\$0.405</u>
<u>\$13.585</u>	<u>\$13.750</u>	<u>\$0.410</u>
<u>\$13.755</u>	<u>\$13.920</u>	<u>\$0.415</u>
<u>\$13.925</u>	<u>\$14.090</u>	<u>\$0.420</u>
<u>\$14.095</u>	<u>\$14.260</u>	<u>\$0.425</u>
<u>\$14.265</u>	<u>\$14.430</u>	<u>\$0.430</u>
<u>\$14.435</u>	<u>\$14.600</u>	<u>\$0.435</u>
<u>\$14.605</u>	<u>\$14.770</u>	<u>\$0.440</u>
<u>\$14.775</u>	<u>\$14.940</u>	<u>\$0.445</u>

Base Rate Prior to Increase

<u>From</u>	<u>To</u>	<u>Amount of Increase</u>
<u>\$14.945</u>	<u>\$15.110</u>	<u>\$0.450</u>
<u>\$15.115</u>	<u>\$15.280</u>	<u>\$0.455</u>
<u>\$15.285</u>	<u>\$15.450</u>	<u>\$0.460</u>
<u>\$15.455</u>	<u>\$15.620</u>	<u>\$0.465</u>
<u>\$15.625</u>	<u>\$15.790</u>	<u>\$0.470</u>
<u>\$15.795</u>	<u>\$15.960</u>	<u>\$0.475</u>
<u>\$15.965</u>	<u>\$16.130</u>	<u>\$0.480</u>
<u>\$16.135</u>	<u>\$16.300</u>	<u>\$0.485</u>
<u>\$16.305</u>	<u>\$16.470</u>	<u>\$0.490</u>
<u>\$16.475</u>	<u>\$16.640</u>	<u>\$0.495</u>
<u>\$16.645</u>	<u>\$16.810</u>	<u>\$0.500</u>
<u>\$16.815</u>	<u>\$16.980</u>	<u>\$0.505</u>
<u>\$16.985</u>	<u>\$17.150</u>	<u>\$0.510</u>
<u>\$17.155</u>	<u>\$17.320</u>	<u>\$0.515</u>
<u>\$17.325</u>	<u>\$17.490</u>	<u>\$0.520</u>
<u>\$17.495</u>	<u>\$17.660</u>	<u>\$0.525</u>
<u>\$17.665</u>	<u>\$17.830</u>	<u>\$0.530</u>
<u>\$17.835</u>	<u>\$18.000</u>	<u>\$0.540</u>
<u>\$18.005</u>	<u>\$18.170</u>	<u>\$0.545</u>
<u>\$18.175</u>	<u>\$18.340</u>	<u>\$0.550</u>
<u>\$18.345</u>	<u>\$18.510</u>	<u>\$0.555</u>
<u>\$18.515</u>	<u>\$18.680</u>	<u>\$0.560</u>
<u>\$18.685</u>	<u>\$18.850</u>	<u>\$0.565</u>
<u>\$18.855</u>	<u>\$19.020</u>	<u>\$0.570</u>
<u>\$19.025</u>	<u>\$19.190</u>	<u>\$0.575</u>

Base Rate Prior to Increase

<u>From</u>	<u>To</u>	<u>Amount of Increase</u>
<u>\$19.195</u>	<u>\$19.360</u>	<u>\$0.580</u>
<u>\$19.365</u>	<u>\$19.530</u>	<u>\$0.585</u>
<u>\$19.535</u>	<u>\$19.700</u>	<u>\$0.590</u>
<u>\$19.705</u>	<u>\$19.870</u>	<u>\$0.595</u>
<u>\$19.875</u>	<u>\$20.040</u>	<u>\$0.600</u>
<u>\$20.045</u>	<u>\$20.210</u>	<u>\$0.605</u>
<u>\$20.215</u>	<u>\$20.380</u>	<u>\$0.610</u>
<u>\$20.385</u>	<u>\$20.550</u>	<u>\$0.615</u>
<u>\$20.555</u>	<u>\$20.720</u>	<u>\$0.620</u>
<u>\$20.725</u>	<u>\$20.890</u>	<u>\$0.625</u>
<u>\$20.895</u>	<u>\$21.060</u>	<u>\$0.630</u>
<u>\$21.065</u>	<u>\$21.230</u>	<u>\$0.635</u>
<u>\$21.235</u>	<u>\$21.400</u>	<u>\$0.640</u>
<u>\$21.405</u>	<u>\$21.570</u>	<u>\$0.645</u>
<u>\$21.575</u>	<u>\$21.740</u>	<u>\$0.650</u>
<u>\$21.745</u>	<u>\$21.910</u>	<u>\$0.655</u>
<u>\$21.915</u>	<u>\$22.080</u>	<u>\$0.660</u>
<u>\$22.085</u>	<u>\$22.250</u>	<u>\$0.665</u>
<u>\$22.255</u>	<u>\$22.420</u>	<u>\$0.670</u>
<u>\$22.425</u>	<u>\$22.590</u>	<u>\$0.675</u>
<u>\$22.595</u>	<u>\$22.760</u>	<u>\$0.680</u>
<u>\$22.765</u>	<u>\$22.930</u>	<u>\$0.685</u>
<u>\$22.935</u>	<u>\$23.100</u>	<u>\$0.690</u>
<u>\$23.105</u>	<u>\$23.270</u>	<u>\$0.695</u>

These General Wage Increases shall be added to the base hourly rate for each non-incentive classification (except apprentices) including the minimum and maximum rate of rate ranges. The straight-time hourly base rate for purpose of determining the amount of the General Increase for incentive paid Employees shall be the average straight-time hourly earnings excluding floating Cost-of-Living adds and shift premiums of all Employees in the incentive paid group for the plant involved during the six months immediately prior to the effective date of the General Increase. The General Increase will be paid to incentive Employees as an add for all hours worked but shall be included as part of straight time hourly earnings of such Employees when determining amounts of future Annual Improvement Factor increases.

(61) Improvement Factor Increase

The Improvement Factor provided for herein recognizes the principle that a continuing improvement in the standard of living of Employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective.

Accordingly, it is agreed that the following Improvement Factor Increases in wages shall be granted to Employees covered by the Agreement:

Effective at the beginning of the first full pay period beginning November 11, 2002 and the first full pay period beginning November 8, 2004 increases in the base rates shall be granted based upon the general increase table contained in Article XII paragraph (60).

The Improvement Factor Increase shall be added to the base hourly rate for each non-incentive classification (excluding apprentices) including the minimum and maximum of rate ranges.

The straight-time hourly base rate for purpose of determining the amount of Annual Improvement Factor increase of incentive paid Employees shall be the average straight-time hourly earnings excluding floating Cost-of-Living adds and

shift premiums of all Employees in the incentive paid group for the plant involved during the six months immediately prior to the effective date of the Annual Improvement Factor increase. The Improvement Factor increase will be paid to incentive Employees as an add for all hours worked but shall be included as part of straight-time hourly earnings of such Employees when determining the amount of the Annual Improvement Factor increase.

(62) Hiring Rates

A. New non-incentive Employees hired/rehired on or after the effective date of this Agreement shall be hired at a rate not less than 70% of the minimum or start rate of the classification to which they are assigned.

1. Upon completion of 26 weeks of active employment, such Employees shall receive an increase to 75% of the minimum or start rate of the classification to which they are assigned.
2. Upon completion of 52 weeks of active employment, such Employees shall receive an increase to 80% of the minimum or start rate of the classification to which they are assigned.
3. Upon completion of 78 weeks of active employment, such Employees shall receive an increase to 85% of the minimum or start rate of the classification to which they are assigned.
4. Upon completion of 104 weeks of active employment, such Employees shall receive an increase to 90% of the minimum or start rate of the classification to which they are assigned.

5. Upon completion of 130 weeks of active employment, such Employees shall receive an increase to 95% of the minimum or start rate of the classification to which they are assigned.
6. Upon completion of 156 weeks of active employment, such employees shall receive the minimum or start rate of the classification to which they are assigned and will be eligible to receive automatic increases within the wage range of their classification as they qualify.

B. New Employees hired/rehired on or after the effective date of this Agreement in incentive classifications shall be paid 70% of the "adds" for each hour worked during the first 26 weeks of active employment.

1. After completion of 26 weeks of active employment, such Employees shall be paid 75% of the "adds" for each hour worked.
2. After completion of 52 weeks of active employment, such Employees shall be paid 80% of the "adds" for each hour worked.
3. After completion of 78 weeks of active employment, such Employees shall be paid 85% of the "adds" for each hour worked.
4. After completion of 104 weeks of active employment, such Employees shall be paid 90% of the "adds" for each hour worked.
5. After completion of 130 weeks of active employment such Employees shall be paid 95% of the "adds" for each hour worked.

6. After completion of 156 weeks of active employment, such Employees shall be paid 100% of the "adds" for each hour worked.

C. If such Employees are laid off due to a reduction in force and subsequently rehired within one year of the date of probationary layoff or the date their seniority is broken, they shall have their hiring-in rate determined by the number of weeks of employment they had previously completed. Such weeks shall be applied toward their rate progression to the minimum or starting rate of the job to which they are assigned.

D. This hiring rate provision shall not apply to Employees hired in Skilled Trades classifications, apprentices or in classifications where learner or trainee rates are established.

E. Employees who have once completed the hiring rate progression shall not be required to again start below the minimum or starting rate of the job when they transfer or are hired from one Budd Plant to another or transfer from hourly to salary or vice versa.

(63) A. Performance Bonus Payments. The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of Employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, a Performance Bonus payment will be made to each eligible Employee in accordance with the following table:

Eligibility Date	Amount	Payable During Week Ending
<u>November 12, 2001</u>	Three percent (3.0%) of Qualified Earnings	<u>December 9, 2001</u>

November 10, 2003

Three
percent
(3.0%) of
Qualified
Earnings

December 7, 2003

An Employee shall become eligible for a Performance Bonus payment as hereinafter defined, provided he has seniority as of each designated eligibility date set forth above.

An Employee's Performance Bonus will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay period in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible Employee from the Company during each designated Performance Bonus eligibility year resulting from the following:

Hourly Base Wages*

COLA*

Shift Premium*

Incentive Earnings*

Vacation and Paid Absence Allowance

Holiday Pay

Bereavement Pay

Jury Duty Pay

Apprentice Training Incentive Payments

Call-In Pay

Short-Term Military Duty Pay

Back pay awards related to the designated eligibility year

***Including overtime, Saturday, Sunday and Holiday premium payments.**

B. An Employee who retires during the Performance Bonus eligibility year provided in this Paragraph (63), and who, but for such retirement, would have had seniority as of the designated eligibility date, shall qualify for the Performance Bonus as defined in this Paragraph (63).

C. In the case of an Employee who dies during the Performance Bonus eligibility year, a Performance Bonus shall become payable as if he were a seniority Employee on the designated eligibility date and calculated based on his Qualified Earnings during the eligibility year as defined in this Paragraph (63). Such Performance Bonus shall be paid to his duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Company in its discretion may determine.

(64) Night Shift Premium

Employees assigned to night shifts shall be paid Night Shift Premium (Bonus) as follows:

"B" Shift (Afternoon) 5%

"C" Shift (Night) 7 1/2%

ARTICLE XIII

COST-OF-LIVING ALLOWANCE

(65) Payment of Allowance, Effect on Other Payments

Effective at the beginning of the first pay period commencing on or after the effective date of this Agreement and thereafter during the period of this Agreement, each Employee covered by this Agreement shall receive a Cost-of-Living Allowance as set forth in this Article.

The Cost-of-Living Allowance shall not be added to the base rate for any classification, but only to each Employee's straight-time hourly earnings (including the earned rate only of Employees on an incentive basis of pay).

The Cost-of-Living Allowance shall be taken into account in computing overtime and shift premiums, and in

determining call-in pay and pay for vacations, unworked holidays, jury duty, bereavement, and short-term military duty.

(66) Basis for Allowance

The amount of the Cost-of-Living Allowance shall be determined and re-determined as provided below on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised, CPI-W, United States City Average) published by the Bureau of Labor Statistics (1967 = 100).

Continuance of the Cost-of-Living Allowance shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for July, 2000, unless otherwise agreed upon by the parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the Index, the parties agree to ask the Bureau to make available, for the life of this Agreement, a monthly Index in its present form and calculated on the same basis as the Index for July, 2000.

(67) Redeterminations

During the period of this Agreement, adjustments in the Cost-of-Living Allowance shall be made at the following times:

Effective Date of Adjustment	Based upon Three Month Average of the Consumer Price Index for:
<u>March 5, 2001</u>	<u>November, December, 2000 and January, 2001</u>
First pay period beginning on or after: <u>June 4, 2001</u> and at three calendar month intervals thereafter to September, <u>2005.</u>	<u>February, March and April 2001</u> and at three-calendar-month intervals thereafter to May, June and July, <u>2005.</u>

(68) Amount of Allowance

The amount of Cost-of-Living Allowance effective at the beginning of the first pay period commencing on or after the effective date of this Agreement and ending March 4, 2001 shall be zero.

Effective March 5, 2001 and for any period thereafter as provided herein, the Cost-of-Living Allowance shall be in accordance with a table providing for a one (1) cent adjustment for each 0.26 change in the Average Index as calculated in accordance with the Letter of Understanding signed by the parties and this Paragraph (68). Prior to the adjustment on March 5, 2001, the parties shall construct a table giving effect to the Cost-of-Living Allowance reductions occurring in the twenty-one periods ending with the period beginning December 4, 2000. The table shall be adjusted so that the actual three-month average Consumer Price Index equates to the allowance actually paid during the period beginning December 4, 2000.

In determining the Three-Month Average of the Index for a specified period, the computed average shall be rounded to the nearest 0.1 index point.

In no event will a decline in the Three-Month Average of the Index below 503.0 provide the basis for a reduction in the wage scale by job classification.

No adjustment shall be made in the Cost-of-Living Allowance for the quarters beginning September 3, 2001, September 2, 2002, September 1, 2003, September 6, 2004 and September 5, 2005. For each quarter in which an increase is required, the amount of increase will be reduced by the total amount of the increase to zero. For each adjustment during the nineteen (19) three-month periods beginning March 5, 2001, in which an increase in the Cost-of-Living Allowance shall be required according to the procedure, the amount of increase so required each three-month period, excluding the three-month periods beginning September 3, 2001, September 2, 2002, September 1, 2003, September 6, 2004 and September 5, 2005 shall be reduced three (3) cents, or by the amount of the increase,

whichever is less. However, there shall be no reduction as provided herein in any three-month period in which the Cost-of-Living Allowance required by the table is equal to or less than the amount of Cost-of-Living Allowance provided by the table in the preceding three-month period. Following the adjustment for the three-month period beginning September 5, 2005, the total sum reduced during the nineteen (19) periods shall be subtracted from the Cost-of-Living Allowance table and the table shall be adjusted so that the actual three-month Average Consumer Price Index equates to the allowance actually paid during the period beginning September 5, 2005.

(69) Adjustment Procedure

In the event the Bureau of Labor Statistics does not issue the appropriate Index on or before the beginning of one of the pay-periods referred to in Paragraph (67), any adjustment in the allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index.

No adjustments, retroactive or otherwise, shall be made in the amount of the Cost-of-Living Allowance due to any revision which later may be made in the published figures used in the calculation of the Consumer Price Index for any month on the basis of which the allowance shall have been determined.

(70) Transfer of Cost-of-Living Allowance Into Base

Effective at the beginning of the first pay period commencing on or after the effective date of this Agreement, but after the application of the general increase provided in Article XII, the Cost-of-Living Allowance which was in effect February 1, 2001 shall be added to the base hourly rate for each non-incentive classification (except apprentices) including minimum and maximum rate for spread rate classifications. For incentive paid Employees, such Cost-of-Living Allowance shall be paid as an irrevocable Cost-of-Living add for all hours worked.

Following the transfer of Cost-of-Living Allowance into the base hourly rate, the Cost-of-Living Allowance shall

thereafter be computed in accordance with Paragraphs (66), (67) and (68) of this Article.

ARTICLE XIV PAID ABSENCE ALLOWANCE

(71) A Paid Absence Allowance of forty (40) hours (calculated on the same basis as holiday pay) shall be granted to all seniority Employees on the active payroll during the fifty-two (52) week period following the attainment of eligibility for one (1) or more weeks of vacation benefits under the vacation provisions of their local agreement. Further, Employees will be eligible for subsequent forty (40) hours of paid absence allowance during succeeding fifty-two (52) week periods during the life of this agreement provided they retain eligibility for one (1) or more weeks of vacation benefits and remain on the active payroll.

ARTICLE XV MEMORANDUM OF UNDERSTANDING HEALTH AND SAFETY

- (72)** 1. The Budd Company recognizes its obligation to provide a safe and healthful working environment for Employees. The UAW recognizes its obligation to cooperate in maintaining and improving a safe and healthful working environment. The parties agree to use their best efforts jointly to achieve these objectives.
2. The Budd Company will continue to make available in each plant the sampling and monitoring equipment provided as of March 8, 1985 for measuring noise, air contaminants and air flow including smoke tubes. Members of the Local Joint Committees will

be provided specific training on the application, use, and results interpretations of monitoring equipment specified by this paragraph.

3. The Company may require Employees on certain jobs to use special protective clothing, equipment or devices. In such cases those articles will be supplied by the Company. Problems in this regard will be worked out locally.
4. The Company shall provide training for health and safety representative(s) and members of the Local Joint Committee on Health and Safety and appropriate education and training in health and safety for its Employees.
5. Upon written request from the UAW-Budd Department to the Company's Corporate Manager of Labor Relations, the Company will disclose the identity of any known harmful chemical or toxic materials to which Employees are exposed including any information regarding remedies, antidotes and protective measures. Copies of the UAW-Budd Department request and the Company response will be provided to the Local Plant Hazardous Materials Control Committee.
6. The Company agrees to provide competent staff and medical facilities adequate to implement its obligations as outlined in (a) and (b) below:
 - a. Provide to Employees who are exposed to potentially harmful agents or toxic materials, at no cost to them, those medical services, physical examinations and other

appropriate tests including audiometric and lung function examinations, at a frequency and extent necessary to determine whether the health of such Employees is being adversely affected. Also, to provide the specific tests required for Employees in jobs with special physical requirements.

b. Provide to each Employee upon his request a written report of the results of such examinations or tests which are related to occupational exposure. These results as well as those instances where it is determined that an Employee has had a personal exposure exceeding the permissible levels as set forth in 29CFR-1910.1000, Air Contaminants, will be reviewed with the Employee by the plant medical department prior to their release. Upon the Employee's written request, copies of such information will be forwarded to the Employee's personal physician.

c. In addition, in those instances where a breathing zone air sample is collected the Employee will be notified of the results which will be entered on the Employee's medical records.

7. The Company will arrange for plant surveys by Company's Industrial Health and Safety Staff at the request of either local plant Management or the UAW-Budd Department

Such request, if made by the UAW-Budd Department, shall be in writing and addressed to the Company's Corporate Manager of Labor Relations. Upon request, copies of such survey reports will be provided to the International Union and the Local Union involved.

8. The Company will provide access, upon reasonable notice to the Company's Corporate Manager of Labor Relations, to all plants covered by this agreement to International Union health and safety representatives. Upon request, reports of such surveys will be provided to the Company.
9. The Company will furnish annually to the UAW-Budd Department a copy of OSHA "Summary of Occupational Injuries and Illnesses" as it is now constituted with the man-hours worked and the incidence rate for the comparable period for each facility covered by this agreement.
10. A National Joint Committee on Health and Safety has been established, consisting of two (2) representatives of the International Union and two (2) representatives of the Company, herein referred to as the National Committee. Each party will appoint at least one (1) member who has professional training in industrial hygiene or safety. This National Committee shall:
 - a. Meet at least quarterly at mutually agreeable times and places. Minutes of the items discussed at the meetings will be provided.
 - b. Review the Company's safety and health programs and make

necessary or desirable recommendations.

- c. Develop and participate in an annual Health and Safety Training Program for health and safety representative(s) and Local Members of the Joint Committee on Health and Safety. In addition, they will receive specialized training appropriate to the operations in their respective Units.
- d. Develop and recommend to the Company guidelines for Employee training and education.
- e. Review and analyze federal, state or local standards or regulations which affect the health and safety programs within the Company.
- f. Review problems concerning serious or unusual situations affecting plant health and safety and make necessary or desirable recommendations.
- g. Review and analyze the health and safety data for all plants that the Company is now required to compile on OSHA "Summary of Occupational Injuries and Illnesses" and Form 200 as they are now constituted.
- h. Receive and deal with matters referred to them by Local Committees.

11. Health and safety responsibilities -- In plants with five hundred or more Employees in the bargaining unit, the UAW-Budd Department will appoint one health and safety representative who shall be paid by the Company. For purposes of seniority and overtime, the provisions of Article XVI, Paragraph (73)l.c. shall apply to the health and safety representative. In the event that a health and safety representative is to be absent, he may be replaced by an Employee who has been designated as the regular replacement by the UAW -Budd Department Director. Before the replacement functions, the President of the Local Union will give written notice to the Plant Labor Relations/Human Resources Manager. In plants of less than five hundred Employees in the bargaining unit, a local joint health and safety committee shall be established. The committee shall consist of two members appointed by the president of the local union from the current committeeman and two members appointed by the Company. The health and safety committee or health and safety representative shall:

- a. Meet at least semi-monthly, at a mutually agreeable time and place to review health and safety conditions within the plant and make recommendations in this regard as they deem necessary or desirable. During this meeting the representative or Committee may tour the plant as deemed appropriate.
- b. Accompany governmental health and safety inspectors and International Union health and

safety professionals on plant inspection tours. Also accompany corporate health and safety personnel on surveys requested by the Union. Advance arrangements will be made to permit participation in such surveys.

- c. Receive prompt notification of any Employee fatalities or serious injuries resulting from work related accidents. In addition, be informed of major accidents that did not result in serious injury but indicate high potential for such.
- d. Receive and review all accident reports covered under paragraph c. above and make any necessary or desirable recommendations.
- e. Upon request review OSHA Form 200.
- f. Receive a copy of plant report on OSHA "Summary of Occupational Injuries and Illnesses" and the corresponding man-hours worked and the incidence rate for the comparable period.
- g. Review, recommend and participate in local plant safety education and information programs.
- h. Measure noise, air contaminants and air flow with equipment provided by the Company, as described in Paragraph 2 of this Memorandum, when and where

conditions in the plant indicate it is necessary. Such activity will be carried out, jointly by a union member and a management member of the committee or the health and safety representative and a designated management representative.

- i. Upon request, the Local Committee or health and safety representative will be provided access to copies of photographs taken which relate to health and safety matters in the plant. Such photographs shall be for the confidential use of the Local Committee or health and safety representative only and shall not be reproduced, published and distributed in any way.
- j. Be advised of breathing zone air sample results and known harmful physical agents or chemicals to which Employees are exposed and protective measures and applicable emergency procedures. In addition, whenever it is determined that an Employee has had a personal exposure exceeding the permissible level as set forth in 29 CFR-1910.1000, Air Contaminants, the Local Committee or health and safety representative shall be informed in writing of such exposure and the corrective action to be taken.
- k. When a reasonable basis for concluding that a condition involving imminent danger exists,

a joint investigation of the condition may be carried out by a health and safety representative or a Union member and a Management member of the Joint Local Committee. Upon their joint agreement, the machine or operation shall be taken out of service to perform any and all corrective action.

1. A Management and a Union member of the Local Joint Committee on health and safety or the health and safety representative will be members of the local plant Hazardous Materials Control Committee.
12. The procedures established in the Health and Safety Program shall not preclude the right of an Employee to file a grievance in accordance with the present local grievance procedure. The primary responsibility of resolving differences involving health and safety matters remains with the plant management and the UAW Local Union representatives.
13. The Union agrees to maintain in a confidential manner any statistical data or proprietary information supplied to it under the terms of this memorandum of understanding.
14. The application of this policy shall not affect any contract provisions which are not in conflict with this Agreement that are presently in effect at any local plant, if it has been agreed to continue such provisions under the new local contracts.

15. In our Health and Safety initiatives, nothing in our agreements, booklets, manuals and joint programs is intended by the parties to make the International Union, Local Unions, Union Health and Safety Committees, health and safety representatives and Union officials, Employees or agents responsible for any Employee's job-related injury, illness or death.

ARTICLE XVI

BENEFIT PLANS REPRESENTATIVES

(73) 1. Appointment

- a. Each Local Union of 1001 or more Employees may have one full-time Benefit Plans Representative who shall be appointed by the UAW-Budd Department Director.
- b. Each Local Union of 1000 or less may have one part-time Benefit Plans Representative who shall be appointed by the UAW-Budd Department Director. The amount of time necessary to provide Benefit Plans service shall be determined on the basis of the number of Employees in his plant in accordance with the following schedule:

Number of Employees	Hours Per Week
1001 or more	40
1000 to 751	34
750 to 501	26
500 to 251	20
250 to 101	14
100 to 50	8
Less than 50	6

- c. The functions of the Benefit Plans Representative shall be conducted only on the first shift and shall exclude any overtime hours.
- (i) Preferential seniority will be granted to Benefit Plans Representatives for the purposes of layoff and recall. The sequence for layoff and recall will be negotiated locally.
 - (ii) Benefit Plans Representatives will be eligible to work overtime as a regular Employee in accordance with the terms of the local contract provisions.
 - (iii) If it is necessary for the Benefit Plans Representative to speak to an Employee about a benefit plans matter, he will make prior arrangements with the Employee's Supervisor to do so.

2. Notice to Company .

- a. The UAW-Budd Department Director shall advise The Budd Company Corporate Labor Relations Department in writing of the names of the appointed Benefit Plans Representatives and the Unit to which each is assigned. No representative shall function as such until the Company has been so advised.
- b. In the event that a Benefit Plans Representative is to be absent for one calendar week (one day in

plants of 1001 or more Employees) or more, he may be replaced by an Employee who has been designated as the regular replacement by the UAW-Budd Department Director. Before the replacement functions, the President of the Local Union will give written notice to the Plant Labor Relations/Employee Relations Manager. As soon as practical following the effective date of this Agreement, the UAW-Budd Department Director shall provide to the Budd Company Corporate Labor Relations Department the names of Employees so designated.

3. Functions

The functions of the Local Benefit Plans Representatives are limited to matters pertaining to the Retirement Plan, Insurance Programs and the Supplemental Unemployment Benefit Plan. The Local Benefit Plans Representatives will:

a. Retirement Plan

- (i) Discuss and assist in the resolution of Employee, retiree and surviving spouse problems relating to credited service, possible benefit eligibility, benefit amount, determination delays, payment delays.
- (ii) Meet with Local Company Personnel

Benefits Representative or other designated Local Management Representative as required.

- (iii) **Will be a member of the Local Pension Board of Administration.**

b. Insurance Plan

- (i) **Confer with Employees, spouses, retirees or beneficiaries regarding coverage eligibility, a denied claim, benefit amounts, benefit payment delays.**
- (ii) **Meet with Local Company Personnel Benefits Representative or other designated Local Management Representative as required.**
- (iii) **Meet with providers in conjunction with Company Representatives when such meetings are arranged by mutual agreement of the parties involved for the purpose of clarifying and interpreting plan provisions and Provider administrative practices.**
- (iv) **Confer with Provider representatives designated for that purpose on**

matters related to determination of evidence and documentation necessary to perfect a claim for benefits and to secure explanation of the reason or reasons for denial or reductions in benefits.

- (v) Be provided copies of master insurance policies as they become available.

c. SUB Plan

- (i) Confer with Employees regarding eligibility for benefits under the SUB Plan, a denied or suspended benefit or questions concerning appeal procedures under the SUB Plan.
- (ii) Meet with designated Local Management Representatives as required.
- (iii) Will be a member of the Local Supplemental Unemployment Benefit Plan Committee.

ARTICLE XVII

TEMPORARY VACATION REPLACEMENTS

(74) New Employees hired as temporary vacation replacements shall be considered as probationary Employees for the first one hundred twenty (120) days of their employment. They shall not accumulate time toward the fulfillment of the probationary period unless and until their employment status is changed from that of a temporary vacation replacement to that of a new Employee.

A temporary vacation replacement whose employment status is changed to that of a new Employee within three (3) days of his last work activity as a temporary vacation replacement, upon successful completion of the probationary period as a new Employee, will be assigned his most recent hire date as a temporary vacation replacement as his plant seniority date. A plant seniority date so established shall be used in calculations regarding hiring rates provided in Article XII - Wages.

Temporary vacation replacements will be hired under the following conditions:

1. All Employees subject to recall have been recalled or waive their right to recall as provided for in the appropriate local contract. Such laid off Employee will be placed instead of a temporary vacation replacement or will displace a temporary vacation replacement if he makes application at the employment office.
2. Representatives of the affected Local Union will be notified in advance of the Company's intention to implement the temporary vacation replacement plan indicating the approximate period of time such Employees will be used and the approximate number required.

3. Employees hired as temporary vacation replacements will be afforded the opportunity to fill permanent job openings that occur during their tenure. The opportunities will be filled on the basis of the temporary vacation replacement's original hiring date.

ARTICLE XVIII

APPRENTICESHIP

(75) Section 1. Apprenticeship Standards

This Article contains the standards of apprenticeship pertaining to the employment and training of apprentices in the plants of the Company covered by this Agreement.

(76) Section 2. Purpose

The purpose of these standards is to make certain that proper care is exercised in the selection of apprentices and that the methods of training are uniform and sound, with the result that they will be equipped for profitable employment, and to further the assurance to the Company of proficient journeymen at the conclusion of the training period.

Any term used in these standards which reflects gender is intended to include members of both sexes.

(77) Section 3. Definitions

- A. The term "Company" shall mean The Budd Company.
- B. The term "Union" shall mean the duly authorized representatives of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Unions covered by this National Agreement.

C. "Registration Agency" on labor standards shall mean the Bureau of Apprenticeship and Training, U.S. Department of Labor or State Apprenticeship Agency where such agency has been established. "Registration Agency" for the apprentice as a student covering related instructions, shall mean the State Department of Education.

D. "Apprentice Training Agreement" shall mean the written agreement between the Company and the person employed as an apprentice (and if he is a minor, his parent or guardian) provided for in Section 17 of this Article, which agreement shall be signed by at least one (1) Union member and one (1) Company member of the Joint Local Apprentice Committee.

E. "Apprentice" shall mean a person engaged in learning and assisting in the trade to which he has been assigned under these standards and who is covered by a written agreement providing for his training in accordance with these standards of apprenticeship and who is registered with the Registration Agencies.

F. "Joint Local Apprentice Committee" shall mean the Joint Local Apprentice Committee organized under these standards.

"Joint National Apprentice Committee" shall mean the Joint National Apprentice Committee organized under these standards.

G. "Apprentice Supervisor" shall mean the person employed by the Company and assigned the responsibility of performing the duties outlined in these standards of apprenticeship.

H. "Standards of Apprenticeship" shall mean this entire Article of this Agreement including these definitions, and such exhibits or appendixes as may be attached, including the Budd-UAW Apprentice Plan Selection Procedure.

I. "Journeymen" as used in Section 8 of this Article, means Employees in a specific trade and shall not be construed to

include journeymen employed in other trades, but shall include journeymen in all classifications directly related to such specific trade. For example: The Machine Operations listed in the Apprentice Training Schedules for die making, pattern making -- metal, pattern making -- wood, tool and die making and tool making trades, are considered related to their respective classifications for purposes of Section 8 of the Article. Any dispute concerning the use of the definition "Journeymen" in connection with Section 8 of this Article, which cannot be resolved by the Joint Local Apprentice Committee, will be referred to the Joint National Apprentice Committee for resolution.

(78) Section 4. Credit for Previous Experience

Credit for previous related experience in military service, an apprentice training program, or a skilled trades classification in any plant, may be given up to the total time required on any phase of the apprentice shop training or related schooling schedules. Credit for such previous experience shall be given the apprentice at the time he has satisfactorily demonstrated that he possesses such previous experience and is able to do the job. Related schooling credit shall be given the apprentice at the time that he has demonstrated that he possesses the educational knowledge for which he is requesting credit under the related schooling schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule. Any dispute over such credit shall be referred to the Joint National Apprentice Committee for decision.

(79) Section 5. Term of Apprenticeship

The term of apprenticeship shall be nominally four (4) years in length, but shall be based on the number of hours actually worked. The shop schedule shall be divided into eight periods of 920 hours each. The present shop and related schooling schedules will remain in effect unless replaced by revised schedules. If local plant requirements indicate deviation should be made in such shop

or related schooling schedules, proposed changes must be referred to the Joint National Apprentice Committee, together with the reason for requesting the deviation for consideration.

Given the major investment related to apprentice training each apprentice will be asked to sign an agreement (Apprentice Program Loan and Repayment Agreement) confirming the individual's commitment to remain employed by the Company for eight years following program completion and if the apprentice leaves sooner to reimburse the Company for training expenses.

There will be provisions within the above referenced agreement which will serve as an authorization for the deduction of Company apprentice training expenses in the event that the individual voluntarily terminates, or retires following the completion of the apprenticeship. Such deduction will be made from the individuals final pay and any other checks due the apprentice, with no maximum, until such costs have been fully reimbursed. This reimbursement is as follows:

- 1) 1 year or less of completion of the program = \$6,000
- 2) More than 1 year But Less than 2 years of completion of the program = \$4,000
- 3) 2 years But Less than 3 years of completion of the program = \$2,000
- 4) 3 years But Less than 4 years of completion of the program = \$1,000
- 5) 4 years or more = \$ 0.

The apprentice will be required to directly reimburse the Company for training expenses which exceed the amounts the Company owes the apprentice at the termination date.

No reimbursement would be required after (4) or more years.

(80) Section 6. Probationary Period

The first three (3) months or 500 hours including related schooling hours, whichever occurs first, of employment in the Apprenticeship Program shall be considered a probationary period during which time the trainee must demonstrate to the satisfaction of the Apprentice Supervisor and the Joint Local Apprentice Committee that he is making acceptable progress in his shop assignments, is in regular attendance at his classes for related studies, and is earning passing grades therein. Failing such progress or regularity of attendance, the apprentice may be dropped from the program at the discretion of the Apprentice Supervisor and the Joint Local Apprentice Committee.

(81) Section 7. Hours of Work .

The standard work week for apprentices, including time spent in connection with related schooling shall be forty (40) hours. Apprentices may be assigned to overtime work when all journeymen on the shift in the equalization group with which the apprentice in the course of his training is currently associated, are either scheduled to work overtime or have had the opportunity to work overtime, except where the local plant Agreement provides otherwise for weekend overtime only. Individual apprentices will not be assigned to work overtime for the purpose of completing their apprentice training ahead of other apprentices in like circumstances in the trade. When an apprentice works overtime, he shall receive credit on the term of apprenticeship on a straight time basis for the actual hours of overtime work.

For the safety of apprentices, for the safety of all workers in the Plant, and to insure apprentices steady progress toward full qualifications, there must be a proper training of apprentices by journeymen.

(82) Section 8. Ratio

The number of new apprentices who may be enrolled shall be determined on the basis of the number of journeymen employed for the program averaged over the preceding three (3) months. The ratio of apprentices in training to journeymen should

not exceed one (1) apprentice to eight (8) journeymen. However, the Union agrees that local Management can establish a ratio of apprentices to journeymen in excess of one (1) to eight (8) ratio, but not to exceed a ratio of (1) apprentice to five (5) journeymen. Deviations below the one (1) to five (5) ratio may be agreed to by the Joint Local Apprentice Committee. Favorable consideration will be given to requests for deviations below the one (1) to five (5) ratio in instances in which it is anticipated the impact of early retirement will create a skilled manpower shortage. Disputes concerning such deviations will be referred to the Joint National Apprentice Committee for decision. In the event of a reduction of force, the apprentices in excess of the one (1) to eight (8) ratio will be laid off before any journeymen in that trade is laid off. The ratio of apprentices in training to journeymen will be based on the average number of journeymen employed for the program computed on the last Monday of each of the three (3) preceding months. The average thus computed shall remain in force until a new computation is made on the last Monday of the next succeeding month. If, during periods when journeymen are laid off, any monthly computation results in a ratio in excess of one (1) apprentice to eight (8) journeymen, such excess apprentices will be laid off by the end of the pay period during which the last Monday of the month falls except that a minimum of one apprentice may be retained in each trade. In the event the reduction in force is due to unusual circumstances, including, but not confined to: a transfer or discontinuance of an operation, major technological developments, the elimination or consolidation of classifications, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force; the Joint National Apprentice Committee may mutually agree to an acceptable layoff and recall plan.

Upon an increase of the work force in each apprenticeable trade, apprentices who are laid off must be recalled in trade seniority order in reverse of the procedure established in the preceding paragraph.

Apprentices must be recalled to maintain the ratio of one (1) Apprentice for each eight (8) Journeymen recalled or up to such higher ratio as may have been in effect at the time the layoff

occurred. For example, if when the layoff occurred one apprentice was laid off for each eight Journeymen laid off; when eight Journeymen are recalled the Company will recall one apprentice, if when the layoff occurred one apprentice was laid off for each fifteen Journeymen laid off; when fifteen Journeymen are recalled the Company will recall one apprentice.

(83) Section 9. Discipline

The Apprentice Supervisor shall have the authority to discipline an apprentice and to cancel the Apprentice Training Agreement of the apprentice at any time for the following causes pertaining to his apprenticeship:

- a. Inability to learn.
- b. Unsatisfactory work.
- c. Lack of interest in his work or education, or failure to maintain required school attendance.

Prior to implementing such action, the Apprentice Supervisor will lay the facts of the contemplated action before the Joint Local Apprentice Committee with the objective of resolving the problem. If no resolution is made by the Joint Local Apprentice Committee, the matter will be referred to the Joint National Apprentice Committee. If no resolution is agreed upon by the Joint National Apprentice Committee, the matter will be referred to the terminal point of the grievance procedure under this National Agreement. Nothing contained in this Section shall limit the right of the Company to discipline an apprentice for cause for reasons not related to the three items listed in this Section. Such discipline by the Company shall be subject to the grievance procedures in accordance with the collective bargaining agreements.

(84) Section 10. Wages

During his period of training, the apprentice shall be paid a progressively increasing schedule of wages as follows:

	1	2	3**	4***
Period*	Percentage of Maximum Rate In the Journeyman Classification to which Apprentice is Assigned			
0 to 920 Hours	75		<u>Plus \$0.25</u>	<u>Plus \$0.32</u>
921 to 1840 Hours	76		<u>Plus \$0.24</u>	<u>Plus \$0.30</u>
1841 to 2760 Hours	78		<u>Plus \$0.22</u>	<u>Plus \$0.28</u>
2761 to 3680 Hours	80		<u>Plus \$0.20</u>	<u>Plus \$0.25</u>
3681 to 4600 Hours	83		<u>Plus \$0.17</u>	<u>Plus \$0.21</u>
4601 to 5520 Hours	87		<u>Plus \$0.13</u>	<u>Plus \$0.16</u>
5521 to 6440 Hours	91		<u>Plus \$0.09</u>	<u>Plus \$0.11</u>
6441 to 7360 Hours	95		<u>Plus \$0.05</u>	<u>Plus \$0.06</u>

* Does not include related schooling hours.

** The amount specified in Column 3 shall be paid only to Apprentices active under the 1991 National Agreement Apprentice Program.

***The amount specified in Column 4 shall be paid only to Apprentices active under the 1991 or 1995 National Agreement Apprentice Program.

Notwithstanding the above provisions, an Employee applicant will be transferred at his current rate of pay or the rate of pay for the third period (78%), whichever is lower, but in no event shall he be transferred at a rate lower than the first period rate (75%). If transferred at the third period rate, such Employee shall be paid

such rate until he qualifies for a higher rate in accordance with the schedule of wages contained in this section.

The apprentice shall be paid his regular hourly straight time rate for actual school attendance.

The apprentice shall receive the Cost-of-Living Allowance on the same basis as accorded to other plant Employees. When the apprentice has satisfactorily completed his apprenticeship, his rate shall immediately be increased to the maximum rate in the Journeyman classification or trade in which he has served his apprenticeship. Thereafter, he will be subject to the wage schedule governing the classification to which he may be assigned.

(85) Section 11. Related Schooling

Each apprentice shall enroll and attend classes of related schooling for a minimum of 154 hours per year. Each apprentice, after enrollment in such classes, shall be registered with the State Department of Education as an apprentice student upon the forms furnished for this purpose.

Whether related schooling shall be conducted by local Management or through a local educational institution, or otherwise, shall be determined by local Management in light of prevailing circumstances in the community. Management will notify and discuss this matter with the Joint Local Apprentice Committee. However, the final determination will remain the responsibility of Management.

Time spent by the apprentice in connection with related schooling shall not be considered time worked under this Agreement; nevertheless, time spent by the apprentice in taking required related schooling shall be paid for at the apprentice's straight time hourly rate.

The Company agrees to pay, on behalf of apprentices covered by this Agreement, registration fees and/or tuition and necessary textbooks required in connection with related schooling under the apprentice program.

Within a reasonable period after a laid off apprentice has been recalled to work, such apprentice will be paid an incentive bonus in recognition of satisfactory completion of any related training courses in which the Employee was enrolled at the time of layoff. This incentive bonus will amount to a figure to be arrived at by multiplying the number of class hours in each course times the apprentice's straight-time hourly rate less the amount paid to the apprentice for such related training prior to layoff.

(86) Section 12. Joint Local Apprentice Committees

A Joint Local Apprentice Committee composed of two (2) Union members and two (2) Company members shall be established in each plant in which apprentices are employed. The President of the Local Union involved shall appoint journeymen from the plant as members of the Joint Local Apprentice Committee, one of whom shall be designated as the Chairman of the Union members of the Joint Local Apprentice Committee. Local Company management shall notify the local Union of its members.

The Joint Local Apprentice Committee shall meet at a mutually agreed upon time at least once each thirty (30) days, unless otherwise agreed to extend the time between meetings. Each Union member of the Joint Local Apprentice Committee will be paid his regular rate for time spent in such meetings and for the necessary time to properly perform his duties and functions, provided for in this Section for the hours he would otherwise have worked in the plant. When necessary, the Apprentice Supervisor will make arrangements to temporarily assign a Union member of the Joint Local Apprentice Committee to a shift other than his own, for the purpose of interviewing applicants. The overtime pay and shift premium provisions of the local agreements are hereby waived in such instances and such changes in shift for this purpose will not result in the payment of overtime premium or shift premium. Overtime premiums are applicable for time spent in interviews on days other than Monday through Friday. Minutes of such meetings will be furnished to the Union members of the Joint Local Apprentice Committee.

The duties and functions of the Joint Local Apprentice Committee shall be as follows:

A. To study matters that may involve the training of apprentices by journeymen in the shop.

B. To review from time to time the courses of shop training and schoolroom instruction as related to the several apprenticeable trades and to offer constructive suggestions for improvements where desirable.

C. To review apprentice applicants' files, interview applicants, and award points as provided in the Budd-UAW Apprentice Plan Selection Procedure. The Joint Local Apprentice Committee, upon request, shall be furnished all data and material used to reject an applicant.

The evaluation of each apprentice applicant in accordance with the Point Rating System including test scoring will be available for review by the Union members of the Local Apprentice Committee prior to finalizing the points awarded for each factor. The Chairman of the Union members of the Local Apprentice Committee will be provided with a copy of the list of qualified applicants eligible for selection for each classification containing the name, age and, in the case of Employee applicants, the seniority date will be included.

D. To sign individual Apprentice Training Agreements as provided for in Section 17.

E. To determine what, if any, credit shall be given for previous experience.

F. To meet with the new apprentices to acquaint them with the role of the Company and the Union, to explain the Apprenticeship Program and to make him aware of his status and obligations under the terms of the Apprenticeship Agreement.

G. To review from time to time the progress of individual apprentices and to offer help and encouragement whichever the individual case warrants.

H. To study the effects of the employment of apprentices or the employment of journeymen in the trades involved and

where machinery, equipment or material is introduced or modified and new skills are required in the journeyman classification, to investigate the new skills and make recommendations to the Joint National Apprentice Committee relative to any changes needed in either shop or related training schedules.

I. To certify the names of those apprentices who have satisfactorily completed their training and to affix their signatures to such certification.

J. To forward without delay the actions of their Committee the Joint National Apprentice Committee and to abide by all and any decisions made by the Joint National Apprentice Committee.

(87) Section 13. Joint National Apprentice Committee

A Joint National Apprentice Committee will be established in Detroit, composed of two (2) representatives of the International Union, UAW, and one (1) Journeyman member of a Local Union, appointed by the Director, UAW Budd Department, and three (3) members of the Company appointed by the Vice President of Human Resources. The Joint National Apprentice Committee shall meet at a mutually agreed upon time at least once each thirty (30) days, unless otherwise mutually agreed to extend the time between meetings. When a matter before the Joint National Apprentice Committee involves a specific local plant, the Director, UAW Budd Department, may appoint a Journeyman replacement from the plant involved to replace the permanent local Union member of the Joint National Apprentice Committee. The duties of this committee shall be:

A. To exercise jurisdiction and supervision of the activities of the Joint Local Apprentice Committees.

B. To act promptly on any disputes that cannot be resolved by the Joint Local Apprentice Committees.

C. To review and revise the uniform shop training schedules when necessary. The shop training schedules when

agreed to by the Joint National Apprentice Committee are made a part of this Agreement.

D. To review and revise the related schooling schedules when necessary. Related schooling schedules, when approved by the Joint National Apprentice Committee, are made a part of this Agreement.

E. To receive reports by the plants having apprentices of the number of apprentices within each training period by apprentice classification and the number of journeymen by classification included in the ratio of apprentices in training to journeymen.

F. To establish new apprentice training schedules (both shop and related schooling) for classifications in which such schedules have not been previously agreed upon by the Joint National Apprentice Committee.

G. To review and make disposition of apprentice training matters referred to the Committee by the Joint Local Apprentice Committees.

H. To deal with other matters concerning this Apprenticeship Program.

(88) Section 14. Supervision of Apprentices

All apprentices shall be under the general direction of the Apprentice Supervisor and under the immediate direction of the Foreman of the various departments to which they are assigned.

The Apprentice Supervisor has the authority to transfer apprentices from jobs in which they have reached proficiency to jobs in which further training is needed. He may transfer apprentices from departments where they are no longer able to work productively, due to lack of work, to departments where opportunities of acquiring useful experience are available, provided the work comes within the approved plan. No apprentice may be retained on a scheduled work process for a period longer than the time scheduled for such work process

unless permission is granted in writing by the Joint Local Apprentice Committee.

The Apprentice Supervisor, or an individual charged with this responsibility, shall prepare adequate record forms upon which the apprentices' work history shall be recorded. The foremen to whom the apprentices are assigned shall make reports at least once each month to the Apprentice Supervisor showing work performed by and general progress of the apprentices under his supervision during that period. Such reports shall be retained as part of the apprentices' permanent historical record, which shall be available to the Joint Local Apprentice Committee.

(89) Section 15. Consultants

The Joint National Apprentice Committee may request the Bureau of Apprenticeship and Training --U.S. Department of Labor, the Skilled Trades Department of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and the appropriate State Department of Education to act as consultants. It is clearly understood that participation of such consultants is limited to an advisory capacity.

(90) Section 16. Seniority

Apprentices will be combined into one seniority group of their respective apprenticeable trade for the purpose of layoff and recall.

Apprentices will exercise seniority within their own group in accordance with length of time spent in the apprenticeship program. For example, should there be four apprentices in the Tool and Die Department and should a reduction in this number be required because of lack of work, those persons having the greatest length of service in the apprenticeship program shall be the last laid off, and the last laid off shall be the first reinstated.

Upon satisfactory completion of the Apprenticeship Program, the apprentice will receive seniority as of the date of entry into Apprentice Program as a Journeyman, but for purposes of layoff

and rehire or other applicability in his skilled occupational group shall not be given seniority for such time as he may have spent in other divisions of the Company prior to entering upon the apprenticeship program; except that a returned veteran whose apprenticeship was interrupted by his military service shall, upon satisfactory completion of apprenticeship, be credited with date of entry into apprenticeship program seniority as a journeyman.

An Employee having seniority in the plant who enters the apprentice training program shall during the period of his apprenticeship retain and accumulate seniority and if laid off or dismissed from the apprentice training program, he shall be returned to his former seniority group in the plant according to his seniority.

(21) Section 17. Apprentice Training Agreement

Upon entry into the training program the apprentice shall execute jointly with the Company an apprentice training agreement, signifying on the part of the apprentice his acquaintance with the acceptance of the standards of the apprenticeship program and of his part in it; and on the part of the Company its willingness to teach the apprentice the fundamentals of the trade of his choice, over a specified period of time, at a given schedule of rates. The agreement shall be signed by at least one (1) Union member and one (1) Company member of the Joint Local Apprentice Committee and will incorporate these standards of apprenticeship by reference therein.

The following shall receive copies of the Apprentice Training Agreement:

- A. The Apprentice
- B. The Company
- C. The Joint Local and Joint National Apprentice Committees
- D. Registration Agencies
- E. The Local Union

F. The International Union

G. Two copies to the Veterans Administration in case the apprentice is a veteran.

(92) Section 18. Certificate of Completion of Apprenticeship

Upon satisfactory completion of apprenticeship, a certificate shall be issued to the apprentice. The certificate shall be signed by Local Management and the Union Members of the Joint Local Apprentice Committee. The Joint Local Apprentice Committee will recommend to the Bureau of Apprenticeship and Training, U.S. Department of Labor, or to the state agency in those states where appropriate, that a certificate signifying completion of the apprenticeship be issued to the Apprentice.

(93) Section 19. Modification of Standards

These Apprenticeship Standards may be amended or new schedules added at any time upon mutual agreement of the joint National Apprentice Committee.

(94) Section 20. Tool Allowance

Upon entrance into the Apprenticeship Program, the apprentice will be supplied with a tool box and set of tools (the total cost not to exceed \$900.00 retail value). The apprentice shall be responsible for these tools and their replacement if necessary during the course of the program. During the course of the program, the tools remain the property of the Company. Should the apprentice be terminated for any reason, these tools must be returned to the Company. Upon satisfactory completion of the Apprenticeship Program, the tools will become the property of the graduating apprentice, and, in addition, he shall receive \$100 in cash.

(95) Section 21. Government Regulations

A. Title 29 CFR Part 30 provides: "(3) Sponsors shall provide written notice of the above complaint procedure to all applicants for apprenticeship and all apprentices."

B. Title 29 CFR Part 29 provides: "29.7 Deregistration of Bureau-registered program. Deregistration of a program may be effected upon the voluntary action of the sponsor by a request for cancellation of the registration, or upon reasonable cause, by the Bureau instituting formal deregistration proceedings in accordance with the provisions of this part."

BUDD-UAW APPRENTICE PLAN

SELECTION PROCEDURE

(96) Section 22. Purpose

The objective of this Apprentice Selection Procedure is to provide a uniform policy of selecting qualified applicants on the basis of qualifications alone. The recruitment, selection, employment and training of Apprentices during their Apprenticeship shall be without discrimination because of race, color, religion, national origin or sex. Affirmative action will be taken to provide equal opportunity in Apprenticeship and the Apprenticeship Program will be operated as required under applicable laws and lawful regulations issued thereunder.

This procedure establishes six factors of information which are significant in selection of apprentices:

- A. Academic Record
- B. Personal Background
- C. Job Experience
- D. Aptitude Tests

E. Evaluation of interviewers (interest, motivation, career objectives, sincerity, attitude, and stability)

F. Evaluation --Joint Local Apprentice Committee. A Point System is provided in which point values are assigned to the above listed six factors.

(97) Section 23. Selection Procedure

A. Posting of Openings

When openings occur, announcement of these openings will be posted in the Plant Employment Office and on all Company Bulletin Boards for a period of two (2) weeks. Notice of such opportunities will be given to the Joint Local Apprentice Committee prior to such posting.

(98) B. Requirements for Admission

I. Anyone, except a present Employee classified as an Apprentice or an Employee or non-Employee Journeyman in an apprenticeable skilled trade, is eligible to apply providing the applicant meets the age requirement of the program, has no disqualifying physical limitations, and is a high school graduate (or has an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the Joint National Apprentice Committee) with a satisfactory record or if they are not high school graduates and do not have an equivalent education, have at least one (1) year of algebra or at least one year of geometry, with a final grade average of "C" or better. (Schooling requirement does not apply to Employee applicants.) The above sentences notwithstanding a present Employee classified as an Apprentice who has been on layoff in excess of thirty (30) days may apply for openings in other trades of the Apprentice Program. Such right of application by a laid off apprentice may be denied by the Joint Local Apprentice Committee. Laid off apprentices placed under this Section in a different apprenticeable trade shall forfeit any recall right, under paragraph (90), to his previous trade. Applicants who meet these preliminary requirements will have their academic records and personal backgrounds reviewed in detail and they will be given a

series of aptitude tests and may be interviewed. Admission to the program will be on a competitive basis depending on the qualifications of the applicant and the number of apprentice opportunities available. Apprentice applicants must also meet the physical requirements and other normal employment requirements at the time of selection.

2. An application by an Employee or non-Employee Journeyman in an apprenticeable skilled trade may be accepted if the Joint Local Apprentice Committee shall agree special circumstances make the application consistent with skilled trades manpower objectives.

(99) C. Application for Apprenticeship

Application for entry into the apprentice training program shall be made at the Plant Employment Office. The regular Employment Application (Form 1075), Medical History Sheet (Form 6877), and Supplemental Apprentice Questionnaire must be filled in by applicants applying for apprenticeship. Each application will be numbered and applicant will sign a register noting he has filed the application. For the purpose of this section applications will be accepted in each apprenticeable trade where standards or work processes have been agreed upon.

(100) D. Preliminary Interview

Each applicant will be interviewed to determine if he:

1. Meets age requirements.

If not in conflict with applicable municipal, state or federal law, non-employee applicants must be age 18 or must be a Veteran of the U.S. Armed Services, otherwise, eligible for such training under applicable Public Laws.

2. Has no disqualifying physical limitations.

3. Is a high school graduate (or has an equivalent education such as the high school equivalency test or other methods that may be agreed upon by the Joint National

Apprentice Committee) with a satisfactory record or if they are not high school graduates and do not have an equivalent education, have at least one year of algebra or at least one year of geometry, with a final grade average of "C" or better.

(Sub-section D.3. does not apply to Employee applicants.) Those applicants who fail to meet preliminary standards will be told that they do not qualify for further consideration for this application only and will be told why they failed to qualify.

(101) E. Aptitude Tests

The standard battery of aptitude tests will be administered, scored, and points awarded based on the Point Rating System described later in this procedure. A Union member of the Joint Local Apprentice Committee may sit in on testing sessions. If the applicant has been tested by the Company within the last year, he will not be re-tested, but his previous scores will be used unless remedial training has been taken to overcome the Employee's deficiencies.

(102) F. Apprentice Applicant Interview

Interviews will be conducted by the Joint Local Apprentice Committee and points awarded as described in the following section of this procedure.

(103) G. Physical Examination

The applicant must pass the Company's physical examination. An Employee applicant will not be disqualified for medical reasons which are not detrimental to his ability to satisfactorily perform the duties of the trade in which he seeks apprenticeship.

(104) H. Computation of Points

Total points will be computed for each applicant from all six factors except that an applicant who attains less than twenty-five (25) points on Factors A through D of the Selection Procedure will not be interviewed. Since an applicant may have expressed

interest in more than one trade, he likewise may have more than one total point score -- one for each trade in which he expressed an interest. An applicant must score a minimum of thirty-five (35) points to be ranked in any trade.

If the applicant requests, he will be told his exact rank (as of the time of the request) among other applicants for each trade in which he expressed an interest and will be informed of his right to re-apply after one year. A rejected applicant may re-apply in less than one year after presenting evidence of completion of additional, appropriate education. He will not be told the details of the point total or the total itself.

(105) I. Ranking of Candidates

Appointments to the apprentice program will be based upon the number of points received as computed in accordance with the Point Rating System, with the applicant with the highest number of points having first choice for openings in the skilled trade for which he has expressed an interest. Under this procedure, if, for example, an opening was available for a Tool & Die apprenticeship, the qualified applicant who had expressed a preference for Tool & Die and who earned the most points under the Point Rating System, would be selected. Other apprenticeships would be handled on the same basis, with the first choice for an opening going to the applicant with the greatest number of points with an expressed interest in the trade for which applications are being taken.

In the event more than one non-employee applicant is tied at the highest rating, the non-Employee applicant with the earliest dated Apprentice Application would be selected. In the event more than one Employee applicant is tied at the highest rating, the Employee applicant with the longest plant seniority would be selected. If there are openings in different trades at the same time, and the same applicant has the highest score in each, and has expressed an interest in both of them, the applicant will be allowed to take his choice between the two.

(106) J. Apprentice Ratio

The local apprentice committee will determine whether to select applicants for placement from the Employee applicant list or the non-employee applicant list. In the event the non-employee applicant list is selected the ratio of apprentice placements shall be on the basis of at least two from the Employee Applicant list for every one selected from the non-employee applicant list, providing there are sufficient applicants available to permit this ratio. Coincident with the re-ranking of the Candidate Pool, placements will start with the Employee applicant list for each apprenticeable trade. For the purpose of this Selection Procedure, an applicant must be a seniority Employee in the Bargaining Unit and Plant where he made application for apprenticeship on the last working day prior to his date of placement in the program in order to qualify as an Employee applicant.

(107) K. Candidate Pool

As selections are made, the remaining applicants will represent the Candidate Pool from which future openings will be filled in the same manner as described in (1) above. However, as new applications are processed these applications will be added to the bottom of the existing list. Applicants will remain in the Candidate Pool for two (2) years unless they are selected for an apprentice opening or unless they request withdrawal of their application prior to the two (2) years.

(108) L. Retention of Apprentice Applicant Records

All records such as tests, transcripts, work sheets, etc., will be maintained for all applicants for a minimum of five (5) years from date of application.

(109) Section 24. Point Rating System

Each apprentice applicant will be evaluated in accordance with the Point Rating

System outlined below:

Total	Sub-Points	Points
Factors To Be Evaluated	Maximum	Maximum

A. Academic Record
(See Exhibit "A") 17

1. Grade Point average 6

2. Math Grade, point
average in Algebra,
Geometry, and
Trigonometry 4

3. Number of
Vocational
Educational courses
taken and grades
Earned 7

Total	Sub-Points	Points
Factors To Be Evaluated	Maximum	Maximum

B. Personal Background
(See Exhibit "B") 7

1. Extra schooling and
pre-apprenticeship
Training 7

C. Job Experience
(See Exhibit "C") 8

1. Work experience in
a Budd Plant 4

2. Work experience in skilled classification 4

D. Aptitude Tests
(See Exhibit "D")28

1. Test of mental ability 17
2. Test of mechanical Comprehension 11

E. Evaluation of Interview (Oral)
(See Exhibit "E")6

1. Strength of desire to get into skilled trades and chances of staying in program 2

Total

Factors To Be Evaluated	Sub-Points Maximum	Points Maximum
2. Long-range career Objectives	2	
3. General impression of stability, and Maturity	2	

F. Committee Evaluation
(See Exhibit "F")4

Total Number of Points70

(110) Exhibit "A" --Academic Record

This section denotes how various scores in various subjects taken at the secondary school level are to be interpreted

in terms of allocating points in the Apprentice Selection Procedure.

(111) A. Grade Point Average (6 Points Possible)

Grade point average means the sum of each high school course multiplied by the grade received in that course, divided by the total number of courses.

Grade Point Average	Points
0-1.0	0
1.1-1.8	2
1.9-2.6	4
2.7-4.0	6

(112) B. Grade Point Average in Higher Math (4 Points Possible)

The allocation of points under the Higher Math Course section is determined by examining the applicant's three (3) best math courses, determining his averages in the three (3) courses and allocating points accordingly. If less than three (3) courses were taken, points are determined on the basis of those courses as shown below. Higher math courses are defined as Algebra, Plane Geometry, Solid Geometry, Trigonometry, etc., but not including Shop Math, General Math or Business Math, etc.

3 Courses with C
(2.0) average or better = 4 points
2 Courses with C
(2.0) average or better = 3 points
1 Course with C
(2.0) average or better = 2 points
No Courses = 0 points

(113) C. Number of Vocational Education Courses and Grades (7 Points Possible)

The courses that fall into this heading include Woodworking, Metalworking, Mechanics, Sewing, Radio and TV Repair,

Business Machine Repair, Mechanical Drawing, Drafting, appropriate crafts, or any courses of a vocational nature which are indicative of an interest and/or aptitude for the type of training the applicant will receive as a skilled trades apprentice.

The schedule for the allocation of points in this area is as follows:

Points	Courses
7	3 Courses with passing grades
5	2 Courses with passing grades
3	1 Course with a passing grade
0	No courses

(114) Exhibit "B" --Personal Background

In this Section points are allocated as follows:

A. Extra Schooling and Pre-apprenticeship Training (7 Points Possible)

No points will be awarded under this section for any course work which was used as a basis for points under Exhibit "A", Academic Record. Further, no points will be awarded under this section for any course work which was used to satisfy the equivalent education eligibility provisions. Only courses that meet all the following requirements may count for point credit.

DEFINITIONS:

1. Courses from recognized institutions such as high schools, colleges, trade schools, business colleges, reputable correspondence schools, etc.
2. Courses relevant to skilled trades work such as math, science, mechanical drawing, shop, and related training in an apprentice program, etc.
3. Courses at least roughly equivalent in length to a regular one semester high school or college course.

4. Courses in which at least a grade of C has been earned or in which the instructor has indicated satisfactory completion.

	Points
One Course	2
Two Courses	5
Three Courses	7

(115) Exhibit "C" --Job Experience

This section indicates how points will be allocated for work experience obtained prior to the date of ranking that is pertinent to success in skilled classifications.

A. W o r k Experience in Any Budd Plant (4 Points Possible)

Experience must be in a Budd Plant (although not necessarily the one where the apprenticeship is being sought) and may be in any job classification(s).

Amount	Points
Less than 12 months	2
12 to 24 months	3
24 or more	4

B. Work Experience in Skilled Classifications (4 Points Possible)

Up to a maximum of 4 points can be given for experience (regardless of whether it was in a Budd plant or some other location) which is judged to be related to the apprenticeable classifications under consideration.

Amount	Points
Less than 6 months	0
6 to 12 months	2
12 to 24 months	3
24 or more	4

(116) Exhibit "D" --Aptitude Tests

This section shows how points are allocated in accordance with corresponding raw scores on each of the aptitude tests included in the Apprentice Selection Battery.

EXAMPLE:

Test of Mental Ability (17 Points Possible)

Raw Score	Points
0-48	0
49-52	2
53-55	5
56-59	8
60-62	11
63-64	14
65 and over	17

EXAMPLE

Test of Mechanical Comprehension (11 Points Possible)

Raw Score	Points
0-37	0
38-41	4
42-45	6
46-50	8
51 and over	11

(117) Exhibit "E" --Evaluation of Interview

This section shows the types of information to be considered in determining the allocation of points when the applicant is interviewed by the Joint Local Apprentice Committee. The interview will be conducted by one Company representative and one Union member of the Joint Local Apprentice Committee.

Each may award one point in each of the three categories defined below, at the time of the interview.

A. Strength of Desire to Get into Skilled Trades; Motivation; and Chances of Staying in Program (2 Points Possible)

Consider the enthusiasm and interest the applicant displays regarding skilled trades work; consider whether the applicant may really be interested in some other kind of work, or additional schooling, such as college.

B. Long-range Career Objectives (2 Points Possible)

Consider whether he exhibited an interest in making a career in skilled trades work with The Budd Company; as opposed to the applicant who wants the training in order to utilize skills elsewhere.

C. General Impression of Stability, Maturity (2 Points Possible)

Consider whether he is unduly nervous, hostile, quiet, uncertain; consider whether he handles himself in a manner which would indicate that he will work cooperatively with other apprentices, journeymen and supervisors.

(118) Exhibit "F" — Evaluation of Applicant's Overall Qualifications

Up to 4 points may be awarded by the Joint Local Apprentice Committee based on a review of the apprentice applicant's file.

Company members (2 points possible)

Union members (2 points possible)

ARTICLE XIX

NATIONAL OFFICE AGREEMENT

CHECK OFF

(119) Union dues in the amount of one fortieth (1/40) of Weekly Straight-Time Budd Salary calculated in accordance with the definition for Weekly Straight-Time Budd Salary contained in Article I-Definitions, Paragraph 20 of the Supplemental Unemployment Benefit Plan, including Cost-of-Living Allowance, for the benefit week from which the dues are to be deducted, or such other amount as may be established as dues, shall be deducted from the Regular Benefits of each Employee in accordance with the list, provided he has the applicable Authorization for Check-Off Dues form in effect as of the date the deduction is made. Such deduction from Regular Benefits shall be made from the first Regular Benefit paid following notification to the Trustee provided the net amount of the Regular Benefit is sufficient to cover the Union dues.

(120) Authorization Forms

The Company will explain the dues check-off arrangement between the Company and the Union at the time of hiring new Employees and will afford them opportunity to execute authorization forms in the Employment Office. Previously signed and unrevoked authorizations shall continue to be effective as to Employees reinstated following layoff or leave of absence; previous authorizations of other Employees rehired or reinstated shall not be considered to be effective.

(121) Notifications -- Terminations -- Reinstatements

Employees whose employment is terminated, or any Employee who is transferred to a classification not in the bargaining unit, or any Employee whose seniority is broken by death, quit or discharge, or those Employees who are on layoff or sick leave of absence shall cease to be subject to check-off deductions from wages as of the end of the month in which such

termination, transfer, layoff, or sick leave of absence occurred. Management will notify the Local Unions following the end of each week of the names of such Employees and will designate the reason each such Employee ceased to be subject to the check-off. Management will notify the Local Unions weekly when Employees return to work.

(122) All Union dues, initiation fees and where required, service charges as deducted from payrolls or Regular Benefits shall be forwarded promptly, by check or draft, to the designated Financial Officer of the Respective Local Union.

SALARY INCREASES

(123) General Increase

Effective at the beginning of the first pay period commencing on or after the effective date of this Agreement but prior to the transfer of Cost-of-Living Allowance into base rates required by Paragraph (70) of Article XIII, each Employee covered by this Agreement shall receive a general increase in his straight time weekly 40-hour base salary (exclusive of Cost-of-Living Allowance and Shift Premium) in accordance with the following table:

Straight Time Weekly 40-Hour Base Salary

From	To	Increase
<u>Up to</u>	<u>\$441.40</u>	<u>\$13.20</u>
<u>\$441.60</u>	<u>\$448.00</u>	<u>\$13.40</u>
<u>\$448.20</u>	<u>\$454.80</u>	<u>\$13.60</u>
<u>\$455.00</u>	<u>\$461.60</u>	<u>\$13.80</u>
<u>\$461.80</u>	<u>\$468.40</u>	<u>\$14.00</u>
<u>\$468.60</u>	<u>\$475.20</u>	<u>\$14.20</u>

*Straight Time Weekly
40-Hour Base Salary*

<u>\$475.40</u>	<u>\$482.00</u>	<u>\$14.40</u>
<u>\$482.20</u>	<u>\$488.80</u>	<u>\$14.60</u>
<u>\$489.00</u>	<u>\$495.60</u>	<u>\$14.80</u>
<u>\$495.80</u>	<u>\$502.40</u>	<u>\$15.00</u>
<u>\$502.60</u>	<u>\$509.20</u>	<u>\$15.20</u>
<u>\$509.40</u>	<u>\$516.00</u>	<u>\$15.40</u>
<u>\$516.20</u>	<u>\$522.80</u>	<u>\$15.60</u>
<u>\$523.00</u>	<u>\$529.60</u>	<u>\$15.80</u>
<u>\$529.80</u>	<u>\$536.40</u>	<u>\$16.00</u>
<u>\$536.60</u>	<u>\$543.20</u>	<u>\$16.20</u>
<u>\$543.40</u>	<u>\$550.00</u>	<u>\$16.40</u>
<u>\$550.20</u>	<u>\$556.80</u>	<u>\$16.60</u>
<u>\$557.00</u>	<u>\$563.60</u>	<u>\$16.80</u>
<u>\$563.80</u>	<u>\$570.40</u>	<u>\$17.00</u>
<u>\$570.60</u>	<u>\$577.20</u>	<u>\$17.20</u>
<u>\$577.40</u>	<u>\$584.00</u>	<u>\$17.40</u>
<u>\$584.20</u>	<u>\$590.80</u>	<u>\$17.60</u>
<u>\$591.00</u>	<u>\$597.60</u>	<u>\$17.80</u>
<u>\$597.80</u>	<u>\$604.40</u>	<u>\$18.00</u>
<u>\$604.60</u>	<u>\$611.20</u>	<u>\$18.20</u>
<u>\$611.40</u>	<u>\$618.00</u>	<u>\$18.40</u>
<u>\$618.20</u>	<u>\$624.80</u>	<u>\$18.60</u>
<u>\$625.00</u>	<u>\$631.60</u>	<u>\$18.80</u>
<u>\$631.80</u>	<u>\$638.40</u>	<u>\$19.00</u>
<u>\$638.60</u>	<u>\$645.20</u>	<u>\$19.20</u>

*Straight Time Weekly
40-Hour Base Salary*

<u>\$645.40</u>	<u>\$652.00</u>	<u>\$19.40</u>
<u>\$652.20</u>	<u>\$658.80</u>	<u>\$19.60</u>
<u>\$659.00</u>	<u>\$665.60</u>	<u>\$19.80</u>
<u>\$665.80</u>	<u>\$672.40</u>	<u>\$20.00</u>
<u>\$672.60</u>	<u>\$679.20</u>	<u>\$20.20</u>
<u>\$679.40</u>	<u>\$686.00</u>	<u>\$20.40</u>
<u>\$686.20</u>	<u>\$692.80</u>	<u>\$20.60</u>
<u>\$693.00</u>	<u>\$699.60</u>	<u>\$20.80</u>
<u>\$699.80</u>	<u>\$706.40</u>	<u>\$21.00</u>
<u>\$706.60</u>	<u>\$713.20</u>	<u>\$21.20</u>
<u>\$713.40</u>	<u>\$720.00</u>	<u>\$21.60</u>
<u>\$720.20</u>	<u>\$726.80</u>	<u>\$21.80</u>
<u>\$727.00</u>	<u>\$733.60</u>	<u>\$22.00</u>
<u>\$733.80</u>	<u>\$740.40</u>	<u>\$22.20</u>
<u>\$740.60</u>	<u>\$747.20</u>	<u>\$22.40</u>
<u>\$747.40</u>	<u>\$754.00</u>	<u>\$22.60</u>
<u>\$754.20</u>	<u>\$760.80</u>	<u>\$22.80</u>
<u>\$761.00</u>	<u>\$767.60</u>	<u>\$23.00</u>
<u>\$767.80</u>	<u>\$774.40</u>	<u>\$23.20</u>
<u>\$774.60</u>	<u>\$781.20</u>	<u>\$23.40</u>
<u>\$781.40</u>	<u>\$788.00</u>	<u>\$23.60</u>
<u>\$788.20</u>	<u>\$794.80</u>	<u>\$23.80</u>
<u>\$795.00</u>	<u>\$801.60</u>	<u>\$24.00</u>
<u>\$801.80</u>	<u>\$808.40</u>	<u>\$24.20</u>
<u>\$808.60</u>	<u>\$815.20</u>	<u>\$24.40</u>

*Straight Time weekly
40-Hour Base Salary*

<u>\$815.40</u>	<u>\$822.00</u>	<u>\$24.60</u>
<u>\$822.20</u>	<u>\$828.80</u>	<u>\$24.80</u>
<u>\$829.00</u>	<u>\$835.60</u>	<u>\$25.00</u>
<u>\$835.80</u>	<u>\$842.40</u>	<u>\$25.20</u>
<u>\$842.60</u>	<u>\$849.20</u>	<u>\$25.40</u>
<u>\$849.40</u>	<u>\$856.00</u>	<u>\$25.60</u>
<u>\$856.20</u>	<u>\$862.80</u>	<u>\$25.80</u>
<u>\$863.00</u>	<u>\$869.60</u>	<u>\$26.00</u>
<u>\$869.80</u>	<u>\$876.40</u>	<u>\$26.20</u>
<u>\$876.60</u>	<u>\$883.20</u>	<u>\$26.40</u>
<u>\$883.40</u>	<u>\$890.00</u>	<u>\$26.60</u>
<u>\$890.20</u>	<u>\$896.80</u>	<u>\$26.80</u>
<u>\$897.00</u>	<u>\$903.60</u>	<u>\$27.00</u>
<u>\$903.80</u>	<u>\$910.40</u>	<u>\$27.20</u>
<u>\$910.60</u>	<u>\$917.20</u>	<u>\$27.40</u>
<u>\$917.40</u>	<u>\$924.00</u>	<u>\$27.60</u>
<u>\$924.20</u>	<u>\$930.80</u>	<u>\$27.80</u>
<u>\$931.00</u>	<u>\$937.60</u>	<u>\$28.00</u>
<u>\$937.80</u>	<u>\$944.40</u>	<u>\$28.20</u>
<u>\$944.60</u>	<u>\$951.20</u>	<u>\$28.40</u>
<u>\$951.40</u>	<u>\$958.00</u>	<u>\$28.60</u>
<u>\$958.20</u>	<u>\$964.80</u>	<u>\$28.80</u>
<u>\$965.00</u>	<u>\$971.60</u>	<u>\$29.00</u>
<u>\$971.80</u>	<u>\$978.40</u>	<u>\$29.20</u>
<u>\$978.60</u>	<u>\$985.20</u>	<u>\$29.40</u>

*Straight Time Weekly
40-Hour Base Salary*

<u>\$985.40</u>	<u>\$992.00</u>	<u>\$29.60</u>
<u>\$992.20</u>	<u>\$998.80</u>	<u>\$29.80</u>
<u>\$999.00</u>	<u>\$1,005.60</u>	<u>\$30.00</u>
<u>\$1,005.80</u>	<u>\$1,012.40</u>	<u>\$30.20</u>
<u>\$1,012.60</u>	<u>\$1,019.20</u>	<u>\$30.40</u>
<u>\$1,019.40</u>	<u>\$1,026.00</u>	<u>\$30.60</u>
<u>\$1,026.20</u>	<u>\$1,032.80</u>	<u>\$30.80</u>
<u>\$1,033.00</u>	<u>\$1,039.60</u>	<u>\$31.00</u>
<u>\$1,039.80</u>	<u>\$1,046.40</u>	<u>\$31.20</u>
<u>\$1,046.60</u>	<u>\$1,053.20</u>	<u>\$31.40</u>
<u>\$1,053.40</u>	<u>\$1,060.00</u>	<u>\$31.80</u>
<u>\$1,060.20</u>	<u>\$1,066.80</u>	<u>\$32.00</u>
<u>\$1,067.00</u>	<u>\$1,073.60</u>	<u>\$32.20</u>
<u>\$1,073.80</u>	<u>\$1,080.40</u>	<u>\$32.40</u>
<u>\$1,080.60</u>	<u>\$1,087.20</u>	<u>\$32.60</u>
<u>\$1,087.40</u>	<u>\$1,094.00</u>	<u>\$32.80</u>
<u>\$1,094.20</u>	<u>\$1,100.80</u>	<u>\$33.00</u>
<u>\$1,101.00</u>	<u>\$1,107.60</u>	<u>\$33.20</u>
<u>\$1,107.80</u>	<u>\$1,114.40</u>	<u>\$33.40</u>
<u>\$1,114.60</u>	<u>\$1,121.20</u>	<u>\$33.60</u>
<u>\$1,121.40</u>	<u>\$1,128.00</u>	<u>\$33.80</u>
<u>\$1,128.20</u>	<u>\$1,134.80</u>	<u>\$34.00</u>
<u>\$1,135.00</u>	<u>\$1,141.60</u>	<u>\$34.20</u>
<u>\$1,141.80</u>	<u>\$1,148.40</u>	<u>\$34.40</u>
<u>\$1,148.60</u>	<u>\$1,155.20</u>	<u>\$34.60</u>
<u>\$1,155.40</u>	<u>\$1,162.00</u>	<u>\$34.80</u>

These General Salary Increases shall be added to the straight time weekly 40-hour base salary for each Employee, including the minimum, initial automatic and maximum of each salary range.

A. Improvement Factor Increase

The Improvement Factor provided for herein recognizes the principle that a continuing improvement in the standard of living of Employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective.

Accordingly, it is agreed that the following Improvement Factor Increases in wages shall be granted to Employees covered by the Agreement:

Effective at the beginning of the first full pay period beginning November 11, 2002 and the first full pay period beginning November 8, 2004 increases in the base rates shall be granted based upon the general increase table contained in Article XIX paragraph(123).

The Improvement Factor Increase shall be added to the straight time weekly 40-hour base salary for each Employee.

The applicable amounts of Improvement Factor Increase shall also be added to the Minimum, initial Automatic and maximum of each salary range.

B. Performance Bonus Payments.

1. The Performance Bonus provided herein recognizes that a continuing improvement in the standard of living of Employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective. Accordingly, a Performance Bonus payment will be made to each eligible Employee in accordance with the following table:

Eligibility Date	Amount	Payable During Week Ending
<u>November 12, 2001</u>	Three percent (3.0%) of Qualified Earnings	<u>December 9, 2001</u>
November 10, 2003	Three percent . (3.0%) of Qualified Earnings	<u>December 7, 2003</u>

An Employee shall become eligible for a Performance Bonus payment as hereinafter defined, provided he has seniority as of each designated eligibility date set forth above.

An Employee's Performance Bonus will be based on the qualified earnings during the 52 consecutive pay periods immediately preceding the pay period in which each designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible Employee from the Company during each designated Performance Bonus eligibility year resulting from the following:

- Weekly Base Salary*
- COLA*
- Shift Premium*
- Vacation and Supplementary Paid Vacation Leave
- Holiday Pay
- Bereavement Pay
- Jury Duty Pay
- Call-In Pay
- Short-Term Military Duty Pay
- Back pay awards related to the designated eligibility year
- *Including overtime, Saturday, Sunday and Holiday premium payments.

2. An Employee who retires during the Performance Bonus eligibility year provided in this Paragraph (123B), and who, but for such retirement, would have had seniority as of the designated eligibility date, shall qualify for the Performance Bonus as defined in this Paragraph (123B).

3. In the case of an Employee who dies during the Performance Bonus eligibility year, a Performance Bonus shall become payable as if he were a seniority Employee on the designated eligibility date and calculated based on his Qualified Earnings during the eligibility year as defined in this Paragraph (123B). Such Performance Bonus shall be paid to his duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Company in its discretion may determine.

HIRING RATES

(124) A. New Employees hired or rehired after the effective date of this Agreement shall be hired at a rate not less than 70% of the minimum or start rate of the classification to which they are assigned.

1. Upon completion of 26 weeks of active employment, such Employees shall receive an increase to 75% of the minimum or start rate of the classification to which they are assigned.
2. Upon completion of 52 weeks of active employment, such Employees shall receive an increase to 80% of the minimum or start rate of the classification to which they are assigned.
3. Upon completion of 78 weeks of active employment, such Employees shall receive an increase to 85% of the minimum or start rate of the classification to which they are assigned.

4. Upon completion of 104 weeks of active employment, such Employees shall receive an increase to 90% of the minimum or start rate of the classification to which they are assigned.
5. Upon completion of 130 weeks of active employment, such Employees shall receive an increase to 95% of the minimum or start rate of the classification to which they are assigned.
6. Upon completion of 156 weeks of active employment, such employees shall receive the minimum or start rate of the classification to which they are assigned and will be eligible to receive automatic increases within the salary range of their classification as they qualify.

B. This hiring rate provision shall not apply to Employees hired as apprentices or in classifications where learner or trainee rates are established or to Employees transferred to a new plant under the provisions of Article X, Plant Movement. This hiring rate provision shall not apply to Employees hired under the Preferential Hiring procedure, unless the Employees were at the time of layoff being paid under this hiring rate provision, and then only to the extent necessary to complete the 156 weeks provided for herein. No Employee will be subject to more than a total of 156 weeks application of this hiring rate provision.

C. Employees who have completed the hiring rate progression shall not be required to again start below the minimum or starting rate of the job when they transfer or are hired from one Budd Plant to another or transfer from hourly to salary or vice versa.

D. If such Employees are laid off due to a reduction in force and subsequently rehired within one year of the date of probationary layoff or the date their seniority is broken,

they shall have their hiring-in rate determined by the number of weeks of employment they had previously completed. Such weeks shall be applied toward their rate progression to the minimum or starting rate of the job to which they are assigned.

SALARY PROGRESSION

(125) The salary of each Employee shall progress to 100% of the rate range for his classification within a period of ten (10) years from date of entry into a classification or completion of the Hiring Rate provision of Article XIX Paragraph (124), whichever is later.

Each of the ten (10) yearly progression steps shall be equal to one-tenth of the difference between the first automatic rate in the Local Salary Schedule and the maximum of the classification salary range in that schedule.

Salary progression increases will be effective on the Monday following each Employee's 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 10th anniversary date of entry into a classification or completion of the Hiring Rate provisions of Article XIX Paragraph (124), whichever is later, for Employees whose salaries are below the appropriate progression step rate(s).

DISCIPLINARY ACTION, DISCHARGE AND WARNINGS

(126) The Company will give written notice of all warnings and disciplinary action against any Employee, covered by this Agreement, to the Employee and the Union, when such action is taken and the reason therefore. Such notice will be provided at a reasonable time prior to the end of the shift on the day on which the infraction occurs, or as soon thereafter as practicable under the circumstances involved, and will advise the Employee that he has the right to request Union representation.

An Employee who is subject to discharge or disciplinary action may contact his Union representative before

leaving the plant if he so requests. If such an Employee is absent from the plant at the time the action is taken, or where it was not practicable to provide written notice prior to his leaving the plant, management will send to the Employee's last known address notice of his indefinite suspension, disciplinary layoff of more than three (3) days, or discharge and notice he has the right to request representation.

Any recommended disciplinary action involving more than three (3) days' loss of pay to an Employee, or discharge, shall be reviewed by the Company's Disciplinary Control Board not later than the scheduled work day following such recommendations. The Employee and the Union Representative of his choice may appear before the Board at such review. The decision of the Board will be given within one (1) workday following such review.

An appeal from the Board's decision may be made directly to the Third or Fourth Step (whichever is appropriate) of the Grievance Procedure in writing, stating clearly the reason(s) alleged to be insufficient cause for upholding such disciplinary action or discharge, provided such grievance is filed within three (3) working days after the decision of the Board in the case.

Disciplinary suspensions of three (3) days or less, when protested by the Employee involved, will be processed in accordance with the regular steps of the Grievance Procedure.

(127) Effective with the effective date of the 1985 National Agreement, when a disciplinary suspension encompasses or abuts a specified holiday, loss of holiday pay will not be included as part of the disciplinary penalty assessed.

GENERAL

(128) For the purpose of notification to Employees under the various Articles in this contract, the Company shall rely on the last address as duly recorded in the Employment Department. It is the Employee's responsibility to immediately notify the Employment Office of any change of address. Notification under the above

sentence shall be considered sufficient notification when the Company has turned over a properly addressed letter or telegram to the U.S. Mail or to the Telegraph Company.

BULLETIN BOARDS

(129) The Company will provide adequate bulletin boards for Union Notices which have been approved by the President of the Union and the Labor Relations Manager. This paragraph is not intended to and shall not be construed in any manner so as to cause a violation of any applicable Federal or State law.

VETERANS

(130) Any Employee covered by the terms of this Agreement who has left the employ of the Company to enter the Armed Forces of the United States shall be entitled to the benefits provided by the applicable statute upon proper application for re-employment.

Employees serving in the Armed Forces of the United States shall accumulate seniority during such service as provided by law.

INSURANCE

(131) Major Medical Insurance

Active Employees and eligible Dependents (as defined in Section I.D. of Exhibit "A") will be insured for "covered charges" (defined below) incurred on account of a non-occupational accidental bodily injury or a non-occupational sickness (referred to below as "such injury or sickness"), subject to the provisions and limitations outlined.

A. Benefit Period

A benefit period shall be established with respect to such injury or sickness of an Employee or Dependent when, during a period of three months or less while insured for Major Medical Insurance, covered charges are incurred on account of such injury or sickness in excess of the deductible amount defined in paragraph B below. The benefit period shall terminate --

1. three years after the commencement of the benefit period,
2. at the end of a period of three months during which no covered charges are incurred for such injury or sickness, or
3. one year after the termination of the Employee's or Dependent's insurance whichever is earliest.

B. Deductible Amount

The deductible amount shall be equal to the sum of

1. a cash deductible of \$500, or
2. the amount of benefits provided with respect to such covered charges under the Base Plan, whichever is greater.

Note: Base Plan means the Hospital, Medical, Surgical, Drug benefits defined in Exhibit "A", Section IX of the Insurance Plan.

C. Amount of Benefits

The amount of benefits for covered charges incurred while insured and during a benefit period in excess of the deductible amount on account of such injury or sickness shall be equal to 75% of such excess covered charges subject to a maximum

with respect to any insured individual of \$5,000 on account of expenses resulting from the same or related causes (including complications arising therefrom) and incurred during one or more benefit periods. Payment of the maximum amount with respect to an insured individual shall not preclude the payment of additional benefits with respect to that individual if the benefits arise from a different and entirely unrelated cause.

D. Common Accident Benefit

If covered charges are incurred on behalf of two or more persons insured hereunder as members of the same family as a result of the same accident, the covered charges will be combined in determining the establishment of a benefit period and the amount of benefits payable hereunder, provided that the maximum amount in Paragraph C. above shall apply separately to the benefits payable based on covered charges incurred with respect to each member on account of such accident.

E. Covered Charges

"Covered charges" shall consist of the following charges for services, supplies and treatment:

1. Charges made by a legally constituted and operated hospital for room and board and other services.
2. Charges made for diagnosis, treatment, and surgery by a physician legally licensed to practice medicine and surgery.
3. Charges made by a Registered Nurse for private duty nursing service.
4. Charges for the following: local ambulance service, equipment, medication, appliances,

x-ray services, laboratory tests, the use of radium and radioactive isotopes, oxygen, iron lung, physiotherapy, and similar services, supplies, and treatment. The charges referred to shall in no event include any amount of such charges in excess of the regular and customary charges for the services, supplies and treatment furnished.

F. Limitations

Covered Charges shall exclude expenses incurred for services, supplies, or treatment:

1. unless such services, supplies, or treatment (including the entire period of hospital confinement) were prescribed as necessary by a physician legally licensed to practice medicine and surgery
2. in any Federal hospital
3. if they were incurred on account of
 - a. dental work, treatment, extractions, or dental x-rays,
 - b. eye refractions, eyeglasses, or the fitting thereof,
 - c. hearing aids or the fitting thereof,
 - d. transportation, except for local ambulance service,
 - e. war, declared or undeclared, including armed aggression,
 - f. bodily injury arising out of and in the course of employment by any employer or disease with respect to which benefits are payable under any

**Workers' Compensation or
Occupational Disease Act or Law.**

- G. Benefits for expenses incurred on account of pregnancy or resulting childbirth, abortion, or miscarriage, or any complication arising out of such pregnancy, including a complication with respect to the newborn child, shall be payable in accordance with the foregoing provisions, but with the following modifications:**
- 1. Covered charges with respect to the newborn child shall be added to those of the mother in determining the Major Medical Expense benefits.**
 - 2. In calculating the Deductible Amount, Item B.2. shall be increased by the amount of any covered charges that would have been incurred in the absence of complication (as determined by the Insurance Carrier) and that are not payable under the Base Plan.**
 - 3. If a person is pregnant on termination of her insurance under the Plan, the benefits set forth in this paragraph shall be applicable with respect to covered charges incurred within one year after such termination.**
- H. An Employee or eligible dependent covered for Major Medical Insurance benefits under this Plan who is also insured for such benefits under another employer group plan may receive benefits from all such plans for not more than 100% of the charges for benefits provided under either plan.**
- I. "Dependent" as used in connection with Major Medical Insurance, shall include only the Employee's spouse and unmarried children under the age of 25, as set forth in the Insurance**

Certificate, and who are not covered by Major Medical Insurance through other employment.

(132) Special

In addition to the Standard Life Insurance coverage and the Standard Accidental Death and Dismemberment Insurance in Exhibit "A", those active or inactive Employees who on the day immediately preceding the effective date of this Plan were members of the Salaried Employees Contributory Group Life and Accidental Death and Dismemberment Insurance Plan, may remain in that Plan by continuing to pay the appropriate premium rate as heretofore, subject to the following modifications:

- A. Total coverage shall be the existing Contributory Plan amounts in effect for such Employee, plus the previous \$1,000 Group Life and \$1,000 Accidental Death and Dismemberment Insurance, less the Standard \$33,000 effective March 1, 2001, \$34,000 effective January 1, 2002, \$35,000 effective January 1, 2003 and \$36,000 effective January 1, 2004, Group Life and the Standard \$16,500 effective March 1, 2001, \$17,000 effective January 1, 2002, \$17,500 effective January 1, 2003 and \$18,000 effective January 1, 2004, Accidental Death and Dismemberment Insurance provided at Company expense under Exhibit "A".
- B. The amount of Contributory Group Life and Accidental Death and Dismemberment Insurance thus calculated may be continued by the Employee during his active employment so long as he continues to be in a job classification eligible for the insurance, and so long as he makes the proper premium payments when due; he may continue it also when he is an inactive Employee for the periods of time set forth in Section XV of Exhibit "A" except that he must continue his own premium payments at all times in order to keep the insurance effective.

- C. The amounts of insurance coverage available to an Employee retaining insurance under this Paragraph shall never increase for any reason, but the Employee may withdraw from the insurance under this Paragraph at any time by stopping his contributions, without in any way reducing his coverage under Exhibit "A". Any such withdrawal shall be permanent.
- D. Upon termination of employment for any reason other than retirement with ten (10) or more years of credited service, the Employee's coverage in this portion of the Plan shall terminate permanently, except that within the next 31 days there are certain life insurance conversion rights available to him under the terms of the policy.
- E. Upon retirement with ten (10) or more years of credited service, the still eligible Employee who has maintained his contributions under this portion of the Plan, shall retain at Company expense, only the following percentages of his total Standard and Special Life Insurance combined:

Life
Insurance

1.	On and after the retirement date	80%
2.	On and after the first anniversary date of retirement	60%
3.	On and after the second anniversary date of retirement	40%
4.	On and after the third anniversary date of retirement	20%

Note: Minimum life insurance under the above shall be \$33,000 for retirements after

March 1, 2001, \$34,000 for retirements after January 1, 2002, \$35,000 for retirements after January 1, 2003, and \$36,000 for retirements after January 1, 2004 to age 65 and \$2,000 prior to May 1, 1977 (\$2,500 for retirements after May 1, 1977) thereafter.

- F. Newly hired Employees or Employees transferred into this Bargaining Unit on or after the effective date will be ineligible for any coverage under this Paragraph.

(133) Voluntary Contributory Life and Accidental Death and Dismemberment Insurance

The Company will make available a Voluntary Contributory Group Life and Accidental Death and Dismemberment Insurance program as follows:

A. Enrollment

Eligible Employees may enroll for this insurance by making written application at the Insurance Office of the Personnel Department.

This insurance will become effective on the first day of the month coinciding with or next following the date of hire for Employees who are newly hired or rehired on or after September 1, 1977, providing they enroll in the program at the time of hire or rehire.

Present Employees who did not enroll by August 31, 1977 and newly hired or rehired Employees who do not enroll at the time of their employment may only enroll at a later date by furnishing satisfactory evidence of insurability to the insurance carrier.

B. Amount of Insurance

Employees who enroll for this insurance will be entitled to the following amounts of Voluntary Contributory Life and Accidental Death and Dismemberment Insurance:

Annual Base Salary	Life Insurance	AD&D Insurance	*Monthly Contribution
Up to \$10,000	\$ 5,000	\$2,500	\$2.50
\$10,001 to \$12,000	\$ 6,000	\$3,000	\$3.00
\$12,001 to \$14,000	\$ 7,000	\$3,500	\$3.50
\$14,001 to \$16,000	\$ 8,000	\$4,000	\$4.00
\$16,001 to \$18,000	\$ 9,000	\$4,500	\$4.50
\$18,001 to \$20,000	\$10,000	\$5,000	\$5.00

and etc. for each \$2,000 Base Salary increment.

*Enrolled Employees will make contributions by authorizing deductions from their salary on a form provided by the Company.

C. Beneficiary Designation

The Employee may designate in writing, filed with the Company, a beneficiary designated to receive his Voluntary Contributory Group Life Insurance. This beneficiary designation may be changed at any time by the Employee upon making written application on the form provided at the Insurance Office in the Personnel Department of the Company. The beneficiary is the effective designation he has made most recently as indicated on the records of the Company.

If the Employee while insured under the Plan suffers the loss of life, sight, or limb as a result, directly and independently of all other causes, of bodily injury effected solely through external, violent and accidental means, subject to the conditions, exclusions and reductions stated in the group policy, the insurance carrier will pay to the Employee if living, otherwise to the beneficiary designated by the Employee for Voluntary Contributory Group Life Insurance or his estate if there is no such beneficiary designation, the

amount of coverage in effect or such lesser amount, in the event of certain losses as are set forth in the Accidental Death and Dismemberment Policy issued by the insurance carrier.

D. Termination of Insurance

This insurance will terminate as a result of any of the following conditions:

1. Discontinuance of Employee contributions.
2. Termination of employment including retirement.
3. While Employee is on Military or Peace Corp Leave.
4. In the event an enrolled Employee transfers to classification not covered by this Insurance Plan.

Upon termination of employment and Voluntary Contributory Group Life Insurance, the Employee may convert his life insurance without medical examination by making application and first premium payment directly to the insurance carrier within thirty-one (31) days after such termination of insurance. The standard "conversion privilege" clause in group life policies as required by State law will control this feature of the life insurance.

Continuation of Coverage Chart

Status	Major Medical ¹	Voluntary Contributory Life-AD&D Insurance ¹
Layoff ²	Co. paid for one month after month of Layoff + up to 18 mos. as provided in Sec. XV.I. + up to 12 additional mos. at Employee expense	Employee may continue while on layoff status ³
Recorded Illness ⁴ (see Sec. VIII for Extended Disability Benefits)	Co. paid for Employee and eligible depts. for period not exceeding Employee's length of seniority as of last day worked	Employee may continue for period of disability not exceeding length of seniority as of last day worked ⁵
Pregnancy Leave	Co. paid through mo. following month of delivery ⁶	Employee may continue while on Pregnancy Leave ⁷
Military & Peace Corps Leave	Terminates ⁸	Terminates ⁸
Other Co. Approved Leave of Absence (not for illness) ⁹	Employee may continue at own expense for up to 12 months	Employee may continue for duration of leave ⁸
Early Retirement Normal Retirement Age 65-70 ²	Terminates ⁸ Terminates ⁸	Terminates Terminates
P&TD Status under Retirement Plan	Co. paid to end of month in which Employee reaches age 65-- at which time terminates	Employee may remain in Plan until age 65 or retirement then terminates ⁸
Termination between ages 60-65 (excluding retirement) ⁴	Terminates ⁸	Terminates
Quits or Discharges ¹	Terminates	Terminates

Continuation of Coverage Chart -- Footnotes

- Life Insurance can be converted within 31 days following termination of employment and coverage by contacting carrier or its agent and paying required premium.

2. If benefits are payable under Retirement Plan, but does not include Employees with vested deferred pensions.
3. Coverage terminated on last day worked.
4. Coverage continued, Company paid for Union officers on approved Union Leaves of Absence as follows:

Local 306 - President, Financial Secretary

Local 757 - President, Financial Secretary
5. Employee may continue coverage by paying full premiums in advance for balance of period up to one year from date of Pregnancy Leave.
6. Employees certified as Company Injured are considered on the active payroll for insurance purposes.
7. See Section III D. for coverage continuation of returning veterans not reinstated and placed on layoff.
8. Employees carrying benefits at their own expense must submit the full monthly premium to the Company by the 10th of the month.

SHIFT PREMIUM

(134) Shift premium will be paid in accordance with the respective local Detroit/Philadelphia office agreement.

ARTICLE XX

ADDITIONAL SUPPLEMENTS

(135) The Company and the Union have agreed on an Insurance Program (Exhibit "A"), Shop and Office a Supplemental Unemployment Benefit Agreement and Plan (Exhibit "B" and "D") and a Pension Plan (Exhibit "C") by Supplemental Agreements executed by the parties, which Supplemental Agreements are made a part of this National Agreement as if set out in full herein.

ARTICLE XXI

PARTIAL INVALIDITY OF AGREEMENT

(136) Should the parties hereafter agree that applicable law renders invalid or unenforceable any of the provisions of this Agreement, including all agreements (including Local Agreements), memoranda of understanding, or letters supplemental, amendatory, or related thereto, the parties may agree upon a replacement for the affected provision(s). Such replacement provision(s) shall become effective immediately upon agreement of the parties, without the need for further ratification by the Union membership, and shall remain in effect for the duration of this Agreement.

ARTICLE XXII

SEPARABILITY

(137) In the event that any of the provisions of this Agreement, including all agreements (including Local Agreements), memoranda of understanding, or letters supplemental, amendatory, or related thereto, shall be or become

legally invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions thereof.

ARTICLE XXIII

CONTRAVENTION

(138) No provisions of any local agreements between local plant management and officers and/or shop committees therein shall supersede or conflict with any provisions of this Agreement.

ARTICLE XXIV

DURATION

(139) This Agreement shall be effective February 26, 2001, provided it has been ratified by the Union and notification followed by written certification of the ratification furnished to the Labor Relations Manager of the Company that this Agreement has been approved and accepted by the Union, and shall continue in effect until 6:00 p.m., October 28, 2005, and if no written request to terminate, modify or amend the Agreement is made to the other by either of the parties at least sixty (60) days before such expiration date, this Agreement shall continue automatically for an additional one (1) year term and so on from year to year until terminated, by the giving of a written request to terminate, modify or amend as set forth.

(140) **IN WITNESS WHEREOF**, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives the day and year first above written in the Preamble.

International Union,
United Automobile,
Aerospace and Agricultural
Implement Workers of
America (UAW) and ist

Local Nos. 306, 757, and 813.

THE BUDD COMPANY

By:/s Elizabeth Bunn
John Rucker
Phil Werking
David Paris
Cecil Randall
Jim Palumbo
Edward Foster
Joe Zurawski
William Cunningham
Don Hall
Joseph Sinni
Don Marshall
James Dixon

By:/s William M. Kroger, Jr.
Dennis L. Dabney
James Wahlman
Scott Arft
Steve Fireooved
Mercedes Godin
Tarnara Prechtel
Charles Pryor
Robin Reich
Kyle South
David Verbeke
Michael Wade
Thomas White

Credit Union Deductions

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

As a result of the current Budd-UAW negotiations, the Union has proposed that the Company continue the arrangements which have been made to provide for Credit Union Deductions from paychecks of active Employees.

This is to advise you that the Company will continue such arrangements for the duration of the new Agreement.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Educational Aid Program

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Please be advised that as a result of the current Budd-UAW negotiations the Company plans to continue an Educational Aid Program as outlined in the following paragraphs:

Under the Program, the Company refunds tuition (including related fees, books, etc.) up to Three Thousand Dollars (\$3,000) per calendar year, Three Thousand Five Hundred Dollars (\$3,500) per calendar year for approved courses taken at accredited colleges or universities) to seniority Employees on the active employment rolls who satisfactorily complete after-hours courses approved by the Company at accredited business schools, high schools and trade or vocational schools. The training must be either job related or for the Employee's advancement within the Company. Employee participation in the Program is voluntary. The Program will be established and administered by the Company under terms and conditions established by it from time to time.

The following programs are considered job related and will be approved when the needs cannot be met within the Company:

- a. Courses which will improve the Employee's skill on his present job. This includes courses designed to update Employees in the technology of their trade or occupation and courses directed toward qualifying an Employee as an apprentice in the skilled trades. In this latter connection The Budd Company will cooperate and work with approved educational and training institutions in the development of courses directed toward qualifying an Employee as an apprentice in the skilled trades.
- b. Courses which relate to the next job in the logical development of an Employee's career.
- c. Courses which will prepare an Employee for openings that are expected to occur in the future and for which a sufficient number of qualified Employees are not available.
- d. Courses taken to complete the requirements for a grammar school certificate or high school diploma.
- e. Any literacy courses or courses in fundamental reading and mathematics. These include courses usually designed to teach sixth grade competency in reading, writing and numerical skills.
- f. Any required or pertinent elective courses taken in a degree-seeking program in a field related to the Employee's job or appropriate to his career in The Budd Company.

The grievance procedure set forth in the Collective Bargaining Agreement between the Company and the Union shall have no application to, or jurisdiction over, any matter relating to this program.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Employee Information Furnished to Union

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

This is to advise that the Company will furnish to the International Union at six month intervals during the term of the current Collective Bargaining Agreement on magnetic tapes for Electronic Data Processing supplied by the Union the following information on all Employees covered by the Agreement on the active employment rolls of the Company and retirees under The Budd Company Consolidated Office Retirement Plan:

Social Security Number
Name
Address
Location Code
Birth Date

It is our understanding that the Union will take adequate measures to insure that such information is treated in a

confidential manner and is disclosed only to those Union officials whose duties require this information.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Harmony

THE BUDD COMPANY

CORPORATE OFFICES • TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the course of the current negotiations, the Union has expressed concern regarding certain activities undertaken by local management opposing the Union's efforts to organize Office, Professional and Technical Employees at some of our plants.

Over the years Budd has developed constructive and harmonious relationships based upon trust, integrity, and mutual respect with the various unions which currently represent its Employees. These relationships date back, in the case of the UAW, nearly 40 years. Budd places high value on the continuation and improvement of constructive relationships with these unions as well as with all of its Employees, union and nonunion alike.

In situations where the UAW seeks to organize Employees not presently represented by a union, Budd management will neither discourage nor encourage the Union's efforts in organizing Office, Professional and Technical

Employees traditionally represented by the Union elsewhere in Budd, but will observe a posture of neutrality in these matters.

For its part, Budd expects that the Union will conduct itself in such organizing campaigns in a constructive and positive manner which does not misrepresent to Employees the facts and circumstances surrounding their employment.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Harmony

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Mr. WILLIAM M. KROGER, JR.
Vice President
The Budd Company
3155 West Big Beaver Road
Troy, Michigan 48007-2601

Dear Mr. Kroger:

The Union expects to conduct itself in a manner which neither demeans the Company as an organization nor its representatives as individuals. Should the Company charge that representatives of the Union have engaged in such conduct, the National Budd Department will investigate and, if it finds the charge accurate, seek in good faith to remedy such conduct. Should the Union not remedy the situation, it is expected that the Company will communicate with its employees on the matter.

Sincerely,

(signed)
Stephen P. Yokich
President

(signed)
Elizabeth Bunn
Vice President
Director - Budd Department

Budd-UAW Relationship

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

In the course of the 2000 negotiations of the National Agreement, you requested a letter concerning relationships at certain Budd facilities in which the Employees are not represented by any union.

Over the years, Budd and the United Auto Workers have developed a constructive relationship based upon trust, integrity and mutual respect. Our Management is dedicated to an autonomous organizational structure for our various divisions. However, we recognize that certain matters cut across divisional lines and require a Corporate position.

Our Corporate position regarding union representation is as follows:

We believe that our Employees should exercise free choice and decide for themselves by voting on whether or not they wish to be represented by the UAW or any other labor organization.

We have no objection to the UAW becoming the bargaining representative of our people as a result of such an election.

Where the UAW becomes involved in organizing our Employees, we intend to continue our commitment of maintaining a neutral position on this matter. The Company and/or its representatives will communicate with our Employees, *not in an anti-UAW manner, but in a positive pro-Budd manner.*

If a majority of our Employees indicate a desire to be represented by the UAW, we will cooperate with all parties involved to expedite an NLRB election.

In addition, we reserve the right to speak out in any manner appropriate when undue provocation is evident in an organizing campaign.

We trust this will help clarify our position regarding this subject.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Orientation Program

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Men and women enter the work force today with little or no knowledge of what is expected of them as Employees and as Union members in a unionized, industrial plant community. Many of them have not been adequately prepared to cope with industrial situations in which they suddenly find themselves.

New Employees come to The Budd Company with little or at best incomplete information about their employer and their Union. They have little knowledge of the extensive economic benefits available to them as agreed upon in collective bargaining between the UAW and The Budd Company over a period of more than thirty years.

Many new Employees may be unaware of the commitment of Budd and the UAW to fair employment practices and to the application of the National Agreement to all Employees without regard to race, color, religion, age, sex or national origin.

They are not familiar with basic contract provisions covering such subjects as transfers, promotions, shift preference and seniority. They may be unaware of the opportunities for advancement to highly paid skilled trades jobs through the Apprentice and training programs. They tend to be unfamiliar with the obligations of the Employee to his job, to the Union and to his employer. Many are unaware of the importance of regular attendance, quality workmanship and the need for cooperation by all in getting the job done. Too often they are unacquainted with the various procedural matters related to their job and their relationship to their Union and their employer.

New Employees usually have little knowledge of the long history of the UAW and of the administrative structure of the UAW at the International and local Union levels. They do not understand about their relationship to the Union, about the initiation fees and dues requirements and their rights within the Union contained in the UAW Constitution and guaranteed by right of appeal to the Union's Public Review Board.

Frequently, they have never seen the inside of a manufacturing plant before and are unfamiliar with the operations, the nature of the product and how it is used.

You have underscored these realistic considerations in our recent discussions. You have indicated that this may explain to some extent the high turnover and absenteeism being experienced in industry today among the new work force. And you have suggested that a properly developed and conducted orientation procedure designed to create an "awareness of the dynamics of the labor-management relationship, and the years long effort to build a community of interest in resolving labor-management problems through orderly procedures. . ." might serve the best interest of the Employees, the UAW and The Budd Company.

Accordingly, pursuant to the Union's suggestion, the Company will, in cooperation with the International Union, encourage continuation of a joint orientation program to be presented to new job applicants prior to the time they start their jobs.

The orientation program will not be subject to the grievance procedure and can be terminated at any plant by either the International Union or the Company, in the event that the program at that plant is not being carried on in a manner consistent with the purpose and intent of the program as established by the national parties. The joint orientation program will be limited to those subjects agreed to by the Company and the International Union and the establishment of such a program will not limit any other communication by Management with its Employees or by the Union with its members.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Preferential Hiring

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Upon his making application for employment, the Company will give preference over other applicants to a seniority Employee who is laid off from one of the plants covered by this Agreement at another plant covered by this Agreement, provided the layoff is the result of an indefinite discontinuance of the Employee's former job or the result of an indefinite reduction in force.

Applicants for employment under the above must meet all of the local plant's hiring eligibility requirements, and if hired will be subject to all provisions of the Local Collective Bargaining Agreement at the new plant, except that they shall be probationary Employees until they have been on the active payroll for a period of thirty (30) days, at which time they will establish seniority as of their date of hire at the new plant.

Employees hired in accordance with this letter shall be eligible for the economic fringe benefits in the plant where they

are hired based upon their unbroken company service. Employees shall have only the seniority accrued at the new plant for purposes of applying the seniority provisions of the new plant Collective Bargaining Agreement.

An Employee hired under the terms of this letter shall not, because of such hiring, be eligible for Moving Allowance (Article XI of the 2000 National Agreement), except as provided in the following paragraph.

When a plant covered by this Agreement is expected to experience a significant, permanent reduction in force due to a transfer of work from such plant or the permanent shut down of facilities at such plant, a representative of the Company's Corporate Labor Relations Department will meet with representatives of the UAW-Budd Department and the affected Local Unions, as far in advance as practicable of the expected reduction in force date, to discuss preferential hiring as it applies to the Employees who are expected to be laid off or affected in such reduction of force. An Employee who accepts work at a new plant under the procedure outlined in this paragraph shall be eligible for a Layoff Moving Allowance in accordance with the provisions of Article XI, B. Layoff Moving Allowance, provided he meets the eligibility requirements contained therein.

A distinctive application form in duplicate and a listing of all job classifications shall be available at each location. Applicants must indicate thereon which job classification(s) they wish to be considered for preferential hire.

An eligible Employee may obtain a preferential hire application at his home plant if he wishes to make application by mail and may take the required pre-employment physical in his home plant area.

Applications will remain on file until an Employee is offered work of his selection or for a maximum period of one (1) year, whichever occurs first.

A verified copy of the application form shall be given to the Employee and the Local Union Presidents at the Employee's home plant and the plant to which the Employee is applying.

When openings occur, the Employee(s) who have applied for work in accordance with the terms of this Preferential Hiring Letter shall be considered for employment before any new (to The Budd Company) Employees are hired. However, the Company reserves the right of selection of applicants to fill whatever openings are available.

When an Employee quits his new job, such action shall be considered as a local action only, and this shall not terminate Company-wide service.

An Employee who is notified of an offer of work in accordance with this letter must reply to the Personnel Department of the plant from which such offer was made within three (3) working days from the date such notice was sent by the Company. Such Employee must report for work within seven (7) calendar days dating from the Company's sending of such notice. An Employee who fails to reply or report as described above shall forfeit all preferential hiring consideration at the plant from which the offer of work was made and must reapply in accordance with this letter in order to reestablish preferential hire consideration.

A laid off National Agreement plant Employee whose plant has been closed and who has been denied employment after having made application in accordance with this document may appeal such denial. The appeal must be made, in writing, by the UAW-Budd Department to the Company's Manager of Labor Relations within 30 calendar days after receipt of denial by the Employee. After investigation, and, if required, discussions with the UAW-Budd Department, the Company's Corporate Manager of Labor Relations or his designee will provide a written response to the appeal within 15 calendar days after receipt of such appeal.

Such appeal shall be considered settled on the basis of the Company's written response, unless within 30 calendar days the case is appealed to the Permanent Arbitrator appointed under the National Agreements by so indicating in a letter from the UAW-Budd Department to the Company's Manager of Labor Relations. Such appeal to the Permanent Arbitrator shall be heard by him as promptly as possible at a mutually agreeable location in

Detroit, Michigan, using the rules of the American Arbitration Association to govern the proceeding.

Appeals under this procedure shall be governed by the provisions of Paragraphs (51), (54), (55), and (56) of Article IX of the National Shop Agreement.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

New Manufacturing Facilities

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the course of our negotiations leading to the 2000 Budd-UAW National Agreement, we discussed at great length the relationship of The Budd Company and the UAW and the effect upon that relationship of any new manufacturing facilities which we might establish in the future.

We advised you that we have a working relationship with other labor organizations and to grant automatic recognition and/or preference to your union at new facilities over the others, would be illegal. However, we confirm the following commitment for the term of the 2000 Budd-UAW National Agreement:

- A. Should we open any new manufacturing operations to produce products the same as those being produced at manufacturing plants covered by this National Agreement, the Company shall grant preferential hiring to

those Employees from plants producing the same product who wish to be transferred.

- B.** During the first 24 months after production begins in the aforementioned new plant, any Employee covered by this National Agreement with one or more years of service who has been on a layoff for a continuous period of six months, and who continues on layoff, shall be granted preferential hiring rights at such new facility, over non-Budd people.

The Company will provide to eligible Employees the following uniform method of making opportunities for preferential hiring available:

- A.** An Employee interested in being considered for employment at a new facility should request and complete a Preferential Hiring request at his home plant. The Personnel Department will forward the request to the designated plant(s) of the Employee's choice. Such transfer will be given preference over non-Budd people. The request will be valid for a period of six months from date of filing and the Employee must re-apply in order to extend the six month period.

Employees will be given preference in accordance with the date of receipt of the application, provided the Employee is qualified and is available for work.

- B.** If an applicant accepts a position at the new facility, he will be considered a voluntary quit at his home facility upon completion of the normal probationary period at the new facility, and his name will be removed from all other plant transfer request listings.

- C. If an applicant refuses an offer of employment after having made application, his name will be removed for a period of one (1) year from the list of those Employees who have applied for preferential consideration at any new facility.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Plant Closing -- Mutual Consent Early Retirement

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Mutual Consent Early Retirement will be available to an Employee who is laid off at age 40 or older as a result of a plant closing provided the Employee meets the eligibility requirements contained in Section 7.1-C. of The Budd-UAW Consolidated Retirement Benefit Plan on the date of his application for such benefit and provided further the Employee has not been offered suitable work by the Company in the same labor market area.

Notwithstanding any seniority provision of a Local Agreement to the contrary, for purposes of determining seniority standing on such application date, an Employee shall retain seniority standing during such layoff for a period of time equal to his seniority on the date of the layoff. However, the Employee

shall not accrue additional Credited Service or seniority after the date of such layoff.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Consumer Price Index

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

This letter is to confirm certain agreements reached by The Budd Company and the International Union, UAW, regarding the calculation of the Cost-of-Living Allowance pursuant to Article XIII of the Collective Bargaining Agreement dated November 1, 2000.

In applying the provisions of Article XIII, Paragraph (68) of the Agreement, the Company shall prepare a notification letter to the Union setting forth the Consumer Price Index for each of the three months calculated in accordance with the provisions of this Letter of Understanding. This letter will be prepared and sent to the Union after publication of the appropriate Consumer Price Index for the third month used for each adjustment period in accordance with Article XIII, Paragraph (67) of the Agreement.

If the Union claims that the Company's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding, it may refer the matter to the Arbitrator under the Grievance Procedure as set forth in Article VIII.

For Cost-of-Living Allowance adjustments effective on December 4, 2000, and ending with the adjustment effective September 5, 2005, the table in Article XIII, Paragraph (68) will be extended so that it provides for one (1) cent adjustments in the Cost-of-Living Allowance sequentially, for each 0.3, 0.2, 0.3, 0.2 and 0.3 change in the Three-Month Average Index, and so forth, with that sequence of the five changes being repeated thereafter in the table so as to produce an average adjustment over time of one (1) cent for each 0.26 change in the Three-Month Average Index. Following the adjustment effective September 5, 2005, the table in Article XIII, Paragraph (68) shall be reconstructed in accordance with Article XIII, Paragraph (68). The table shall have the May, June and July, 2005 Three-Month Average Index equal to the reduced Cost-of-Living Allowance in a bracket that is comparably positioned in the above sequence.

The total Cost-of-Living Float was transferred to the base rate or incentive add effective on the effective date of the 2000 National Agreement. During the term of the 2000 National Agreement, in the event a decline in the Consumer Price Index requires a reduction in the Cost-of-Living Allowance and the Float is less than the amount of the reduction required, the base rate or incentive add then in effect may be reduced by up to the amount of the Cost-of-Living Allowance reduction or five (5) cents, whichever is less.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Engineering Method of Rounding

Re: Consumer Price Index

The following rules of rounding shall apply to the determination of the Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to four digits, 130.646 becomes 130.6.
2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to four digits, 130.557 becomes 130.6.
3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to four digits, 130.5500 becomes 130.6 and 130.6500 becomes 130.6.

Employee Involvement Process

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the 2000 negotiations, the Company and the Union reviewed the evolutionary development of employee involvement processes and organizational structure changes at the plants. The parties discussed problems and successes alike, and reiterated their commitment to continued progress and renewed the 1991 letter on this subject which reads as follows:

The Budd Company and the UAW recognize the desirability of mutual effort to improve the quality of work life for the Employees. The voluntary Employee Involvement Process in operation at all National Agreement Plants, as well as projects and experiments which may be undertaken in the future are designed to improve the quality of work life and the Company's competitive position, thereby advantaging the worker by making work a more satisfying experience, advantaging the Company by leading to a reduction in Employee absenteeism and turnover, advantaging the consumer through improvement in the quality

and productivity of the products manufactured and increasing job security through improved productivity.

As a result of discussions during the course of the current negotiations for a new Collective Bargaining Agreement, the parties have decided that a Committee to Improve the Quality of Work Life composed of representatives of the International Union and The Budd Company will be continued at the national level.

This Committee will meet periodically and have responsibility for:

1. Reviewing and evaluating programs of the Company which involve improving the work environment of Employees represented by the UAW.
2. Developing experiments and projects in that area.
3. Maintaining records of its meetings, deliberations and all experiments and evaluations it conducts.
4. Making reports to the Company and the Union on the results of its activities.
5. Arranging for any outside counseling which it feels is necessary or desirable with the expenses thereof to be shared equally by the Company and the Union.
6. Assuming a leadership role in sustaining and defining the Process.
7. Meeting at least once with each plant's Joint Steering Committee during the term of the current collective bargaining agreement.

The Company will encourage its plant managements to cooperate in the conduct of such experiments and projects, and recognizes that cooperation by its plant floor supervision is essential to success of this program.

The Union agrees to request and encourage its members and their local union representatives to cooperate in such experiments and projects, and recognizes that the benefits which can flow to Employees as a result of successful experimentation is dependent on the cooperation and participation of those Employees and the local union representatives.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Equal Application Committees

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the course of the current negotiations The Budd Company and the International Union, UAW discussed and reaffirmed their commitments to equal application principles and have agreed to continue their arrangement which provides for National and Local Equal Application Committees.

For many years the Company and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, sexual orientation, and disability status, veteran status or union activity to the extent such status or activity is defined and protected by applicable state or federal law and to this end the parties have expressly incorporated in their Agreement an "Equal Application" provision that both insures adherence to that principle in all aspects of employment at Budd and provides the contractual grievance and arbitration procedure for the resolution of alleged violations of that principle.

The parties now recognize the desirability of increased communication and cooperative effort on this subject (i) to encourage Employees and grievance representatives to use the grievance and arbitration procedure as the exclusive contractual method for the prompt resolution of all claims of denial of equal application rights, (ii) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (iii) to maintain liaison with appropriate federal and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the contractual grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, non-productive to relieving Employee problems, (c) to seek solutions to mutual problems, (d) to relieve tensions in this area, and (e) to exchange information, expertise and advice.

Accordingly, the parties agree to establish within thirty (30) days of the ratification of the National Office Agreement dated today a National Equal Application Committee and Local Plant Equal Application Committees.

The National Equal Application Committee will be composed of two (2) representatives of the International Union, one of whom will be a member of the International Union's Civil Rights Committee, or his designee, and two (2) representatives of the Company, one of whom will be active in the Company's equal employment opportunity programs. The National Committee will meet as frequently as is mutually deemed desirable or necessary and its functions shall be the following:

- a. Review and discuss ways and means of encouraging Employees and grievance representatives to use the grievance and arbitration procedure as the exclusive contractual method to resolve claims of denial of equal application rights.
- b. Advise and counsel Union and Company representatives on grievances alleging such claims.

- c. Conduct or arrange for investigations and/or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.
- d. Maintain liaison with appropriate federal and state agencies for purposes set forth in the second paragraph of this letter.
- e. Review and discuss ways and means of implementing Company policy regarding employment of the handicapped set forth in the letter from William M. Kroger, Jr. to the International Union setting forth this policy.
- f. Advise and counsel Local Plant Equal Application Committees.

At each plant or facility that the National Office Agreement covers, a Local Plant Equal Application Committee will be established consisting of two (2) representatives of the Local Union and (2) representatives of the Company. The two (2) representatives of the Local Union shall consist of the Local Union President, or his designated representative, and the Chairman of the Civil Rights Committee of the Local Union. The two (2) representatives of the Company shall be the Plant Manager, or his designated representative, and the Company official at the plant active in the Company's equal employment opportunity program. Local Plant Equal Application Committees will meet on a scheduled quarterly basis, during non-working hours, and shall have the following duties:

- a. Recommend to the National Committee ways and means of promoting use of the grievance procedure as the exclusive contractual method for resolving claims of denial of equal application rights.

- b. Suggest guidelines for Union and Company representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.
- c. Recommend to the National Committee means for determining the cause of equal employment opportunity and discrimination problems and tensions in the plant.

The parties continue to recognize their legal and moral responsibility for assuring that all Budd Employees have equal employment opportunities and freedom from discrimination as set forth in the National Office Agreement. Consequently the function of the National Equal Application Committee and Local Plant Equal Application Committees shall be advisory, consultative and cooperative. While the Company and the Union will welcome the recommendations the Committees may make, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from bypassing the grievance and arbitration procedure with respect to any claim or complaint against the Company which may be made the subject of a grievance under the contract.

The parties discussed the subject of harassment based on the sex of an individual and agreed that such subject could be discussed by the Equal Application Committees.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Employment of Handicapped

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

The following is the text of the written and published policy of The Budd Company regarding employment of the handicapped:

"The policy of the Company is to make reasonable accommodation to the limitations of qualified handicapped persons and to extend employment opportunities to such persons taking into account the needs of the business and financial cost and expenses."

"Hiring and employment practices and procedures implementing this policy are the responsibility of the various Budd plants. However, these practices, procedures and decisions are to be, at all times, in conformity with the Company's Policy Regarding Employment of the Handicapped."

Consistent with the foregoing policy, the requirements of law and the rules and regulations promulgated thereunder, The Budd Company represents that it will take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Equal Employment Opportunity Policy

THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

It is the policy of The Budd Company to extend employment opportunities at all of its plants to qualified applicants and Employees on an equal basis regardless of an individual's age, race, color, sex, religion, national origin, sexual orientation, and disability status, veteran status or union activity to the extent such status or activity is defined and protected by applicable state or federal law.

Hiring and employment practices and procedures implementing this policy are the responsibility of the various Budd Plants. These practices, procedures and decisions, will, at all times, be in conformity with the Company's policy of Equal Employment Opportunity.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Christmas Holiday Period

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

This is to confirm our understanding concerning the Christmas holiday periods provided under our current National Agreement.

The new Agreement is intended to continue the concept of an unbroken Christmas Holiday Period from the day before Christmas through New Year's Day (inclusive); a period that encompasses two weekends and at least six holidays.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Christmas Holiday Pay Procedure

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

This will confirm the understanding arrived at during our recent collective bargaining concerning 2000, 2001, 2002, 2003 and 2004 Christmas Holiday Period pay checks, for Employees covered by the Agreement. The Company may use the following procedure for paying such Employees:

The last regular pay check due before the Christmas Holiday Period will be paid in the regular manner. Simultaneously, a pay check prepaying for five of the Christmas Holidays will be paid to each Employee who meets the eligibility requirements, insofar as the meeting of eligibility requirements can be determined at that time.

The pay check which would regularly be payable during the week between Christmas Day and New Year's Day will be paid on the first regular pay day after the Christmas Holiday Period.

Any overpayment made to Employees in connection with the pre-payment of holidays under this procedure, may be

recovered by the Company from the pay check(s) paid after the Christmas Holiday Period.

Any pay due an Employee for work performed during the Christmas Holiday Period will be paid him on the first regular pay day after the Christmas Holiday Period or the pay check on which it would regularly be paid, whichever is later.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Agreed to:

International Union,
United Automobile,
Aerospace and Agricultural Implement
Workers of America, UAW

By: _____
Elizabeth Bunn

Holiday Pay and Disciplinary Layoffs

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President & Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn,

During the 1980 negotiations, the parties discussed the situation where the duration of an impending disciplinary layoff would encompass or abut a specified holiday. It was mutually recognized that a wide variety of local practices existed on whether loss of holiday pay is appropriately included in the layoff penalty.

To insure uniformity between plant locations in the administration of discipline in such situations, the Company advised the Union that, as a matter of policy as of the effective date of the 1980 National Agreement, loss of holiday pay will not be included as part of the disciplinary penalty assessed.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Reinstatement of Grievances

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the negotiations of the current National Agreement, the parties acknowledged the desirability of ensuring prompt, fair and final resolution of Employee grievances. The parties also recognized that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which they both subscribe. Accordingly, the parties view any attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the International Union, UAW, by either its Executive Board, Public Review Board, or Constitutional Convention Appeals Committee has reviewed the disposition of a grievance and found that such disposition was improperly effected by the Union or a Union representative involved, the Budd Department of the International Union may inform the Company's Corporate Manager of Labor

Relations in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the provisions of the aforementioned National Agreement or Local Agreements, at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of the Union and the Employee or Employees involved that none of them will thereafter pursue such claims for damages against the Company in the grievance procedure, or in any court or before any federal, state, or municipal agency.

Notwithstanding the foregoing, a decision of the Permanent Arbitrator or any other arbitrator on any grievance shall continue to be final and binding on the Union and its members, the Employee or Employees involved and the Company and such grievance shall not be subject to reinstatement.

This letter is not to be construed as modifying in any way either the rights or obligations of the parties under the terms of the aforementioned National Agreement or Local Agreements, except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim, including claims for back wages, or that provide for the final and binding nature of any decisions by the Permanent Arbitrator or other grievance resolutions.

It is understood this letter and the parties obligations to reinstate grievances as provided herein can be terminated by either party upon thirty (30) days notice in writing to the other.

It is agreed that none of the above provisions will be applicable to any case settled prior to the effective date of this letter.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

**Separate Checks for Vacation, Grievance Award and PAA
Payments and Federal Income Tax Withholding**

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

**Re: Separate Payments for Vacation, Grievance Award and
 PAA Payments and Federal Income Tax Withholding**

This is to advise you of our understanding with the UAW-Budd Department during current national negotiations regarding the issuance of separate payments in the following instances:

- * Vacation payments for vacation time taken off and PAA days, when the payment is for 40 or more hours.
- * Pay in lieu of vacation payments and PAA days of 40 or more hours during the vacation year or for any amount at the end of the vacation eligibility period. However, when the pay in lieu payment is made in connection

with a payment for vacation time taken off, only one payment will be issued.

Grievance awards, whether written or oral, in excess of \$100.

Federal Income Tax Withholding

This will confirm our understanding of the methods to be used by Payroll Services in regard to withholding of Federal income tax from Employee's wages attributable to grievance awards, whether written or oral, vacation pay, pay in lieu of vacation and PAA days from Employees' wages.

Grievance awards, whether written or oral, in excess of \$100.00, but involving periods of less than one calendar year, will be treated as supplemental wages and income tax withholding will be calculated using a flat 28% without regard to any withholding allowances to which the Employee may be entitled.

Likewise, pay in lieu of vacation also will be treated as supplemental wages and income tax withholding will be at the 28% level.

It should be noted that the 28% withholding only covers the Federal withholding amount. An amount for FICA taxes and state or local income taxes, where applicable, will be in addition to the 28% withheld for Federal income tax.

Grievance awards, whether written or oral, which are less than \$100.00, will be aggregated with the regular payroll and the income tax withholding will be calculated on the total amount.

If a grievance award, whether written or oral, is made for a period of more than one calendar year, the income tax withholding will be calculated as if the payment were for a single annual period. Thus, in such situations, Payroll Services will use the annual percentage table to calculate the income tax withholding for such awards. This method would be the same as considering the award as having been paid equally over the preceding 52 weeks.

For vacation payments made for time away from work, such payments will continue to be treated as a regular wage payment; i.e., income tax withholding will be calculated as if the vacation payment represented a regular weekly wage payment.

The above methods are dictated by Federal Income Tax Regulations. Therefore, any change or amendment to such Regulations will, of necessity, have to be reviewed for compliance with the above changes.

Formal procedures to effect these changes are being communicated to Payroll Services by separate letter, with instructions to make these changes as soon as practical.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Review of Individual Personnel Records

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current negotiations, the Union expressed concern regarding the rights of Employees to review their personnel records.

This will confirm that the right to review individual personnel records has been extended as a matter of policy to Budd Company Employees throughout the United States.

With respect to medical records, Employees upon written request may see and obtain a copy of their medical record except in the rare circumstance in which the Company physician believes that medical reasons make it advisable that the Employee's private physician determine what information should be given the Employee and how best to do it. Examples of such situations are psychiatric illness, cancer or prognosis of terminal illness. In cases where the Company physician will provide an Employee with a copy of the record, the Company physician may state a preference for either explaining the record to the Employee

or having the Employee authorize release of the record to the personal physician.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Hiring Rate -COLA Fold In

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

An Employee hired during the term of the 1995 Budd-UAW National Agreement who has not attained the minimum base rate or "adds" of the classification as of the effective date of the new Agreement shall progress to the minimum base rate or "adds" of the classification in accordance with the provisions of Article XII of the 1995 Budd-UAW National Agreement not including the amount folded in from the Cost of Living Allowance.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Work and Family Issues

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the 2000 labor negotiations, the parties discussed the demands of the workplace and the family and the need for employees to reach a balance between these competing concerns. When employees are able to balance their work and family lives, they can be more productive at work and home.

In an effort to assist employees in dealing with work and family issues, the parties agreed to establish a National Joint Work & Family Committee during the term of the Agreement. The Committee may decide to evaluate the following at the Detroit and Philadelphia Plants:

- Child and family care needs
- Work/Family conflict
- Work/Family needs assessment
- Availability of resources to meet the needs of families

The Committee will consist of six (6) members. Three (3) representatives will be appointed by Vice President, Human

Resources. The Budd Company and three (3) representatives will be appointed by Vice President, UAW-Budd Department. The Committee shall meet for the purpose of discussing the above issues and making recommendations to the Company and the Union.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

**MEMORANDUM OF AGREEMENT
ON
U.S. FAMILY AND MEDICAL LEAVE ACT**

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

This Memorandum of Agreement effective November 1, 2000 between The Budd Company (Company) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (Union), describes the joint understandings of the parties regarding implementation of the U.S. Family and Medical Leave Act (FMLA) for employees covered by the Budd-UAW National Agreement. This Memorandum of Agreement shall be considered part of the National Agreement.

Eligibility

As provided by the FMLA, employees covered under the National Agreement shall be eligible for leave entitlements under the FMLA after being employed for 12 months and if actively at work at least 1250 hours in the 12 months prior to requesting a leave.

Qualifying Events for a Leave

As provided by the FMLA, an employee covered under the National Agreement may request a leave under the following situations:

- Upon the birth of a child of the employee and to care for the child.

- Upon the placement of a child with the employee for adoption or foster care and to care for the child.
- In order for the employee to care for the employee's spouse; biological, adopted or foster child who is under age 18, or over age 18 and disabled; or parent, any of whom having a serious health condition (parents-in-law are not included).
- A serious health condition that makes the employee unable to perform essential job functions. (A serious health condition includes the need for prenatal care, a physical or mental incapacity requiring inpatient, outpatient, hospice or residential medical care, an incapacity requiring absence from work for three or more days and continuing treatment by a health care provider, or continuing medical treatment for a chronic or incurable health condition.)
- As used above, "serious health condition" shall have the same meaning as under the FMLA.

Twelve Week Maximum Leave Period

Under the FMLA, an employee is entitled to a maximum of 12 weeks of leave in any 12 month period. This means that an employee is entitled to no more than 12 weeks of leave in any rolling 12 month period of time. This 12 week leave period can be applied to one or more qualifying events.

In the case where both spouses work for the employer, they are entitled to a total 12 weeks between them following the birth of a child, for the placement of an adoptive or foster child, or for leave to care for a seriously ill parent. Each spouse remains entitled to a full 12 weeks of leave for his/her own serious health condition, or that of a child, or the other spouse.

For leaves resulting from the birth, adoption or foster placement of a child, the leave must be taken within 12 months of such event and must be taken all at once, unless management approves an intermittent or reduced leave schedule (reduced workday or workweek). For all other qualifying events,

including a serious health condition of the employee or family member, leave can be taken intermittently and even for less than a day, if necessary as in the case of an employee requiring medical treatment, or on a reduced leave schedule (reduced workday or reduced workweek).

Requesting a Leave and Returning to Work

Employees seeking a leave under the FMLA must provide the plant Human Resources Department with notice at least 30 calendar days before the leave if the leave is foreseeable. If the need for such leave is not foreseeable, the employee must provide notice as soon as possible. Such notice must state the reason for the leave, the period for which the leave is requested, and when the leave will begin. Failure to provide the notice in advance can result in a postponement of the leave.

The Company has the right to verify the reason for the leave by requesting medical certification within 15 calendar days, as well as medical opinions. With respect to the employer's right to verify the need for the leave, if the employer requires a second opinion, it must be at the employer's expense and the health care provider may not be employed by or in a regular contractual relationship with the employer. If the first and second opinions differ, the employer may require a third opinion, also at the employer's expense from a health care provider agreed upon by the employer and employee/union. The third opinion is final and binding on the parties.

In scheduling leaves under the FMLA, employees must make a reasonable effort to schedule medical treatment for themselves and their family members to minimize work disruption. The Company may require that employees furnish periodic reports regarding return-to-work status.

An employee returning from a leave under the FMLA will be reinstated to the same job or an equivalent job with the equivalent pay rate and other terms and conditions of employment, subject to existing procedures on return-to-work medical examinations. However, if an employee's job is

eliminated because of a layoff or reduction-in-force while the employee is on leave or when the employee returns, the employee will be placed on layoff pursuant to the applicable Local Agreement.

An employee who fails to return to work at the expiration of a leave under the FMLA will be considered to have resigned employment.

Wages and Benefits While on Leave

The wages of employees will not continue during the leave period. However, employees on leave remain eligible for group health, Life and AD&D insurance benefits pursuant to the provisions of the Budd-UAW National Insurance Agreement.

Upon an employee's return to work, time spent on leave will be credited towards seniority, up to a maximum of 12 weeks in any 12 month period. Pension accruals for leaves under the FMLA will be determined by the language of the Budd-UAW Consolidated Retirement Benefit Agreement.

An employee may elect to use vacation and PAA benefits provided under the Budd-UAW National Agreement, as part of the leave under the FMLA.

If an employee suffers a disability covered by the Short-Term Disability program, all such time spent away from work will be counted against the employee's 12 week leave maximum under the FMLA.

Local Agreement Issues

The Local Union committee and management at each plant with employees covered by the National Agreement will discuss all Local Agreement issues impacted by the implementation of the FMLA.

Certain requests for leave under the FMLA may also be covered by state laws. In such cases, leave taken under the FMLA reduces the length of leave available under applicable federal and state laws.

Employees will be advised of their entitlements under the FMLA. No employee will be subjected to discipline, retaliation or discrimination, as a result of requesting or taking a leave under the FMLA.

Nothing contained in this Memorandum of Agreement on the U.S. Family and Medical Leave Act is intended to reduce existing contractual benefits. FMLA disputes are subject to the grievance procedure contained in the collective bargaining agreement and complaint resolution procedures contained in the benefit agreements.

National Joint Committee on Quality and Accountability

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the 1987 contract negotiations, the parties discussed at great length the need for a process by which the Company and the International Union could jointly improve the effectiveness of the committees that have been established under the terms of the National Agreement and discharge other obligations required under the documents accompanying the National Agreement.

In addition, it is the intent of the parties that this process serve as a mechanism for a routine, planned, sharing of information about the business and the markets in which we operate. It is intended to provide an opportunity for the Company to receive information about its Employees; their accomplishments; problems and needs.

As a result of our discussions, the parties have agreed to establish a National Joint Committee on Quality and Accountability. This six member Committee will be made up of

three (3) representatives from the International Union, UAW-Budd Department, one of whom will be the Vice President and Director of the UAW-Budd Department and three (3) representatives from the Corporate Human Resources staff, one of whom will be the Vice President of Human Resources. All members of the joint national committees established under the National Agreement shall be appointed from the membership of the National Joint Committee on Quality and Accountability except where certain members requiring specialized skill or training are specified to be members of a joint national committee. Each party will make available necessary members of their respective organizations who bring specified skills or insights to the Committee.

The National Joint Committee on Quality and Accountability shall meet on a quarterly basis to review Joint National Committee plans and activities and to discuss or review such other matters which have been referred for placement on its agenda.

The Committee shall:

1. Review and discuss ways and means of improving the effectiveness of all National Agreement committees and the furtherance of their purpose.
2. Discuss and review Joint National Committee plans and activities.
3. Review and resolve issues referred to them for consideration.

Appropriate topics for discussion by the National Joint Committee on Quality and Accountability shall include issues relating to: job security, health care, outside contracting, quality and substance abuse. However, as other appropriate issues of concern arise they may be placed on the Committee's agenda.

The Committee may, at its discretion, utilize or procure such additional technical resource or personnel it deems necessary

for review or resolution of the matters placed before it and it may decide to have meetings at a plant to review a particular situation or review the functions of joint activities in that facility to provide encouragement and support to the members of the joint local committees.

It is anticipated the Committee will, through a timely exchange of information and views, impact plant operations in order to eliminate problems which tend to fester and become deterrents to effective operation of a business and adversely impact the Employee's success and well being at the workplace.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Job Security

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214**

Dear Ms. Bunn:

During the current contract negotiations, the Company and the Union extensively discussed Quality Assurance, Capital Investments and Employee Training Programs which are designed to maintain and enhance the Company's competitive position and thereby promote job security for all Employees. These discussions produced the following understandings.

The parties reaffirm their belief that job effectiveness and efficient operations producing the highest quality product are the only true source of job security in the supplier industry in which Budd and its UAW-represented Employees participate. Budd and its UAW-represented personnel have a recognized reputation for producing sophisticated, high quality parts. In spite of this, during the term of the past agreement, the Company and its people have experienced the loss of significant numbers of jobs to its own customers and to offshore producers' operations which have been newly created in this country. The marketplace promises to

become more competitive as a result of our major customers' cost reduction efforts.

The Company has reaffirmed its commitments to continue efforts to improve the quality of all products and services offered by the Company and its Employees. The parties have agreed to work together to become Quality Leaders in the marketplace by developing, producing and delivering quality products on time at the lowest possible cost. In order to meet this goal and future business challenges, the parties further agree that all Employees should participate in and promote Quality Assurance programs at each of our facilities. The Company commits to continue to provide and enhance quality training activities in all of its facilities. Further, the Company stressed the importance and desirability of seeking Employee and Union suggestions and ideas to support the vitally important goal of continuous quality improvement.

Significant capital investments are forecasted by the Company for each of its facilities. The parties recognize that this capital investment will enhance the Company's ability to provide quality products at a competitive price through a highly trained workforce. During the negotiations, division management reviewed with the bargainers capital expenditure plans for National Agreement facilities. These plans are, of course, subject to business conditions. This forecasted investment is an indication of our firm commitment to keep our plants technologically in step with the markets they must serve.

While these disbursements are forecasted, a significant portion has not yet been budgeted. As we have discussed, and the Union agreed, during this bargaining, forecasts have to be responsive to changed market and business conditions.

In anticipation of new or advanced technology, methods and processes that may affect the operational effectiveness of our facilities, the Company and Union are jointly committed to

encourage and support Employee training and retraining efforts that will upgrade the skill level of Budd Employees.

Very truly yours,

WILLIAM M. KROGER, JR.

Vice President

Human Resources

WMK:hs

Shelbyville Plant Application Process

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214**

Dear Ms. Bunn:

Laid off Employees from a plant covered by the National Agreement may make application at the Shelbyville Plant by mail. An eligible Employee may obtain an application from his home plant Personnel Department which will also provide the Employee with the address of the Shelbyville Plant. The Employee will be able to take a pre-employment medical examination in the home plant area.

An applicant for employment in Shelbyville will be required to take pre-employment tests and to complete the assessment center process. However, such an applicant shall not be disqualified solely on the basis of the tests or assessment center results. The testing and assessment center process is administered jointly by Budd and the State of Kentucky.

In the event that an applicant's prior work history with The Budd Company indicates the applicant will be an unsuitable candidate for employment, the applicant will be notified of such

rejection in writing by the Company. Such an applicant may avail himself of the appeal procedure contained in Document No. 8, Preferential Hiring.

Applicants for employment at Shelbyville will be required to complete the pre-employment training administered by the State of Kentucky for The Budd Company. This training is required of all candidates for employment at the Shelbyville facility. The applicant's lack of success in the training shall not be used by the Company to bar the applicant from employment in Shelbyville, provided the Employee has completed all the segments of the pre-employment training.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Educational Aid -- Job Relatedness

THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the 2000 negotiations, we discussed the possibility of declining employment at National Agreement facilities. We have agreed that in the event new business is not secured, some Employees may have to prepare themselves for subsequent employment. The parties recognize that in this circumstance the determination of job-relatedness under the educational aid program may require liberalization. Therefore, during the term of the 2000 National Agreement, in determining whether educational programs are job-related, programs which qualify the Employee for any job, whether or not with The Budd Company, will be considered job-related. Courses taken for recreation, entertainment or hobby purposes will not be considered job-related.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Training for Laid Off Employees

**THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601**

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During these negotiations, we have committed to you that we will extend the Educational Aid Program contained in Document No. 2 to laid off Employees with at least one year of seniority for the 18-month period which follows their layoff. The program will not duplicate tuition or fees already covered by other state and federal education assistance plans or programs. Reimbursement under this provision will be limited to the maximum applicable to one calendar year during any one layoff. Employees with one through four years seniority shall be eligible for this payment during one period of layoff. Employees with more than four years seniority shall be eligible for reimbursement under this letter during two periods of layoff.

Very truly yours,

WILLIAM M. KROGER, JR.
*Vice President
Human Resources*

WMK:hs

A & S and Workers Compensation Payment

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

We have for a considerable period of time been involved in discussions about the Company's policy in situations in which an Employee applies for Weekly Accident and Sickness Wage Replacement Benefits or Extended Disability Benefits and indicates on the claim form that the disability is a result of an occupational injury or illness. This letter will communicate a change in the Company's policy.

In the past, in circumstances in which an individual requested Accident and Sickness Benefits or Extended Disability Benefits but insisted the disability was work-related, Company policy has been to deny Accident and Sickness Benefits or Extended Disability Benefits, and in the same circumstances, if the Company believed the Employee had not suffered a work-connected disability, the Company did not pay Workers' Compensation. Thus, the Employee received benefits from neither source until such time as the issue of whether or not the disability was work-related was resolved.

The Company's obligation to pay Weekly Accident and Sickness Wage Replacement Insurance or Extended Disability Benefits is contractually limited to non-occupational accidental injury or illness unless A & S or EDB is greater than Workers' Compensation payments in which case an A & S or EDB supplemental payment is made. However, without changing any other contractual commitments in regard to such insurance for disabilities which arise on or after November 4, 1991, the Company will follow the procedures described below:

In those cases in which the Employee provides proof of disability and in which the Employee contends his disability arises from an occupational cause but the Company believes that the disability is not work-related, the Company will pay Accident and Sickness Benefits or Extended Disability Benefits provided the Employee first signs an agreement to repay to the Company 100% of any Accident and Sickness Benefits or Extended Disability Benefits received, which would not have been paid except for this policy change, should he subsequently receive Workers' Compensation, Lost Time, Redemption, Settlement or Commutation Benefits for the same time period.

In the event the law, or any change in the law, prevents 100% recovery of A & S or Extended Disability payments or otherwise makes this policy unworkable or unenforceable, the Company will, after prior notice and discussion with the Union, reinstitute its policy of not making Accident and Sickness or Extended Disability payments to claimants who allege their disability is work-related.

To resolve a disputed claim of disability with potential workers compensation liability the parties adopted the following rules in the settlement of National Step Grievance 158-93, Philadelphia, February 9, 1995:

When these three conditions are present:

1. An employee has filed an A & S claim form asserting continuing disability; and
2. The employee has checked "yes" to answer the question "is this condition due to a work related injury or

disease" and has signed the Special Agreement appended to Document No. 29; and

3. The Company has taken the position that the employee is medically able to work;

The A & S claim will be processed for payment in the usual and customary manner.

The Company will schedule a medical examination under Section VII, C.6.b, of the Insurance Plan in accordance with the procedure contained in Article V, Paragraph (29) 4. and 5. of the National Agreement. If the examination subsequently reveals the employee was medically able to work, the employee shall be returned to work and the employee shall repay the A & S overpayment in accordance with Section XIV, E. of the Insurance Plan.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

SPECIAL AGREEMENT

Weekly Accident and Sickness Wage Replacement Insurance

Employee's Date of Badge
Name Disability Number

Company Name _____

Group Accident and Sickness Policy Number _____

**TO: THE BUDD COMPANY, a Pennsylvania Corporation,
 hereinafter called the "Company."**

The above named Employee, whose signature is affixed to this instrument, being insured under the aforesaid Group Accident and Sickness or Extended Disability policy by the Company affirms that there is a possibility that the disability commencing on the date recorded above results from an injury or sickness which arose out of and during the course of employment and hereby makes claim against the Company for benefits under the aforementioned policy of insurance.

UPON THE CONDITION that payment thereof will in no way change, affect or prejudice any Workers' Compensation claim rights and that any payment made constitutes an overpayment, if the Employee is awarded Workers' Compensation for the same period and,

HEREBY AGREES in consideration of such benefit payments on his behalf that if at any later date Workers' Compensation benefits are paid under any Workers' Compensation Law or Act for the aforementioned disability, or any settlement of claim for such benefits is made, or a final lump sum settlement of such claim, that he, his assigns, heirs, executors, administrators or personal representatives will indemnify said Company in an amount equivalent to the *aggregate benefit received under the aforesaid Accident and Sickness or Extended Disability policy, but not to exceed for any week the weekly amount of Workers' Compensation benefit to which he would be entitled for a week of disability under the applicable State law, immediately upon demand.

In further consideration of such benefit payments received, should the Employee fail to repay monies owed to the Company under the terms of this agreement within fourteen (14) calendar days, then, in such case, the Company shall be authorized, to the extent allowed by State or Federal law, to deduct directly from any future remuneration and/or benefits due the Employee, as a payroll deduction, the maximum amount permitted by State or Federal law until the aggregate benefit received is fully repaid.

The Employee, or all persons now or hereafter liable for the repayment of the aggregate benefit received, does hereby expressly waive presentment for payment, notice of dishonor, protest and notice of protest, and agree that the time for the payment or payments of any part of the aggregate benefit received may be extended without releasing or otherwise affecting their liability on this agreement.

Signed and sealed this ____ day of ____ 20__

Signature of Employee _____

Address _____

Approved in behalf of Company by _____

Title _____

*aggregate benefit received - when referenced under this agreement refers to the total gross amount advanced an Employee under this procedure to include any FICA payments made on behalf of the Employee. These payments are non-refundable and will be credited to the individual retirement account with the Social Security Administration.

Gainsharing

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214**

Dear Ms. Bunn:

This will confirm the understanding reached during the recently concluded negotiations concerning gainsharing studies at local plants.

Local Unions and Local Managements may enter into discussions to study whether gainsharing at their facilities may be practical and appropriate. Corporate and/or Division personnel may participate in the study. The Local Union may involve representatives of the International Union.

If the parties jointly recommend the adoption of a gainsharing plan, such recommendation will be subject to review and approval by the Vice President and Director, UAW-Budd

Department and the Vice President, Human Resources of The Budd Company.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

**STATEMENT OF COOPERATION
BETWEEN THE BUDD COMPANY AND UAW
TO ASSIST EMPLOYEES
REPRESENTED BY THE UAW IN
RECOVERING FROM SUBSTANCE ABUSE**

The Budd Company and the International Union express their joint determination to deal cooperatively and constructively with the problem of substance abuse among Budd workers represented by the UAW.

Alcoholism and drug dependency is recognized by medical, public health authorities, The Budd Company and the UAW as a disease. Excessive use of alcohol or other drugs by workers impairs their ability to function, contributes to increased absenteeism and tardiness and the violation of shop rules. This in turn disrupts work schedules with consequent dissatisfaction among the majority of workers who are sincerely trying to do conscientious jobs. The combination of factors is recognized as having a potentially damaging effect on plant efficiency and endangers the job security of the worker.

The causes of alcoholism and drug dependency are not well understood and cures are difficult. Nonetheless, The Budd Company and the UAW believe that constructive measures are possible to deal with the problem which is a major cause of family breakdown and is related to personal breakdown and violence in the community.

I. Objective

The objective of this joint effort is to help Employees who become afflicted with alcoholism or drug dependency. Joint effort by The Budd Company and the International Union is designed to establish a system for early identification of these problems in an

Employee, referral of the Employee for proper treatment, and concerned followup.

The Budd Company and the International Union acknowledge that neither local management nor the local union working alone can always provide the level of motivation required by the alcoholic or drug dependent Employee. As a result, mutual cooperation is imperative in encouraging the Employee to seek treatment, as needed, to respond successfully to treatment, and to maintain a resolve to avoid alcohol or drugs following treatment.

II. Guidelines for Administration

The Budd Company and the International Union will engage in a cooperative effort and function administratively in consulting with and seeking the cooperation of local management and local union personnel. In this regard it is important to:

1. Generate a climate at the plant level which will eliminate the effects of the social stigma associated with alcoholism and drug dependency, which act as a barrier to constructive corrective action;
2. Encourage the local management and the local union at all levels to exercise their best efforts toward the objective of early identification and motivation of the Employee to seek treatment and rehabilitation;
3. Assure confidentiality in working with the Employee;
4. Assure the Employee of a sympathetic understanding of his problem; and

5. Assist in developing educational and informational materials for use at the plant level. These may be supplemented by materials which either The Budd Company or the International Union may wish to issue separately.

III. Local Substance Abuse Committee

The Budd Company and the International Union may respectively designate one representative of local management and one representative of the local union to work cooperatively outside the grievance procedure on these problems. Such representative shall incur no loss of pay for time lost from work when such lost time is the result of a request by the Plant Medical Director/Human Resources Manager that such representative perform duties in connection with the responsibilities of the Local Substance Abuse Committee. Among the responsibilities of the local committee will be to:

1. Survey community resources to determine the availability of appropriate treatment facilities and the cost of treatment. Where facilities are inadequate or unavailable, undertake efforts to improve the situation.
2. Develop ways whereby the disease is identified in its early stages, and whereby the Employee is encouraged and assisted to obtain treatment without delay. It is recognized that the Employee can be dealt with most effectively on a cooperative management-union basis.
3. Help the Employee understand that he may consult on a confidential basis with the Plant Medical Director or an outside qualified facility or agency, concerning his problem without fear of disciplinary action based on

such discussion. Information derived solely from such discussions shall not be used by either the Company or the Union in connection with any step of the Grievance Procedure. Information obtained by the Company from other sources such as personnel records, insurance forms and independent investigations shall not be considered confidential within the meaning of this sub-paragraph.

4. Arrange for the local insurance program administration or a local union representative to be available to explain to the Employee and others who may be involved the extent to which recommended treatment qualifies for payment under the Budd Insurance Program.

The Budd Company and the International Union acknowledge that:

1. Nothing in this statement is to be interpreted as constituting any waiver of management's responsibility to maintain discipline or the right to invoke disciplinary measures in the case of misconduct which may result from or be associated with the use of alcohol or drugs, the union may exercise its right to process grievances concerning such matters in accordance with the Budd-UAW National Agreement;
2. During or following treatment the Employee should not expect any special privileges or exemptions from standard personnel practices; and

3. When a leave of absence is necessary so that an Employee may undergo medical treatment for alcoholism or drug dependence in or from an appropriate facility in accordance with this program, and when the Employee has voluntarily submitted himself for such treatment and his seniority has not already been broken, he will be granted a sick leave of absence and he will be eligible for benefits in accordance with the Budd Insurance Program as negotiated with the International Union.

Substance Abuse

THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn,

During the term of the 1977 National Agreement, the Company and the International Union established several Joint Substance Abuse Recovery Programs on a pilot basis with the cooperation of local Management and local Union personnel. These programs were established in locations where effective treatment facilities and competent and interested personnel at the plant level were available.

The problem of substance abuse is complex and there are many unanswered questions. We believe the pilot programs might help us find these answers. We are willing to continue these programs and to extend them as appropriate in accordance with the attached "Statement of Cooperation Between The Budd Company and UAW to Assist Employees Represented by the UAW in Recovering from Substance Abuse."

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Health and Safety

THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During these negotiations, the Company and the Union have discussed at length and in depth a desire to have the most healthful and safe work place possible, consistent with business requirements. The parties are in complete agreement that every reasonable effort should be made to correct any conditions not consistent with these aims.

All members of management of The Budd Company will be reminded of the firm Company policy to give priority consideration to matters of Employee health and safety.

The safety of Budd Employees covered by this Agreement shall receive continuous attention and the Company will constantly try to upgrade the levels of equipment maintenance and housekeeping throughout its plants. Worn and/or obsolete equipment and facilities will be replaced as the economics of the Company permit, and while improving its manufacturing processes, techniques and equipment, the Company will be mindful of the health and safety of Budd Employees.

The Company will, through locally established procedures, receive and investigate all grievances concerning health and safety and will take steps to resolve the grievance as soon as is reasonably possible so as to reduce or eliminate unhealthful or unsafe working conditions.

A health and safety grievance which has exhausted Local Union grievance procedure, excluding any strike and/or arbitration provisions of the Local Agreement, shall be referred to the grievance procedure outlined in Article IX in the following manner. The Director, UAW-Budd Department, or her designated representative, shall give written notice to the Company's Manager of Labor Relations appealing the grievance to the *National Step grievance procedure within thirty (30) calendar days of the date of the final management decision at the Local level.* A good faith attempt to resolve the problems will be made immediately. Furthermore, the Company agrees that the International Union will request the Company to permit its health and safety technician to visit a plant to investigate the grievance with the understanding that such technician will promptly thereafter supply to The Budd Company Human Resources Department a written report of his findings concerning the grievance. Arrangements for visits and suitable escort will be made between the International Union and The Budd Company Corporate Human Resources Department. Within ten (10) days of the receipt by the Company of the written report of the technician's findings, a National Step grievance meeting will be scheduled and thereafter the grievance shall be processed in accordance with the provisions of Article IX of this Agreement.

It is expected that the Union will encourage its members to adopt and maintain healthful work habits in all areas and to work safely as instructed by their supervisors and/or the Safety Departments.

Very truly yours,

WILLIAM M. KROGER, JR.

Vice President

Human Resources

WMK:hs

Health and Safety

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current national negotiations the parties discussed at length the concern both the Company and the UAW have for assuring reasonably safe and healthful working conditions for Employees during their working hours. To this end, it was acknowledged that current contractual commitments and other arrangements are satisfactory for dealing with local health and safety issues. In these same discussions it was concluded that it may be desirable for the parties to meet periodically at the national level to discuss matters of mutual interest which pertain to Employee health and safety.

Accordingly, this letter will confirm the Company's willingness to meet from time to time upon request of the UAW-Budd Department to discuss such matters.

Among those matters that would be appropriate for discussion in such meetings would be significant developments of a mutual interest in the health and safety fields, changes in the

Company's health and safety programs due to legal requirements or Company policy revisions, and review of the meaningful injury and illness experience of the Company's plants.

In addition, we assured you that the arrangements we have made in the past for professional health and safety representatives of the International Union to visit Company plants in connection with particular health and safety problems would be continued.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Safety Talk Programs

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214**

Dear Ms. Bunn:

During the current negotiations the parties discussed the Company's program with respect to periodic safety talks with Employees. These talks which are usually conducted by members of plant supervision serve the purpose of reminding Employees of the importance of safe work practices and encourages awareness to potential hazards in the workplace. Both parties share the view that conditions, equipment and processes differ by plant and that safety talks must of necessity be handled on a plant-by-plant basis.

The parties are aware that many individual plants and divisions have developed safety talk procedures which are effective in their design and manner of presentation and which in some cases, make use of recording and other mechanical devices. The review of these programs is a proper subject for discussion by

the National Committee so that this information may be communicated to other Budd plants for their evaluation.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Absenteeism

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the 2000 negotiations, the Company and the Union agreed that the continuing problem of Employee absenteeism must be addressed in a cooperative and constructive manner. The parties recognized that high levels of absenteeism are disruptive to plant performance and efficiency and have a detrimental effect on the responsible majority of Employees who report for work on a regular basis.

The parties agreed that they have a joint responsibility to provide positive leadership on this matter.

The parties also agreed that an Employee has the responsibility to attend work regularly in return for the benefits of employment and security afforded by the Budd-UAW Collective Bargaining Agreement.

In this regard, the parties agreed that such matters are properly subjects for discussion by the Company and the UAW.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Concur _____

Elizabeth Bunn

Metric Tools
THE BUDD COMPANY
CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During negotiations of the current Collective Bargaining Agreement, the parties discussed the subject of conversion to the metric system and its effect on certain Employee owned tools.

During these discussions the Company indicated its intention to make available during the transition period necessary metric tools and calibrated measuring instruments to skilled trades Employees when required in the performance of their work. Such tools will be available in the tool cribs and charged out to skilled trades Employees when they have need for them.

This policy does not preclude the use of conversion tables or other alternate means of changing to the metric system in place of utilizing such tools or calibrated measuring instruments, nor does it alter the present requirement that skilled trades Employees provide their own tools necessary to perform their duties, except as provided in the second paragraph hereof.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Broken/Damaged Personal Tools-Skilled Trades

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the 2000 contract negotiations, the parties discussed repairing or replacing personal tools of skilled trades Employees broken or damaged on Company premises while performing their assigned job.

The Union was advised that the Company will accept and review claims for broken or damaged tools that are no longer usable. Where it is determined that personal tools were broken or damaged on Company premises due to conditions beyond the Employee's control, such tools will be repaired or replaced, provided there is no evidence of Employee

negligence, abuse or improper usage. It is understood that this arrangement will be over and above any locally established practices with respect to replacing personal tools of skilled trades

Employees broken or damaged on Company premises.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Maximum Rates —Skilled Journeyman

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Following ratification of the current National P & M Agreement the Company will continue the following understanding in each of its plants covered by this Agreement, concerning attainment of maximum rates for Employees in apprenticeable skilled trades classifications.

The following classes of present seniority Employees:

1. an Employee who has successfully completed a UAW approved apprenticeship program, or another apprenticeship program with similar standards, in the apprenticeable trade in which he is employed, or
2. an Employee who can show proof of eight (8) years of employment in the apprenticeable trade in which he is working, or

3. an Employee who has been classified in the apprenticeable trade in which he is working for a period of four (4) years at The Budd Company shall within sixty (60) days after presentation to the Company of evidence satisfying one of the above three (3) requirements, be advanced to the maximum rate of their classification.

An Employee who has attained the maximum rate in an apprenticeable trade at one of the plants covered under this Agreement and is subsequently employed in that classification at another plant under the provisions of Article X or the Preferential Hiring letter will be advanced to the maximum rate of the classification at the new plant upon completion of his probationary period.

The Company will accept a UAW Journeyman's card as proof that the Employee has attained journeyman status in the skilled trade to which the card applies. Company employment records will be used to verify the experience required in point three (3) above. Probationary Employees and newly hired Employees, excepting those outlined in the immediately preceding paragraph, shall within sixty (60) days after attainment of seniority and upon presentation to the Company of evidence satisfying one of the above three (3) requirements, be advanced to the maximum rate of their classification.

The Personnel Department shall notify the Employee of the Company's acceptance or rejection of his application under this letter as soon as possible but in no event later than thirty (30) days after presentation of the evidence required.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Pre-Apprentice Training – Minority Groups

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current negotiations the parties discussed pre-apprentice training as one method of achieving our common goal of bringing a greater number of members of minority groups and females into the apprentice training program. It is evident that we share a serious concern about the establishment of effective methods of achieving this desirable goal.

Accordingly, the Joint National Apprentice Committee will consider matters pertaining to pre-apprentice training as it relates to achieving the above objective.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Permanent Arbitrator – Local Grievances

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

When a grievance which does not involve the application or interpretation of the National Agreement, but only involves application or interpretation of a clause(s) of a Local Agreement has progressed through the local grievance procedure to a point where it may be appealed to arbitration, the local procedure notwithstanding, it may be appealed to the Permanent Arbitrator serving under this National Agreement who shall then serve as arbitrator for the case. In such case all procedural matters in connection with the arbitration contained in the Local Agreement (such as time limits, witness pay, etc.) shall be observed except for the appeal to and selection of the Permanent Arbitrator already provided for in this paragraph.

Where the parties have an agreed on local procedure for expedited arbitration, or in any unusual case which the parties

agree locally should be handled as an expedited arbitration case, including discipline and discharge cases, the parties shall select a mutually agreed on arbitrator if the Permanent Arbitrator is unable to meet the time limits imposed by such expedited procedure.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Employee Relation

WMK:hs

Arbitration Selection

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the course of our 2000 negotiations, the parties discussed the need for the efficient processing of grievances that have been appealed to arbitration by The Budd Company's Philadelphia Plant. This letter will set forth the method for selecting an arbitrator in those situations in which the permanent arbitrator is not available on a timely basis.

Representatives from the Company and Union covered by the terms of this letter shall jointly select a panel of five (5) arbitrators from the American Arbitration Association panel in the Philadelphia area, who shall serve for the duration of this Agreement as long as they remain acceptable to the parties. These arbitrators shall be empowered to hear local agreement cases submitted as set forth below. However, if the Company and the Local Union by mutual agreement shall so request, the Permanent Arbitrator shall hear and decide any specific case.

A grievance submitted to the five arbitrator panel in accordance with this letter shall be filed with the American Arbitration Association. The AAA shall select one of the five (5)

arbitrators to hear the case. The grievance shall be submitted in accordance with the rules and regulations of the American Arbitration Association and the fees and expenses of the arbitration hearing shall be shared equally by the parties.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Outside Contracting

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During these contract negotiations, the Company and the Union have discussed at length the subject of subcontracting skilled maintenance work and the disputes that have arisen in connection therewith. The following is a statement of the Company's policy in this area.

While we do not have the equipment or personnel to do all the skilled maintenance work in our plants, it is our intent and desire to utilize our own skilled maintenance Employees to do the kind of work they have customarily done in our plants in the past, to the extent that it is practicable and economical to do so.

The decision as to whether a given project can be done by our Employees or subcontracted, shall be made by Management upon the basis of a sound judgment giving full consideration in the application of our policy, to the economic and practical consequences, such as, the requirements to meet production schedules, model changes, timetables for plant re-arrangement or installation of equipment as well as the necessity to contract our work requiring specialized tools or equipment or special skill, and the necessity for the installation of

equipment by vendors as a condition of guaranteeing proper performance.

The Company will provide advance notice in writing, except where time and circumstances prevent it, to the local union of the Company's plan to let a particular contract involving skilled maintenance and construction work. The written notice will describe the project's general nature, scope (including estimated trades and manpower involved), the approximate dates within which the work is expected to be performed, and why the service of an outside contractor is being contemplated. At such times, Company representatives are expected to afford the Union an opportunity to comment on the Company's plans and to give appropriate weight to those comments in the light of all attendant circumstances. It is expected that the local union representative consulted will reply in a prompt and timely manner.

The application of this policy shall not affect any contract agreements presently in effect at any local plant if it has been agreed to continue such agreement under the new Local Collective Bargaining Agreement.

In the event of disputes arising in the application of this policy, the facts should be reviewed promptly between proper representatives of the Company and the Union and if necessary the matter may be the subject of the grievance procedure.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Tool, Die and Pattern Contracting

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

You have discussed with us at great length the possible effect on our skilled tool and die Employees (including patternmakers) of decisions of the Company to buy some of its tools and dies, rather than make them.

As we have pointed out to you in current negotiations, there are many and varied factors that may influence any particular decisions to make or buy. We do not believe it is feasible to list general criteria. However, the Union has stated in our discussions that it recognizes a number of them, such as the need, among other things, to contract work that requires specialized tools and equipment and special skills and the necessity of meeting production schedules, model changes and rearrangement deadlines.

In view of the foregoing, we have advised you that the Company cannot agree to any limitations or restriction on its right and responsibility to decide whether to make tools, dies and patterns or to buy them. However, we wish to make it clear to you that it

is our policy, in making such decisions, to give proper consideration to the operating needs of the business, the efficiencies and economics involved and all other relevant considerations, including the effect the decisions on work opportunities of tool, die and patternmaker Employees.

Where the Company considers that work practices or provisions of local agreements in its Tool, Die (including Patternmaking) Departments may be having an adverse effect on the Company's ability to compete in this field effectively, it will discuss such matters on a timely basis with the Local Union and explore with it fully the possibilities of taking practical steps with respect to such matters to the end of improving the employment opportunities of such Employees.

In the event that a decision is being contemplated to place work covered by this letter outside, local management will, except where time and circumstances prevent it, have advance discussion with local union representatives concerning the nature, scope and approximate dates of the work to be performed and the reasons why management is contemplating utilizing a non-Company source. At such times, Company representatives are expected to afford the Union an opportunity to comment on the Company's plans and to give appropriate weight to those comments in the light of all attendant circumstances. It is expected that the local union representative consulted will reply in a prompt and timely manner.

At each plant, the manager responsible for the tool room (Tool & Die Plant at Philadelphia) will meet with the designated union representative on a monthly basis to discuss, and provide information relative to, plans the Company is formulating and decisions it is contemplating concerning tool, die and pattern contracting on a plant basis.

For purposes of this letter only, wherever used herein, the term "tool and die Employees" shall be deemed to include skilled jig and fixture Employees and the term "tools and dies" shall be deemed to include jigs and fixtures.

In the event of disputes arising in the application of this policy, the facts should be reviewed promptly between proper

representatives of the Company and the Union and if necessary the matter may be the subject of the grievance procedure.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Product Planning Communication

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the 2000 negotiations, the parties discussed the necessity to keep local union officials apprised of product plans for their facility and the impact of those plans on their membership. There was agreement that advance knowledge of changing product plans and their impact upon the work force is beneficial to our relationship. During the term of the 1991 agreement, the National Joint Committee on Quality and Accountability met several times to review the Company's product plans. It is anticipated that such meetings will continue during the term of the 2000 agreement. However, the parties recognize that additional communication is necessary at the plant level.

The president of the Stamping and Frame Division will meet with local union officials in their division not less than twice each year during the term of this agreement to discuss product plans and their impact on employment at the plant. Special emphasis will be given to assessing the impact

of product plans on employment. In addition, they will discuss with local union leadership product opportunities which may be placed outside the plant for business reasons that include situations where the plant is not capable or competitive in the particular product. The objective of such discussions will be to encourage plant personnel to seek ways of securing or retaining work. Local plant management will meet with local Union officials on product planning matters as required.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Outside Contracting Communications

THE BUDD COMPANY

**CORPORATE OFFICES * TROY, MICHIGAN 48007-
2601**

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214**

Dear Ms. Bunn:

During the recently concluded negotiations, we discussed at length the problems attendant to ineffective communication in regard to the subject of outside contracting of skilled maintenance work or tool, die and pattern contracting. As a result of those discussions, the President of the Stamping and Frame Division of the Company has agreed to send the following letter to the plant managers of plants covered by the National Agreement:

"During the 1995 contract negotiations, the Union explained to the Company that significant problems were experienced with outside contracting at some point during the term of the 1991 labor agreement. In many of the instances to which it refers, the root cause of the problem was lack of effective communication. The spirit of the commitments made by the Company in the Budd-UAW

National Agreement requires timely communication in advance of decisions to subcontract work covered by Document Nos. 41 and 42 of the Agreement."

"The Division intends to achieve worldwide competitive status utilizing not only the skills of our Employees but also the suggestions and ideas of the people and the Unions as to how work can best be accomplished at the lowest possible cost with the highest possible quality and on time.

This approach to managing the business should be used throughout the Division at all levels: production, skilled and technical. Obviously, discussions about outside contracting should be held in a timely manner with appropriate Union and Management personnel to be consistent with this approach.

There are numerous examples where complete, advance communication with the Union and the skilled trades Employees has resulted in important projects being completed on a competitive basis in terms of quality, cost and timeliness. The result has been a feeling of pride of accomplishment shared by the Union, Employees and Management.

Plant relationships can only be improved by open, frank communications in all areas, particularly in carrying out our outside contracting responsibilities.

I am requesting that you give extraordinary attention to your responsibilities in this area and that you require the same of those in your organization who have responsibilities in this area."

As indicated during our negotiations, we are jointly committed to improving this communications process. The active support expressed in the above letter will, I am confident, provide a good start for this improvement effort which will be monitored by the National Joint Committee on Quality and Accountability.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Make or Buy – Plant Skilled Maintenance Materials

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

During the 2000 negotiations, we spoke at length about the potential impact of plant make or buy decisions on the jobs of skilled maintenance Employees. We agree we should utilize the ideas and talents of our people to the maximum possible advantage in our efforts to improve plant operations. We also agreed that input from the Union or Employees can often provide information that is needed to assure the best plant make or buy decision is made.

Over the many years of our joint relationship, plant personnel and equipment capabilities have changed significantly. The price and availability of maintenance materials changes frequently. New materials and methods become available virtually daily. Plant operations often dictate immediate needs for maintenance materials. Manpower is not always available in the time frame in which the maintenance materials must be obtained. These are but a few of the many factors which influence the plant

decision to make or buy materials for use by our skilled maintenance Employees.

In general it is our policy to utilize our skilled maintenance Employees to produce maintenance materials regularly and routinely fabricated by them in the past to the extent it is sound business practice and provided they are available, possess needed skills and equipment and can do work competitively in quality, cost and time. At times the Company does not deem it advisable doing the work itself, and it must, as in the past, reserve to itself the right to decide whether it will make or buy any particular item of maintenance material.

To secure the desired Employee input, Management will meet with local union representatives at least monthly, if requested.

While the provisions of this letter are not subject to the grievance procedure, any disagreements may be considered by the National Joint Committee on Quality and Accountability.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

NEW LETTER

Shop and Office

Document No. 46

Special Payment

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

January 23, 2001

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current negotiations, the parties agreed to provide each eligible UAW represented Employee a special payment of \$750.00. In order to be eligible for such payment an Employee must have seniority as of March 5, 2001 and work during the week in which such date falls. This payment shall be by separate check distributed the week of March 19, 2001.

In addition, any seniority Employee who is on layoff, an approved vacation or an authorized leave of absence as of March 5, 2001 but who returns to work prior to March 5, 2002 shall receive the above payment as soon as practicable after such return to work.

This special payment will become payable only if the 2000 National Agreement and all Local Agreements

supplemental thereto have been ratified and the Company so notified by February 20, 2001.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

The Budd Company Employee Savings Plan

THE BUDD COMPANY
CORPORATE OFFICE * TROY, MICHIGAN 48007-2601

November 1, 2000

The Company agrees to continue this Employee Savings Plan for employees covered by this agreement. The Plan is designed to provide employees with a vehicle to save for long-term retirement goals, yet have access to their money. Employees may choose to make pre-tax contribution through payroll deductions to the Plan. All seniority employees will be immediately eligible to enroll in the Plan.

Participants in the Plan will be able to track their savings plan activity through quarterly statements as well as utilization of a telephone system to inquire and make investment changes in their account(s). The following summarizes major features of the Plan:

- Employees may contribute up to a maximum of 17% of their gross pay in 1% increments.
- Participants will direct the investment of their accounts. Dividends and interest on investment earnings will be reinvested in the fund they derived from. The Plan will provide a minimum of four investment vehicles.
- The Plan allows access to the funds while still employed. Withdrawals of before-tax contribution are available only in cases of financial hardship, defined as a safe harbor hardship in the IRS Hardship Regulations. Income and excise taxes may be applied to all taxable

amounts withdrawn. A loan may be obtained for up to 1/2 of the account balance. The maximum term of the loan is 5 years, or up to 15 years if used to purchase a principle residence. Only one loan may be outstanding at a time. Repayment is through payroll deduction.

- Distributions will be made in the form of a single sum payment.
- The Company shall be Plan Administrator or shall arrange for administration of the Plan.
- All external expenses and fees such as brokerage, trustee, record keeping, audit and loan fees will be paid from the Plan assets. The Company shall select and retain the administrator, record keeper, trustee, custodian and determine which investment vehicles will be made available.

During the 2000 negotiations, the parties discussed and reaffirmed their commitment to the effective and efficient administration of The Budd Company Employee Savings Plan. As a result, it was agreed that within ninety (90) days of the effective date of the 2000 Agreement, the Corporate Manager of Pension Administration and a representative of the Recordkeeper/Trustee (Merrill Lynch) would meet with a Local Plant Committee at each location. This Committee will consist of one representative from the Production and Maintenance Bargaining Unit, one representative from the Technical, Office and Professional Bargaining Unit, and one member of local plant management.

The Committee(s) will discuss issues relative to the overall administration of the Savings Plan, and review Savings Plan account and fund performance information furnished to Plan participants. In addition, the Committee(s) may make suggestions and recommendations regarding Plan administration and procedures that are within the scope of the Recordkeeper/Trustee's responsibility.

Direct Deposit Payroll System

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President & Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, MI 48214

Dear Ms. Bunn:

As soon as administratively practicable following conclusion of the 2000 negotiations, the Company will make available to employees covered by the National Agreement a direct deposit payroll system.

The direct deposit payroll system will be offered on the following basis:

- a. Participation is voluntary.
- b. A participating employee who wishes to withdraw from the direct deposit payroll system will be returned to the paper check system as soon as administratively practicable.
- c. Participants will receive a pay advice each pay period.
- d. The direct deposit payroll system will be subject to the rules of the National Auto-

mated Clearing House Association
(NACHA) and Michigan Automated
Clearing House Association (MACHA).

- e. Funds will be transmitted on the day the payroll is run at Budd.
- f. Funds will be available in the employee's account in accordance with NACHA rules, normally Thursday of each week.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

NEW LETTER
Shop and Office

Document No. 49

Benefit Plans Effective Dates
THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

January 23, 2001

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Due to the delayed effective date of this Agreement, the parties agree to the following effective dates for benefit increases under the 2000 Agreement.

The Insurance Plan increases originally scheduled to be effective January 1, 2001, will become effective for claims incurred on or after March 1, 2001. Future increases will become effective as originally scheduled.

The Pension Plan increases scheduled to be effective June 1, 2001, will apply to eligible retirees who retire on or after March 1, 2001.

Very truly yours,
WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

NEW LETTER

Shop and Office

Document No. 50

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

January 23, 2001

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Provided the 2000 Budd-UAW National Agreement and all Local Agreements are ratified and the Company notified of such ratification, in writing, by February 20, 2001, the Company will make the 3% General Increase contained in Article XII retroactive to November 13, 2000 for employees with seniority as of February 19, 2001. The retroactive wage payment will be included in the pay for the week ending April 1, 2001.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

EXHIBIT "B"

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

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EXHIBIT "B"

2000 AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN AND SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

On this 31st day of October, 2000 at Romulus, Michigan, The Budd Company, a Michigan corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Unions, Numbers 306 (Production and Maintenance Employees only "as defined in the Production and Maintenance recognition clause of Local 306 Agreement"), and 813, an unincorporated voluntary association, hereinafter designated as the Union, agree as follows:

PART A

2000 AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 1. Continuation and Amendment of Plan

a. This Agreement shall become effective on the first Monday immediately following the Effective Date.

b. The Supplemental Unemployment Benefit Plan which was attached as Part B to the Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated November 1, 1995 shall be amended as set forth in Part B, Supplemental Unemployment Benefit Plan, attached hereto, effective as of the date of this Agreement except as otherwise specified in this Agreement and the Plan.

c. Provision for payment of Benefits and Separation Payments under the Supplemental Unemployment Benefit Plan which was attached as Part B to the 1995 Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated November 1, 1995 shall continue in full force and effect in accordance with the conditions, provisions, and limitations of such Supplemental Unemployment Benefit Plan, as constituted, until the later of (i), November 1, 2000 or (ii) the Monday following the date of receipt of the governmental rulings as provided under Subsection 5(a) of this Agreement (such later date hereinafter referred to as the Amendments Effective Date). Benefits or Separation Payments paid or payable (or denied) under the Supplemental Unemployment Benefit Plan for Weeks commencing on or after November 1, 2000, and prior to the Amendments Effective Date, that are less than the amounts provided in (or otherwise payable under) the Supplemental Unemployment Benefit Plan as amended, shall be subject to adjustment (or payment) in an amount to reflect the amendments to the Supplemental Unemployment Benefit Plan. Such adjustment (or payment) will be made by payments to eligible Employees within a reasonable time after the Amendments Effective Date. No adjustment (or payment) will be made in Benefits for Weeks commencing prior to November 1, 2000, or in Separation Payments paid prior to November 1, 2000.

d. The Company shall maintain the Plan for the duration of this Agreement, except as otherwise provided in and subject to the terms of, the Plan.

Section 2. Termination of Plan Prior to Expiration Date

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company's obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of sixty (60) days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan. If no agreement with respect thereto shall be reached at the end of such period, there shall be a general wage increase in the amount of the straight-time per hour contribution rate then in

effect to all hourly Employees then in the Contract Unit, applied in the same manner as Annual Improvement Factor increases are applied under the Collective Bargaining Agreement, and effective as of the date of such termination.

Section 3. Obligations During Term of Agreement

During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from or addition to the Plan or this Agreement; or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slow-down, work stoppage, lockout, picketing or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 4. Term of Agreement; Notice to Modify or Terminate

This Agreement and the Plan shall continue in effect until October 28, 2005. They shall be renewed automatically for successive one-year periods thereafter unless either party shall give written notice to the other at least sixty (60) days prior to October 28, 2005 (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one-year renewal periods shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plan shall be open to modification or amendment on October 28, 2005, or the subsequent anniversary date, as the case may be.

If either party shall desire to terminate this Agreement, it may do so on October 28, 2005, or any subsequent anniversary date by giving written notice to the other party at least sixty (60) days prior to the date involved. Anything herein which might be

construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to International Union, United Automobile Workers of America, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, to The Budd Company, P.O. Box 2601, 3155 W. Big Beaver Road, Troy, Michigan 48007-2601, or to such other address as the Company shall furnish to the Union in writing.

Section 5. Governmental Rulings

a. The amendments to the Plan which are provided for in Section 1 of this Agreement and incorporated in Part B hereof shall not be effective prior to receipt by the Company from the United States Internal Revenue Service and the United States Department of Labor of rulings, satisfactory to the Company, holding that such amendments will not have any adverse effect upon the favorable rulings previously received by the Company that:

1. Contributions to the Fund established pursuant to the Plan constitute a currently deductible expense under the Internal Revenue Code;
2. the Fund qualifies for exemption from federal Income Tax under Section 501 (c) of the Internal Revenue Code;
3. contributions by the Company to, and Benefits (except Automatic Short Week Benefits) paid out of, the Fund are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages, under

Subtitle C of the Internal Revenue Code, (except as Benefits or Separation Payments paid from the fund are treated as if they were "wages" for purposes of federal Income Tax withholding as provided in the 1969 Tax Reform Act); and

4. no part of any such contributions or of any benefits paid are included for purposes of the Fair Labor Standards Act in the regular rate of any Employee; provided, however, that if the rulings referred to in this Subsection a. are unfavorable and are unfavorable because of provisions of the Plan, as amended regarding Automatic Short Workweek Benefits, this fact shall not delay the effective date of the other amendments to the Plan.

b. In the event that any ruling described in Subsection a. of this Section as to the provisions of the Plan, as amended, regarding Automatic Short Workweek Benefits is not obtained, or having been obtained shall be revoked or modified so as to be no longer satisfactory to the Company; or in the event that any state, by legislation or by administrative ruling or court decision, in the opinion of the Company: (i) does not permit Supplementation solely because of the provisions of the Plan, as amended, regarding Automatic Short Workweek Benefits; or (ii) in determining State System "waiting week" credit or benefits for a Week, fails to treat as wages or remuneration, as defined in the law of the applicable State System, the amount of any Automatic Short Workweek Benefit paid for a Week which has one or more days in common with such State System Week; or (iii) permits an Employee to start a "waiting week" or a benefit week under the law of the State System within a Week for which his Compensated or Available Hours, plus the hours for which an Automatic Short Workweek Benefit was paid to him, total at least 40; then, but in the latter cases only with respect to Employees in such state:

1. the Supplemental Unemployment Benefit Plan shall be amended to delete such

provisions of the Plan which are the subject of such ruling, legislation, or court decision;

2. Automatic Short Workweek Benefits which would have been payable in accordance with such deleted provisions of the Plan shall be provided under a separate plan or plans incorporating as closely as possible the same terms as the deleted provisions;
3. Automatic Short Workweek Benefits which may become payable under such separate plan or plans shall be paid by the Company;
4. the Supplemental Unemployment Benefit Plan shall be further amended to provide that:
 - (i) the Company contributions required under Section 5 of Article VII shall be reduced by any Automatic Short Workweek Benefits paid by the Company under such separate plan or plans (other than Benefits for Scheduled Short Workweeks in Pay Periods with respect to which the Trust Fund Position is less than 46%). If contributions are not required for any period because the total of the market value of the assets in the fund is equal to or in excess of the Maximum Funding of such Fund, or if the contributions required are less than the Automatic Short Workweek Benefits to be offset, then any subsequently required contributions shall be reduced by the amounts of Automatic Short Workweek Benefits not previously offset against contributions; and

- (ii) the amount of any Automatic Short Workweek Benefits paid by the Company which could not be offset against contributions in accordance with (i) above shall be deducted from the market value of the assets in the Fund in determining the Trust Fund Position as provided in Section 3 of Article VII of the Plan and the relationship of the Fund to Maximum Funding.

c. The Company shall apply promptly to the appropriate agencies for the rulings described in Subsection (a) of this Section.

d. Notwithstanding any other provisions of this Agreement or of the Plan, the Company, with the consent of the National Budd Director of the Union, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Subsection (a) of this Section or in Section 2 of Article VIII of the Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Part B.

Section 6. Recovery of Benefit Overpayments

If it is determined that any benefit(s) paid to an Employee under a Budd Company benefit plan incorporated under the Budd-UAW National Agreement or any Exhibits thereto, should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such Employee and the Employee shall repay the amount of the overpayment.

If the Employee fails to repay such amount of overpayment promptly, The Budd Company, on behalf of the applicable benefit plan, shall recover the amount of such overpayment immediately from any monies then payable, or which may become payable, to the Employee in the form of

wages or benefits payable under a Budd Company benefit plan (excluding The Budd Company-UAW Consolidated Retirement Benefit Plan) incorporated under the Budd-UAW National Agreement or any Exhibits thereto.

EXHIBIT "B"

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

IN WITNESS WHEREOF, this Agreement is executed on behalf of each party by its duly authorized representatives on the date first appearing above.

International Union,
United Automobile,
Aerospace and Agricultural Implement
Workers of America
(UAW) and its Local
Nos. 306 and 813

THE BUDD COMPANY

By:/s Elizabeth Bunn
John Rucker
Phil Werking
David Paris
James Dixon
James Palumbo
Don Hall
Cecil Randall
Sharon Meadows
Edward Foster
Joseph Sinni
Don Marshall
Joseph Zurawski
William Cunningham

By:/s William M. Kroger, Jr.
Dennis Dabney
James S. Wahlman
Robyn Reich
Scott Arft
Tammara Prechtel
Kyle South
Mercedes F. Godin
Charles E. Pryor
David A. Verbeke
Thomas M. White
Michael G. Wade
Stephen J. Fireoved

PART B

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

ARTICLE I

ELIGIBILITY FOR BENEFITS

Section 1. Eligibility for a Regular Benefit

An Employee shall be eligible for a Regular Benefit for any week beginning on or after the effective date in Part A, Section 1, if with respect to such Week he:

a. was on a qualifying layoff, as described in Section 3 of this Article, for all or part of the Week;

b. received a State System Benefit not currently under protest by the Company or was ineligible for a State System Benefit only for one or more of the following reasons:

1. he did not have prior to layoff a sufficient period of employment or sufficient earnings, covered by the State System;
2. exhaustion of his State System Benefit rights;
3. the period he worked or because his pay (from the Company and from any other employers) for the Week equaled or exceeded the amount which disqualifies him for a State System Benefit or "waiting week" credit; or because he was employed full time by an employer other than the Company;
4. he was serving a "waiting week" of layoff under the State System during a period while he had sufficient Seniority to work in the Plant but was laid off out of line of Seniority

in accordance with the terms of the Collective Bargaining Agreement;

5. the Week was a second "waiting week" within his benefit year under the State System, or was a State System "waiting week" immediately following a Week for which he received a State System Benefit or occurring within less than 52 weeks since his last State System "waiting week";
6. he refused an offer of work by the Company which he had an option to refuse under an applicable collective bargaining agreement or which he could refuse without disqualification under Section 3(b) (3) of this Article;
7. he was on layoff because he was unable to do work offered by the Company while able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority;
8. he failed to claim a State System Benefit if by reason of his pay received or receivable from the Company for the Week such State System Benefit would have amounted to less than \$2;
9. he was receiving pay for military service with respect to a period following his release from active duty therein; or was on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of 30 days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency;

10. he was entitled to statutory benefits for retirement or disability which he received or could have received while working full time;
11. because of the circumstances set forth under Section 3 b.4. of this Article which existed during only part of a week of unemployment under the applicable State System; or
12. he was denied a State System Benefit and it is determined that, under the circumstances, *it would be contrary to the intent of the Plan to deny him a Benefit;*

c. has met any registration and reporting requirements of an employment office of the applicable State System, except that this subparagraph shall not apply to an Employee who was ineligible for State System Benefit or "waiting week" credit for the week only because of the reason specified in item 3. of Subsection b. of this Section (period of work, amount of pay or full-time employment by an employer other than the Company) or the reason specified in item 8. of Subsection b. of this Section (failure to claim a State System Benefit which would have amounted to less than \$2) or the reason specified in the second clause of item 9. of Subsection b. of this Section (short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of 30 days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency);

d. had to his credit a Credit Unit;

e. did not receive an unemployment benefit under any contract or program of another employer or under any other "SUB" plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he had greater seniority than with the Company or under any other "SUB" plan of the Company in which he had Credit Units which were credited earlier than his oldest Credit Units under the Plan);

f. was not eligible for an Automatic Short Workweek Benefit;

g. qualified for a Benefit of at least \$2; and

h. has made a Benefit application in accordance with procedures established by the Company hereunder and, if he was ineligible for a State System Benefit only for the reason set forth in item 2. of Subsection 1b. of this Article, is able to work, is available for work, and has not failed (i) to maintain an active registration for work with the state employment service, (ii) to do what a reasonable person would do to obtain work and (iii) to apply for or to accept available suitable work of which he has been notified by the employment service or by the Company.

Section 2. Eligibility for an Automatic Short Workweek Benefit

a. An Employee shall be eligible for an Automatic Short Workweek Benefit for any Workweek beginning on or after the effective date in Part A. Section 1, if:

1. during such Workweek he had less than 40 Compensated or Available Hours* and
 - (i) he performed some work for the Company, or
 - (ii) for such Workweek he received some jury duty pay, bereavement pay or military pay from the Company.

*If, before a layoff of Employees during a Workweek, notice of intent to work overtime has not been given to Employees by the Company, overtime which is worked or available during that Workweek but following the layoff and which is in excess of two hours

will not be included in determining Compensated or Available Hours notwithstanding Article IX, Definition 8. Notice of intent to work overtime shall include without limitation either notice of the overtime schedule which would be applicable to the Employee or an offer of work to the Employee.

2. he had at least 1 year of Seniority as of the last day of such Workweek (or during some part of such Workweek he had at least 1 year of Seniority and broke Seniority by reason of death or of retirement under the provisions of the Retirement Plan established by agreement between the Company and the Union); and
3. he was on a qualifying layoff, as described in Section 3 of this Article, for some part of such Workweek or he was ineligible as defined under the Collective Bargaining Agreement for pay from the Company for all or part of a period of jury duty, bereavement or short-term active duty of 30 days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency during the Workweek and during all or part of such period he would otherwise have been on a qualifying layoff under the Plan.

b. No application for an Automatic Short Workweek Benefit shall be required of an Employee. However, if an Employee believes himself entitled to

1. an Automatic Short Workweek Benefit for a Week which he does not receive on the date when such Benefits for such Week are paid or

2. an Automatic Short Workweek Benefit in an amount greater than he received,

he may file written application therefore within sixty (60) calendar days after such date in accordance with procedures established by the Company.

c. An Automatic Short Workweek Benefit payable for a Week shall be in lieu of any other Benefit under the Plan for that Week.

Section 3. Conditions with Respect to Layoff

a. A layoff for purposes of the Plan includes any layoff resulting from a reduction in force or temporary layoff, including a layoff resulting from the discontinuance of a plant or an operation, and any layoff occurring or continuing because the Employee was unable to do the work offered by the Company although able to perform other work in the Plan to which he would have been entitled if he had had sufficient Seniority.

b. An Employee's layoff for all or part of any Week shall be deemed qualifying for Plan purposes only if:

1. such layoff was from the Contract Unit;
2. such layoff was not for disciplinary reasons, and was not a consequence of
 - (i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action, at a Company Plant or Plants, or any dispute of any kind involving Employees, whether at a Company Plant or Plants or elsewhere,
 - (ii) any fault attributable to the Employee,

- (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith),
 - (iv) sabotage (including but not limited to arson) or insurrection, or
 - (v) any Act of God; provided, however, that this Subparagraph (v) shall not apply to any Short Workweek or to the first two (2) consecutive full weeks of layoff for which a Regular Benefit is payable in any period of layoff resulting from such cause;
3. with respect to such Week the Employee did not refuse to accept work when called pursuant to the Collective Bargaining Agreement, and did not refuse an offer by the Company of other available work, which he had no option to refuse under the provisions of an applicable collective bargaining agreement, at the same Plant or at another Plant in the same labor market area (as defined by the State Employment Security Commission of the state in which the Plant from which he was laid off is located); provided, however, that refusal by skilled Tool and Die, Maintenance and Construction or Power House Employees of work other than work in Tool Room Departments, Maintenance Departments and Power House Departments, respectively, shall not result in ineligibility for a Benefit;
4. with respect to such Week the Employee was not eligible for, and was not claiming:
- (i) any statutory or Company accident or sickness or any other disability benefit (except a benefit which he

received or could have received while working full time, and except a lost time benefit which he received under a Workers' Compensation law or other law providing benefits for occupational injury or disease while not totally disabled and while ineligible for an accident and sickness benefit under Section VII of the Insurance Plan) or

- (ii) any Company pension or retirement benefit, except that an employee on the employment rolls who is receiving a pension or retirement benefit required by Article VIII - 8.13. of The Budd-UAW Consolidated Retirement Benefit Plan and/or a similar provision in any other Company pension or retirement plan, shall be eligible for a regular benefit, if otherwise eligible, reduced by the weekly equivalent of the gross monthly pension or retirement benefit(s) and fifty percent of the monthly amount of any Social Security old age or disability benefit; and

- 5. with respect to such Week the Employee was not in military service (other than short-term active duty of 30 days or less, including required military training, in a National Guard, Reserve or similar unit) or on a military leave.

c. If an Employee is on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period solely because he would be on a qualifying layoff

but for such active duty, he will be deemed to be on a qualifying layoff, for the determination of eligibility for not more than two Regular Benefits in a calendar year, provided, however, that this two Regular Benefit limitation shall not apply to short-term active duty of 30 days or less because he was called to active services in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency.

d. If an Employee is eligible for a Leveling Week Benefit or is ineligible for a Benefit by reason of Subsection b.2. or Subsection b.4. of this Section with respect to some but not all of his regular work days in a Week, and is otherwise eligible for a Benefit, he shall be entitled to a reduced Benefit payment as provided in Section 1 b. of Article II.

Section 4. Disputed Claims for State System Benefits

a. With respect to any Week for which an Employee has applied for a benefit and for which he:

1. has been denied a State System Benefit, and the denial is being protested by the Employee through the procedure provided therefore under the State System, or
2. has received a State System Benefit, payment of which is being protested by the Company through the procedure provided therefore under the State System and such protest has not, upon appeal, been held by the Board to be frivolous, and the Employee is eligible to receive a Benefit under the Plan except for such denial, or protest, the payment of such Benefit shall be suspended until such dispute shall have been determined.

b. If the dispute shall be finally determined in favor of the Employee, the Benefit shall be paid to him if he had not exhausted Credit Units subsequent to the Week in which the State System Benefit in dispute is applicable.

ARTICLE II

AMOUNT OF BENEFITS

Section 1. Regular Benefits

a. The Regular Benefit payable to an eligible Employee for any Week beginning on or after the effective date in Part A. Section 1 shall be an amount which when added to his State Benefit and Other Compensation, will equal:

1. 80% of his Weekly After-Tax Pay, minus \$7.50 to take into account work related expenses not incurred; when the Trust Fund Position requires cancellation of 2.00 or more Credit Units for an Employee with 1 to 5 years of Seniority; or
2. 95% of his Weekly After-Tax Pay, minus \$12.50 to take into account work related expenses not incurred; when the Trust Fund Position requires cancellation of less than 2.00 Credit Units for an Employee with 1 to 5 years of Seniority; and

except that the amount so calculated in Section 1.a.1. or 2. above shall not exceed one hundred dollars (\$100) and, provided further, that such Benefit shall not exceed \$150 for any Week with respect to which the Employee is not receiving State System Benefits because of a reason listed in item 2 or 6 of Section 1 b. of Article I.

b. An otherwise eligible Employee entitled to a Benefit reduced because of ineligibility (or eligibility for a Leveling Week Benefit) with respect to part of the Week, as provided in Section 3. d. of Article I (reason for layoff or eligibility for a disability, pension or retirement benefit), will receive 1/5 of a Regular Benefit computed under Subsection a. of this Section for each work day of the Week in which he is otherwise eligible.

Section 2. Automatic Short Workweek Benefit

a. The Automatic Short Workweek Benefit payable to an eligible Employee for any Week beginning on or after the effective date in Part A, Section 1 shall be an amount equal to the product of the number by which 40 exceeds his Compensated or Available Hours, computed to the nearest tenth of an hour, multiplied by 80% of his Base Hourly Rate (plus 80% of any applicable cost-of-living allowance in effect at the time of computation of the Benefit, but excluding all other premiums and bonuses of any kind).

b. An Employee who breaks Seniority during a Week by reason of death or of retirement under the provision of the Retirement Plan established by agreement between the Company and the Union and is eligible for an Automatic Short Workweek Benefit with respect to certain hours of layoff during the Week prior to the date his Seniority is broken, will receive an amount computed as provided in Subsection 2a. of the Section based on the number by which the hours for which the Employee would regularly have been compensated exceeds his Compensated or Available Hours with respect to that part of the Week prior to the date his Seniority is broken.

Section 3. State Benefit and Other Compensation

a. An Employee's "State Benefit and Other Compensation" for a week means:

1. the amount of State System Benefit received or receivable by the Employee for such Week; plus
2. all pay received or receivable by the Employee from the Company (excluding pay in lieu of vacation) and the amount of any pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, after reasonable notice has been given to the Employee, for such Week; provided,

however, that if the hours made available but not worked are hours which the Employee had an option to refuse under the Collective Bargaining Agreement or which he could refuse without disqualification under Section 3,b.3. of Article I, such hours shall not be considered as hours made available by the Company; and provided, further, that if wages or remuneration or any military pay are received or receivable by the Employee from *employers other than the Company* and are applicable to the same period as hours made available by the Company but not worked, *only the greater of (a) such wages or remuneration in excess of the greater of \$10 or 20% of such wages or remuneration from other employers, or military pay in excess of \$10, or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided, further, that all of the pay received or receivable by the Employee for a shift which extends through midnight shall be allocated:*

- (i) *to the day on which the shift started if he was on layoff with respect to the corresponding shift on the following day,*
- (ii) *to the day on which the shift ended if he was on layoff with respect to the corresponding shift on the preceding day, or*
- (iii) *according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;*

and in any such event, the maximum Regular Benefit amount shall be modified to any extent necessary so that the Employee's Benefit will be increased to offset any reduction in his State System Benefit which may have resulted solely from the State System's allocation of his earnings for such a shift otherwise than as prescribed in these provisions; plus

3. all wages or remuneration, as defined under the law of the applicable State System, in excess of the greater of \$10 or 20% of such wages or remuneration, received or receivable from other employers for such Week excluding such wages or remuneration which were considered in the calculation under Subsection a.2. of this Section; plus
4. the amount of all military pay in excess of \$10 received or receivable for such Week, excluding such military pay which was considered in the calculation under Subsection a. 2. of this Section.

b. If the State System Benefit received by the Employee for a state week shall be for less, or more, than a full state week (for reasons other than his receipt of wages or remuneration for such state week):

1. because he has been disqualified or otherwise determined ineligible for a portion of his State System Benefit for reasons other than those set forth in Section 1 b. of Article I, or
2. because the state week for which the benefit is paid includes one or more "waiting period effective days", or
3. because of an underpayment or overpayment of a previous State System Benefit

the amount of the State System Benefit to which he otherwise would have been entitled for such state week shall be used in the calculation of "State Benefit and Other Compensation" for such state week.

Section 4. Definition of Scheduled and Unscheduled Short Workweek

a. For purposes of the Plan, a Scheduled Short Workweek with respect to an Employee is a Short Workweek which management schedules in order to reduce the production of the Plant, department or other unit in which the Employee works to a level below the level at which the production of such Plant, department or unit would be for the Week were it not a Short Workweek, but only where such reduction of production is for the purpose of adjusting production to customer demand, providing, however, that no Short Workweek shall be considered a Scheduled Short Workweek for the first five (5) consecutive work days following the Employee's Short Workweek layoff.

b. For purposes of the Plan, an Unscheduled Short Workweek with respect to an Employee is any Short Workweek:

1. which is not a Scheduled Short Workweek as defined in Subsection a. of this Section;
2. in which an Employee returns to work from layoff to replace a separated or absent Employee (including an Employee failing to respond or tardy in responding to recall), or returns to work, after a full Week of layoff, in connection with an increase in production, but only to the extent that the Short Workweek is attributable to such cause.

Section 5. Insufficient Credit Units For Full Benefit

If an Employee has to his credit less than the full number of Credit Units required to be cancelled for the payment of a Benefit for which he is otherwise eligible, he shall be paid the full amount of such Benefit and all remaining Credit Units to his credit shall be cancelled.

Section 6. Effect of Low Trust Fund Position

Notwithstanding any of the other provisions of the Plan:

a. Any Benefit for a Week (other than an Automatic Short Workweek Benefit for a Scheduled Short Workweek) shall be reduced by 20% but in no event to less than \$5 by reason of such reduction if:

**The Trust Fund
Position Applicable to
the Week for which a
Benefit is Paid is:**

**4% to 13.99%
Below 14%**

**And as of the last day of
the Week for which such
Benefit is Paid to the
Employee his Seniority is:**

**1 to 10 years
10 to 20 years**

b. If the Trust Fund Position for any Week shall be less than 4%, no Benefit for such Week (other than an Automatic Short Workweek Benefit for a Scheduled Short Workweek) for an Employee with less than 10 years of Seniority as of the last day of the Week for which any Benefit is being computed shall be paid at any time.

c. Assets in the fund resulting from Company contributions made in accordance with Article VII, Section 5.c. shall be utilized solely to pay claims upon which the amount of such contributions was determined.

Section 7. Benefit Overpayments

a. If the Company or the Board shall determine that any Benefit paid under the Plan should not have been paid or should have been paid in a lesser amount (as the result of a subsequent disqualification for State System Benefits or otherwise), written notice thereof shall be mailed to the Employee receiving such Benefit and he shall return the amount of overpayment to the Trustee or Company whichever is applicable; provided, however, that no such repayment shall be required if the cumulative overpayment is \$3 or less, or if notice has not been given within 120 days from the date the overpayment was established or created, except that no such limitation shall be applicable in cases of fraud or willful misrepresentation. Such 120 day limit for notifying Employees of any SUB benefit overpayment which results from a Company error in calculating a SUB benefit shall be determined as beginning on the date of issue of the SUB benefit draft or check involved.

b. If the Employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of the overpayment by making a deduction from any future Benefits (not to exceed \$20 or, if greater, an amount equal to one-half of any one Benefit up to a maximum of \$50, in cases of overpayment resulting from payment of Trade Readjustment Allowance benefits under the Trade Act of 1974, except that no limit shall apply to the amount of such deductions in cases of fraud or willful misrepresentation) or Separation Payment otherwise payable to such Employee or by requesting the Company to make a deduction from compensation payable by the Company to such Employee (not to exceed \$50 from any one paycheck except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the Employee's compensation and to pay the amount deducted to the Trustee.

c. If the Company determines that an Employee has received an Automatic Short Workweek Benefit for any Week for which he has received a State System Benefit, the amount of such Automatic Short Workweek Benefit, or a portion of such Benefit equivalent to the State System Benefit, whichever is less, shall be

treated as an overpayment and deducted in accordance with this Section from future Benefits or compensation payable by the Company. The Company will pay the amount deducted to the Trustee.

d. The Company may adjust for any overpayments or underpayments in the amount of an Automatic Short Workweek Benefit at the same time as related adjustments are made with respect to any wages for the same Workweek. Such Automatic Short Workweek Benefit adjustments shall be shown on the paycheck stub or equivalent record given to the Employee. Such paycheck stub or equivalent record shall constitute a determination which may be appealed as provided in Section 3 of Article V.

Section 8. Withholding Tax

The Trustee or the Company shall deduct from the amount of any Benefit (or Separation Payment) as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, state or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Trustee or the Company shall be entitled to rely on the official form filed by the Employee with the Company for purposes of income tax withholding on regular wages.

Section 9. Deduction of Union Dues

The Trustee, upon authorization from an Employee, and during any period while there is in effect an agreement between the Company and the Union concerning the maintaining of the Plan, shall deduct monthly Union dues from Regular Benefits paid under the Plan and pay such sums directly to the Union in his behalf.

Section 10. Combined Scheduled-Unscheduled Circumstances

For any Short Workweek which includes both Scheduled and Unscheduled Short Workweek circumstances with respect to an Employee:

a. the number of hours by which 40 exceeds his Compensated or Available hours shall be deemed to be hours for which a Benefit for a Scheduled Short Workweek will be paid to the extent that such hours do not exceed the hours not worked for reasons set forth in Section 4 a. of this Article,

b. any remaining hours shall be deemed to be hours for which a Benefit for an Unscheduled Short Workweek will be paid, and

c. with respect to any Short Workweek layoff that results from an Act of God, the Company will give written notice to the Union members of the Local Committee and to the Union no later than the end of the Week following the Short Workweek showing the reason or reasons for such Short Workweek, and an explanation of the incident which caused the Company to determine that the layoff was the result of an Act of God, as defined in Article VII, Section 5. b. 1.

ARTICLE III

CREDIT UNITS AND DURATION OF BENEFITS

Section 1. General

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of Benefits.

Section 2. Accrual of Credit Units

a. Credit Units shall be credited at the rate of 1/2 of a Credit Unit (1/4 of a Credit Unit in the case of an Employee hired

or rehired on or after March 11, 1988 who shall have less than 18 months of seniority) for each Workweek for which the Employee: (1) receives any pay from the Company, (2) does not receive pay from the Company but for which he receives a Leveling Week Benefit, (3) was on a military leave of absence in accordance with the provisions of the Collective Bargaining Agreement, or (4) was absent from work because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence received Workers' Compensation while on Company approved leave of absence.

b. for the purpose of accruing Credit Units under this Section:

1. pay in lieu of vacation shall be considered as pay for the Workweek in which it is paid, and
2. back pay shall be considered as pay for any Workweek or Workweeks to which it may be allocable.

c. No Employee may have to his credit in the aggregate at any one time more than 52 Credit Units.

d. No Employee shall be credited with any Credit Unit prior to the first day as of which he (1) has at least 1 year of Seniority and (2) either is on Active Employment Roll in the Contract Unit (or was on such roll within 30 days prior to such first day), or is absent from work on (or was absent from work within 30 days prior to) such first day solely because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence is receiving Workers' Compensation while on Company-approved leave of absence. As of such day he shall be credited with Credit Units based upon his Workweeks occurring while he is an Employee.

e. An Employee who has Credit Units as of the last day of a Week shall be deemed to have them for all of such Week; provided, however, that an Employee who has Credit Units during part of a Week but forfeits them due to breaking Seniority during

such Week by reason of death or of retirement under the Retirement Plan established by agreement between the Company and the Union shall be deemed to have Credit Units for all of such Week.

f. At such time as the amount of any Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore cancelled with respect to such overpayment of Benefits shall be restored to the Employee except to the extent of the number of Guaranteed Annual Income Credit Units which have been credited to such Employee between the date of such overpayment and the date of such repayment and which would not have been credited had the Credit Units been restored at the time such Guaranteed Annual Income Credit Units were credited to him, and except to the extent that such restoration would raise the number of his Credit Units at the time thereof above 52 and except as otherwise provided with respect to Credit Unit forfeiture under Section 3 of this Article.

Section 3. Forfeiture of Credit Units

An Employee shall forfeit permanently all Credit Units with which he shall have been credited and, with respect to Subsections (a.), (c.) and (d.) only of this Section 3, shall be ineligible to be credited with Guaranteed Annual Income Credit Units on the next succeeding Guarantee Date or other date of eligibility, if he

a. incurs a Break in Seniority;

b. is on layoff from the Contract Unit for a continuous period of 24 months, except that, if at the expiration of such 24 month period he is receiving Benefits, his Credit Units shall not be forfeited until he ceases to receive Benefits; or

c. willfully misrepresents any material fact in connection with an application by him for Benefits under the Plan;
or

d. is receiving Benefits under the total and permanent disability provisions of the Retirement Plan established by agreement between the Company and the Union; provided, however, that if such an Employee is reinstated, his Credit Units previously forfeited shall again be credited to him as of the date of his reinstatement, and as of such date he shall again become eligible to have Guaranteed Annual Income Credit Units credited to him.

Section 3.A. Transfer of Credit Units

If an Employee with one or more years of seniority breaks seniority because he quit, and further, if:

a. within 31 days from the date seniority was broken in the Bargaining Unit the Employee becomes employed at a second plant, and

b. the second plant is a plant at which production operations commenced not more than 24 months prior to the date the Employee became employed at the plant, and

c. the second plant is covered by this Plan or subsequently becomes covered by this Plan within one year from the Employee's date of hire at the plant, upon written application, any Credit Units forfeited because of such quit will be reinstated in the new bargaining unit as of the date the Employee acquires seniority in the new bargaining unit.

Section 4. Credit Unit Cancellation on Payment of Benefits

a. The number of Credit Units to be cancelled for any Benefit shall be determined in accordance with the following table, provided, however that, for purposes of any such table, Seniority for an Employee who breaks Seniority during a Week by reason of death or of retirement under the Retirement Plan established by agreement between the Company and the Union shall be his Seniority as of the date his Seniority is broken for such reason:

If the Trust Fund Position Applicable to the Week for Which Such Benefit Is Paid Is:	And as of the last day of the Week for which such Benefit is paid to the Employee his Seniority is:					
	1 to 5 <u>Years</u>	5 to 10 <u>Years</u>	10 to 15 <u>Years</u>	15 to 20 <u>Years</u>	20 to 25 <u>Years</u>	25 Years And <u>Over</u>
	The Credit Units Cancelled for Such Benefit Shall Be:					
70% or Over	1.00	1.00	1.00	1.00	1.00	1.00
63-69.99%	1.11	1.00	1.00	1.00	1.00	1.00
56-62.99%	1.25	1.11	1.00	1.00	1.00	1.00
50-55.99%	1.43	1.25	1.11	1.00	1.00	1.00
42-49.99%	1.67	1.43	1.25	1.11	1.00	1.00
35-41.99%	2.00	1.67	1.43	1.25	1.00	1.00
29-34.99%	2.50	2.00	1.67	1.43	1.00	1.00
21-28.99%	3.33	2.50	2.00	1.43	1.00	1.00
14-20.99%	5.00	3.33	2.00	1.43	1.00	1.00
4-13.99%	10.00	5.00	2.00	1.43	1.00	1.00
0- 3.99%	No Benefits Payable		2.00	1.43	1.00	1.00

b. provided, however, that no Credit Units shall be cancelled when an Employee receives:

1. a Leveling Week Benefit, or
2. an Automatic Short Workweek Benefit.

c. If an Employee receives a reinstated Accident and Sickness Wage Replacement Benefit paid under Section VII of the Insurance Plan with respect to any Week, there shall be cancelled the number of Credit Units which would have been cancelled if he had received a Regular Benefit for such Week. If an Employee receives such reinstated Accident and Sickness Wage Replacement Benefit for a portion of a Week, and does not receive a Regular Benefit with respect to any part of such Week, only one-half the number of such Credit Units shall be cancelled for the reinstated Accident and Sickness Wage Replacement Benefit. If an Employee receives a reinstated Accident and Sickness Wage Replacement Benefit for a portion of a Week and

also receives a Regular Benefit under Article I, Section 3 d. for such Week, no Credit Units will be cancelled for the reinstated Accident and Sickness Wage Replacement Benefit.

Section 5. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall, while in such service, be deemed for purposes of the Plan to be on leave of absence and shall not be entitled to any Benefit and

a. all Credit Units credited to such an Employee at the time of his entry into such service, plus

b. any Credit Units for which he is entitled to be credited with respect to the period of his military leave of absence or

c. any Credit Units earned prior to or with respect to the period of his military leave of absence that would have been credited to him on or after the date he attained 1 year of Seniority if he had been on the Active Employment Roll on or after such date, notwithstanding the provisions of Section 2 d. of this Article shall be credited to him upon his reinstatement as an Employee in accordance with the terms of his Company approved leave of absence. This Section shall not affect the payment of Benefits to, or the cancellation of Credit Units of, any Employee deemed to be on qualifying layoff because of the provisions of Section 3 c. of Article I.

ARTICLE III-A

GUARANTEED ANNUAL INCOME CREDIT UNITS

Section 1. Crediting of Guaranteed Annual Income Credit Units

a. An Employee who is on the Active Employment Roll in the Contract Unit and has at least one year of Seniority on a Guarantee Date (as defined in Section 2 of this Article) shall be credited as of the day following such Guarantee Date with the number of Guaranteed Annual Income Credit Units (as defined in Section 3 of this Article), if any, determined by:

1. subtracting from 52 the number of Credit Units to his credit on the Guarantee Date; and
2. multiplying the resulting number by the applicable percentage set forth in the following table:

Years of Seniority on the Guarantee Date	Applicable Percentage
1 but less than 1.5	12.5%
1.5 but less than 2	25.0%
2 but less than 4	50.0%
4 but less than 7	75.0%
7 and over	100.0%

b. If Guaranteed Annual Income Credit Units were not credited to an Employee on a Guarantee Date solely because he did not then have at least one year of Seniority or was not then on the Active Employment Roll in the Contract Unit, but on any day within the 52 Pay Periods following such Guarantee Date such Employee has at least one year of Seniority and is then on the Active Employment Roll in the Contract Unit, he shall be entitled to be credited with Guaranteed Annual Income Credit Units as of the day following the end of the first Pay Period in which he meets such requirements. The number of Guaranteed

Annual Income Credit Units, if any, to be credited to such Employee shall be the number determined by:

1. subtracting from 52 the number of Pay Periods between the preceding Guarantee Date and the last day of such Pay Period; and
2. subtracting from the resulting number the number of Credit Units to the Employee's credit on such last day; and
3. multiplying that resulting number by the percentage in the table in Subsection a. 2. of this Section, applicable to the Employee's Seniority on the preceding Guarantee Date (or the date subsequent thereto on which he acquired one year of Seniority).

c. With respect to Paragraphs (a.) and (b.) of this Section 1, an Employee who reports for work at the expiration of a recorded illness leave of absence and for whom there is no work available in line with his seniority and who then is placed on layoff status shall be deemed to be on the Active Employment Roll.

Section 2. Guarantee Date

The term Guarantee Date shall mean the third Sunday in July.

Section 3. Guaranteed Annual Income Credit Unit

A Guaranteed Annual Income Credit Unit shall be deemed in all respects for all purposes the same as a Credit Unit credited pursuant to Article III, except that Guaranteed Annual Income Credit Units shall be credited only pursuant to the provisions of this Article.

ARTICLE IV

SEPARATION PAYMENT

Section 1. Eligibility

An Employee shall be eligible for a Separation Payment if:

a. he has been on a layoff from the Contract Unit for a *continuous period of at least 12 months (or any shorter period determined by the Company)* and such layoff was not the result of any of the circumstances or conditions set forth in Section 3 b. 2. of Article I; provided, however, that an Employee shall be deemed to have been on layoff from the Company for a continuous period if, while on layoff, he accepts an offer of work by the Company and subsequently is laid off again within not more than ten (10) work days from the date he was reinstated; or

b. was actively at work on or after October 1, 1958 but became totally and permanently disabled on or after such date and has been found eligible in all respects by the Board of Administration under the Retirement Plan established by agreement between the Company and the Union for a "disability retirement benefit" under said Retirement Plan except that he does not have the requisite years of credited service; or

c. he has had a combination of such layoff period and disability period which combined period is continuous through the date on which application for a Separation Payment is received by the Company; and in addition to a., b. or c. above;

d. he had 1 or more years of Seniority on the last day on which he was on the Active Employment Roll and such Seniority has not been broken on or prior to the earliest date on which he can make application;

e. he has not refused an offer of work pursuant to any of the conditions set forth in Section 3 b. 3. of Article I on or after

the last day he worked in the Contract Unit and prior to the earliest date on which he can make application;

f. he has made application for a Separation Payment within 24 months from the commencement of his layoff or disability period, except that an Employee who meets the requirements of Subsection 1 b. of this Section may make such application on or before the 30th day following the last month for which he was eligible to receive an Extended Disability Benefit under Section VIII of the Insurance Plan; provided, however, that in the case of layoff no application may be made prior to the completion of 12 continuous months of layoff from the Company (or any shorter period determined by the Company); and

g. his application is received by the Company during a Period when the Trust Fund Position for such Pay Period is equal to or in excess of 14%, provided, however, that benefits based on applications of otherwise eligible Employees received during a Pay Period in which the Trust Fund Position for such period is less than 14% shall become payable in order of dates of receipt by the Company if, but only during the period of time when, the Trust Fund Position becomes equal to or greater than 14%. When the Trust Fund Position becomes equal to or greater than 14% such Separation Payments shall have priority of payment over any other applications for Separation Payments; provided, however if, in the opinion of the Board, the assets in the Fund are or may become insufficient to pay Benefits and Separation Payments with respect to all applications then on file, the Company may take such action as it deems appropriate, including deferral of payment of Separation Payments otherwise payable, to facilitate the priority of payment of Benefits over Separation Payments. Nothing in this Subsection g. shall be construed to alter in any respect the provisions of Section 6 of Article VII with respect to liabilities under the Plan.

Section 2. Payment

a. A Separation Payment shall be payable in a lump sum.

b. Determination of Amount

1. Except as provided in Paragraph 2., 3. and 4. of this Subsection b., the Separation Payment, shall be an amount determined by multiplying

(i) the Employee's Base Hourly Rate plus any applicable cost-of-living allowance (but excluding all other premiums and bonuses of any kind) in effect on the last day he worked in the Contract Unit, by

(ii) the applicable Number of Hours' Pay as shown in the following table:

SEPARATION PAYMENT TABLE

Years of Seniority on Last Day on the Active Employment Roll	Number of Hours' Pay
1 but less than 2	50
2 but less than 3	70
3 but less than 4	100
4 but less than 5	135
5 but less than 6	170
6 but less than 7	210
7 but less than 8	255
8 but less than 9	300

SEPARATION PAYMENT TABLE (Cont'd)

Years of Seniority On Last Day on the Active Employment Roll	Number of Hours' Pay
9 but less than 10	350
10 but less than 11	400
11 but less than 12	455
12 but less than 13	510
13 but less than 14	570
14 but less than 15	630
15 but less than 16	700
16 but less than 17	770
17 but less than 18	840
18 but less than 19	920
19 but less than 20	1000
20 but less than 21	1085
21 but less than 22	1170
22 but less than 23	1260
23 but less than 24	1355
24 but less than 25	1455
25 but less than 26	1560
26 but less than 27	1665
27 but less than 28	1770
28 but less than 29	1875
29 but less than 30	1980
30 and over	2080

2. If the Trust Fund Position as of the date application is received by the Company is below 50%, the amount of such Separation Payment shall be reduced by 1% for each full percentage point by which the Trust Fund Position is less than 50% as of such date; provided, however, that with respect to Separation Payments deferred under Section 1 h. of this Article because of the Trust Fund Position level, the Trust Fund Position in

effect as of the date the draft in payment of the Separation Payment is issued shall be used in the above computation in lieu of such Trust Fund Position on the date the application was received.

3. The amount of a Separation Payment as initially computed shall be reduced by:
 - (i) the amount of any Benefits paid or payable to an Employee with respect to a Week occurring after the last day he worked in the Contract Unit;
 - (ii) the amount of any payment, financed in whole or in part by the Company, received or receivable on or after the last day the Employee worked in the Contract Unit, with respect to any layoff or separation from the Company (other than a State System Benefit or a benefit payable under the federal Social Security Act);
 - (iii) the amount of any Moving Allowance payable under Article XI, of the Collective Bargaining Agreement;
 - (iv) any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise, to any federal, state or municipal government; and
4. If an applicant has been paid prior Separation Payment and thereafter was re-employed by the Company within three (3) years from the last day he worked in the Contract Unit,
 - (i) years of Seniority for purposes of determining the amount of his

current Separation Payment shall mean the sum of the Years of Seniority used to determine the amount of his prior Separation Payment and the number of Years of Seniority acquired by him after he was rehired, and

- (ii) there shall be subtracted, from the Number of Hours' Pay based on his Years of Seniority determined as provided in clause (i) above, Number of Hours' Pay used to calculate his prior Separation Payment.

Section 3. Effect of Separation Payment on Seniority

An Employee who is issued and accepts a Separation Payment

(a) agrees that such Payment is a lump sum payment allocable to an inactive period ("Allocation Period") during which no other pay or benefits or rights of employment shall apply.

(b) shall cease to be an Employee and the Employee's Seniority shall be deemed to have been broken as of the date the Employee's application for such Separation Payment was received by the Company ("Termination Date") for all purposes, provided, however, that if an Employee who has been issued a Separation Payment returns it to the Company within ten (10) days of the issue date, his application for Separation Payment will be considered withdrawn and his Seniority will not be considered to have been broken.

(c) shall not be eligible to receive a special early retirement under any Company retirement plan.

(d) shall not be permitted to retire under any Company retirement plan during the Allocation Period following the Termination Date, and

(e) cannot grow-in to retirement if ineligible as of the break in Seniority (but without prejudice to any right to a deferred vested benefit). An Employee's Allocation Period in weeks shall equal the Employee's Separation Payment divided by one-half the unreduced Regular Benefit the Employee received, or would have received for the current period of layoff.

An employee eligible for an immediate pension benefit under the Budd-UAW Consolidated Retirement Benefit Plan, at the time of his/her break in service (due to receipt of a SUB Separation Payment), shall upon completion of the Allocation Period and application for a pension benefit under the Budd-UAW Consolidated Retirement Benefit Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the Budd-UAW Consolidated Retirement Benefit Plan, such Employees shall not be treated as deferred vested by reason of their receipt of a SUB Separation Payment

Section 4. Overpayment

If the Company or the Board determines, after issuance of a Separation Payment, that the Separation Payment should not have been issued or should have been issued in a lesser amount, written notice thereof shall be mailed to the former Employee and he shall return the amount of the overpayment to the Trustee.

Section 5. Repayment

If a former Employee is re-employed by the Company after he has received a Separation Payment, no repayment (except as provided in Section 4 of this Article) by him of such Separation Payment shall be required or allowed and no Seniority cancelled in connection with such Separation Payment shall be reinstated except for the specific purpose provided in Section 2 b, 4, of this Article.

Section 6. Notice of Application Time Limits

The Company shall provide written notice of the time limit for filing a Separation Payment application to all persons

who may be eligible for such Payment. Such notice shall be mailed to the person's last known address according to the Company's records not later than 30 days prior to both the earliest and the latest dates as of which he may apply pursuant to the provisions of Section 1. f. of this Article.

Section 7. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall, while in such service, be deemed for the purposes of this Plan to be on leave of absence and shall not be entitled to any Separation Payment.

ARTICLE V

APPLICATION, DETERMINATION OF ELIGIBILITY AND APPEAL PROCEDURES FOR BENEFITS AND SEPARATION PAYMENTS

Section 1. Applications

a. Filing of Applications. An application for a Benefit or for a Separation Payment may be filed, either in person or by mail, in accordance with procedures established by the Company. No application for a Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the Week with respect to which it is made; provided, however, that if the amount of the Employee's State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Benefit or for a Benefit in a greater amount than that previously paid, he may apply within 60 calendar days after the date on which such basis for eligibility is established.

b. Application Information. Applications filed for a Benefit or a Separation Payment under the Plan shall include:

1. in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, dependents and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Benefit or Separation Payment and the amount thereof; and
2. with respect to a Regular Benefit, the exhibition of the Employee's State System Benefit check or other evidence satisfactory to the Company of either
 - (i) his receipt of or entitlement to a State System Benefit or

- (ii) his ineligibility for a State System Benefit only for one or more of the reasons specified in Section 1 b. of Article I; provided, however, that in the case of State System Benefit ineligibility by reason of the period worked in the Week, pay received from the Company or from any other employer(s), or because of full-time employment with an employer other than the Company (item 3. of Section 1 b. of Article I), State System evidence for such reason of ineligibility shall not be required.

State System Benefits shall be presumed to have been received by the Employee on the date of the check as set forth on the check or on the satisfactory evidence referred to in the preceding paragraph.

Section 2. Determination of Eligibility

a. **Application Processing by Company.** When an application is filed for a Benefit or Separation Payment, under the Plan, and the Company is furnished with the evidence and information required, the Company shall determine the Employee's entitlement to such Benefit or Separation Payment. The Company shall advise the Employee of the number of Credit Units cancelled for each Benefit payment and the number of Credit Units remaining to his credit after such payment.

b. **Notification to Trustee to Pay.** If the Company determines that a Benefit other than an Automatic Short Workweek Benefit, or Separation Payment is payable from the Fund, it shall deliver prompt written notice thereof to the Trustee to pay such Benefit or Separation Payment.

c. **Notice of Denial of Benefits or Separation Payment.** If the Company determines that an Employee is not entitled to a Benefit or a Separation Payment, it shall notify him

promptly, in writing, of such determination, including the reasons therefore.

d. Union Copies of Applications and Determinations. The Company shall furnish promptly to the Union members of the Local Committee copies of all applications for Separation Payments and all Company determinations of Benefit or Separation Payment ineligibility or over payment.

Section 3. Appeals

a. Applicability of Appeals Procedure.

1. The appeals procedure set forth in this Section may be employed only for the purposes specified in this Section.
2. No question involving the interpretation or application of the Plan shall be subject to the grievance procedures provided for in the Collective Bargaining Agreement.

b. Procedures for Appeals.

1. First Stage Appeals

- (i) An Employee may appeal from the Company's written determination (other than determinations made in connection with Section 1 b. 12. Article I) with respect to the payment or denial of a Benefit or a Separation Payment by filing a written appeal with the Local Committee on a form provided for that purpose. If there is no Local Committee at any Plant because of a discontinuance of such Plant, the appeal may be filed directly with the Board. Appeals concerning determinations made in connection

with Section 1 b. 12. of Article I shall be made directly to the Board.

- (ii) Such written appeal shall be filed with the designated Company representative within thirty (30) days following the date of mailing of the determination appealed. With respect to appeals that are mailed, the date of filing shall be the postmarked date of the appeal. No appeal shall be valid after such thirty (30) day period.
- (iii) The Local Committee shall advise the Employee in writing, of its resolution of or failure to resolve his appeal. If the appeal is not resolved within ten (10) days after the date thereof (or such extended period as may be agreed upon by the Local Committee), the Employee or any two (2) members of the Local Committee, at the request of the Employee, may refer the matter to the Board for disposition.

2. Appeals to the Board of Administration

- (i) An appeal to the Board shall be considered filed with the Board when filed with the designated Company representatives with respect to the Plant at which the first stage appeal was considered by the Local Committee.
- (ii) Appeals shall be in writing, shall specify the respects in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as

justifying a reversal or modification of the determination appealed from.

- (iii) Appeals by the Local Committee to the Board with respect to Benefits or Separation Payments shall be made within twenty (20) days following the date the appeal is first considered at a meeting of the Local Committee, plus such extension of time as the Local Committee shall have agreed upon. Appeals by the Employee to the Board with respect to Benefits or Separation Payments shall be made within thirty (30) days following the date notice of the Local Committee's decision is given or mailed to the Employee. With respect to appeals that are mailed, the date of filing shall be the postmarked date of the appeal.
- (iv) The handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board.
- (v) The Employee, the Local Committee or the Union members of the Board may withdraw any appeal to the Board at any time before it is decided by the Board.
- (vi) There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the Employee or former Employee, the Trustee and the Company. The Union shall discourage any attempt of its members to appeal, and shall not encourage or cooperate with any of its members in any appeal, to any Court

or Labor Board from a decision of the Board, nor shall the Union or its members by any other means attempt to bring about the settlement of any claim or issue on which the Board is empowered to rule hereunder.

- (vii) The Local Committee shall be advised, in writing, by the Board of the disposition of any appeal previously considered by the Local Committee, and referred to the Board. A copy of such disposition shall be forwarded to the Employee.

c. Benefits Payable After Appeal. In the event that an appeal with respect to entitlement to a Benefit is decided in favor of an Employee the Benefit shall be paid to him; provided, however, that if such Benefit requires Credit Unit cancellation the Benefit shall be paid only if he did not exhaust Credit Units after the week of the Benefit in dispute.

d. Meaning of Term Employee with Respect to Appeal Provision. With respect to the appeal provisions set forth under this Section 3 only, the term Employee shall include any person who received or was denied the Benefit or Separation Payment in dispute.

ARTICLE VI

ADMINISTRATION OF THE PLAN

Section 1. Powers and Authority of the Company

a. Company Powers. The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under the Plan, including, without limitation, the power:

1. to obtain such information as it shall deem necessary in order to carry out its duties under the Plan;
2. to investigate the correctness and validity of information furnished with respect to an application for a Benefit or Separation Payment;
3. to make initial determinations with respect to Benefits or Separation Payments;
4. to establish reasonable rules, regulations and procedures concerning
 - (i) the manner in which and the times and places at which applications shall be filed for Benefits or Separation Payments, and
 - (ii) the form, content and substantiation of applications for Benefits and Separation Payment.

In establishing such rules, regulations and procedures, the Company shall give due consideration to recommendations from the Board;

5. to designate an office or department at each Plant, or in the alternative a location in the general area of such Plant, where Employees laid off from such Plant may appear for the purpose of complying with the requirements of the Plan (it being understood that a single location may be established to serve a group of Plants within a single area);
6. to determine the Maximum Funding of the Fund and the Trust Fund Position;

7. to establish appropriate procedures for giving notices required to be given under the Plan;
8. to establish and maintain necessary records; and
9. to prepare and distribute information explaining the Plan.

b. Company Authority. Nothing contained in the Plan shall be deemed to qualify, limit, or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when the work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be managed or carried on, in the same manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

c. Named Fiduciary. Pursuant to ERISA, the Company shall be the sole named fiduciary with respect to the Plan and, except as otherwise stated with respect to the powers and authority of the Board of Administration in Section 2 of this Article VI, below, shall have authority to control and manage the operation and administration of the Plan.

Section 2. Board of Administration of the Plan

a. Composition and Procedure.

1. There shall be established a Board of Administration of the Plan consisting of six (6) members, three (3) of whom shall be appointed by the Company (hereinafter referred to as the Company members), and three (3) of whom shall be appointed by the Union (hereinafter referred to as the Union

members). Each member of the Board shall have an alternate. In the event a member is absent from a meeting of the Board, his alternate may attend, and, when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of the members respectively appointed by it before any such appointment shall be effective.

2. The members of the Board may, at their discretion, appoint an Impartial Chairman, who shall serve until requested in writing to resign by three (3) members of the Board.

The Impartial Chairman, if appointed, shall be considered a member of the Board, and shall vote only in matters within the Board's authority to determine where the other members of the Board shall have been unable to dispose of a matter by majority vote, except that the Impartial Chairman shall have no vote concerning determinations made in connection with Section 1 b. 12. of Article I.

3. At least two (2) Union members and two (2) Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of three (3) votes and the Union members shall have a total of three (3) votes, the vote of any absent member being divided equally between the members present appointed by the same

party. Decisions of the Board shall be by a majority of the votes cast.

4. Neither the Board nor any Local Committee established pursuant to Subsection b. of this Section shall maintain any separate office or staff, but the Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board and the Local Committee shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in duplicate, one (1) copy to be sent to the Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

b. Powers and Authority of the Board.

1. It shall be the function of the Board to exercise ultimate responsibility for determining whether an Employee is eligible for a Benefit or Separation Payment, under the terms of the Plan, and, if so, the amount of such Benefit or Separation Payment. The Board shall be presumed conclusively to have approved any initial determination by the Company unless the determination is appealed as prescribed in Section 3 b. of Article V.
2. The Board shall be empowered and authorized and shall have jurisdiction:
 - (i) to hear and determine appeals by Employees pursuant to Article V;
 - (ii) to obtain such information as the Board shall deem necessary in order to determine such appeals;

- (iii) to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;
 - (iv) to direct the Company to pay Automatic Short Workweek Benefits or to notify the Trustee to make payments of other Benefits or Separation Payments pursuant to determinations made by the Local Committee or by the Board; and
 - (v) to prepare and distribute, on behalf of the Board, information explaining the Plan;
 - (vi) to rule upon disputes as to whether any Short Workweek resulted from an Act of God as defined in Article VII, Section 5. b. 1.;
 - (vii) to rule upon disputes as to whether any Short Workweek, occurring during a period when the Trust Fund Position is less than 46%, is deemed to be Scheduled or Unscheduled; and
 - (viii) to perform such other duties as are expressly conferred upon it by the Plan.
3. In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Benefits or Separation Payments as provided therein, or any other provision of the Plan; and shall have no jurisdiction other than to determine, on the basis of the facts

presented and in accordance with the provisions of the Plan.

- (i) whether the first stage appeal and the appeal to the Board were made within the time and in the manner specified in Section 3 b. of Article V.
 - (ii) whether the Employee is an eligible Employee with respect to the Benefit or Separation Payment claimed and, if so,
 - (iii) the amount of any Benefit or Separation Payment payable, and
 - (iv) whether a protest of an Employee's State System Benefit by the Company is frivolous.
4. The Board shall have no jurisdiction to act upon any appeal not made within the time and in the manner specified in Section 3 b. of Article V.
5. The Board shall have no power to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issues before the Board. All such questions shall be determined through the regular procedures provided therefore by the Collective Bargaining Agreement, and all determinations made pursuant to such Agreement shall be accepted by the Board.
6. Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Company or the Union.

7. The Board shall provide for a Local Committee at each Plant of the Company to handle appeals from determinations as provided in Section 3 b. 1. of Article V except determinations made in connection with Section 1 b. 12. of Article I. The Local Committee shall be composed of two (2) members or their alternates designated by Company members of the Board and two (2) members or their alternates designated by the Union members of the Board. Either the Company or the Union members of the Board may remove a Local Committee member appointed by them and fill any vacancy among the Local Committee members appointed by them.
8. The Board shall have full power, authority and sole discretion to administer the Plan and to interpret its provisions. Any decision or interpretation of the provisions of the Plan shall be final and binding upon the Company, the Union, the Employees and any other claimants under the Plan, and shall be given full force and effect, subject only to an arbitrary and capricious standard of review.

Section 3. Determination of Dependents

In determining an Employee's Dependents for purposes of Regular Benefit determinations, the Company (and the Board) shall be entitled to rely upon the official form filed by the Employee with the Company for income tax withholding purposes. Effective with layoffs commencing on or after June 1, 1985, the Company shall be entitled to rely upon the official form filed by the Employee with the Company for enrollment for health care benefits purposes. The Employee shall have the burden of establishing that he is entitled to a greater number of dependents than he shall have claimed on such forms.

Section 4. To Whom Benefits and Separation Payments Are Payable in Certain Conditions

Benefits and Separation Payments shall be payable hereunder only to the Employee who is eligible therefore, except that if the Board shall find that such an Employee is deceased or is unable to manage his affairs for any reason, any such Benefit or Separation Payment payable to him shall be paid to his duly appointed legal representative, if there be one, if not, to the spouse, parents, children or other relatives or dependents of such Employee as the Board in its discretion may determine. Any Benefit or Separation Payment so paid shall be a complete discharge of any liability with respect to such Benefit or Separation Payment. In the case of death, no Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the Employee's death.

Section 5. Nonalienation of Benefits and Separation Payments

Except as otherwise provided under this Article, Section 7 of this Plan, no Regular Benefit, Leveling Week Benefit or Separation Payments shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an Assignment and Authorization for Check-Off of Union Dues, and any attempt to accomplish the same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Benefit or Separation Payment due or to become due to any Employee, the Board in its sole discretion may terminate the interest of such Employee in such Benefit or Separation Payment and apply the amount of such Benefit or Separation Payment to or for the benefit of such Employee, his spouse, parents, children or other relatives or dependents, as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit or Separation Payment.

Section 6. Applicable Law

The Plan and all rights and duties thereunder shall be governed, construed and administered in accordance with the laws of the State of Michigan, except that the eligibility of a person for, and the amount and duration of, State System Benefits shall be determined in accordance with the state laws of the applicable State System.

Section 7. Recovery of Other Benefit Plan or Program Overpayments.

The Company or the Trustee, at the direction of the Company, shall make an appropriate deduction or deductions from any future benefit payments payable to the Employee under this Plan for the purpose of recovering overpayments made to the Employee under any Budd Company Employee benefit plan. Amounts so deducted shall be remitted by the Company or Trustee to the applicable benefit plan. The Company or Trustee, as applicable, by such remittance, shall be relieved of any further liability with respect to such payments.

ARTICLE VII

FINANCIAL PROVISIONS AND REPORTS.

Section 1. Establishment of Fund

The Company shall establish, in accordance with the Plan, a Fund with a qualified bank or banks or a qualified trust company or companies selected by the Company as Trustee. The Company's contribution shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Automatic Short Workweek Benefits shall be payable by the Company. All other Benefits and Separation Payments shall be payable only from the Fund. The Company shall provide in the trust agreement that the assets of the Fund shall be held in cash or invested only in:

- (i) general obligations of the United States Government and obligations of any agency or instrumentality of the United States Government or of any United States Government sponsored private corporation, or obligations of any other organization which are backed by the full faith and credit of, or are contractual obligations of the United States; and/or
- (ii) prime quality short-term obligations such as commercial paper, bankers acceptances, certificates of deposit, or similar investments; and/or
- (iii) a common, collective or commingled investment fund consisting of any combination of the investments under (i) and (ii) above;

irrespective of the rate of return, or the absence of any return, thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether for normal or abnormal economic conditions or otherwise.

Section 2. Maximum Funding

a. Maximum Funding of the fund shall be determined for each calendar month by multiplying the Average full Benefit Rate by 12 and this result by the sum of

1. the average number of Covered Employees on the Active Employment Roll, and
2. the average number of persons laid off from work as Covered Employees who are not on the Active Employment Roll but who have Credit Units;

both numbers being determined by the Company on the basis of the latest man-count in each of the twelve (12) consecutive months immediately prior to the first Monday in the month for which the Maximum Funding is being determined.

- b. 1. *The Average Full Benefit Rate for the purpose of determining Maximum Funding shall be computed monthly and shall be the amount determined by dividing (i) the total dollar amount of all Full Benefits paid during the twelve (12) months immediately prior to the month next preceding the month for which Maximum Funding is being determined, by (ii) the number of such Full Benefits paid.*
2. A full Benefit shall mean (i) a Regular Benefit which has not been reduced because of Other Compensation as defined in Section 3.a. of Article I and (ii) a Leveling Week Benefit.

Section 3. Trust Fund Position

a. A Trust Fund Position shall be determined for each calendar month in the following manner: The current market value of the total assets in the fund as of the close of business on the last day of the immediately preceding month as certified by the Trustee, less the special account within the Fund attributable to the allocated additional contributions required by Section 5.d. of this Article (plus, as provided in Section 5.b. of this Article, additional contribution amounts, if any, to be added to the market value of the assets for Automatic Short Workweek Benefits for Scheduled Short Workweeks paid during the previous month) shall be divided by the Maximum Funding of the fund for such month.

b. The Trust Fund Position for any particular month shall be applied to each of the Pay Periods beginning within such month; provided, however, that whenever the Trust Fund Position for any particular month is less than 21%, the Trust Fund Position

shall be applied only to the first Pay Period beginning within such month, and thereafter there shall be determined a Trust Fund Position for each Pay Period until the Trust Fund Position for a particular Pay Period equals or exceeds the Trust Fund Position stated for such period. When the Trust Fund Position for a particular Pay Period equals or exceeds the Trust Fund Position stated for such period, such Trust Fund Position shall be applied to each Pay Period until a Trust Fund Position for the following calendar month shall be applicable. The Trust Fund Position for a particular Pay Period shall be determined on the basis of the current market value of the total assets in the fund as of the close of business on the Friday preceding such Pay Period as certified by the Trustee, less the special account within the Fund attributable to the allocated additional contributions required by Section 5.d. of this Article (plus, as provided in Section 5.b. of this Article, contribution amounts, if any, to be added to the market value of the assets for Automatic Short Workweek Benefits for Scheduled Short Workweeks paid during the previous month).

Section 4. Finality of Determinations

No adjustment in the Maximum Funding or the Trust Fund Position shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, unless such adjustment is practicable. Any adjustment made shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

Section 5. Company Contributions

- a. (i) **Maximum Funding Contributions.** With respect to each of the Pay Periods which begins within a month for which the current market value of the assets of the Fund (determined as of the close of business on the last day of the immediately preceding month) is less than the Maximum Funding, the

Company shall make a contribution to the Fund in an amount to be determined by multiplying \$.23 by the total number of hours for which Covered Employees shall have received pay from the Company (excluding any hour for which Benefits hereunder are payable) for such Pay Period (or such lesser amount as will bring the total market value of the assets in the fund up to the Maximum Funding for such month).

(ii) **Trust Fund Position Contributions.** With respect to each of the Pay Periods which begins within a month for which the current market value of the assets of the Fund (determined as of the close of business on the last day of the immediately preceding month) is greater than the Maximum Funding and the Trust Fund Position is less than 22.00%, the Company shall make a contribution to the Fund in an amount to be determined by multiplying \$.23 by the total number of hours for which Covered Employees shall have received pay from the Company (excluding any hour for which Benefits hereunder are payable) for such Pay Period. Contributions begun as a result of this Section 5. a. (ii) shall continue to be made while the fund is above Maximum Funding and the Trust Fund Position is less than 34.99%. Contributions shall not be made hereunder for any period the fund is below Maximum Funding.

(iii) **Overtime Contributions.** The Company shall make additional contributions when contributions are required under 5. a. (i) or (ii) above for overtime hours that Covered Employees shall have received pay from the Company multiplying such overtime hours by \$.06 if paid at time and one-half and \$.12 if paid at double time; (or such lesser amount

as will bring the total market value of the assets in the Fund up to the Maximum funding or a Trust Fund Position of 34.99% as the case may be for such month).

b. Short Workweek Contributions. After each calendar year:

1. If the market value of the assets of the Fund as of the close of business on the last day of each December is less than 100% of Maximum Funding, the Company shall make a contribution to the Fund, if required by the following computation, in an amount equal to the amount, if any, by which (a) the total dollar amount of Automatic Short Workweek Benefits paid for layoffs that occurred during Pay Periods beginning in the preceding calendar year (excluding any such Benefit paid for a layoff resulting exclusively from an Act of God, as defined below, or part of such Benefit attributable to the period during which the Act of God continues to necessitate the layoff exceeds (b) the amount determined by multiplying five cents (\$.05) by the total number of hours for which Employee received pay from the Company for Pay Periods beginning in such calendar year minus (c) the total of any contributions made for months within such calendar year pursuant to Subsection (2) of this Section 5.b. but not in excess of the amount necessary to increase the market value of the assets of the fund to 100% of Maximum Funding. The term "Act of God" as used in this Subsection means an occurrence or circumstance directly affecting a Company Plant or Plants which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control; the result

solely of natural causes and not of human acts.

2. If the Trust Fund Position for the month is less than 46%, the Company shall make, in addition to any contribution under Subsection a. of this Section a contribution equal to the lesser of:
 - (i) the amount of any Automatic Short Workweek Benefits paid for Scheduled Short Workweeks commencing during the preceding month which were offset against Company contributions in accordance with Subsection e. of this Section or
 - (ii) the amount necessary to bring the Trust Fund Position up to 46% for the month with respect to which such contribution is made.

The amount of any such contribution shall be added to the market value of the assets of the Fund for purposes of determining the Trust Fund Position to be used for all purposes under the Plan for the month with respect to which any such contribution is made to the Fund.

c. Additional Company Contributions. If after any required contributions are made under Subsection a. or b. of this Section for any Pay Period, the Fund does not have sufficient assets to pay Regular Benefits otherwise due and payable under the Plan, and if there are applications due and payable for Regular Benefits for weeks during which the Trust Fund Position exceeded 3.99%; the Company shall make an additional contribution to the Fund equal to the amount of such Regular Benefits.

d. Allocated Additional Contributions. The Company shall make additional contributions in the amount of \$.05 for all Pay Periods during the term of this Agreement multiplied by the total number of hours for which covered Employees shall have received pay from the Company (excluding any hour for which Benefits hereunder are payable) for such Pay Period (or such lesser amount as will bring the total assets in the Fund up to Maximum Funding).

Contributions made in accordance with this Section 5.d. shall be allocated in a special account within the Fund and shall be used exclusively to pay Regular Benefits otherwise due and payable under the Plan to Employees with ten (10) or more years of Seniority when the Fund does not have sufficient assets (other than the monies in the special account within the Fund) to pay such Regular Benefits to such eligible Employees. The amount of such contributions shall not be added to the Market Value of the assets of the Fund for purposes of determining the Trust Fund Position. Earnings on the funds in the special account shall be credited to the regular account.

e. Reduction in Contributions.

1. The Company's contribution to the Fund, as determined under Subsections a., b. and d. of this Section, shall be reduced by:

- (i) the amounts of Automatic Short Workweek Benefits paid by the Company (other than Benefits paid for Scheduled Short Workweeks in Pay Periods with respect to which the Trust Fund Position is less than 46%);
- (ii) all amounts paid by the Company to provide Moving Allowances under the Collective Bargaining Agreement between the Company and the Union;
- (iii) the amounts of any lump sum payments paid by the Company to

separated Employees under other agreements dated November 1, 2000, between the Company and the Union which specifically provide that the amount of such lump sum payments as are paid thereunder shall be deducted from contributions required under the Plan; and

(iv) the amount of any Company contributions under Subsection c. above,

2. If contributions to the Fund are not required for any period, or if the contributions required are less than the amounts to be offset under Paragraph 1. above, then any subsequently required contributions shall be reduced by the amount not previously offset against contributions. Any such amount not previously offset against contributions shall be deducted from the market value of the assets in the Fund in determining the Trust Fund Position and whether the Fund equals or exceeds Maximum Funding.

f. When Contributions Are Payable.

1. Each contribution by the Company shall be made on or before the close of business on the first regularly scheduled workday in the second calendar week following the pay day for the Pay Period with respect to which the contribution is being made.
2. Contributions with respect to Covered Employees at any additional Plant at which the Collective Bargaining Agreement becomes applicable shall commence with respect to the first Pay Period beginning after

- (i) the date of certification by the National Labor Relations Board of the Union as the collective bargaining representative of Employees at such Plant, or
- (ii) if recognition is by agreement, the effective date of the agreement by which the Company recognizes the Union as the collective bargaining representative of Employees at such Plant.

g. Effect of Withholding. If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any federal, state or municipal law or regulation, the Company shall have the right to deduct such amount from such contribution and to pay only the balance to the fund.

h. No Contribution Obligation. Notwithstanding any other provisions of the Plan, the Company shall not be obligated to make any contribution to the Fund with respect to any Pay Period which begins within a month for which the current market value of the assets in the Fund (determined as of the close of business on the last day of the immediately preceding month) is equal to or in excess of the Maximum funding, and no contribution to the Fund for any Pay Period shall be in excess of the amount necessary to bring the total market value of the assets in the Fund up to the Maximum Funding.

Section 6. Liability

a. The provisions of these Articles I through IX constitute the entire Plan. The provisions of this Article VII express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the Plan and providing for Benefits and Separation Payments. The Company shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in the Fund (other than as

contributions by the Company may be required under the provisions of this Article, when the market value of the assets of the Fund is less than the Maximum Funding); and the Union shall not call upon the Company to make up, or to provide for making up, any such depreciation or loss.

b. The Board, the Company, the Trustee, and the Union, and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

c. Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willfull misconduct or fraud.

Section 7. No Vested Interest

No person shall have any right, title or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

Section 8. Company Reports

a. **Market Value of Fund Assets.** Not later than the third Tuesday following the first Monday of each month the Company shall furnish a statement to the Union, based on reports from the Trustee, showing a reconciliation of the Fund activity *during the preceding month*. The total market value of the Fund will be determined as of the close of business on the last day of the immediately preceding month. The reconciliation for the monthly period reported will show the amount of Company contributions received by the Fund by date, the total amount of Benefits and Separation Payments paid from the Fund, the amount of any expenses charged to the Fund and the amount of gain or loss in the fund assets.

b. **Company Payments Not Recovered From Company Contributions.** Not later than the third Tuesday following the first Monday of each month, the Company shall furnish a statement to the Union showing, with respect to the

preceding month's activity, a reconciliation of the amount, if any, of payments paid by the Company which could not be offset against Company contributions to the Fund and which were deducted from the market value of the assets in the Fund in determining Maximum funding. Such reconciliation will show the total amount of any such additional Company payments paid and the total amount of such Company payment deducted from Company contributions, during the period covered by the report.

c. Maximum Funding and Trust Fund Position.

Not later than the third Tuesday following the first Monday of each month the Company shall notify the Board and the Union of the amount of the Maximum funding and the Trust Fund Position as determined by it from time to time under the Plan and shall furnish a statement showing the Average Full Benefit Rate (showing a breakdown of the included number and amount of full Benefits paid) and the numbers of Employees in each category in each month and the average number used in determining Maximum funding.

d. Contributions and Direct Company Payments.

Not later than the third Tuesday following the first Monday of each month the Company shall furnish a statement to the Union showing for the preceding month:

1. The number of hours for which Employees shall have received pay from the Company and the number of such hours with respect to which the Company shall not have made contributions to the Fund as provided in Section 5.h. of this Article during each period for which contributions were made to the Fund or would have been made to the fund, except for the provision of Section 5.h. of this Article.
2. The amount of the Company contributions at the applicable number of cents per hour with respect to which the Company shall have made contributions to the Fund and the

amount of any Scheduled Short Workweek contributions by the Company.

3. The amount of Automatic Short Workweek Benefits by which the amount determined in 2. above was reduced.
4. The number of Benefits and of lump sum payments paid by the Company to certain Employees who are retired in accordance with the Letter Agreement dated November 1, 2000 between the Company and the Union, and the respective amount of such Benefits and lump sum payments by which the amount determined in 2. above was reduced.
5. The amount of Company contributions in accordance with Section 5.d. of this Article VII.
6. The total amount of the Company contribution which was made to the Fund.

e. Benefits and Separation Payments Paid from Fund. Not later than the third Tuesday following the first Monday of each month, the Company shall furnish a statement to the Union showing the number and amount of payments, if any, made from the fund during each Week of the preceding months, as:

1. Leveling Week Benefits.
2. Regular Benefits paid to Employees who were eligible for a State System Benefit shown separately as Regular Benefits paid with and without reduction for Other Compensation.
3. Regular Benefits paid without reduction for Other Compensation to Employees who were not eligible for a State System Benefit for one

or more of the reasons set forth in Section 1, b. of Article I, shown separately for reasons thereunder as follows and not included in any of the foregoing:

- (i) Section 1, b., 2. and 6. when maximum Benefit amount applies.
- (ii) All other items under Article I, Section 1, b.

4. Regular Benefits paid with reduction for Other Compensation to Employees who were not eligible for a State System Benefit for one or more of the reasons set forth in Section 1, b. of Article I shown separately for reasons thereunder as follows and not included in any of the foregoing:

- (i) Section 1, b., 2. and 6. when maximum Benefit amount applies.
- (ii) All other items under Article I, Section 1, b.

5. Regular Benefits paid to Employees who were eligible with respect to some but not all of the regular work days in a Week, as provided in Section 3, d. of Article I, and not included in any of the foregoing, shown separately as Regular Benefits paid with and without reduction for Other Compensation.

6. Separation Payments.

f. Automatic Short Workweek Benefits Paid by Company. Not later than the third Tuesday following the first Monday of each month, the Company shall furnish to the Union a statement showing the number and amount of Automatic Short Workweek Benefits, if any, paid by the Company during each week of the preceding month; and with respect to any week for

which the amount of Scheduled Automatic Short Workweek Benefits are not deductible from Company contributions because of the Fund position, the number and amount of Scheduled and Unscheduled Benefits paid, respectively.

g. The Company shall furnish the Board and the Union quarterly a listing by Plant showing the names of the persons who, during the preceding calendar quarter, accepted a Separation Payment, together with both the individual gross and net amounts of such Separation Payments.

h. On or before May 1 of each year, the Company shall furnish to the Union a statement, certified by a qualified independent firm of certified public accountants selected by the Company, verifying the accuracy of the information furnished by the Company during the preceding year pursuant to Subsections a., b., c., d., e. and f. of this Section.

i. The Company, or the Trustee, shall furnish annually to each Employee who received Benefits or a Separation Payment, or both, during the year a statement showing the total amount received and any amount of tax withheld therefrom.

j. On or before January 31 of each year, the Company shall furnish to the Union a statement showing the number of Employees to whom Guaranteed Annual Income Credit Units were credited on the preceding Guarantee Date and the number of such Guaranteed Annual Income Credit Units both distributed according to the Seniority brackets set forth in the table in Section 1. a. of Article III-A and according to the number of Credit Units which were credited (numbers above 13 being grouped in intervals of 5).

k. After December 31, of each year, the Company shall furnish to each Employee credited with Credit Units as of each such date a statement showing the number of such Credit Units.

l. On or before April 30, of each year, the Company shall furnish to the Union a statement showing the amount of any contribution made to the Fund in accordance with Section 5 b. 1 of this Article for Automatic Short Workweek Benefit payments.

Section 9. Costs of Administering the Plan

a. Expenses of Trustee. The costs and expenses incurred by the Trustee under the Plan, and the fees charged by the Trustee, shall be charged to the Fund.

b. Expenses of the Board of Administration. The compensation of the Chairman of the Board, which shall be in such amount and on such basis as may be determined by the other members of the Board, shall be shared equally by the Company and the Union. The Company members and the Union members of the Board and of Local Committees shall serve without Compensation from the fund. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals shall be borne by the Company.

c. Cost of Services. The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees for services performed in connection with the Plan and the Fund.

Section 10. Benefit and Separation Payment Drafts Not Presented

If the Trustee has segregated any portion of the fund in connection with any determination that a Benefit or Separation Payment is payable under the Plan and the amount of such Benefit or Separation Payment is not claimed within a period of two (2) years from the date of such determination, such amount shall revert to the Fund.

ARTICLE VIII

MISCELLANEOUS

Section 1. Purpose of Plan and Status of Employees Receiving Benefits and Separation Payments

a. Purpose of Plan. It is the purpose of the Plan in respect of payment of Regular Benefits and Separation Payments to supplement State System Benefits and not to replace or duplicate them.

b. Status of Employees Receiving Benefits and Separation Payments. Neither the Company's contributions nor any Regular Benefit or Separation Payment paid under the Plan shall be considered a part of an Employee's wages for any purpose (except as Separation Payments, paid under Article IV, Section 1. a., and Regular Benefits are treated as if they were "wages" solely for purposes of Federal income tax withholding as provided in the 1969 Tax Reform Act). No Employee who receives any Regular Benefit or Separation Payment shall for that reason be deemed an Employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other Employee benefit plan to which the Company contributes than he would if he were not receiving such Regular Benefit or Separation Payment.

Section 2. Effect of Revocation of Federal Rulings

In the event that any rulings or determination letters which have been or may be obtained by the Company holding

a. that contributions to the Fund shall constitute currently deductible expenses and that the Fund shall be exempt from income taxes under the Internal Revenue Code of 1954, as now in effect or as it may be hereafter amended, or under any other applicable federal income tax law, or

b. that no part of any such contributions or of any Benefits paid shall be included for purposes of the Fair Labor

Standards Act in the regular rate of any Employee, shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Bargaining Agreement) except for the purposes of disposing of the assets of the fund as set forth in Section 3 b. of this Article.

Section 3. Amendment and Termination of the Plan

a. So long as the Agreement Concerning Supplemental Unemployment Benefit Plan shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or such Agreement.

Upon the termination of such Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.

b. Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the fund shall be used to pay expenses of administration and to pay Benefits to eligible Employees for a period of one (1) year following terminations, if not sooner exhausted. The Plan provisions with respect to the effect of a low Trust Fund Position on the payment of Benefits shall not be applicable. At the expiration of such one (1) year period, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for Employee benefits not inconsistent with the purposes of the Plan.

ARTICLE IX

DEFINITIONS

As Used Herein:

1. *"Active Employment Roll"* shall mean those Employees covered by the collective bargaining agreement who work and receive pay for some portion of a given pay period or who are absent from work because they are on a paid vacation or on an authorized leave of absence for illness or other approved reasons as provided by the terms of the collective bargaining agreement.

2. *"Base Hourly Rate"* (exclusive of cost-of-living allowance) means:

- a. with respect to a Regular Benefit or Separation Payment (if a non-incentive Employee) the highest base hourly rate paid to an Employee by the Company during the 180 calendar days prior to his layoff date from the Contract Unit, or (if an incentive or piece work Employee) the average straight-time earned hourly rate of all incentive Employees in the Plant for the highest of the last 26 full Pay Periods immediately preceding the date of his layoff from the Contract Unit.
- b. with respect to an Automatic Short Workweek Benefit (if a non-incentive Employee) the highest base hourly rate paid to an Employee by the Company during the Pay Period in which his Short Workweek occurs or (if incentive or piece work Employee) the average straight-time earned hourly rate paid to an Employee during the Pay Period in which the Short Workweek occurs.

- c. an Employee shall be deemed to have been an incentive or piece work Employee if he was classified as an incentive or piece work Employee at any time during the 26 week period immediately preceding the date of his layoff from the Contract Unit for purposes of a Regular Benefit or Separation Payment or during the Pay Period in which the Short Workweek occurs for purposes of Short Workweek benefits.
- d. with respect to a Regular Benefit or Automatic Short Workweek Benefit, the Base Hourly Rate as determined in a. and b. above, shall be adjusted to reflect the amount of the improvement factor increase, if any, which became effective (pursuant to the Collective Bargaining Agreement) after the day or period (or during the period) used to establish his Base Hourly Rate. In such event the amount of improvement factor increase shall be the amount applicable to the job classification in which the Employee worked either on the day, or the last day of the period, whichever is applicable, for which his Base Hourly Rate was determined in a. or b. above. The adjusted Base Hourly Rate shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective.

3. **"Benefit"** means an Automatic Short Workweek Benefit, Leveling Week Benefit, a Regular Benefit or any two (2) or more as indicated by the context:

- a. **"Automatic Short Workweek Benefit"** means the Benefit payable to an eligible Employee for a Short Workweek.

b. *"Leveling Week Benefit"* means the Regular Benefit payable to an eligible Employee because, with respect to the Week, he was serving a State System "waiting week" during a period while he had sufficient Seniority to work in the Plant but was laid off out of line of Seniority in accordance with the terms of the Collective Bargaining Agreement.

c. *"Regular Benefit"* means the Benefit payable to an eligible Employee for a Week of layoff in which he performed no work for the Company and received no jury duty pay, bereavement pay or military pay from the Company, or for which he received holiday pay from the Company if he was not eligible for an Automatic Short Workweek Benefit for such Week.

4. *"Board"* means the Board of Administration under the Plan.

5. *"Break in Seniority"* means break in or loss of Seniority pursuant to the Collective Bargaining Agreement.

6. *"Collective Bargaining Agreement"* means the collective bargaining agreement between the Company and the Union which is in effect at the particular time.

7. *"Company"* means The Budd Company.

8. *"Compensated or Available Hours"* shall include:

a. all hours for which an Employee receives pay from the Company (excluding pay in lieu of vacation) with each hour paid at premium rates to be counted as 1 hour;

b. all hours scheduled or made available by the Company but not worked by the Employee, after reasonable notice has been given to the

Employee (including any period on leave of absence); provided, however, if the hours made available but not worked were straight-time hours which the Employee had an option to refuse under the Collective Bargaining Agreement or which he could refuse without disqualification under Section 3, b., 3. of Article I such hours are not to be considered as hours made available by the Company; and provided further, that overtime hours made available but not worked shall not be considered as hours made available by the Company if the Employee has not been notified prior to the last hour of his shift for daily overtime or prior to the end of his shift on Thursday or Friday for Saturday and Sunday overtime respectively;

- c. all hours not worked by the Employee because of any of the reasons disqualifying an Employee from receiving a benefit under Section 3. b. 2. of Article I;
- d. all hours not worked by the Employee which are in accordance with a written agreement between the local management and the local Union or which are attributable to absenteeism of other Employees; and
- e. with respect to an Employee on a 3-shift operation on which eight (8) hour shifts of work are not scheduled, or an Employee on any shift of work on which less than forty (40) hours of work per Week are regularly scheduled, the number of hours by which the number of hours for which such Employee is regularly compensated during a Workweek are less than forty (40).

9. *"Contract Unit"* means the unit of Employees covered at the particular time by the Collective Bargaining Agreement.

10. **"Covered Employee"** means an Employee in a state in which the provisions of the Plan relating to Benefits are in effect.

11. **"Credit Unit"** means a Credit Unit, or fraction thereof credited to an Employee under the Plan generally for Workweeks for which he receives pay, and cancelled at specified rate for the payment of certain Benefits and includes a Guaranteed Annual Income Credit Unit credited pursuant to Article III-A.

12. **"Dependent"** means a spouse or a person defined as a dependent under the Internal Revenue Code.

13. **"Employee"** means an hourly rated Employee in the Contract Unit.

14. **"Fund"** means a trust fund established under the Plan to receive and invest Company contributions and to pay Benefits and Separation Payments.

15. **"Local Committee"** means the Committee established by the Board with respect to each Plant to handle Employee appeals from Company determinations.

16. **"Plan"** means the amended Supplemental Unemployment Benefit Plan as set forth in this Part B.

17. **"Plant"** shall be deemed to include any manufacturing or assembly plant or other Company activity at which there are Employees covered by the Collective Bargaining Agreements.

18. **"Seniority"** means seniority status under the Collective Bargaining Agreements.

19. **"Separation Payment"** means a lump sum amount payable to an eligible Employee by reason of qualified layoff and certain separations from the Company.

20. **"Short Workweek"** means a Workweek during which an Employee has less than 40 Compensated or Available

Hours and a. during which he performs some work for the Company or b. for which he receives some jury duty pay, bereavement pay or military pay from the Company.

21. "State Benefit and Other Compensation" means a State System Benefit and other compensation or benefits for unemployment as defined in Section 3 of Article II.

22. "State System" means any system or program established pursuant to any state or federal law for paying benefits to persons on account of their unemployment under which an individual's eligibility for benefit payments is not determined by application of a "means" or "disability" test. State System also includes:

- a. Any such system or program established by law to supplement, replace or extend the benefits available under any state or federal laws for paying benefits to persons on account of their unemployment (such as the Trade Readjustment Allowances provided under the federal Trade Expansion Act of 1962, as amended, and the Trade Act of 1974) or
- b. any such system or program established for the primary purpose of education or vocational training where such programs may provide for training allowances.

23. "State System Benefit" means a benefit payable under a State System, including any dependency allowances and training allowances but excluding any allowances for transportation subsistence, equipment or other cost of training and excluding any "back-to-work" payment for a week made, in addition to the regular State System Benefit otherwise payable for such week, to an applicant who has been on layoff for a prescribed number of weeks and returns to full-time work within a prescribed period, and also shall mean a lost time benefit which an Employee received under a Workers' Compensation law or other law providing benefits for occupational injury or disease, while

not totally disabled and while ineligible for an accident and sickness benefit under Section VII of the Insurance Plan. If an Employee receives a Workers' Compensation benefit while working full time and a higher Workers' Compensation benefit while on layoff from the Company, only the amount by which the Workers' Compensation benefit is increased shall be included.

24. **"Supplementation"** means recognition of the right of a person to receive both a State System Benefit and a Regular Benefit under the Plan for the same Week of layoff at approximately the same time and without reduction of the State System Benefit because of the payment of the Regular Benefit under the Plan.

25. **"Trust Fund Position"** means an amount determined periodically (pursuant to Section 3 of Article VII) by dividing the market value of the assets in the fund (as adjusted for certain amounts) by the Maximum Funding of the fund for such month.

26. **"Trustee"** means the trustee or trustees of the Fund established under the Plan.

27. **"Union"** means International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Unions Nos. 306 (Production and Maintenance Employees only "as defined in the Production and Maintenance recognition clause of Local 306 Agreement"), and 813.

28. **"Week"** when used in connection with eligibility for and computation of Benefits with respect to an Employee means:

- a. a period of layoff equivalent to a Workweek or
- b. a Workweek for which total pay received or receivable by a Covered Employee from the Company (excluding payments in lieu of vacation) and any amount of pay which could

have been earned, computed as if payable, for hours made available by the Company but not worked (excluding, however, hours not worked which the Employee had an option to refuse under the Collective Bargaining Agreement or could refuse without disqualification under Section 3, b., 3. of Article I), is less than 80% of his Weekly After-Tax Pay, minus \$7.50 or 95% of his Weekly After-Tax Pay minus \$12.50 to take into account work-related expenses not incurred in accordance with Article II, Section 1. a. or

c. a Short Workweek.

"Week of layoff" shall include any such Week; provided, however, that if there is a difference between the starting time of a Workweek and of a week under an applicable State System, the Workweek shall be paired with the week under the State System which corresponds most closely thereto in time; and provided, further, that if an Employee is ineligible for a State System Benefit because of any of the reasons set forth in Section 1, b. of Article I (excluding the reasons under items 3. and 4. thereof) for the entire continuous period of layoff, the week under the State System shall be deemed to be the same as the Workweek. If an Employee becomes ineligible for a State System Benefit because of any of the aforementioned reasons during a continuous period of layoff the week under the State System shall continue to mean, for the duration of the layoff period during which he so remains ineligible for a State System Benefit, the seven (7) day period for which a State System Benefit was last Paid to the Employee during such continuous period of layoff. Each Week within a continuous period of layoff does not constitute a new or separate layoff. Notwithstanding the foregoing provisions of this definition, if an Employee is ineligible for a State System Benefit because of the reason set forth in item 3. of Section 1, b. of Article I, the week under the State System shall mean the seven (7) day period which would have been used by the State System if the Employee had applied for a State System Benefit on the first day of partial or full layoff

in the Workweek and had been eligible otherwise for such State System Benefit; and

29. ***"Weekly Straight-Time Pay"*** means an amount equal to an Employee's Base Hourly Rate (plus any applicable cost-of-living allowance in effect at the time of computation of the Regular Benefit, but excluding all other premiums and bonuses of any kind) multiplied by forty (40); and

30. ***"Workweek" or "Pay Period"*** means a period commencing with 12:00 Midnight Sunday and ending 168 hours thereafter.

31. ***"Weekly After-Tax Pay"*** means the amount of an Employee's Weekly Straight-Time Pay reduced by the sum of all Federal, state and municipal taxes and contributions which would be required to be collected, deducted, or withheld by the Company from a regular weekly wage of such amount if paid to him for the last Pay Period he worked in the Contract Unit.

32. ***"ERISA"*** means the Employee Retirement Income Security Act of 1974.

SUB Maternity Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214**

Dear Ms. Bunn:

Notwithstanding any provisions of the Supplemental Unemployment Benefit Plan to the contrary, an Employee on a qualifying layoff who is ineligible for a State System Benefit for any Week solely because of the pregnancy provisions of the law of the applicable State System will, if otherwise eligible, be entitled to a Regular Benefit for such Week, subject to the following conditions:

- 1. Prior to the payment of a Regular Benefit for such Week, such Employee must:**
 - a. Submit written evidence satisfactory to the Company of her ineligibility for a State System Benefit because of the pregnancy provisions of the law of the State System, and**
 - b. With respect to such Week, file a written application in person and establish to the satisfaction of the Company that she is able and available for and seeking full-time work**

to the same extent as though she was receiving
a State System Benefit.

Any term defined in the Plan and used in this letter has
the same meaning in this letter as in the Plan.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WJK:hs

SUB Applications Prior To U.C. Eligibility

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During these negotiations, the Union indicated that under certain conditions the time limits for filing SUB claims may be inadequate since Employees may not have received a State System Benefit within 60 days after the end of the Week for which an application is made for a Regular Benefit.

Currently, there is no requirement under the Plan that an Employee must have received a State System Benefit for a Week prior to filing a SUB claim for that Week. Company offices which process SUB applications will be advised that Employees are not required to have received a State System Benefit to file a SUB claim and applications should be accepted from Employees who wish to file such claims to meet the time limits under the Plan.

Such claims will be retained for three months by the facility and no determination will be made regarding the Employee's entitlement to such Benefit until the Employee furnishes the information required by Article V, Section 1(b)(2) of the Plan.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WJK:hs

SUB Denial --Statutory Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current national negotiations the Union expressed some concern regarding a possible interpretation of the provisions of Article I, Section 3(b)(4)(i) of the SUB Plan which could result in denying a Benefit to an otherwise eligible Employee who is claiming a benefit under a Workers' Compensation law while not totally disabled. This is to advise you that the provisions of Article I, Section 3(b)(4)(i) of the Plan will not be interpreted to disqualify an Employee on layoff from Benefits solely because he is eligible for or claiming a permanent partial or scheduled loss benefit under a Workers' Compensation law or other law providing benefits for occupational injury or disease so long as the injury or disease does not prevent the Employee from working.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WJK:hs

Application of SUB to Retirees Without Pension Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

The 2000 Supplemental Unemployment Benefit Plan does not provide for the payment of Separation Payments to Employees who are terminated at or after age 60, and who are not eligible for retirement benefits under the Retirement Plan established by agreement between the Company and the Union. The arrangement described below, therefore, is hereby adopted with respect to such Employees. Any term which is defined in the Plan and which is used in this letter shall have the same meaning in this letter as it has in the Plan.

An Employee who is terminated at or after age 60, who had one or more years of seniority on the last day he was on the active employment roll, who is not eligible for a Separation Payment under Section 1 a. of Article IV of the Plan, and who does not have the requisite years of credited service for eligibility under said Retirement Plan, will receive a lump sum payment in the same amount and on the same basis that would apply if Section 1 a. of Article IV of the Plan were applicable, except that Section 1 f. thereof and the requirement that Seniority be unbroken on the date application is made shall not apply. Notwithstanding any possible implication to the contrary, the

Employee shall make application within 24 months from the date of his termination.

Lump sum payments which may become payable under this letter agreement will be paid by the Company. Company contributions required under Section 5 of Article VII of the Plan shall be reduced by any lump sum payments paid hereunder. If contributions are not required under the Plan for any period, or if the contributions required are less than the amounts to be offset, then any subsequently required contributions shall be reduced by the amount of lump sum payments not previously offset against contributions. The amount of lump sum payments which could not be offset against contributions will be deducted from the market value of assets in the Fund in determining the Trust Fund Position under Section 3 of Article VII of the Plan and in determining whether the fund equals or exceeds Maximum funding under Section 2 of Article VII.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WJK:hs

SUB Fund Scheduled Short Workweeks

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

This letter will confirm the verbal understanding between the Company and the International Union concerning contributions to the SUB Fund for Scheduled Short Workweeks.

If at any time the International Union believes that contributions to the SUB Fund under Article VII, Section 5 b. have not been made, the Union may appeal directly to the Vice President --Human Resources of the Company or his designated representative.

In such event, a prompt investigation of the Union's claim will be made and contributions to the SUB fund shall be made, if the Union's claim is determined to be valid.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

EXHIBIT "D"

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

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EXHIBIT "D"

AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN AND SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

On this 31st day of October, 2000, at Romulus, Michigan, The Budd Company, a Michigan Corporation, hereinafter designated as the Company, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW; and its Local Union Nos. 306 (Detroit Plant Office Clerical Employees and Detroit Plant Technical Employees), and 757 an unincorporated voluntary association, hereinafter designated as the Union, agree as follows:

PART A

AGREEMENT CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

Section 1. Continuation and Amendment of Plan

a. This Agreement shall become effective on the first Monday immediately following the Effective Date,

b. The Supplemental Unemployment Benefit Plan which was attached as Part B to the Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated November 1, 1995 shall be amended as set forth in Part B,

Supplemental Unemployment Benefit Plan, attached hereto, effective as of the date of this Agreement except as otherwise specified in this Agreement and the Plan.

c. Provision for payment of Benefits and Separation Payments under the Supplemental Unemployment Benefit Plan

which was attached as Part B to the 1995 Agreement Concerning Supplemental Unemployment Benefit Plan between the parties dated November 1, 1995 shall continue in full force and effect in accordance with the conditions, provisions, and limitations of such Supplemental Unemployment Benefit Plan, as constituted, until the later of (i) November 1, 2000, or (ii) the Monday following the date of receipt of the governmental rulings as provided under Subsection 5(a) of this Agreement (such later date hereinafter referred to as the Amendments Effective Date). Benefits or Separation Payments paid or payable (or denied) under the Supplemental Unemployment Benefit Plan for weeks commencing on or after November 1, 2000, and prior to the Amendments Effective Date, that are less than the amounts Provided in (or otherwise payable under) the Supplemental Unemployment Benefit Plan as amended, shall be subject to adjustment (or payment) in an amount to reflect the amendments to the Supplemental Unemployment Benefit Plan. Such adjustment (or payment) will be made by payments to eligible Employees within a reasonable time after the Amendments Effective Date. No adjustment (or payment) will be made in Benefits for Weeks commencing prior to November 1, 2000, or in Separation Payments paid prior to November 1, 2000.

d. The Company shall maintain the Plan for the duration of this Agreement, except as otherwise provided in and subject to the terms of, the Plan.

e. The Company's contributions to the Fund required under Section 1 of Article IV shall be reduced by:

- (i) all amounts paid by the Company to provide Layoff Moving Allowances under the Collective Bargaining Agreements between the Company and the Union;
- (ii) the amounts of any Benefits and lump sum payments paid by the Company to separated Employees under their Agreements dated November 1, 1995 between the Company and the Union which specifically provide that the amount of such Benefits and lump sum

payments as are paid thereunder shall be deducted from contributions required under the Plan.

Section 2. Termination of Plan prior to Expiration Date

In the event that the Plan shall be terminated in accordance with its terms prior to the expiration date of this Agreement so that the Company's obligation to contribute to the Plan shall cease entirely, the parties thereupon shall negotiate for a period of sixty (60) days from the date of such termination with respect to the use which shall be made of the money which the Company otherwise would be obligated to contribute under the Plan; if no agreement with respect thereto shall be attached at the end of such period, there shall be a general salary increase in the amount of the straight-time per hour contribution rate then in effect multiplied by 40 hours to all salary Employees then in the Contract Unit, applied in the same manner as annual Improvement Factor increases are applied under the Collective Bargaining Agreement, and effective as of the date of such termination.

Section 3. Obligations During Term of Agreement

During the term of this Agreement, neither the Company nor the Union shall request any change in, deletion from, or addition to the Plan, or this Agreement; or be required to bargain with respect to any provision or interpretation of the Plan or this Agreement and during such period no change in, deletion from or addition to any provision, or interpretation, of the Plan or this Agreement, nor any dispute or difference arising in any negotiations pursuant to Section 2 of this Agreement shall be an objective of, or a reason or cause for, any action or failure to act, including, without limitation, any strike, slowdown, work stoppage, lockout, picketing, or other exercise of economic force, or threat thereof, by the Union or the Company.

Section 4. Term of Agreement: Notice to Modify or Terminate

This Agreement and the Plan shall continue in effect until October 28, 2005. They shall be renewed automatically for successive one-year periods thereafter unless either party shall

give written notice to the other at least sixty (60) days prior to October 28, 2005, (or any subsequent anniversary date) of its desire to amend or modify this Agreement and the Plan as of one of the dates specified in this Section (it being understood, however, that the foregoing provision for automatic one-year renewal periods shall not be construed as an endorsement by either party of the proposition that one year is a suitable term for such an agreement). If such notice is given, this Agreement and the Plan shall be open to modification or amendment on October 28, 2005, or the subsequent anniversary date, as the case may be.

If either party shall desire to terminate this Agreement, it may do so on October 28, 2005, or any subsequent anniversary date by giving written notice to the other party at least sixty (60) days prior to the date involved. Anything herein which might be construed to the contrary notwithstanding, however, it is understood that termination of this Agreement shall not have the effect of automatically terminating the Plan.

Any notice under this Agreement shall be in writing and shall be sufficient, if to the Union, if sent by mail addressed to International Union, United Automobile Workers of America, 8000 East Jefferson Avenue, Detroit, Michigan 48214, or to such other address as the Union shall furnish to the Company in writing; and if to the Company, to The Budd Company, P.O. Box 2601, 3155 West Big Beaver Rd., Troy, Michigan 48007-2601 or to such other address as the Company shall furnish to the Union in writing.

Section 5. Governmental Rulings

a. The amendments to the Plan which are provided for in Section 1 of this Agreement and incorporated in Part B thereof shall not be effective prior to receipt, if available, by the Company from the United States Internal Revenue Service and the United States Department of Labor of rulings, satisfactory to the Company, holding that such amendments will not have any adverse effect upon the favorable rulings previously received by the Company that:

- (i) contributions to the fund established pursuant to the Plan constitute a currently deductible expense under the Internal Revenue Code,
- (ii) the fund qualifies for exemption from Federal Income Tax under Section 501(c) of the Internal Revenue Code,
- (iii) contributions by the Company to, and Benefits (except Automatic Short Week Benefits) paid out of, the Fund are not treated as "wages" for purposes of the federal Unemployment Tax, the federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages, under Subtitle C of the Internal Revenue Code, (except as Benefits or Separation Payments paid from the fund are treated as if they were "wages" for purposes of Federal Income Tax withholding as provided in the 1969 Tax Reform Act), and
- (iv) no part of any such contributions are included for purposes of the Fair Labor Standards Act in the regular rate of any Employee.

b. The Company shall apply promptly to the appropriate agencies for the rulings described in Subsection a. of this Section.

c. Notwithstanding any other provision of this Agreement or of the Plan, the Company, with the consent of the National Budd Director of the Union, may, during the term of the Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Subsection a. of this Section or in Section 1 of Article IX of the Plan. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in Part B.

Section 6. Ratification Date

This Agreement shall become operative thirty (30) days following the date certified by written notice to the Company by the Union that this Agreement, The Collective Bargaining Agreement, the Agreement Concerning the Retirement Plan and the Collective Bargaining Agreements with Locals 306 (Detroit Plant Office Clerical Employees and Detroit Plant Technical Employees), and 757, UAW, entered into between the parties on October 31, 2000, have been ratified by the Union; following which the provisions hereof shall become effective as specified in Section 1 of this Agreement. The date of such certification from the Union is referred to as the Ratification Date of this Agreement.

Section 7. Recovery of Benefit Overpayments

If it is determined that any benefit(s) paid to an Employee under a Budd Company benefit plan incorporated under the Budd-UAW National Agreement or any Exhibits thereto, should not have been paid or should have been paid in a lesser amount, written notice thereof shall be given to such Employee and the Employee shall repay the amount of the overpayment.

If the Employee fails to repay such amount of overpayment promptly, The Budd Company, on behalf of the applicable benefit plan, shall recover the amount of such overpayment immediately from any monies then payable, or which may become payable, to the Employee in the form of wages or benefits payable under a Budd Company benefit plan (excluding The Budd Company-UAW Consolidated Office Retirement Benefit Plan) incorporated under the Budd-UAW National Agreement or any Exhibits thereto.

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed by their duly authorized officers and representatives.

EXECUTED THIS 31st DAY OF OCTOBER, 2000

International Union,
United Automobile,
Aerospace and Agricultural
Implement Workers of
America (UAW) and its
Local Nos. 306, 757, and 813.

THE BUDD COMPANY

By:/s Elizabeth Bunn
John Rucker
Phil Werking
David Paris
Cecil Randall
Jim Palumbo
Edward Foster
Joe Zurawski
William Cunningham
Don Hall
Joseph Sinni
Don Marshall
James Dixon

By:/s William M. Kroger, Jr.
Dennis L. Dabney
James Wahlman
Scott Arft
Steve Fireooved
Mercedes Godin
Tamara Prechtel
Charles Pryor
Robin Reich
Kyle South
David Verbeke
Michael Wade
Thomas White

PART B
SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

ARTICLE I
DEFINITIONS

As Used Herein:

1. **"Company"** means The Budd Company.
2. **"Union"** means International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Union Nos. 306 (Detroit Plant Office Clerical Employees and the Detroit Plant Technical Employees) and 757.
3. **"Plan"** means the amended Supplemental Unemployment Benefit Plan as set forth in this Part B.
4. **"Trustee"** means the trustee or trustees of the Fund established under the Plan.
5. **"Collective Bargaining Agreement"** means the collective bargaining agreement between the Company and the Union which is in effect at the particular time.
6. **"Contract Unit"** means the unit of Employees covered at the particular time by the Collective Bargaining Agreement.
7. **"Employee"** means an Employee in the Contract Unit.
8. **"Covered Employee"** means an Employee in a State in which the provisions of the Plan relating to Benefits are in effect.

9. **"Active Employment Roll"** means those Employees covered by the collective bargaining agreement who work and receive pay for some portion of a given pay period or who are absent from work because they are on a paid vacation or an authorized leave of absence for illness or other approved reasons as provided by the terms of the collective bargaining agreement.
10. **"Weekly Supplemental Benefit"** means a Weekly Supplemental Benefit payable under the Plan.
11. **"Fund"** means a trust fund established under the Plan from which Weekly Supplemental Benefits and Separation Payments may be payable to Covered Employees.
12. **"Seniority"** means seniority status under the Collective Bargaining Agreement.
13. **"Break in Seniority"** means break in or loss of seniority pursuant to the Collective Bargaining Agreement.
14. **"Plant"** means any Company activity at which there are Employees covered by the Collective Bargaining Agreement.
15. **"State System"** means any system or program established pursuant to any state or federal law for paying benefits to persons on account of their unemployment under which an individual's eligibility for benefit payments is not determined by application of a "means" or "disability" test. State System also includes:
 - a. Any such system or program established by law to supplement, replace or extend the benefits available under any state or federal laws for paying benefits to persons on

account of their unemployment (such as the Trade Readjustment Allowance provided under the Federal Trade Expansion Act of 1962; as amended) and the Trade Act of 1974 or

- b. any such system or program established for the primary purpose of education or vocational training where such programs may provide for training allowances.
16. **"State System Benefit"** means a benefit payable under a State System, including any dependency allowances and training allowances but excluding any allowances for transportation, subsistence, equipment or other cost of training and excluding any "back-to-work" payment for a week made, in addition to the regular State System Benefit otherwise payable for such week, to an applicant who has been on layoff for a prescribed number of weeks and returns to full-time work within a prescribed period, and also shall mean a lost time benefit which an Employee received under a Workers' Compensation law or other law providing benefits for occupational injury or disease, while not totally disabled and while ineligible for an accident and sickness benefit under Section VII of the Insurance Plan. If an Employee receives a Workers' Compensation benefit while working full time and a higher Workers' Compensation benefit while on layoff from the Company, only the amount by which the Workers' Compensation benefit is increased shall be included.
17. **"Credit Unit"** means a Credit Unit, or fraction thereof, credited to an Employee under the Plan generally for Workweeks for which he receives pay, and cancelled at specified rates for the payment of certain benefits and includes a

Guaranteed Annual Income Credit Unit credited pursuant to Article VI-A.

18. **"Workweek"** or **"Pay Period"** means a full period commencing with 12:00 Midnight Sunday and ending one hundred and sixty-eight (168) hours thereafter.
19. **"Week"** when used in connection with a period of layoff, means a period of layoff equivalent to a Workweek. Each week within a continuous period of layoff does not constitute a new or separate layoff.
20. **"Weekly Straight-Time Budd Salary"** is the highest forty hour base salary during the one hundred eighty (180) calendar days prior to the layoff date from the contract unit (plus any applicable Cost-of-Living Allowance in effect at the time of computation of Weekly Supplemental Benefit but excluding all other premiums and bonuses of any kind).
21. **"Leveling Week Benefit"** means a weekly Supplemental Benefit payable to an eligible Employee because, with respect to the Week, he was serving a "waiting week" during a period while he had sufficient Seniority to work in the Plant but was laid off out of line of Seniority while awaiting placement in a job to which he is moving under the seniority provisions of the Collective Bargaining Agreement.
22. **"Weekly After Tax Pay"** means the amount of an Employee's Weekly Straight-Time Pay reduced by the sum of all federal, state and municipal taxes and contributions which would be required to be collected, deducted, or withheld by the Company from a regular weekly wage of such amount if paid to him for the last Pay Period he worked in the Contract Unit.

23. "Dependent" means a person recognized as a dependent under the Internal Revenue Code for establishing the Employee's withholding tax exemptions.
24. "ERISA" means the Employee Retirement Income Security Act of 1974.

ARTICLE II

ESTABLISHMENT OF FUND

The Company shall establish, in accordance with the Plan, a fund with a qualified bank or banks or a qualified trust company or companies selected by the Company and Trustee. The Company's contributions shall be made into the Fund, the assets of which shall be held, invested and applied by the Trustee, all in accordance with the Plan. Weekly Supplemental Benefits and Separation Payments shall be payable only from the Fund. The Company shall provide in the trust agreement that the assets of the fund shall be held in cash or invested only in:

- (i) general obligations of the United States Government and obligations of any agency or instrumentality of the United States Government or of any United States Government sponsored private corporation, or obligations of any other organization which are backed by the full faith and credit of, or are contractual obligations of the United States; and/or
- (ii) prime quality short-term obligations such as commercial paper, bankers acceptances, certificates of deposit, or similar investments; and/or
- (iii) a common, collective or commingled investment fund consisting of any combination of the investments under (i) and (ii) above;

irrespective of the rate of return, or the absence of any return, thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment. The Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether for normal or abnormal economic conditions or otherwise.

ARTICLE III

MAXIMUM FUNDING AND TRUST FUND POSITION

Section 1. Maximum Funding

There shall be a Maximum funding of the Fund for each calendar month (and for each pay period when required by the provisions of Section 2 of this Article).

The Maximum funding of the Fund for each month shall be determined by multiplying \$1,290.00 by the sum of (i) the number of Covered Employees on the Active Employment Rolls, and (ii) the number of persons laid off from work as Covered Employees who are not on the Active Employment Rolls but who have Credit Units; both numbers shall be as determined by the Company as of the latest date for which the figures are available prior to the first Monday in the month for which the Maximum funding is being determined (or prior to the Pay Period, if the Maximum funding is being determined for a Pay Period).

The provisions of this Section 1 shall not be construed to change in any manner whatsoever the provisions of Section 6 of Article X.

Section 2. Trust Fund Position

There shall be a Trust Fund Position (stated as a percentage) for the Fund for each calendar month. The Trust Fund Position for the Fund for any particular month shall be

determined by dividing the current market value of the total assets in the Fund as of the close of business on the last day of the immediately preceding month, as certified by the Trustee, by the Maximum funding of the Fund for such month. The Trust Fund Position for the Fund for any particular month shall be applied for all purposes under the Plan to each of the Pay Periods beginning within such month; provided, however, that whenever the Trust Fund Position for the Fund for any particular month is less than fourteen percent (14%), the Trust Fund Position shall be applied for all purposes under the Plan only to the first Pay Period beginning with such month, and thereafter there shall be determined a Trust Fund Position (stated as a percentage) for the Fund for each Pay Period until the Trust Fund Position for the particular Pay Period equals or exceeds fourteen percent (14%).

When the Trust Fund Position for a particular Pay Period equals or exceeds such percentage, such Trust Fund Position shall be applied for such purposes to each Pay Period until a Trust Fund Position for the following calendar month shall be applicable pursuant to this Section. The Trust Fund Position for the Fund for a particular Pay Period shall be determined by dividing the current market value of the total assets in the fund as of the close of business on the Friday preceding such Pay Period, as certified by the Trustee by the Maximum funding of the Fund for such Pay Period.

Section 3. Finality of Determinations

No adjustment in the Maximum Funding or the Trust Fund Position of the Fund shall be made on account of any subsequently discovered error in the computations or the figures used in making the computations, except (i) in the case of an error in bad faith, or (ii) in the case where after discovery of an error adjustment is practicable, and then the adjustment shall only be prospective in effect, unless such adjustment would be substantial in the opinion of the Company. Nothing in the foregoing shall be construed to excuse the Company from making up any shortage in its contributions to the Fund.

ARTICLE IV

CONTRIBUTIONS BY COMPANY

Section 1. Company Contributions

a. With respect to each Pay Period for which the Trust Fund Position of the fund is less than 100%, the Company shall make a contribution to the Fund of an amount to be determined by multiplying \$.23 by the total number of hours for which Covered Employees shall have received pay from the Company (Overtime hours being counted as straight-time hours) for such Pay Period (or lesser amount as will bring the total market value of the assets in the Fund up to the Maximum funding for such fund).

The Company shall make additional contributions for overtime hours that covered Employees shall have received pay from the Company by multiplying such overtime hours by \$.06 if paid at time and one-half and \$.12 if paid at double time; (or such lesser amount as will bring the total market value of the Assets in the fund up to the Maximum funding for such month).

b. Additional Company Contributions. If after any required contributions are made under Subsection a. of this Section for any Pay Period, the Fund does not have sufficient assets to pay Regular Benefits otherwise due and payable under the Plan, and if there are applications due and payable for Regular Benefits for weeks during which the Trust Fund Position exceeded 3.99% the Company shall make an additional contribution to the Fund equal to the amount of such Regular Benefits.

c. Contributions to the fund required under Section 1.a. above shall be reduced (i) to the extent of any and all amounts paid by the Company to provide Moving Allowances under the Collective Bargaining Agreement between the Company and the Union; and (ii) to the extent of any and all amounts paid by the Company for Benefits and lump sum payments to separated Employees under other agreements, dated November 1, 2000.

between the Company and the Union which specifically provides that the amount of such Benefits and lump sum payments as are paid thereunder; and (iii) by the amount of any contributions advanced by the Company under Subsection b. above.

d. (i) If contributions to the Fund are not required for any period because the current market value of the total assets in the Fund is equal to or in excess of the Maximum funding for the Fund or if the required contributions to the Fund are less than the Company contributions required to implement the provisions of Subsection c. above, then any subsequently required contributions to the Fund shall be reduced by contributions required by the provisions of Subsection c. above, not previously offset against contributions to the Fund.

(ii) The amount of any Company contributions required by the provisions of Subsection c. above that shall not have been offset against contributions to the Fund in accordance with (i) of this Subsection d. at the time the Trust Fund Position is being determined for any month or Pay Period shall be deducted from the current market value of the total assets in the Fund in determining the Trust Fund Position as provided in Section 2 of Article III of the Plan.

e. Notwithstanding any other provisions of this Agreement, the Company shall not be obligated to make any contributions to the Fund with respect to any Pay Period for which the applicable Trust Fund Position of such Fund is 100% or more, and no contribution to the Fund for any Pay Period shall be in excess of the amount necessary to bring the total market value of the assets in such Fund up to the Maximum Funding for such Fund.

Section 2. When Contributions are Payable

Each contribution by the Company shall be made on or before the close of business on the first regularly scheduled work day in the second calendar week following the pay day for the Pay Period with respect to which the contribution is being made.

ARTICLE V

ELIGIBILITY FOR WEEKLY SUPPLEMENTAL BENEFITS

Section 1. Application for Weekly Supplemental Benefits

No person shall be eligible for a Weekly Supplemental Benefit unless and until he shall have made application therefore in accordance with the procedure established by the Company hereunder and shall have met the eligibility requirements of Section 2 of this Article.

Section 2. Eligibility for a Weekly Supplemental Benefit

An applicant shall be eligible for a Weekly Supplemental Benefit only if he is on layoff from the Company with respect to the Week for which application is made and the first day of such Week is on or after the effective date in Part A, Section 1., and if

- a. such layoff:
 - 1. was from the Contract Unit;
 - 2. occurred in a reduction of force or temporary layoff, including a layoff because of the discontinuance of the Plant or an operation;
 - 3. was not for disciplinary reasons, and was not a consequence of

- (i) any strike, slowdown, work stoppage, picketing (whether or not by Employees), or concerted action at a Company Plant or Plants, or any dispute of any kind involving Employees, whether at the Company Plant or Plants or elsewhere, or
- (ii) any fault attributable to the applicant, or
- (iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith), or
- (iv) sabotage, (including, but not limited to arson), or insurrection, or
- (v) any Act of God, provided, however, that this Subparagraph (v) shall not apply to the first two (2) consecutive full weeks of Layoff for which a Regular Benefit is payable in any period of layoff resulting from such cause;

and provided, however, that if a layoff for one or more of the reasons in this Section 2.a.3. was not for all of the working days of such week, an applicant shall not be considered ineligible for a Benefit for the remainder of the working days in such week solely because of this Section 2.a.3.; and

b. with respect to such Week, the applicant:

- 1. had to his credit a Credit Unit or fraction thereof;
- 2. has met any registration and reporting requirements of an employment office of the applicable State System, except that this subparagraph shall not apply to an Employee

who was ineligible for State System Benefit or "waiting week" credit for the week only because of the reason specified in item (iv) of the Subsection b of this Section (period of work, amount of pay or full-time employment by an employer other than the Company) or the reason specified in item (ix) of Subsection b of this Section (failure to claim a State System Benefit which would have amounted to less than \$2) or the reason specified in the second clause of item (vii) of Subsection b of this Section (short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit), or was on short-term active duty of 30 days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency;

3. has received a State System Unemployment Benefit not currently under protest by the Company or was ineligible to receive a State System Unemployment Benefit only for one or more of the following reasons:

- (i) because the Week was a second "waiting week" within his benefit year under the State System, or was a State System "waiting week" immediately following a Week for which he received a State System Benefit or occurring within less than 52 weeks since his last State System "waiting week" or
- (ii) because he did not have prior to his layoff a sufficient period of work or earnings in employment covered by the State System, or

- (iii) because of a limit under the State System of the period of time for which State System Unemployment Benefits are payable to the applicant, or
- (iv) the period he worked or because his pay (from the Company and from any other employer(s)) for the Week equaled or exceeded the amount which disqualifies him for a State System Benefit or "waiting week" credit; or because he was employed full time by an employer other than the Company, or
- (v) because he is serving a "waiting week" of layoff under the applicable State System during a period while he has sufficient seniority to work in the Plant but is laid off out of line of seniority in accordance with the terms of the Collective Bargaining Agreement (leveling week), or
- (vi) because he has refused an offer of work by the Company which he had an option to refuse under an applicable collective bargaining agreement or which he may refuse without disqualification under Section 2.b.4. of this Article V, or
- (vii) he was receiving pay for military service with respect to a period following his release from active duty therein; or was on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of 30 days or

less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency, or

(viii) because he was eligible for or receiving statutory benefits for retirement or disability which he could have received while working full time, or

(ix) because he failed to claim a State System Unemployment Benefit for such Week if by reason of wages or remuneration received or receivable such State System Unemployment Benefit would have amounted to less than Two Dollars (\$2), or

(x) because he was on layoff because he was unable to do work offered by the Company while able to perform other work in the Plant to which he would have been entitled if he had had sufficient Seniority, or

(xi) because he was denied a State System Benefit and it is determined that, under the circumstances, it would be contrary to the Plan to deny him a Benefit;

4. has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the Company of other available work, which he had no option to refuse under the provisions of an applicable Collective Bargaining Agreement, at the same Plant or at another Plant in the same labor market area (as

defined by State Employment Security Commission of the State in which the Plant from which he was laid off is located);

5. was not eligible for, and was not claiming, any accident or sickness or other disability benefit (other than a disability benefit which would be payable to the applicant, whether or not he was working full time, or a survivor's allowance under Workers' Compensation laws, or a lost time benefit which he received under a Workers' Compensation law or other law providing benefits for occupational injury or disease while not totally disabled and while ineligible for an accident and sickness benefit under Section VII of the Insurance Plan), whether publicly or privately financed, or a pension or retirement benefit financed in whole or in part by the Company except that an employee on the employment rolls who is receiving a pension or retirement benefit required by Article VIII - 8.13 of The Budd-UAW Consolidated Retirement Benefit Plan and/or a similar provision in any other Company pension or retirement plan, shall be eligible for a regular benefit, if otherwise eligible, reduced by the weekly equivalent of the gross monthly pension or retirement benefit(s) and fifty percent of the monthly amount of any Social Security old age or disability benefit; and, provided that if an applicant was not eligible for, and was not claiming such benefits with respect to all of the working days of such week, he shall not be considered ineligible for a Benefit for the remainder of such working days solely because of this Section 2.b.5.;
6. with respect to such Week the Employee was not in military service (other than short-term active duty of 30 days or less, including

required military training, in a National Guard, Reserve or similar unit) or on a military leave;

7. if an Employee is on short-term active duty of 30 days or less, for required military training, in a National Guard, Reserve or similar unit and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period solely because he would be on a qualifying layoff but for such active duty, he will be deemed to be on a qualifying layoff, for the determination of eligibility for not more than two Regular Benefits in a calendar year, provided, however, that this two Regular Benefit limitation shall not apply to short-term active duty of 30 days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency;
8. did not receive any unemployment benefit from, or under any contract, plan or arrangement of, any other employer, and he was not eligible for such a benefit from, or under any contract, plan or arrangement of, any employer with whom he has greater seniority than with the Company or under any other "S.U.B." Plan of the Company in which he had Credit Units which were credited earlier than his oldest Credit Units under the Plan; and
9. his Benefit computed under the Plan is at least Two Dollars (\$2).

Section 3. Protest of Application for State System Unemployment Benefit

With respect to any Week for which an applicant for a Weekly Supplemental Benefit has applied for and been denied a State System Unemployment Benefit, which denial is being protested by the applicant through the procedure provided therefore under the State System, and also with respect to any week for which the Applicant has received a State System Unemployment Benefit, payment of which is being protested by the Company through the procedure provided therefore under the State System (and such protest has not, upon appeal pursuant to the procedure set forth in Article XI, been held by the Board to be frivolous), the Weekly Supplemental Benefit shall not be paid to the applicant, but, if the applicant is eligible to receive a Weekly Supplemental Benefit under the Plan except for such denial, or protest, of the State System Unemployment Benefit, the payment of such Weekly Supplemental Benefit shall be suspended until such dispute shall have been determined. If the dispute shall be finally determined in favor of the applicant, the Weekly Supplemental Benefit shall be paid to him if and to the extent that he had not exhausted Credit Units subsequent to the Week of the Weekly Supplemental Benefit in dispute; if the dispute shall be finally determined adversely to the applicant, he shall be disqualified for such Weekly Supplemental Benefit, except as otherwise provided in Section 2.b.3. of this Article V.

Section 4. Benefits Payable After Appeal

In the event that an appeal pursuant to Section 5 of Article XI of the Plan with respect to entitlement to a benefit is decided in favor of an applicant, said Weekly Supplemental Benefit shall be paid to him if and to the extent that he had not exhausted Credit Units after the Week of the Weekly Supplemental Benefit dispute.

ARTICLE VI

CREDIT UNITS

Section 1. General

Credit Units shall have no fixed value in terms of either time or money, but shall be a means of determining eligibility for and duration of benefits.

Section 2. Accrual of Credit Units

a. Credit Units shall be credited at the rate of 1/2 of a Credit Unit for each Workweek for which the Employee: (1) receives any pay from the Company, (2) does not receive pay from the Company but for which he receives a Leveling Week Benefit, (3) was on a military leave of absence in accordance with the provisions of the Collective Bargaining Agreement, or (4) was absent from work because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence received Workers' Compensation while on Company-approved leave of absence.

b. For the purpose of accruing Credit Units under this Section:

1. all hours represented by pay in lieu of vacation shall be counted as hours in the Workweek covered by the pay day as of which payment in lieu of vacation was made, and
2. back pay shall be considered as pay for any Workweek or Workweeks to which it may be allocable.

c. No Employee may have to his credit in the aggregate at any one time more than 52 Credit Units.

d. No Employee shall be credited with any Credit Unit prior to the first day as of which he (1) has at least 1 year of Seniority and (2) is on Active Employment Rolls in the Contract Unit (or was on such rolls within 30 days prior to such first day) or is absent from work on (or was absent from work within 30 days prior to) such first day solely because of occupational injury or disease incurred in the course of such Employee's employment with the Company and on account of such absence is receiving Workers' Compensation while on Company-approved leave of absence. As of such day he shall be credited with Credit Units based upon his Workweeks occurring while he is an Employee.

e. An Employee who has Credit Units as of the last day of a Week shall be deemed to have them for all of such Week; provided, however, that an Employee who has Credit Units during part of a Week but forfeits them due to breaking Seniority during such Week by reason of death or of retirement under the Retirement Plan established by agreement between the Company and the Union shall be deemed to have Credit Units for all of such Week.

f. At such time as the amount of any Weekly Supplemental Benefit overpayment is repaid to the Fund, except as otherwise provided in the Plan, the number of Credit Units, if any, theretofore cancelled with respect to such overpayment of Weekly Supplemental Benefits shall be restored to the Employee except to the extent of the number of Guaranteed Annual Income Credit Units which have been credited to such Employee between the date of such overpayment and the date of such repayment and which would not have been credited had the Credit Units been restored at the time such Guaranteed Annual Income Credit Units were credited to him, and except to the extent that such restoration would raise the number of his Credit Units at the time thereof above 52 and except as otherwise provided with respect to Credit Unit forfeiture under Section 3 of this article.

Section 3. Forfeiture of Credit Units

a. An Employee shall forfeit permanently all Credit Units with which he shall have been credited and, with respect to Subsections (i) and (iii) only of this Section 3, shall be ineligible

to be credited with Guaranteed Annual Income Credit Units on the next succeeding Guarantee Date or other date of eligibility, if at any time

- (i) he shall incur a Break in Seniority; provided, however, that if an Employee receiving benefits under the total and permanent disability provisions of the Retirement Plan established by agreement between the Company and the Union and shall subsequently have his Seniority reinstated, his Credit Units previously forfeited shall again be credited to him as of his reinstatement, and as of such date he shall again become eligible to have Guaranteed Annual Income Credit Units credited to him,
- (ii) he shall be on layoff from the Contract Unit for a continuous period of twenty-four (24) months, except that if at the expiration of such twenty-four (24) month period he is receiving Weekly Supplemental benefits, his Credit Units shall not be forfeited until he ceases to receive benefits, or
- (iii) he shall willfully misrepresent any material fact in connection with an application by him for Benefits under the Plan.

b. A person shall forfeit permanently any Credit Units with which he shall have been credited that are in excess of the maximum number provided for in Section 1 of this Article VI.

c. If an Employee with one or more years of Seniority breaks Seniority because he quit, and further, if:

- (i) within 31 days from the date Seniority was broken in the Bargaining Unit the Employee becomes employed at a second plant, and

- (ii) the second plant is a plant at which production operations commenced not more than 24 months prior to the date the Employee became employed at the plant, and
- (iii) the second plant is covered by this Plan or subsequently becomes covered by this Plan within one year from the Employee's date of hire at the plant, upon written application, any Credit Units forfeited because of such quit will be reinstated in the new Bargaining Unit as of the date the Employee acquires Seniority in the new Bargaining Unit.

ARTICLE VI-A

GUARANTEED ANNUAL INCOME CREDIT UNITS

Section 1. Crediting of Guaranteed Annual Income Credit Units

a. An Employee who is on the Active Employment Roll in the Contract Unit and has at least one year of Seniority on a Guarantee Date (as defined in Section 2 of this Article) shall be credited as of the day following such Guarantee Date with the number of Guaranteed Annual Income Credit Units (as defined in Section 3 of this Article), if any, determined by:

1. subtracting from 52 the number of Credit Units to his credit on the Guarantee Date; and
2. multiplying the resulting number by the applicable percentage set forth in the following table:

Years of Seniority on the Guarantee Date	Applicable Percentage
1 but less than 2	25%
2 but less than 4	50%
4 but less than 7	75%
7 and over	100%

b. If Guaranteed Annual Income Credit Units were not credited to an Employee on a Guarantee Date solely because he did not then have at least one year of Seniority or was not then on the Active Employment Roll in the Contract Unit, but on any day within the 52 Pay Periods following such Guarantee Date such Employee has at least one year of Seniority and is then on the Active Employment Roll in the Contract Unit, he shall be entitled to be credited with Guaranteed Annual Income Credit Units as of the day following the end of the first Pay Period in which he meets such requirements. The number of Guaranteed Annual Income Credit Units, if any, to be credited to such Employee shall be the number determined by:

1. subtracting from 52 the number of Pay Periods between the preceding Guarantee Date and the last day of such Pay Period; and
2. subtracting from the resulting number the number of Credit Units to the Employee's credit on such last day; and
3. multiplying that resulting number by the percentage in the table in Subsection a.2. of this Section, applicable to the Employee's Seniority on the preceding Guarantee Date (or the date subsequent thereto on which he acquired one year of Seniority).

c. With respect to Paragraphs (a.) and (b.) of this Section 1, an Employee who reports for work at the expiration of a recorded illness leave of absence and for whom there is no work available in line with his seniority and who then is placed on

layoff status shall be deemed to be on the Active Employment Roll.

Section 2. Guarantee Date

The term Guarantee Date shall mean the third Sunday in August.

Section 3. Guaranteed Annual Income Credit Unit

A Guaranteed Annual Income Credit Unit shall be deemed in all respects for all purposes the same as a Credit Unit credited pursuant to Article VI except that Guaranteed Annual Income Credit Units shall be credited only pursuant to the provisions of this Article.

ARTICLE VII

AMOUNT OF WEEKLY SUPPLEMENTAL BENEFIT

Section 1. Weekly Supplemental Benefit

a. The Weekly Supplemental Benefit for any week commencing on or after the effective date in Section 1 of Part A shall be an amount which when added to his State Benefit and Other Compensation will equal 95% of his Weekly After Tax Pay, minus \$12.50 to take into account work related expenses not incurred; provided, however, that such Benefit shall not exceed \$125 for any Week with respect to which the Employee is not receiving State System Benefits because of a reason listed in Item (iii) or (vi) of Section 2.b.3. of Article V and is laid off or continues on layoff by reason of having refused to accept work when recalled pursuant to the Collective Bargaining Agreement or having refused an offer by the Company of other available work at the same Plant or at another Plant in the same labor market area (as defined in Section 2.b.4. of Article V).

b. With respect to a Weekly Supplemental Benefit, the Weekly Straight-time Budd salary as determined in Article I

shall be adjusted to reflect the amount of the improvement factor increase, if any, which became effective (pursuant to the Collective Bargaining Agreement) after the day or period (or during the period) used to establish his Weekly Straight-time Budd salary. In such event the amount of improvement factor increase shall be the amount applicable to the job classification in which the Employee worked either on the day, or the last day of the period, whichever is applicable, for which his Weekly Straight-time Budd Salary was determined in Article 1. The adjusted Weekly Straight-time Budd Salary shall be effective with respect to Benefits which may be payable for and subsequent to the Week in which such improvement factor increase became or becomes effective.

c. An applicant ineligible under Section 2.a.3. or Section 2.b.5. of Article V for a Weekly Supplemental Benefit for a part of a Week shall be entitled to a Weekly Supplemental Benefit in a reduced amount equal to one-fifth of the full Weekly Supplemental Benefit computed under this Section 1 for each work day of the week in which he meets all the eligibility requirements of Section 2 of Article V.

Section 2. State Benefit and Other Compensation

a. An Employee's "State Benefit and Other Compensation" for a Week means:

1. the amount of State System Benefit received or receivable by the Employee for such Week; plus
2. all pay received or receivable by the Employee from the Company (including holiday payments and payments for scheduled vacations but not payments in lieu of vacation) and the amount of any pay which could have been earned, computed, as if payable for hours made available by the Company but not worked, after reasonable notice has been given to the Employee for such Week; provided, however, that if the

hours made available but not worked are hours which the Employee had an option to refuse under the Collective Bargaining Agreement or which he could refuse without disqualification under Section 2.b.4. of Article V, such hours shall not be considered as hours made available by the Company and provided, further, that if wages or remuneration or any military pay are received or receivable by the Employee from employers other than the Company and are applicable to the same period as hours made available by the Company but not worked, only the greater of (a) such wages or remuneration or military pay in excess of the greater of \$10 or 20% of such wages or remuneration from other employers, or military pay in excess of \$10, or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included; and provided, further, that all of the pay received or receivable by the Employee for a shift which extends through midnight shall be allocated .

- (i) to the day on which the shift started if he was on layoff with respect to the corresponding shift on the following day;
- (ii) to the day on which the shift ended if he was on layoff with respect to the corresponding shift on the preceding day; or
- (iii) according to the pay for the hours worked each day, if he was on layoff with respect to the corresponding shifts on both the preceding and the following days;

and in any such event, the maximum Weekly Supplemental Benefit amount shall be modified to any extent necessary so that the Employee's Benefit will be increased to offset any reduction in his State System Benefit which may have resulted solely from the State System's allocation of his earnings for such a shift otherwise than as prescribed in this provision; plus

3. all wages or remuneration, as defined under the law of the applicable State System in excess of the greater of \$10 or 20% of such wages or remuneration received or receivable from other employers for such Week excluding such wages or remuneration which were considered in the calculation under Subsection a.2. of this Section; plus
4. the amount of all military pay in excess of \$10 received or receivable for such Week, excluding such military pay which was considered in the calculation under Subsection a.2. of this Section.

b. If the State System Benefit received by the Employee for a state week shall be for less, or more, than a full state week (for reasons other than his receipt of wages or remuneration for such state week):

1. because he has been disqualified or otherwise determined ineligible for a portion of his State System Benefit for reasons other than those set forth in Section 2.b.3. of Article V, or
2. because the state week for which the benefit is paid includes one or more "waiting period effective days", or

3. because of an underpayment or overpayment of a previous State System Benefit, the amount of the State System Benefit to which he otherwise would have been entitled for such state week shall be used in the calculation of "State Benefit and Other Compensation" for such state week.

Section 3. Insufficient Credit Units for Full Benefit

If an applicant shall have available less than the full number of Credit Units required to be cancelled for the full amount of the Weekly Supplemental Benefit (as set forth in Article VIII) for any week for which he is otherwise eligible, he shall be paid the full amount of such Benefit and in such event all remaining Credit Units or fractions thereof shall be cancelled.

Section 4. Effect of Low Trust Fund Position

A low Trust Fund Position for any week shall result in payment of any Benefit for such week in accordance with the following table:

Employee's Seniority as of last day of Week for which any Benefit is being computed	<u>0% to 3.99%</u>	<u>4% to 13.99%</u>	<u>14% and over</u>
Less than 10 years	None	*20% Reduction	Full Benefit
10 to 20 years	*20% Reduction	Full Benefit	Full Benefit
20 years and over	Full Benefit	Full Benefit	Full Benefit

Assets in the fund resulting from Company contributions made in accordance with Article IV, Section 1 (b.) shall be utilized solely to pay claims upon which the amount of such contributions was determined.

*Payment shall not be less than \$5.00 by reason of such reduction.

Section 5. Withholding Tax

The Trustee or the Company shall deduct from the amount of any Benefit (or Separation Payment) as computed under the Plan any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise to any federal, state or municipal government. In determining the amount of any applicable tax entailing personal exemptions, the Trustee or the Company shall be entitled to rely on the official form filed by the Employee with the Company for purposes of income tax withholding on regular wages. Effective with layoffs commencing on or after June 1, 1985, the Company shall be entitled to rely upon the official form filed by the Employee with the Company for enrollment for Health Care Benefits purposes. The Employee shall have the burden of establishing that he is entitled to a greater number of dependents than he shall have claimed on such forms.

Section 6. Deduction of Union Dues

The Trustee, upon authorization from an Employee, and during any period while there is in effect an agreement between the Company and the Union concerning the maintaining of the Plan, shall deduct monthly Union dues from Weekly Supplemental Benefits paid under the Plan and pay such sums directly to the Union in his behalf.

ARTICLE VIII

DURATION OF BENEFITS

Section 1. Number of Weeks of Benefits

The number of Weeks for which an eligible applicant shall receive a Weekly Supplemental Benefit Payment shall be determined on the basis of the number of his Credit Units and the Trust fund Position applicable to the weeks for which Weekly Supplemental Benefits are paid to him. When all of an eligible applicant's Credit Units shall have been cancelled, he shall be entitled to no further Weekly Supplemental Benefits until he shall have been credited with additional Credit Units.

Section 2. Credit Units to be Cancelled on Payment of a Benefit

a. The number of Credit Units to be cancelled for any Weekly Supplemental Benefit shall be determined in accordance with the following table, provided, however, that, for purposes of such table, Seniority for an Employee who breaks Seniority during a Week by reason of death or of retirement under the Retirement Plan established by agreement between the Company and the Union shall be his Seniority as of the date his Seniority is broken for such reason:

If the Trust Fund Position Applicable to the Week for Which Such Benefit Is Paid Is:	And If the Seniority of the Person to Whom Such Benefit Is Paid Is:					
	1	5	10	15	20	25
	to 5	to 10	to 15	to 20	to 25	Years
	Year	Year	Year	Year	Year	And Over
	\$	\$	\$	\$	\$	
The Credit Units Cancelled for Such Benefit Shall Be:						
70% or Over	1.00	1.00	1.00	1.00	1.00	1.00
63-69.99%	1.11	1.00	1.00	1.00	1.00	1.00
56-62.99%	1.25	1.11	1.00	1.00	1.00	1.00
50-55.99%	1.43	1.25	1.11	1.00	1.00	1.00
42-49.99%	1.67	1.43	1.25	1.11	1.00	1.00
35-41.99%	2.00	1.67	1.43	1.25	1.00	1.00
29-34.99%	2.50	2.00	1.67	1.43	1.00	1.00
21-28.99%	3.33	2.50	2.00	1.43	1.00	1.00
14-20.99%	5.00	3.33	2.00	1.43	1.00	1.00
4-13.99%	10.00	5.00	2.00	1.43	1.00	1.00
0- 3.99%	No Benefits Payable		2.00	1.43	1.00	1.00

b. provided, however, that no Credit Units shall be cancelled when an Employee receives a Leveling Week Benefit; and provided further that

c. If an Employee receives a reinstated Accident and Sickness Wage Replacement Benefit paid under Section VII of the Insurance Plan with respect to any Week, there shall be cancelled the number of Credit Units which would have been cancelled if he had received a Regular Benefit for such Week. If an Employee receives such reinstated Accident and Sickness Wage Replacement Benefit for a portion of a Week, and does not receive a Regular Benefit with respect to any part of such Week, only one-half the number of such Credit Units shall be cancelled for the reinstated Accident and Sickness Wage Replacement Benefit. If an Employee receives a reinstated Accident and

Sickness Wage Replacement Benefit for a portion of a Week and also receives a Regular Benefit under Article V, Section 2.a.3., 2.b.3. (v) or 2.b.5. for such Week, no Credit Units will be cancelled for the reinstated Accident and Sickness Wage Replacement Benefit.

Section 3. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall, while in such service, be deemed for purposes of the Plan to be on leave of absence and shall not be entitled to any Benefit and

a. all Credit Units credited to such an Employee at the time of his entry into such service, plus

b. any Credit Units for which he is entitled to be credited with respect to the period of his military leave of absence, or

c. any Credit Units earned prior to or with respect to the period of his military leave of absence that would have been credited to him on or after the date he attained 1 year of Seniority if he had been on the Active Employment Roll on or after such date, notwithstanding the provisions of Section 2.d. of Article VI shall be credited to him upon his reinstatement as an Employee in accordance with the terms of his Company approved leave of absence. This Section shall not affect the payment of Benefits to, or the cancellation of Credit Units of, any Employee deemed to be on qualifying layoff because of the provisions of Section 2.b.7. of Article V.

ARTICLE IX

CONDITIONS TO EFFECTIVENESS AND CONTINUATION OF PLAN

Section 1. Effect of Revocation of Federal Rulings

In the event that any rulings or determination letters which have been or may be obtained by the Company holding

a. that contributions to the Fund shall constitute currently deductible expenses and that the Fund shall be exempt from income taxes under the Internal Revenue Code of 1954, as now in effect, or as it may be hereafter amended or under any other applicable federal income tax law, or

b. that no part of any such contributions shall be included for purposes of the Fair Labor Standards Act in the regular rate of any Employee shall be revoked or modified in such manner as no longer to be satisfactory to the Company, all obligations of the Company under the Plan shall cease and the Plan shall thereupon terminate and be of no further effect (without in any way affecting the validity or operation of the Collective Bargaining Agreement except for the purposes of disposing of the assets in the Fund as set forth in Article X, Section 8.

Section 2. Effect of Withholding

If the Company at any time shall be required to withhold any amount from any contribution to the Fund by reason of any Federal, State or Municipal Law or regulation, the Company shall have the right to deduct such amount from such contribution and to pay only the balance to the Fund.

Section 3. Supplementation of State System Unemployment Benefits

a. With respect to Weekly Supplemental Benefits, it is the purpose of the Plan to supplement State System Unemployment Benefits to the levels herein provided, and not to replace or duplicate them.

b. For purposes of this Article, "Supplementation" means recognition of the right of a person to receive both a State System Unemployment Benefit and a Weekly Supplemental Benefit under the Plan for the same Week of layoff at approximately the same time and without reduction of the State System Unemployment Benefit because of the payment of the Weekly Supplemental Benefit under the Plan.

ARTICLE X

MISCELLANEOUS

Section 1. Liability

a. The provisions of these Articles I through XII constitute the entire Plan. The provisions of Article IV express, and shall be deemed to express, completely each and every obligation of the Company with respect to the financing of the Plan and providing for Weekly Supplemental Benefits and Separation Payments. Without limiting the foregoing, no Weekly Supplemental Benefit or Separation Payment shall be payable from the fund except as stated in the Plan, and the Company shall not be obligated to provide for any Weekly Supplemental Benefit or Separation Payment not provided for in the Plan or to make any contribution to the fund not specifically provided for in the Plan, even though the assets in the fund should be insufficient to pay such Benefits and Separation Payments to which eligible persons would have been entitled under the Plan were the assets of such Fund adequate to pay such Benefits and Separation Payments; and the Union shall not call upon the Company to make or provide for any such Benefit or Separation Payment. The Company shall not be obligated to make up, or to provide for making up, any depreciation, or loss arising from depreciation, in the value of the securities held in the Fund (other than as contributions by the Company may be required under the provisions of Article IV when the Trust Fund Position is less than 100%); and the Union shall not call upon the Company to make up; or to provide for making up, any such depreciation or loss.

b. The Board, the Company, the Trustee and the Union and each of them, shall not be liable because of any act or failure to act on the part of any of the others, and each is authorized to rely upon the correctness of any information furnished to it by an authorized representative of any of the others.

c. The Trustee shall be directed to hold or to invest the assets of the Fund only in cash or invested in:

- (i) *general obligations of the United States Government and obligations of any agency or instrumentality of the United States Government or of any United States Government sponsored private corporation, or obligations of any other organization which are backed by the full faith and credit of, or are contractual obligations of the United States; and/or*
- (ii) *prime quality short-term obligations such as commercial paper, bankers acceptances, certificates of deposit, or similar investments, and/or*
- (iii) *a common, collective or commingled investment fund consisting of any combination of the investments under (i) and (ii) above;*

irrespective of the rate of return, or the absence of any return thereon, and without any absolute or relative limit upon the amount that may be invested in any one or more types of investment; and the Trustee shall not be liable for the making or retaining of any such investment or for realized or unrealized loss thereon whether from normal or abnormal economic conditions or otherwise.

d. Notwithstanding the above provisions, nothing in this Section shall be deemed to relieve any person from liability for willful misconduct or fraud.

Section 2. Company Authority

Nothing contained herein shall be deemed to qualify, limit, or alter in any manner the Company's sole and complete authority and discretion to establish, regulate, determine, or modify at any time levels of employment, hours of work, the extent of hiring and layoff, production schedules, manufacturing methods, the products and parts thereof to be manufactured, where and when work shall be done, marketing of its products, or any other matter related to the conduct of its business or the

manper in which its business is to be managed or carried on, in the same manner and to the same extent as if the Plan were not in existence; nor shall it be deemed to confer either upon the Union or the Board any voice in such matters.

Section 3. Armed Services

An Employee who enters the Armed Services of the United States directly from the employ of the Company shall while in such service be deemed for the purposes of the Plan, as on leave of absence and shall not be entitled to any Benefit or Separation Payment.

Section 4. Applicable Law

The Plan and all rights and duties thereunder shall be governed, construed, and administered in accordance with the laws of the State of Michigan, except that the eligibility of a person for, and the amount and duration of, State System Unemployment Benefits shall be determined in accordance with the laws of the state from which the person is claiming benefits.

Section 5. To Whom Weekly Supplemental Benefits and Separation Payments are Payable Under Certain Conditions

Weekly Supplemental Benefits and Separation Payments shall be payable hereunder only to the person who is eligible therefore, except that if the Board shall find that such a person is deceased or is unable to manage his affairs for any reason, any such Benefit or Separation Payment payable to him shall be paid to his duly appointed legal representative, if there be one, and if not, to the spouse, parents, children, or other relatives or dependents of such person as the Board in its discretion may determine. Any Weekly Supplemental Benefit or Separation Payment so paid shall be a complete discharge of any liability with respect to such Benefit or Separation Payment. In the case of death, no Weekly Supplemental Benefit shall be payable with respect to any period following the last day of layoff immediately preceding the person's death.

Section 6. No Vested Interest

No person shall have any right, title or interest in or to any of the assets of the Fund or in or to any Company contribution thereto.

Section 7. Nonalienation of Weekly Supplemental Benefits and Separation Payments

No Weekly Supplemental Benefit or Separation Payment shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution, or encumbrance of any kind other than an Assignment and Authorization for Check-Off of Union Dues, and any attempt to accomplish same shall be void. In the event that the Board shall find that such an attempt has been made with respect to any such Benefit or Separation Payment due or to become due to any person, the Board in its sole discretion may terminate the interest of such person in such Benefit or Separation Payment and apply the amount of such Benefit or Separation Payment to or for the benefit of such person, his spouse, parents, children or other relatives or dependents as the Board may determine, and any such application shall be a complete discharge of all liability with respect to such Benefit or Separation Payment.

Section 8. Amendment and Termination of the Plan

a. So long as the Agreement Concerning Supplemental Unemployment Benefit Plan shall remain in effect, the Plan shall not be amended, modified, suspended, or terminated, except as may be proper or permissible under the terms of the Plan or such Agreement. Upon the termination of such Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend, or terminate the Plan, except as may be otherwise provided in any subsequent agreement between the Company and the Union.

b. Upon any termination of the Plan, the Plan shall terminate in all respects except that the assets then remaining in the fund shall be used to pay expenses of administration and to pay Benefits to eligible Employees for a period of one (1) year

following termination, if not sooner exhausted. The Plan provisions with respect to the effect of a low Trust fund Position on the payment of Benefits shall not be applicable. At the expiration of such one (1) year period, the parties shall endeavor to negotiate a program for the orderly disposition of any remaining assets of the Fund for Employee benefits not inconsistent with the purposes of the Plan.

Section 9. Status of Employee Receiving Weekly Supplemental Benefits and Separation Payments

Neither the Company's contributions nor any Weekly Supplemental Benefit or Separation Payment paid under the Plan shall be considered a part of an Employee's wages for any purpose (except as Separation Payments paid under Article XII and Weekly Supplemental Benefits are treated as if they were "wages" solely for purposes of Federal Income Tax withholding as provided in the 1969 Tax Reform Act). No Employee who receives any Weekly Supplemental Benefit or Separation Payment shall for that reason be deemed an Employee of the Company during such period, and he shall not thereby accrue any greater right to participate in, accrue credits or receive benefits under any other Employee benefit plan to which the Company contributes than he would if he were not receiving such Weekly Supplemental Benefit or Separation Payment.

Section 10. Named Fiduciary

Pursuant to ERISA, the Company shall be the sole named fiduciary with respect to the Plan and, except as otherwise stated with respect to the powers and authority of the Board of Administration in Section 6 of Article XI, below, shall have authority to control and manage the operation and administration of the Plan.

ARTICLE XI

ADMINISTRATION OF THE PLAN

Section 1. General

The determination of the eligibility under the Plan of any Employee who applies for Weekly Supplemental Benefit or Separation Payment and the payment under the Plan of such Weekly Supplemental Benefit or Separation Payment shall be made and administered under and in accordance with the provisions of this Article.

It shall be the function of the Board of Administration established pursuant to Section 6 of this Article to exercise ultimate responsibility for determining whether such Employee is eligible for a Weekly Supplemental Benefit or Separation Payment under the terms of the Plan, and, if so, the amount of such Weekly Supplemental Benefit or Separation Payment; provided, however, that the Company shall make the initial determination on both points with respect to the application for each such Weekly Supplemental Benefit or Separation Payment. The Board shall be presumed conclusively to have approved any such determination by the Company unless the Employee who applied for such Weekly Supplemental Benefit or Separation Payment shall have appealed from the determination by the Company in the manner and within the time prescribed in Section 5 of this Article.

Section 2. Application for a Weekly Supplemental Benefit or Separation Payment

a. An application for a Weekly Supplemental Benefit or for a Separation Payment may be filed, either in person or by mail, in accordance with procedures established by the Company. No application for a Weekly Supplemental Benefit shall be accepted unless it is submitted to the Company within 60 calendar days after the end of the Week with respect to which it is made; provided, however, that if the amount of the Employee's State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a Weekly Supplemental

Benefit or for a Weekly Supplemental Benefit in a greater amount than that previously paid, he may apply within 60 calendar days after the date on which such basis for eligibility is established.

b. Application Information. Applications filed for a Weekly Supplemental Benefit or a Separation Payment under the Plan shall include:

1. in writing any information deemed relevant by the Company with respect to other benefits received, earnings and the source and amount thereof, dependents and such other information as the Company may require in order to determine whether the Employee is eligible to be paid a Weekly Supplemental Benefit or Separation Payment and the amount thereof; and
2. with respect to a Weekly Supplemental Benefit, the exhibition of the Employee's State System Benefit check or other evidence satisfactory to the Company of either
 - (i) his receipt of or entitlement to a State System Benefit, or
 - (ii) his ineligibility for a State System Benefit only for one or more of the reasons specified in Section 2.b. of Article V, provided, however, that in the case of State System Benefit ineligibility by reason of the period worked in the Week, pay received from the Company or from any other employer(s), or because of full time employment with an employer other than the Company (item (iv) of Section 2.b. of Article V), State System evidence for such reason of ineligibility shall not be required. State System Benefits shall be

presumed to have been received by the Employee on the date of the check as set forth on the check or on the satisfactory evidence referred to in the preceding paragraph.

Section 3. Determination of Eligibility

a. When an Employee files an application for a Weekly Supplemental Benefit or Separation Payment under the Plan in accordance with Section 2 of this Article, and furnishes to the Company the evidence and information required to be furnished under such Section, the Company promptly thereafter shall:

1. determine whether such Employee is an eligible Employee, and if he is determined to be an eligible Employee,
2. determine the number of uncanceled Credit Units to the credit of such eligible Employee (if this application is for a Weekly Supplemental Benefit), and
3. determine whether any Weekly Supplemental Benefit or Separation Payment is payable to such eligible Employee, and if so, the amount thereof.

- b. If the Company or the Board shall determine that any Benefit paid under the Plan shall not have been paid or should have been paid in a lesser amount (as a result of a subsequent disqualification for State System Benefits or otherwise), written notice thereof shall be mailed to the Employee receiving such Benefit and he shall return the amount of overpayment to the Trustee; providing, however, that no such repayment shall be required if the cumulative overpayment is \$3.00 or less, or if notice has not been given within 120 days from

the date the overpayment was established or created, except that no such limitation shall be applicable in cases of fraud or willful misrepresentation. Such 120-day limit for notifying Employees of any SUB benefit overpayment which results from a Company error in calculating a SUB benefit shall be determined as beginning on the date of issue of the SUB benefit draft or check involved.

c. If the Employee shall fail to return such amount promptly, the Trustee shall arrange to reimburse the Fund for the amount of the overpayment by making a deduction from any future benefits (not to exceed \$20 from any one Benefit except in cases of fraud or willful misrepresentation) or Separation Payment otherwise payable to such Employee or by requesting the Company to make a deduction from compensation payable by the Company to such Employee (not to exceed \$30 from any one paycheck except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the Employee's compensation and to pay the amount deducted to the Trustee.

d. Except as otherwise provided in the Plan, at such time as such amount of overpayment is recovered by the Fund, the number of Credit Units of such Employee, if any, theretofore cancelled with respect to such overpayment of Weekly Supplemental Benefits shall be restored to him, except to the extent that such restoration would raise the number of his Credit Units at the time thereof above the number permitted by Article VI to be to his credit at any one time, and except as otherwise provided in Article VI, Section 2. If the Company or the Board determines, after issuance of a Separation Payment, that the Separation Payment should not have been issued or should have been in a lesser amount, written notice thereof shall be mailed to the applicant, and he shall return the amount of the overpayment to the Trustee.

e. If the Company determines that an Employee is not entitled to a Weekly Supplemental Benefit with respect to the Week for which application for such Benefit is made or to a

Separation Payment, it shall send prompt written notice thereof to him. If the Company determines that an Employee would be entitled to a Separation Payment but for the requirements of Article XII relating to Trust fund Position, it shall send prompt written notice thereof to him.

f. In determining an applicant's Dependents for purposes of Weekly Supplemental Benefit determination, the Company (and the Board) shall be entitled to rely upon the official form filed by the applicant with Company for income tax withholding purposes; and the applicant shall have the burden of establishing separately with respect to each of his benefit years under the State System that he is entitled to a greater number of withholding exemptions than he shall have claimed on such form.

g. The Company shall furnish promptly to the Union members of the plant Joint Supplemental Benefit Committee (established pursuant to Subsection 6. b. of this Article XI), copies of all Company determinations of Weekly Supplemental Benefit or Separation Payment ineligibility or overpayment.

Section 4. Powers and Authority of the Company

The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Article, including, without limitation, the following:

- a. To obtain from Employees, filing applications for Weekly Supplemental Benefits, or Separation Payments, eligible persons, the Trustee, the Board and elsewhere such information as the Company shall deem necessary in order to carry out its duties under this Article.
- b. To investigate the correctness and validity of information furnished by any Employee who applies for a Weekly Supplemental Benefit or Separation Payment.
- c. To make appropriate determinations pursuant to this Article.

- d. To determine the Trust Fund Position of the fund in the manner and at the times specified in the Plan, including collection of the data necessary to make such determinations.
- e. To establish appropriate procedures for giving notices required to be given under this Article.
- f. To establish and maintain necessary records.
- g. To prepare and distribute information explaining the Plan.
- h. To round out figures, use averages and composites and employ other customary and routine accounting techniques as it may deem necessary and appropriate.

Section 5. Procedure for Appeals by Applicants

a. First Stage Appeals

Any Employee who shall have been determined by the Company not to be entitled to any Weekly Supplemental Benefit or a Separation Payment or who shall have been determined to be entitled to be paid a weekly Supplemental Benefit or a Separation Payment that is smaller in amount than the amount to which such Employee believes he is entitled, may appeal such determination by presenting an appeal in the first instance to the Local Committee provided for in Section 6. of this Article, on a form to be provided for that purpose. Such written appeal shall be filed with the designated Company representative within thirty (30) days following the date of mailing of notice of denial or reduction of such Weekly Supplemental Benefit or Separation Payment to such person or within thirty (30) days after the date of mailing a check or draft for such smaller amount to such person. No appeal may be prepared after such thirty (30) day period. If the Local Committee shall not resolve the appeal within ten (10) days after the date thereof (or such extended time as may be agreed upon by the Local Committee), any two members of the Local Committee,

at the request of the applicant, or the applicant may refer the matter to the Board for disposition.

b. Appeals to the Board of Administration

1. (i) Appeals by the Local Committee to the Board with respect to Weekly Supplemental Benefits or Separation Payments shall be made within twenty (20) days after referral to the Local Committee, plus such extension of time for its consideration of the matter as the Local Committee shall have agreed upon. Appeals by the applicant to the Board with respect to Weekly Supplemental Benefits or Separation Payments shall be made within thirty (30) days after decision by the Local Committee.

(ii) Appeals shall be in writing, shall specify the respects in which the Plan is claimed to have been violated, and shall set forth the facts relied upon as justifying a reversal or modification of the determination appealed from. The Board shall have no jurisdiction to act upon any appeal made after the time limit specified above or upon any appeal that otherwise does not comply with this subparagraph. Subject to the limitations set forth in Subparagraph 2. below, the handling and disposition of each appeal to the Board shall be in accordance with regulations and procedures established by the Board. The applicant, the Local Committee or the Union Members of the Board may withdraw any appeal to the Board at

any time before it is decided by the Board.

2. In ruling upon appeals, the Board shall have no authority to waive, vary, qualify, or alter in any manner the eligibility requirements set forth in the Plan, the procedure for applying for Weekly Supplemental Benefits or Separation Payments set forth therein, or any other provisions of the Plan, and shall have no jurisdiction other than to determine, on the basis of the facts presented and in accordance with the provisions of the Plan:

- (i) whether the first stage appeal and the appeal to the Board were made within the time and in the manner specified in this Section,
- (ii) whether the Employee is an eligible person with respect to the Weekly Supplemental Benefit or Separation Payment claimed, and if so,
- (iii) the amount of any Weekly Supplemental Benefit or Separation Payment payable; and
- (iv) whether a protest of an applicant's State System Unemployment Benefit by the Company is frivolous.

3. There shall be no appeal from the Board's decision. It shall be final and binding upon the Union, its members, the person involved, the Trustee, and the Company. The Union will discourage any attempt of its members to appeal, and will not encourage or cooperate with any of its members in any appeal, to any Court or Labor Board from a decision of the Board, nor will the Union or its members by any other means attempt to bring about the

settlement of any claim or issue on which the Board is empowered to rule hereunder.

c. Applicability of Appeals Procedure

The appeals procedure set forth in this Section may be employed only for the purposes specified in the Plan. Such procedures shall not be used to protest a denial of a State System Unemployment Benefit or to determine whether or not a benefit should have been paid under a State System (appeal procedure under state law being the exclusive remedy therefore). The Board shall have no power to determine questions arising under the Collective Bargaining Agreement, even though relevant to the issue before the Board. All such questions shall be determined through the regular procedures provided therefore by the Collective Bargaining Agreement, and all determinations made pursuant to such Agreement shall be accepted by the Board.

Section 6. Board of Administration of the Plan

a. Composition and Procedure

1. There shall be established a Board of Administration of the Plan consisting of six (6) members, three (3) of whom shall be appointed by the Company (hereinafter referred to as the Company members) and three (3) of whom shall be appointed by the Union (hereinafter referred to as the Union members). Each member of the Board shall have an alternate. In the event a member is absent from a meeting of the Board, his alternate may attend, and when in attendance, shall exercise the powers and perform the duties of such member. Either the Company or the Union at any time may remove a member appointed by it and may appoint a member to fill any vacancy among the members appointed by it. The Company and the Union each shall notify the other in writing of

the members respectively appointed by it before such appointment shall be effective.

2. The members of the Board may, at their discretion, appoint an Impartial Chairman, who shall serve until requested in writing to resign by three members of the Board. The Impartial Chairman, if appointed, shall be considered a member of the Board, and shall vote only in matters within the Board's authority to determine where the other members of the Board shall have been unable to dispose of a matter by a majority vote except that the Impartial Chairman shall have no vote concerning determinations made in connection with Section 2.b.3. (xi) of Article V.
3. At least two (2) Union members and two (2) Company members shall be required to be present at any meeting of the Board in order to constitute a quorum for the transaction of business. At all meetings of the Board the Company members shall have a total of three (3) votes and the Union members shall have a total of three (3) votes, the vote of any absent member being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.
4. Neither the Board nor any Local Committee established pursuant to Subsection b. below, shall maintain any separate office or staff, but the Company and the Union shall be responsible for furnishing such clerical and other assistance as its respective members of the Board and Local Committee shall require. Copies of all appeals, reports and other documents to be filed with the Board pursuant to the Plan shall be filed in

duplicate, one copy to be sent to the Company members at the address designated by them and the other to be sent to the Union members at the address designated by them.

b. Powers and Authority of the Board

1. The Board shall be empowered and authorized and shall have jurisdiction

- (i) to hear and determine appeals by Employees pursuant to this Article;**
- (ii) to obtain from applicants, the Company, the Union, and elsewhere, such information as the Board shall deem necessary in order to determine such appeals;**
- (iii) to prescribe the form and content of appeals to the Board and such detailed procedures as may be necessary with respect to the filing of such appeals;**
- (iv) to provide for two (2) Joint Supplemental Unemployment Benefit Committees (one for each Local Union covered by the Plan), composed of two members designated by the Company members of the Board and two members designated by the Union members of the Board for each Committee, to handle appeals from determinations as provided in Subsection a. of Section 5. of this Article (subject to the power of the respective parties on the Board to authorize Local Committee members to designate alternates, who upon notice to the other party, shall serve in**

the absence of the regular Local Committee members);

- (v) to direct the Company to notify the Trustee to make payments of Weekly Supplemental Benefits or Separation Payments pursuant to determinations made by the Local Committee or by the Board;
- (vi) to authorize payment by the Trustee from the Fund of expenses of the Board which under the terms of the Plan are to be paid from the Fund; and
- (vii) to prepare and distribute, on behalf of the Board, information explaining the Plan;
- (viii) to perform such other duties as are expressly conferred upon it by the Plan.

- 2. Nothing in this Article shall be deemed to give the Board the power to prescribe in any manner internal procedures or operations of either the Company or the Union.
- 3. The Board shall have full power and sole discretion to administer the Plan and to interpret its provisions. Any decision or interpretation of the provisions of the Plan shall be final and binding upon the Company, the Union, the Employees and any other claimants under the Plan, and shall be given full force and effect, subject only to an arbitrary and capricious standard of review.

Section 7. Cost of Administering the Plan

a. Expenses of Trustee

The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee shall be charged to the Fund.

b. Expenses of the Board of Administration

The Compensation of the Impartial Chairman of the Board, which shall be in such amount and on such basis as may be determined by the other members of the Board shall be shared equally by the Company and the Union. Reasonable and necessary expenses of the Board for forms and stationery required in connection with the handling of appeals, shall be borne by the Company. The Company members and the Union members of the Board and of the Local Committees shall serve without compensation from the Fund.

c. Cost of Service

The Company shall have the right to be reimbursed each year from the fund for the cost to the Company of bank fees and auditing fees for services performed in connection with the Plan and Fund.

Section 8. Reports

a. Reports by the Company

1. The Company shall notify the Board and the Union with reasonable promptness of the amount of the Trust Fund Position for the Fund as determined by it from time to time under the Plan, and shall furnish a statement showing the number of Covered Employees on the Active Employment Roll and the number of laid off Employees not on the Active Employment Roll but having Credit

Units upon the basis of which such determination was made.

2. The Company shall furnish the Board and the Union quarterly a listing, by Plant, showing the names of the Employees who, during the preceding calendar quarter, accepted a Separation Payment provided for under Article XII of the Plan together with both the individual gross and net amounts of such Separation Payments.
3. Within ten (10) working days after the commencement of each month the Company shall furnish to the Union a statement:
 - (i) showing both the number of hours for which Employees shall have received pay from the Company and the number of such hours with respect to which the Company shall not have made contributions to the Fund as provided in Section 1. of Article IV, during each period for which contributions were made to the Fund, or would have been made to the Fund except for the provisions of Section 1. of Article IV, during the preceding month, and
 - (ii) showing the amount of the Company contribution for each hour with respect to which the Company shall have made contributions to the Fund as provided in Section 1. of Article IV, and
 - (iii) showing the amount of monies paid by the Company for each item in accordance with the provisions of Section 1.c. of Article IV by which

the Company contribution determined in (ii) above was reduced during the preceding month, and

(iv) showing the total amount of the Company contribution which was made to the Fund during the preceding month.

4. On or before May 1 of each year, the Company shall furnish the Union a statement certified by a qualified independent firm of certified public accountants selected by the Company verifying the accuracy of the information furnished by the Company during the preceding year pursuant to Subsection a.1. of this Section 8. The Company will comply with reasonable requests by the Union for other statistical information on the operation of the Plan which the Company may have compiled.
5. The Company shall furnish annually to each person who received Weekly Supplemental Benefits or a Separation Payment during the year a statement showing the total amount of such Benefits received and any amount of tax withheld therefrom.
6. After December 31, of each year, the Company shall furnish to each Employee credited with Credit Units as of each such date a statement showing the number of such Credit Units.

b. Reports by the Trustees

1. Within ten (10) days after the commencement of each month, the Trustee shall be required to furnish to the Board, the Union, and the Company a statement showing the amounts

received from the Company for the Fund during the preceding month.

2. Not later than the second Tuesday following the first Monday of each month, the Trustee shall furnish to the Board, the Union, and the Company a statement showing the total market value of the Fund as of the close of business on the Friday following the last Monday of the preceding month, and a statement showing the number and amounts, if any, paid as Weekly Supplemental Benefits:
 - (i) without reduction for other Compensation,
 - (ii) with reduction for other Compensation,
 - (iii) for Leveling Weeks, and
 - (iv) Separation Payments from the Fund each Week during the preceding month.

Section 9. Grievance Procedure

No question involving the interpretation or application of the Plan except to the extent otherwise specified in Section 5.c. of this Article, shall be subject to the Grievance Procedure provided for in the Collective Bargaining Agreement.

Section 10. Benefit Drafts Not Presented

If the Trustee has segregated any portion of the Fund in connection with any determination that a Weekly Supplemental Benefit or Separation Payment is payable under the Plan and the applicant fails to claim such Weekly Supplemental Benefit or Separation Payment within a period of two (2) years from the date of such determination, the amount of such unpaid Weekly

Supplemental Benefit or Separation Payment shall revert to the Fund.

ARTICLE XII

SEPARATION PAYMENT

Section 1. Definitions

As used in this Article "Separation Period" means a period when an Employee is not working in the Contract Unit due to:

a. a layoff (other than a temporary layoff) of such Employee and which layoff commenced on or after October 1, 1961 (Local 757), January 1, 1962 (Local 1287), June 1, 1964 (Local 306 Detroit Plant Office Clerical Employees and Detroit Plant Technical Employees), or

b. such Employee having been actively at work on or after the applicable date in a. above and having become totally and permanently disabled on or after such date, provided that he has been found eligible in all respects by the Board of Administration under the Retirement Plan (established by agreement between the Company and the Union) for a "disability benefit" under said Retirement Plan except that he does not have the requisite years of credited service, or

c. a combination of such layoff period and disability period, and which period is continuous through the date on which the application for a Separation Payment is received by the Company.

Section 2. Eligibility

An applicant shall be eligible for a Separation Payment if:

a. he had one or more years of Seniority on the last day on which he was on the Active Employment Roll; and

b. the layoff was not the result of any of the circumstances specified in Section 2.a.3. or Section 2.b.4. of Article V of the Plan; and

c. he has been on a layoff from the Contract Unit for a continuous period of at least 12 months (or any shorter period determined by the Company) provided, however, that an Employee shall be deemed to have been on layoff from the Company for a continuous period if, while on layoff, he accepts an offer of work by the Company and subsequently is laid off again within not more than ten (10) work days from the date he was reinstated; and

d. in accordance with procedures established by the Company under Article XI of the Plan, he has made application for a Separation Payment within twenty-four (24) months from the commencement of his Separation Period, except that an Employee who meets the requirements of Section 1.b. of this Article may make such application on or before the 30th day following the last month for which he was eligible to receive an Extended Disability Benefit under Section VIII of the Insurance Plan; provided, however, that in the case of layoff no application may be made prior to the completion of twelve (12) continuous months of layoff from the Company (or any shorter period determined by the Company), and

e. his application is received by the Company during a Pay Period when the Trust Fund Position for such Pay Period is equal to or in excess of 14% (provided, however, that applications of otherwise eligible applicants received during a Pay Period in which the Trust Fund Position is less than 14% shall become payable in order of dates of receipt by the Company, if, but only during the period of time when, the Trust Fund Position becomes equal to or in excess of 14%. When the Trust Fund Position becomes equal to or in excess of 14%, such Separation Payments shall have priority of payment over any other applications for Separation Payments; provided, however if, in the opinion of the Board, assets in the Fund are or may become insufficient to pay

Weekly Supplemental Benefits and Separation Payments with respect to all applications then on file, the Company may take such action as it deems appropriate, including deferral of payment of Separation Payments otherwise payable, to facilitate the priority of payment of Weekly Supplemental Benefits over Separation Payments. The amount of any Separation Payments or Weekly Supplemental Benefits, or both, deferred in payment shall be deducted, for the purpose of calculating the Trust Fund Position, from the amount of assets in the Fund. Nothing in this Subsection e. shall be construed to alter in any respect the provisions of Section 1. of Article X); and

f. he has not incurred a Break in Seniority on or prior to the date on which application is made to the Company.

Section 3. Effect of Separation Payment on Seniority

An Employee who is issued and accepts a Separation Payment

a. agrees that such Payment is a lump sum payment allocable to an inactive period ("Allocation Period") during which no other pay or benefits or rights of employment shall apply.

b. shall cease to be an Employee and the Employee's Seniority shall be deemed to have been broken as of the date the Employee's application for such Separation Payment was received by the Company ("Termination Date") for all purposes, provided, however, that if an Employee who has been issued a Separation Payment returns it to the Company within ten (10) days of the issue date, his application for Separation Payment will be considered withdrawn and his Seniority will not be considered to have been broken.

c. shall not be eligible to receive a special early retirement under any Company retirement plan.

d. shall not be permitted to retire under any Company retirement plan during the Allocation Period following the Termination Date, and

e. cannot grow-in to retirement if ineligible as of the break in Seniority (but without prejudice to any right to a deferred vested benefit). An Employee's Allocation Period in weeks shall equal the Employee's Separation Payment divided by one-half the unreduced Regular Benefit the Employee received, or would have received for the current period of layoff.

An employee eligible for an immediate pension benefit under the Budd-UAW Consolidated Retirement Benefit Plan, at the time of his/her break in service (due to receipt of a SUB Separation Payment), shall upon completion of the Allocation Period and application for a pension benefit under the Budd-UAW Consolidated Retirement Benefit Plan become eligible for post retirement health care and life insurance on the same basis as other retirees. For purposes of applying the terms of the Budd-UAW Consolidated Retirement Benefit Plan, such Employees shall not be treated as deferred vested by reason of their receipt of a SUB Separation Payment.

Section 4. Payment

a. A Separation Payment shall be payable only from the Fund and in lump sum.

b. Determination of Amount

1. Except as provided in Paragraph 2. of this Subsection b., the Separation Payment shall be in an amount determined by dividing the applicant's Weekly Straight-time Budd Salary plus the Cost-of-Living Allowance (but excluding all other premiums and bonuses of any kind) in effect on the last day he worked in the Contract Unit by forty (40) and multiplying the result by the applicable Number of Hours' Pay as shown in the following table, provided, however, that when the Trust Fund Position is less than 50% as of the date application is received by the Company, the amount of such Separation Payment shall be reduced by 1% for each full

percentage point that the Trust Fund Position is less than 50%; and provided further, that with respect to Separation Payments deferred under Section 2.e. of this Article, such percentage shall be determined as of the date the check or draft in payment of the Separation Payment is issued.

SEPARATION PAYMENT TABLE

Years of Seniority on Last Day on Active Employment Roll	Number of Hours' Pay
1 but less than 2	50
2 but less than 3	70
3 but less than 4	100
4 but less than 5	135
5 but less than 6	170
6 but less than 7	210
7 but less than 8	255
8 but less than 9	300
9 but less than 10	350
10 but less than 11	400
11 but less than 12	455
12 but less than 13	510
13 but less than 14	570
14 but less than 15	630
15 but less than 16	700
16 but less than 17	770
17 but less than 18	840
18 but less than 19	920
19 but less than 20	1000
20 but less than 21	1085
21 but less than 22	1170
22 but less than 23	1260
23 but less than 24	1355
24 but less than 25	1455
25 but less than 26	1560
26 but less than 27	1665
27 but less than 28	1770

SEPARATION PAYMENT TABLE(Cont')

Years of Seniority on Last Day on Active Employment Roll	Number of Hours' Pay
28 but less than 29	1875
29 but less than 30	1980
30 and over	2080

2. The amount of a Separation Payment as computed in 1. above shall be reduced by:

- (i) the amount of any Weekly Supplemental Benefit paid or payable to an applicant with respect to a Week occurring after the last day the applicant worked in the Contract Unit; and
- (ii) the amount of any payment, financed in whole or in part by the Company, received or receivable on or after the last day the applicant worked in the Contract Unit; with respect to any layoff or separation from the Company (other than a State System Unemployment Benefit or a benefit payable under the Federal Social Security Act); and
- (iii) the amount of any Moving Allowance deductible under the Moving Allowance Article of the Collective Bargaining Agreement;
- (iv) any amount required to be withheld by the Trustee or the Company by reason of any law or regulation, for payment of taxes or otherwise, to any

**Federal, State or Municipal
Government;**

3. If an applicant has been paid a prior Separation Payment and thereafter was reemployed by the Company within 3 years from the last day he worked in the Contract Unit,
 - (i) Years of Seniority for purposes of determining the amount of his current Separation Payment shall mean the sum of the Years of Seniority used to determine the amount of his prior Separation Payment and the number of Years of Seniority acquired by him after he was rehired, and
 - (ii) there shall be subtracted, from the Number of Hours' Pay based on his Years of Seniority determined as provided in clause (i) above, the Number of Hours' Pay used to calculate his prior Separation Payment.

Section 5. Repayment

If an applicant is reemployed by the Company after he has received a Separation Payment, no re-payment (except as provided in Section 3.b. of Article XI) by him of such Payment shall be required or allowed and no Seniority cancelled in connection with such Separation Payment shall be reinstated.

Section 6. Notice of Application Time Limits

The Company shall provide written notice of the time limit for filing a Separation Payment application to all Employees who may be eligible for such Payment. Such notice shall be mailed to the Employee's last known address according to the Company's records not later than thirty (30) days prior to both the

earliest and the latest dates as of which he may apply pursuant to the provisions of Section 2.c. and d. of this Article XII.

SUB Maternity Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

Notwithstanding any provisions of the Supplemental Unemployment Benefit Plan to the contrary, an Employee on a qualifying layoff who is ineligible for a State System Benefit for any Week solely because of the pregnancy provisions of the law of the applicable State System will, if otherwise eligible, be entitled to a Regular Benefit for such Week, subject to the following conditions:

1. Prior to the payment of a Regular Benefit for such Week, such Employee must:
 - a. Submit written evidence satisfactory to the Company of her ineligibility for a State System Benefit because of the pregnancy provisions of the law of the State System, and
 - b. With respect to such Week, file a written application in person and establish to the satisfaction of the Company that she is able and available for and seeking full-time work to the same extent as though she were receiving a State System Benefit.

Any term defined in the Plan and used in this letter has the same meaning in this letter as in the Plan.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

SUB Applications Prior to U.C. Eligibility

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

**Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214**

Dear Ms. Bunn:

During these negotiations, the Union indicated that under certain conditions the time limits for filing SUB claims may be inadequate since Employees may not have received a State System Benefit within 60 days after the end of the Week for which an application is made for a Regular Benefit.

Currently, there is no requirement under the Plan that an Employee must have received a State System Benefit for a Week prior to filing a SUB claim for that Week. Company offices which process SUB applications will be advised that Employees are not required to have received a State System Benefit to file a SUB

claim and applications should be accepted from Employees who wish to file such claims to meet the time limits under the Plan. Such claims will be retained for three months by the facility and no determination will be made regarding the Employee's entitlement to such Benefit until the Employee furnishes the information required by Article XI, Section 2.b.2. of the Plan.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

SUB Denial --Statutory Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

During the current national negotiations the Union expressed some concern regarding a possible interpretation of the provisions of Article V, Section 2.b.5. of the SUB Plan which could result in denying a Benefit to an otherwise eligible Employee who is claiming a benefit under a Workers' Compensation law while not totally disabled. This is to advise you that the provisions of Article V, Section 2.b.5. of the Plan will not be interpreted to disqualify an Employee on layoff from Benefits solely because he is eligible for or claiming a permanent partial or scheduled loss benefit under a Workers' Compensation law or other law providing benefits for occupational injury or disease so long as the injury or disease does not prevent the Employee from working.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

Application of SUB to Retirees Without Pension Benefits

THE BUDD COMPANY

CORPORATE OFFICES * TROY, MICHIGAN 48007-2601

November 1, 2000

Ms. Elizabeth Bunn
Vice President and Director
UAW-Budd Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Ms. Bunn:

The 2000 Supplemental Unemployment Benefit Plan does not provide for the payment of Separation Payments to Employees who are terminated at or after age 60, and who are not eligible for retirement benefits under the Retirement Plan established by agreement between the Company and the Union. The arrangement described below, therefore, is hereby adopted with respect to such Employees. Any term which is defined in the Plan and which is used in this letter shall have the same meaning in this letter as it has in the Plan.

An Employee who is terminated at or after age 60, who had one or more years of seniority on the last day he was on the active employment roll, who is not eligible for a Separation Payment under Section 2 of Article XII of the Plan, and who does not have the requisite years of credited service for eligibility under said Retirement Plan, will receive a lump sum payment in the same amount and on the same basis that would apply if Section 2 of Article XII of the Plan were applicable, except that Section 2 (d) thereof and the requirement that seniority be unbroken on the date application is made shall not apply. Notwithstanding any

possible implication to the contrary, the Employee shall make application within 24 months from the date of his termination.

Lump sum payments which may become payable under this letter agreement will be paid by the Company. Company contributions required under Section 1 of Article IV of the Plan shall be reduced by any lump sum payments paid hereunder. If contributions are not required under the Plan for any period, or if the contributions required are less than the amounts to be offset, then any subsequently required contributions shall be reduced by the amount of lump sum payments not previously offset against contributions. The amount of lump sum payments which could not be offset against contributions will be deducted from the market value of assets in the Fund in determining the Trust Fund Position under Section 2 of Article III of the Plan and in determining whether the Fund equals or exceeds Maximum Funding under Section 1 of Article III.

Very truly yours,

WILLIAM M. KROGER, JR.
Vice President
Human Resources

WMK:hs

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